

An aerial, top-down view of a large, modern superyacht. The yacht is white with a dark hull and a large, tan-colored deck area. A helicopter is parked on the deck, and its shadow is cast on the water. The water is a deep blue-green color. The yacht is moving through the water, leaving a white wake. The background is a dark blue sky with a white, geometric pattern of triangles and squares.

A strategic vision for the superyacht industry

November 2023



GOVERNMENT OF MALTA
MINISTRY FOR TRANSPORT,
INFRASTRUCTURE AND CAPITAL PROJECTS

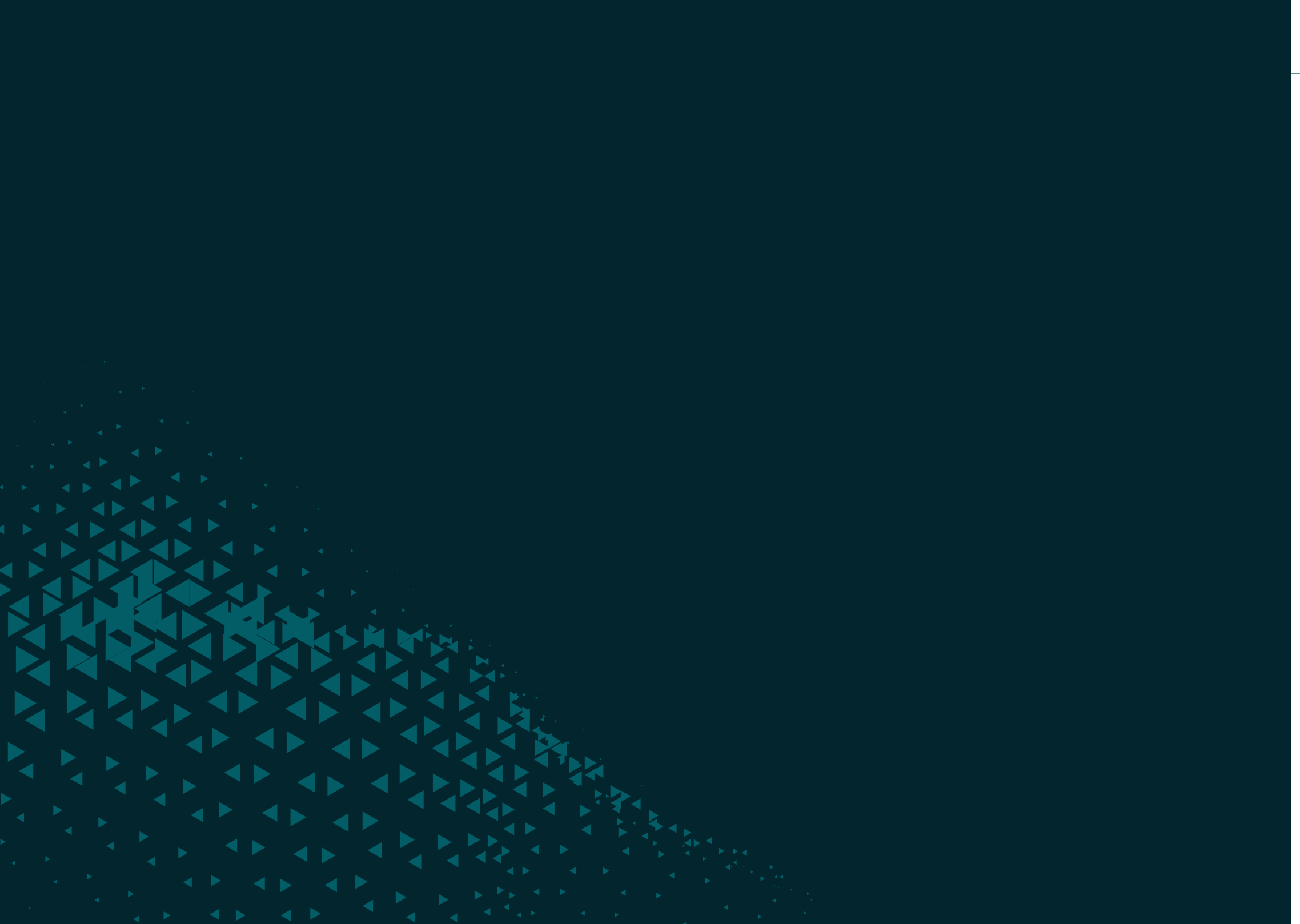


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Foreword from the Minister Aaron Farrugia



Malta's history and identity are inextricably linked to the sea.

An island state blessed with a unique position in the Mediterranean Sea, we have, since time immemorial, been a seafaring nation with an economy interwoven around the maritime industry in its broadest sense.

The sea is in our national and economic fabric, and it is therefore an honour for me to build on our legacy and to project Malta's vision in the niche superyacht industry.

We have combined our strategic location and unique historical landscape with our ability to provide an attractive regulatory framework that over the years has built Malta's flag into Europe's leading maritime flag.

Our flag continues to grow, not only in numbers but more importantly in repute, as we continue to attract superyachts to our flag. Today over 1,100 superyachts exceeding 24 metres have selected Malta as their jurisdiction of choice. We have registered record growth during the past five years but whilst being proud of our achievements, there is no room for complacency.

Our ability to continue attracting such superyachts does not solely depend on our regulatory framework, but on the robustness of our ecosystem. Even here we need to acknowledge the progress made over the past few years and today operators and stakeholders have praised our efforts in this regard.

Today the yacht and superyacht industry are served by marinas, yards, full-scope service agencies, yacht management companies, repair and maintenance outfits, training academies and engineering services. I believe that this creates the right foundation for a fully-fledged ecosystem to take off and continue being a net contributor to Malta's economy through sustained value-added and employment.

This is our belief and our ambition. We know we have the potential to grow this ecosystem because we enjoy the respect and confidence of the operators, and we are respected by the industry.

Over the past few months, there was a broad consultation with key industry stakeholders and this consultation document is a result of this discussion, research and SWOT analysis. Building on our ingrained identity as a maritime hub, we remain focused on the future and the potential it holds for Malta as a leading superyacht hub in the Mediterranean.





Executive summary

During the past decade, Malta has performed strongly on the economic and employment fronts, making it one of the best performers in the European Union. With a well-diversified economy, several sectors have contributed to this success, the maritime sector being one of them.

Building on this legacy, the Government launched the development of Malta's first National Superyacht Policy last October. Over the past few months there has been broad consultation with key industry stakeholders and this vision document is the result of this wide and broad-based consultation process coupled with preliminary research and SWOT analysis.

The discussions showed that there is a significant gap in terms of data associated with the local superyacht industry. As a strong believer in evidence-based policymaking, the Maltese Government recognises the need for its decisions to be informed by data.

Following the collection and subsequent analysis of the feedback received in response to this consultation, an economic impact assessment (EIA) will be conducted. The outcome of the EIA will contribute to the refinement of the Government's vision for Malta's superyacht industry, and will subsequently lead to a policy based on the priorities and associated workstreams identified by the EIA. Beyond being evidence-based, the policy will also work towards the consolidation of existent efforts within the superyacht industry.

This vision document is being supported by an industry report based on the extensive consultations with stakeholders from across the sector. The report highlights the state of play across various areas, among them infrastructure and training.

Guiding principles

The starting point of mapping out an industry transformation is defining the desired state of the industry in the future. The Maltese Government's vision for the superyacht industry is being proposed as follows:

Make Malta a jurisdiction of choice for the superyacht industry by fostering a sustainable ecosystem supported by reliable infrastructure, quality services and a skilled workforce.

In turn, four pillars were identified which group a number of strategic actions that were prepared by the industry for the industry. These are:

- Product development
- Legal and regulatory framework
- Human resource development
- Environment and social considerations



Introduction

Over the past years, Malta has established itself as one of the leading maritime hubs and service centres in the Mediterranean region. The Maltese maritime industry today includes varied economic activities such as ship design; ship management; shipping line operations; stevedoring; customs brokerage services; maritime environment protection; ship towage; offshore oil exploration servicing; freight forwarding; marine insurance; and shipping finance, surveying and corporate and legal services. Additionally, thanks to the traditional nature of the maritime industry, spanning back decades, the industry can also tap into a skilled and competent workforce that ensures the delivery of a fast and efficient service, and which caters for the needs of the industry.

The maritime industry is constituted of several smaller markets. A niche market within the maritime industry that has registered substantial positive results in recent years has been the superyacht¹ industry. This niche industry has been characterised by uncompromising quality-based services and is based on high value-added operations. Furthermore, the superyacht industry typically prides itself for its focus on the highest standards of comfort, speed, privacy, and design amongst other factors.

To this end, the Ministry for Transport, Infrastructure and Capital Projects has launched an industry-partnered approach in order to devise a strategic

vision which allows the country to explore the significant opportunities that exist in the superyacht industry. This process involved looking at the existing structure of the industry, identifying future trends and highlighting the associated requirements. These trends include market and customer trends, sustainability and resilience trends, societal and workforce trends, technological advancement trends, environmental trends, and political and regulatory trends.

This strategic vision allows the country to explore possibilities through which the economic contribution of the superyacht industry can support the sustainable development of Malta by increasing the country's competitiveness as a player in the superyacht industry.

¹ A superyacht is defined as a "luxury yacht (motor or sail powered), which is professionally crewed and has a length of 24 metres and above" - <https://maritime.solent.ac.uk/maritime-industry/superyachts>

Scope

Defining the exercise and methodology used

This section outlines the scope of the exercise and gives some detail into the approach and methodology applied to deliver this strategic vision.

Introduction

As the superyacht industry continues to evolve on an international level, one has to ensure that the Maltese economy reaps all the possible benefits from such growth by being proactive and tapping into opportunities with agility. To this effect, the focus of this document is to explore possible ways in which Malta can benefit from the numerous opportunities that exist in this industry.

As a small island state, Malta is pursuing a national development agenda within the global context of sustainable development. The strategic vision set out in this document will usher in a new era for the superyacht industry in Malta, with the aim of implementing a national framework that can support this industry towards this form of development. The current absence of a framework to guide the development of the local superyacht industry has given rise to several challenges. These challenges present an opportunity for the local industry to flourish and grow.

Approach

The operating environment is critical in charting a way forward as it is determined by both international and local forces. Concurrently, the industry needs to be understood in its current shape and form to ensure that a transformation process can be implemented.

In developing this strategic vision, one needs to be mindful of the different layers the industry is nested within. Three layers which impact the industry

were identified: the stakeholders, who were deeply involved in the development of the industry report annexed to this document, the local context and the international environment.

Whereas the local context presents the economic environment as well as legacy the industry is facing, the international environment provides the key trends and regulatory frameworks. Increased collaboration on an international level makes this environment a key driver of change too.

Methodology

The methodology underpinning this document was established and implemented by the Yachting Steering Committee (YSC). The Committee was established by the Minister for Transport, Infrastructure and Capital Projects in September 2022, to oversee the development of the Vision for the superyacht industry. Comprised of representatives from both the public and private sector, the Committee was responsible for providing advice regarding the long-term development of the superyacht industry.

For the consultation process, the Committee established five Industry Focus Groups. The themes of the focus groups were as follows:

1. Vision & Mission
2. Fiscal, Legal, & Administration
3. Training and Certification
4. Chartering & Commercial Management
5. Refits, Technical, & Infrastructure

Each focus group was chaired by Committee members. Through these focus groups several meetings took place with the industry's main stakeholders. Discussions in the focus groups were based on semi-structured questions and were facilitated by industry experts. In order to ensure consistency and conformity, whilst reducing overlap in the discussions, a template was provided to the focus group rapporteurs to guide the discussions. Based on this feedback, the rapporteurs delivered a presentation to the YSC and this feedback was discussed accordingly.





The Why

Understanding the need for transformation

This section outlines the foundation of the document by contextualising and setting the scene for the analysis of the strategic objectives. An analysis of the global, Mediterranean, and local trends of the industry, together with an outline of identified challenges, is presented in this regard.

Global Trends

The growth of the world's superyacht fleet, specifically for crafts exceeding 30 metres, has been staggering over the past decades (Figure 1). The fleet has grown over seven times in size since 1988, from just over 917 to 5,555 superyachts by the start of 2023, with the vast majority (85%) comprising motor superyachts. New superyachts, as well as the conversion of a number of commercial vessels into superyachts, contributed towards the annual growth of the fleet. Meanwhile, a limited number of superyachts per year are severely damaged, destroyed or scrapped and thus, removed from the operating fleet. However, the rate of fleet growth has started to slow down after 2012, with the annual growth rate of the fleet since then, standing at around 3.1%.

The construction book² has been relatively stable over the last few years, with the construction of superyachts exceeding 30 metres reaching a new peak in 2023 (see Figure 2).

An analysis of the construction book by length (in metres) as shown in Figure 3 shows that all segments, except for superyachts exceeding 80m, saw a positive increase in the number of projects between 2022 and 2023, with the 50-59.9 metre segment boasting the largest increase at 28%.

Although 2021 saw a relatively high number of sales driven by the pandemic,

an overall decline of 27% was observed in the sale of both new and used superyachts during 2022 (see Figure 4). Sales of new superyachts across all segments declined between 2021 and 2022, with the sharpest decline relating to the 30-39.9 metre segment (31%). Despite the decline when compared to 2021, the overall sales of new superyachts in 2022 were still higher than those of 2020.

Sales of used superyachts were particularly strong in 2021 (see Figure 5). This is believed to have been due to the Covid-19 pandemic, where travelling on a superyacht may have presented the safest option in terms of social distancing, at a time when holiday travel was restricted. An additional reason for the increase in sales of superyachts was attributed to individuals' wish to avoid waiting for the completion of a new build, making the purchase of a used superyacht more attractive. Although the overall number of used superyachts sold in 2022 declined compared to 2021, the figure is still higher than 2020.

As a final observation, it is noted that the evolution of the superyacht industry necessitates the need to recruit and retain quality crew. Although the superyacht industry, like the rest of the maritime industry, is expected to become increasingly automated, crew will still be needed and valued because of the ethos of ensuring a high level of customer service to owners and charterers.

² This includes superyachts which are either currently in the process of being built or under construction on speculation by shipyards, as well as projects which are on hold (SuperYacht Times, The State of Yachting 2023)

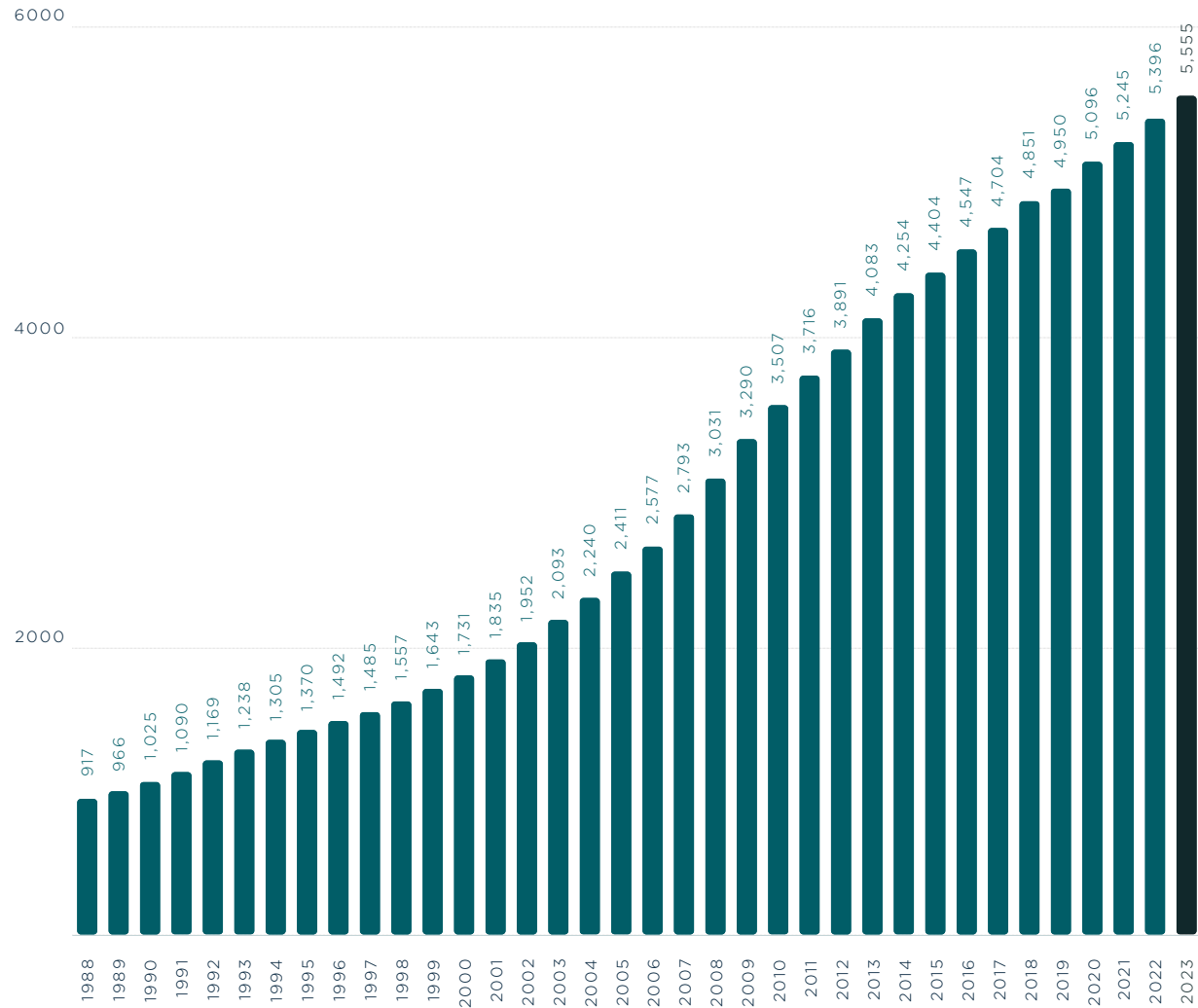


Figure 1. Fleet development between 1988-2023 (source: SuperYacht Times – The State of Yachting 2023)

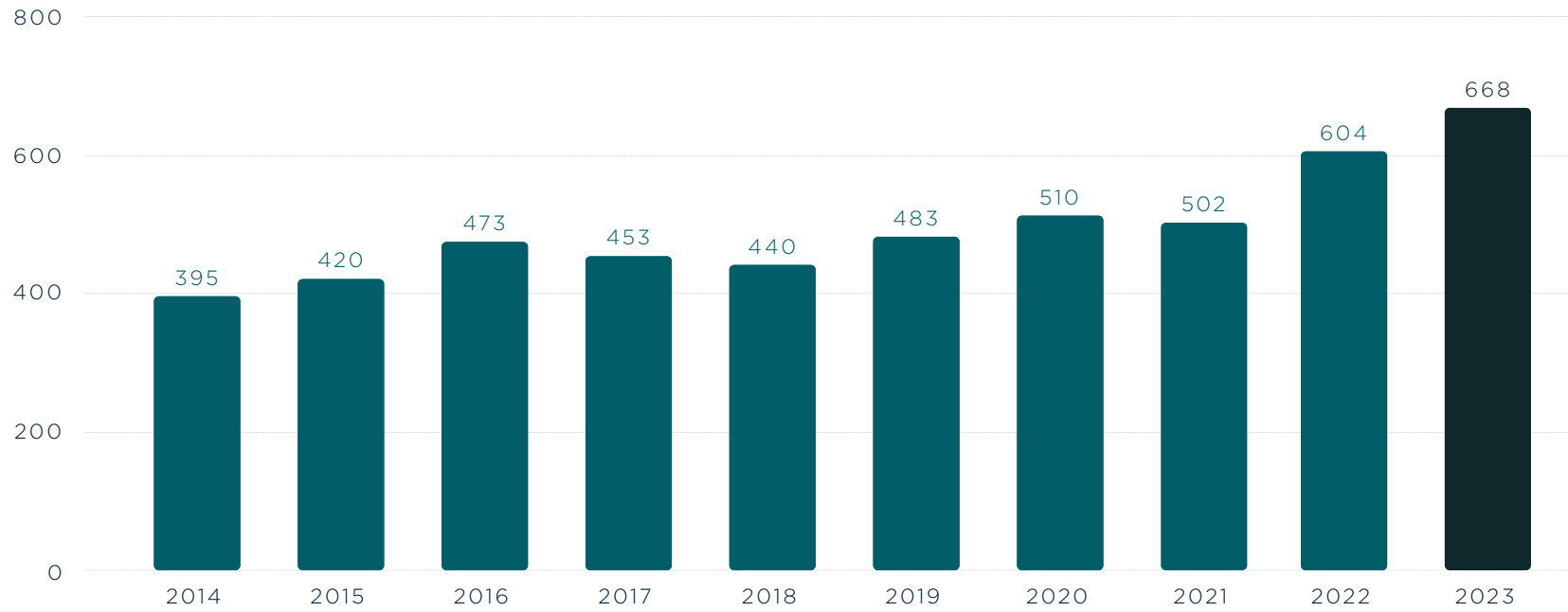


Figure 2. Projects under construction per year 2014-2023 (Source: SuperYacht Times, The State of Yachting 2023)

LENGTH	2019	2020	2021	2022	2023
80M+	46	43	43	48	43
60-79.99M	53	59	61	71	81
50-59.99M	59	57	54	63	81
40-49.99M	112	116	129	148	170
30-39.99M	213	235	215	274	293
TOTAL	483	510	502	604	668

Figure 3. Construction book by length group 2019-2023" (Source: SuperYacht Times - The State of Yachting 2023)

	2020			2021			2022		
	TOTAL	AVG LOA	AVG GT	TOTAL	AVG LOA	AVG GT	TOTAL	AVG LOA	AVG GT
80M+	8	98	3,754	14	104	4,034	9	95	3,086
60-79.99M	11	71	1,697	28	68	1,400	25	70	1,536
50-59.99M	15	54	641	24	54	632	21	53	601
40-49.99M	43	45	425	71	45	454	50	45	443
30-39.99M	85	35	261	176	34	247	121	35	257
TOTAL	162	45	610	313	44	596	226	45	586

Figure 4. New superyacht sales by size range between 2020-2022 (Source: SuperYacht Times - The State of Yachting 2023)

	2020			2021			2022		
	TOTAL	AVG LOA	AVG GT	TOTAL	AVG LOA	AVG GT	TOTAL	AVG LOA	AVG GT
80M+	6	92	2,871	8	102	4,870	9	92	3,118
60-79.99M	15	68	1,343	22	67	1,361	14	68	1,481
50-59.99M	19	55	644	36	55	717	32	55	679
40-49.99M	78	45	410	127	45	435	86	45	411
30-39.99M	205	34	203	313	34	216	231	34	211
TOTAL	323	40	382	506	41	430	372	41	416

Figure 5. Used superyacht sales by size range between 2020-2022 (Source: SuperYacht Times - The State of Yachting 2023)

Trends of the Mediterranean Superyacht Industry

Situated between Europe, Africa, and Asia, the Mediterranean is right at the heart of the flows and is one of the most visited berths for commercial, social and tourism purposes, making it a favourable area for the practice and development of the superyacht. According to the United Nations Environment Programme, the surface of the Mediterranean covers more than 2.5 million kilometres, with the coast extending for more than 46,000 km (around 20% of the world's coastal perimeter). This semi-enclosed sea, where the renewal of the water is very slow (from 80 to 100 years), is also one of the richest in the world in terms of biodiversity. The population of the Mediterranean countries is nearly 450 million, joined by 170 million tourists each year.

There are a total of around 940 marinas in the Mediterranean, more than half in the following three countries: Italy (253), Spain (191) and France (124), representing around 85% of the moorings in the Mediterranean. Greece, Croatia and Turkey also have a network of ports and marinas. In 2015, other new marina projects were identified: 17 in Greece, 10 in Spain and several in Italy and in the Adriatic (exact number unknown). Many marinas in the basin are at full capacity during the high season and cannot accommodate more superyachts. Berth demand is still growing and is used to justify new marina projects. With an average of one marina/shelter every 100km, Carreño et al (2019) further claim that the countries of the South shore represent a modest offering, as far as the superyacht industry is concerned.

The industry is driven by the seascape, bays and islands that feature

in the Mediterranean, and also by the high number of facilities for nautical activities, mainly located along the northern coasts of the basin. Mediterranean nautical tourism produces an important share of the EU's economic output generated by the industry. Although most leisure vessels travelling in the Mediterranean are less than 24 metres long, there is an increasing number of large yachts, following global trends.

Mirroring the trends being observed on a global level, the number of superyachts within the Mediterranean is on the rise. Around 70% of the world's superyachts (approximately 3,761 yachts in 2018) sail in the Mediterranean throughout the whole year, with marinas generally close to full capacity, especially in the Western European Mediterranean countries during the high season.

Malta's superyacht industry

Situated at the heart of the Mediterranean, Malta's location is of strategic importance within the tourism industry. This is no less true within the superyacht industry. Indeed, Malta is considered to be an excellent flag and jurisdiction, as evidenced by the size of its ship registry: the latest figures as of up to August 2023 show that there were over 1,110 yachts, exceeding 24m, fly the Maltese flag. The proximity of the shipyards to the workshops, chandlers, and other service providers also offers an added advantage in the form of reduced necessity for travel between suppliers.

This being said, it is the Government's commitment to improve on the current services and the first step in doing so is identifying those areas which require attention.

The following section provides a critical analysis of some of the identified areas where improvements would be required and welcomed by the local superyacht industry in the interest of increased efficiency in service provision, based on feedback from stakeholders.

Legal and regulatory framework

When it comes to registering superyachts, Malta has national superyacht registration laws and regulations in place, making registration under the Malta flag a streamlined and straightforward process.

Based on the data from the focus groups held on this topic, the following are some of the observations that emerged:

- Better co-ordination of the submission of documents is required between the different competent authorities such as the Malta Business Registry, the Commissioner for Revenue and Transport Malta.
- There is therefore the need for digitalisation to refine and take the process of registering superyachts in Malta and the subsequent processes to the next level.
- The introduction of a system of e-certification for the registry of commercial vessel certification (CVC) and commercial vessel operator license (CVOL) which would lead to speedier application processing.
- While it is widely known that tourism is an essential contributor towards Malta's economy, discussions with charter stakeholders highlighted

the need for the introduction of targeted incentives for the purpose of attracting charter business to Malta.

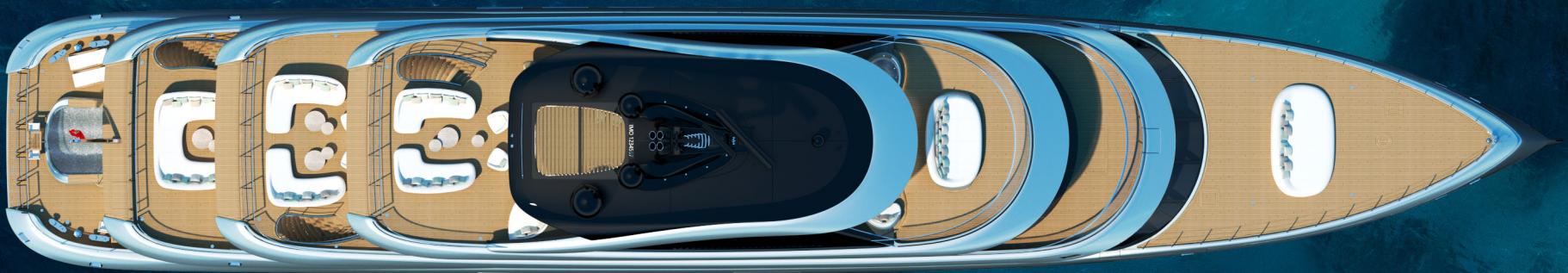
- Discussions with stakeholders in the refit, technical and infrastructure industry raised similar concerns to those discussed in the regulatory discussions, namely the lack of harmonisation. In this forum, however, harmonisation was discussed in relation to quality and standards within the context of subcontractors, shipyards, and marinas. Many subcontractors in the refit industry have acquired recognition from reputable institutions, such as superyacht manufacturers, and have also come to be recognised as official resellers or repairers. The time is therefore ripe for the formal introduction of national standards that yards will be obliged to follow.

People, talent, and certification

- Beyond standardisation of policies across the superyacht industry, stakeholders also highlighted the need for standardisation of qualifications among the crew required to work aboard superyachts. A lack of human resources across the local superyacht industry was underlined. Stakeholders from the refit industry in particular noted that several skills are being lost, as experienced tradespeople retire or leave the industry altogether. Comparisons were also made between the maritime and aviation industries; whereby courses dedicated to the maritime industry need to be further developed to cater for industry needs. The industry needs resources at different levels.
- Within the context of certification, it was noted that the majority of

courses offered are for crew members and not for pursuing a specific career/trade within the industry (e.g. naval architecture, electrical etc.). These are offered by MCAST which, by virtue of being a self-accredited institution, does not require MFHEA accreditation but is MQF certified. Also, there are private institutions who have started to offer a variety of different courses which, although not accredited, are industry certified. It was noted that difficulty in obtaining funds was also associated with achieving the necessary qualifications required for employment in the superyacht industry. At present, the Maltese Government offers a tax credit scheme (Get Qualified) however, this scheme is offered to employees rather than employers. As explained earlier, courses related to the maritime industry are not recognised at the Malta Qualification Framework level and the tax credit applicants can obtain is capped at €2,000. Another scheme, offered by JobsPlus and entitled Training Pays, was described as helpful by stakeholders, however, eligibility is limited to those residing in Malta (effectively restricting applications).





International presence

- Stakeholders across the board agreed that the Maltese flag is already renowned as reputable worldwide, offering a good opportunity to promote other services offered as a jurisdiction more proactively.
- It was acknowledged that the private industry undertakes efforts to promote Malta across the superyacht industry. In this context, stakeholders highlighted the need for Government support in terms of involvement in promotional efforts (including outreach campaigns showcasing careers in the superyacht industry and familiarisation trips to Malta for captain and key industry players).
- Malta's international presence was discussed not only in terms of presence during prestigious superyacht shows but also in terms of air connectivity. Stakeholders pointed out the importance of having a sufficiently diverse number of connections, to enable both vessel owners and crew to reach Malta.

Infrastructure

- Infrastructural difficulties were highlighted by various stakeholders, including the general management of anchorages. Reference was also made to the Grand Harbour and how the current infrastructure can better cater for captains or crew members in terms of accommodation and leisure facilities. Attention was also called to the need for waste management facilitation both for shipyards as well as moored vessels.

- Stakeholders also pointed out that in light of the exponential increase in the size of superyachts being experienced on an international level, marina capacity needs to be strengthened to allow Malta to be better suited to cater for the same while also remaining competitive in its pricing.
- In terms of digital infrastructure, during the discussions held in preparation for the drafting of this document, stakeholders highlighted that local undertakings are not yet equipped with the right technological tools to be able to transition to a future built on digital technology. A digital platform which is increasingly being adopted across the superyacht industry enables shipowners and fleet operators to obtain instant quotes for routine maintenance work, have real-time visibility of shipyard availability and secure priority access to dry dock slots. At present, however, a similar platform is not available for local suppliers.

Strategy, research and intelligence

All stakeholders consulted for the purpose of this document shared one common view, regardless of their background. They believe a strategy is needed if the superyacht industry is to flourish in Malta. For the strategy to be relevant and evidence-based, however, it was acknowledged that data is essential. At present the statistics gathered are limited, with all stakeholders highlighting the need for agreement on what data needs to be collected and analysed.

Industry Enablers

A decorative graphic in the bottom-left corner of the slide. It consists of a dense, overlapping pattern of small triangles in various shades of teal and dark blue, creating a textured, crystalline effect that tapers towards the right.

This vision document was prepared in an effort to facilitate the growth of the superyacht industry in Malta. The overarching goal of the vision is to achieve sustainable growth and development of Malta's superyacht industry by addressing the myriad issues which have been identified by Yachting Steering Committee.

It is envisaged that the policy document which will support this vision will also lay the foundation for improving the competitiveness of the industry, with a view to securing this country's position as a premier superyacht jurisdiction.

The vision aims to achieve these objectives using a comprehensive approach by looking at four thematic areas namely:

- i. Product development;
- ii. The legal and regulatory framework
- iii. Human Resource Development; and
- iv. Environmental and social considerations.

The specific objectives associated with each of these themes are intended to address existing challenges and to ensure the sustainable future development of the superyacht industry. These objectives are outlined below.

i. Product Development

Expansion of the superyacht industry in Malta requires a multi-faceted

approach to product development. In this regard, we will:

1. **Conduct a detailed Economic Impact Assessment** with a view to understanding the impact of the industry and identify the priority areas for development.
2. **Conduct regular and structure data collection in a centralised manner with a view to influencing policy decisions.** A structured and centralised data collection mechanism needs to be established to measure and assess expenditure patterns of the superyacht industry.
3. **Develop and implement a holistic superyacht marketing and promotional plan**

The focus groups carried out in preparation for this document provided an in-depth understanding of the current state of the local superyacht market, including emerging trends, challenges, and opportunities. A comprehensive plan will be developed to promote the superyacht industry based on this information. This plan will co-ordinate all yachting-related marketing and promotion activities and streamline the efforts of all the stakeholders involved. The major objective of the plan will be to attract more superyachts to Malta for chartering, repairs, maintenance and storage and to attract more crew to train in Malta. This will serve to develop the superyacht industry and increase its contribution to the Maltese economy.

4. **Conduct infrastructural upgrades and develop necessary zoning plans for our yachting areas**

This will involve working towards upgrading and developing a holistic

infrastructure catering for the superyacht industry, including the transportation systems, landscaping and facilities (both at sea and ashore). These improvements would support efforts to enhance the island as a superyacht tourism destination.

5. Investment in maritime infrastructure

A feasibility study will be conducted to identify the geographical location of potential sites, tenure of the land, the infrastructure that will be required at these sites and any associated natural constraints. Investors will be sourced to facilitate the construction of upscale full-service marinas that cater to the needs of the high-end superyacht market and also adhere to international best practices for sustainable development and quality certification.

6. Hosting annual superyacht events

Government will partner with the private sector to facilitate the hosting of major superyacht events such as regattas, boat shows and/ or superyacht conferences. These events will be hosted annually, and attempts will be made to have them included in regional and international superyacht circuits.

7. Develop and implement a Quality Mark for the industry

The implementation of harmonised Quality Standards is necessary to ensure the industry functions at the best of its ability. This programme will specifically target the needs of the micro, small and medium enterprises in the superyacht industry. The programme will be developed based on a

needs assessment and will have a strong quality-oriented focus and could potentially lead to the introduction of the Superyacht Industry Skill Card (SISC).

ii. Legal and Regulatory Framework

The further development of the superyacht industry is predicated upon the active involvement of many Government Ministries and Agencies. In light of this, we will focus on the following initiatives:

8. Investment in digital transformation and Business Process Re-engineering within regulatory agencies

Investment in digital transformation and re-engineering of regulatory authorities is necessary to ensure that operational processes can be carried out in a streamlined manner to improve efficiency and level of service.

9. Develop legal framework for new products/services

Each market segment will be evaluated based on its attractiveness. This will then be followed by the prioritisation of areas in which new legislative frameworks will be introduced to provide for the necessary incentives for the implementation of new products and services

10. Promote Research and Innovation

A range of incentives will be developed in order to promote further research

and development in yachting sectors such a use of technology and green technology by supporting innovative technologies in the industry. We will encourage collaboration between industry stakeholders and international education and research organisations both to promote and foster research and educational programs.

iii) Human Resource Development

Training must be formalised and integrated within plans for development of our people with particular emphasis being placed on technical and vocational skill areas as well as customer service skills. Therefore, we aim to:

11. Assess and formalise existing skills within the superyacht industry

Malta needs to develop the criteria for competency-based qualifications in the superyacht industry. To this effect, a detailed Labour Market Force and Future Skills Assessment will be undertaken to identify the gaps and the opportunities. This could also potentially lead to the introduction of the Superyacht Industry Skill Card (SISC).

12. Implement a national plan for training and certification

A national plan for skills training and certification in the superyacht industry will be developed. The plan will include, but not be limited to, training for middle and senior management; use of foreign expertise or expatriates who are skilled in yard management; an apprenticeship scheme for recent

graduates; short-term bridging courses to provide vertical movement from tradesman to foreman to manager and a work permit policy that facilitates employment of highly skilled foreign nationals.

13. Develop a scholarship/apprenticeship programme for advanced skills training

The possibility of providing scholarships/apprenticeships for high-level skills training will be explored. Partnerships between local academic institutions and international organisations or foreign universities will also be pursued. Scholarships will target human resource development for the mega and superyacht market segments to provide employment opportunities as captains, deck officers, engineering officers and stewards to name a few.

14. Explore the possibility of establishing Malta as a crew island

We will aim to introduce new incentives that could lead to the development of Malta as a crew island. Inter alia this could include providing financial incentives for crew members to relocate their residence to Malta.

iv) Environmental and Social Development

The sustainability of the superyacht industry depends on a plethora of social and environmental considerations. The development of the industry must factor in environmental best practices as well as the active involvement of the surrounding communities. Accordingly, we will pursue



the following activities:

15. Facilitate the use of sustainable environmental practices and technologies

Environmental governance is increasingly important across all industries, and we are conscious that the local superyacht industry needs to rise to the challenge. Collaboration with all stakeholders is necessary to develop compliance standards and alternative incentive programs, as well as international best practices for marinas and superyacht-related facilities.

16. Implement an environmental awareness and sustainability programme for the superyacht industry

Establish a committee of stakeholders to facilitate implementation of a programme of activities to raise awareness among the yachting community of environmental challenges and responsibilities. It is expected that this programme will shape the attitudes and behaviours of all stakeholders in the context of industry development. In addition, we aim to explore various eco-friendly practices and initiatives that can help yacht owners and operators reduce their environmental impact.

17. Promote increased Environmental Awareness and Sustainability

Owing to social, coastal and land spatial limitations there will be a need to balance competing uses of coastal areas, bays and anchorages. Diligence must be exercised to ensure that coastal infrastructure, and the construction thereof, and other activities associated with yachting

and other forms of leisure marine do not cause pollution or deterioration of the coastal environment. The potential impact of the superyacht on the marine and coastal environment can be minimised by ensuring that facilities and superyachts incorporate pollution and other environmental control measures into their operating procedures and development plans.

18. Implement a national sensitisation campaign for the superyacht industry

In an effort to increase participation from surrounding communities and to inform the entire population about the benefits of developing the local superyacht industry, a national sensitisation campaign targeted at the general population will be launched. It is expected that this campaign will stimulate interest from investors, the business community and from young persons who are seeking to pursue maritime-oriented careers among others.

Conclusion



To be successful, any economic sector needs to be nimble, adaptive, and innovative. Built on the basis of our strategic location and natural assets coupled with our jurisdictional innovation, Malta has built a known, respected and successful maritime industry. However, there is no room for complacency.

In this world of increasing digital and economic disruption, a green revolution and aggressive competition from neighbouring jurisdictions, the need for transformation is becoming even more urgent.

Our ability to continue attracting superyachts does not solely depend on our regulatory framework but on the robustness of our ecosystem. Today, the superyacht industry is well served by marinas, yards, full-scope service agencies, yacht management companies, repair and maintenance outfits, training academies and engineering services. The government believes that this creates the right foundation for a fully-fledged ecosystem to take off and continue being a net contributor to Malta's economy through sustained employment and added value.

Conscious of the opportunities, we are also aware of the challenges. We need to support the growth of the superyacht cluster which itself competes for resources with other economic sectors. We need to continue closing the skill gaps whilst ensuring that there are the sufficient human resources to sustain the industry. Our educational system and English-learning hub can open up new opportunities to tap into international training in Malta.

This document sets out the vision and roadmap for a holistic transformation of Malta's superyacht ecosystem, to future-proof it and to give it the right

tools, capacity, and capability to deliver on its vision of supporting Malta's economic and social development.

Government looks forward to growing this industry together with you as stakeholders.







Appendix: Industry Report



The below are actions being proposed to the Maltese Government which emerged through the extensive consultations held between the Superyacht Committee and stakeholders hailing from various sectors within the industry. Fourteen of these actions, highlighted in **bold**, have been selected by the stakeholders for prioritisation.

<p>Dimension</p> <p>The identified enablers are made up of several specific dimensions.</p>	
<p>Desired position</p> <p>This articulates the desired position of the industry in each identified dimension.</p>	<p>Actions</p> <p>The specific actions which could be implemented to achieve the desired position.</p>

Table 1. Initiative dashboard

Enabler 1 - Transformation

As the pace of digital and green innovation increases, complete industries are undergoing deep transformations. The maritime industry, and specifically the superyacht industry, is also undergoing such transformations.

As digitalisation and automation are impacting the maritime industry, Malta needs to be well- prepared to harness these changes by having the right skills and ecosystem to be able to support such changes.

The maritime industry is also undergoing deep changes as it embraces

greener technology and alternative fuels. For a country vying to establish a superyacht hub, being prepared for this green transition is critical.

In the face of such transformations, having a vibrant and innovation-driven ecosystem will be key. Supporting innovation and the attraction of innovative companies operating in the industry will only contribute to establishing a strong, future-proof hub.

Three dimensions were identified for this enabler and are presented below.

Dimension Driving the digitalisation of the industry.	
Desired position A future-proof industry that has harnessed digitalisation.	Actions <ul style="list-style-type: none"> ■ Exploration of possible support in terms of schemes to encourage stakeholders to access digital technologies, ultimately offering a better service and enhanced efficiency of onboard systems.

Table 2. Driving the digitalisation of the industry.

Dimension Embracing the green revolution.	
Desired position Establishing Malta as a regional green maritime and superyacht hub.	Actions <ul style="list-style-type: none"> ■ During future negotiations with the EU Commission, specific focus on the maritime industry is required in terms of sustainability and green investments. ■ Initiate discussions with all stakeholders leading to the development of a national strategy including incentives and schemes to promote a more sustainable and green yachting industry. ■ Initiate discussions with all stakeholders to explore the actions required to ensure that Malta has available the alternative fuels required for a green yachting industry

Table 3. Embracing the green revolution.

Dimension	
Supporting innovation.	
Desired position	Actions
Having a vibrant and innovative culture attracting start-ups and other companies to drive innovation.	<ul style="list-style-type: none"> ■ Financing of pilot projects through EU funds specifically dedicated for Research and Innovation. ■ Attract innovative start-ups in the maritime and superyacht industry. ■ Position Malta as a test-bed for new and innovative technologies together with strong incentives to bring over companies that need to test technology.

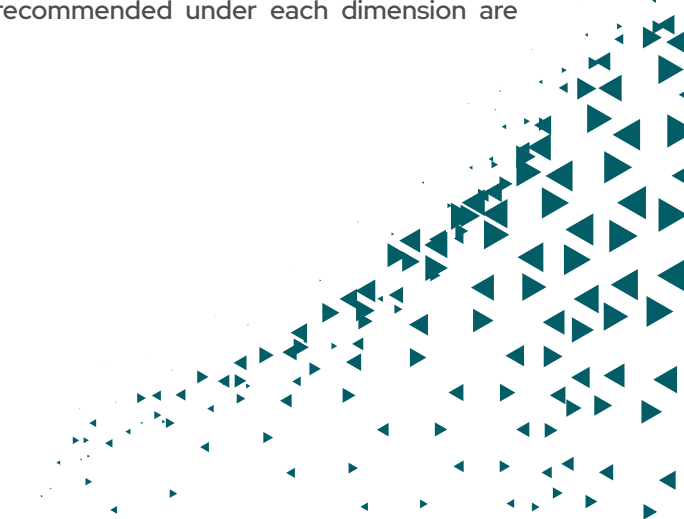
Table 4. Supporting innovation.

Enabler 2 - Harmonisation

The second enabler, in line with the overarching vision, is to develop better harmonisation within this industry too. Over the years, Malta has acted as a strategic hub in the maritime industry and today is considered as a key player in the region.

The stakeholders believe that even in the superyacht sub-industry, Malta has the potential of expanding and deepening the cluster that is being established and leveraging existing synergies to truly develop into a superyacht hub in the Mediterranean.

This enabler has four key dimensions to it and the recommendations and strategic actions being recommended under each dimension are presented below.



<p>Dimension</p> <p>Expanding and deepening the ecosystem</p>	
<p>Desired position</p> <p>Strengthening the synergies between the current elements of Malta's existing hub to ensure that we have a well-connected local hub catering to superyachts.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Introduce an approved list of service providers which would be based on the above. All yards and marinas will be required to refer to this list (similar to the list of approved surveyors). ■ Encourage collaboration between different yards in order to ensure the specialisation of each repair yard so as to set them apart from competitors. ■ Promote a homogenous product including refits, repair and maintenance. Possibly introduce an added incentive for those opting to make use of the whole range offered. ■ Establish Malta as a centre for crew training. ■ Target Mediterranean countries and promote Malta as a winter base for refits & charter clients, collectively between all the leading stakeholders. This can be done by offering special berthing prices for yacht wintering in Malta.

Table 5. Expanding and deepening the ecosystem.

<p>Dimension</p> <p>Strengthening linkages with adjacent industries</p>	
<p>Desired position</p> <p>A hub depends on the well-connectedness of various interlinked industries and we want Malta to capitalise on this.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Analyse the possibility of attracting international suppliers to set up a logistics hub in Malta. ■ Explore the possibility of promoting and encouraging superyacht financiers to set up in Malta

Table 6. Strengthening interlinkages.

<p>Dimension</p> <p>Internationalising the ecosystem</p>	
<p>Desired position</p> <p>Having a strong foreign interconnectedness to the local hub whereby Malta can be seen as a gateway for other clusters.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Help businesses that consider looking beyond their borders to establish partnerships with leading brands/companies in the marine mechanical and technical industry. ■ Improve air connectivity throughout the year to the South of France and Mallorca, through direct flights to enhance Malta's position as a logistical base thereby placing Malta at par with other countries.

Table 7. Internationalising the ecosystem.

Dimension	
Developing the institutional backbone.	
Desired position	Actions
Having a strong institutional and governance structure that will allow the hub to develop and thrive.	<ul style="list-style-type: none"> ■ A centralised autonomous authority needs to be created to oversee all activities. ■ Strengthen co-ordination across different Government agencies and authorities. ■ Establish a dedicated marketing team within Transport Malta to promote the superyacht industry in Malta abroad. ■ Organise technical committees and meetings for stakeholders such as captains, crew members, designers, managers, classification societies, superyacht surveyors and yacht yards in Malta.

Table 8. Developing the institutional backbone.

Enabler 3 - Regulatory & legislative frameworks

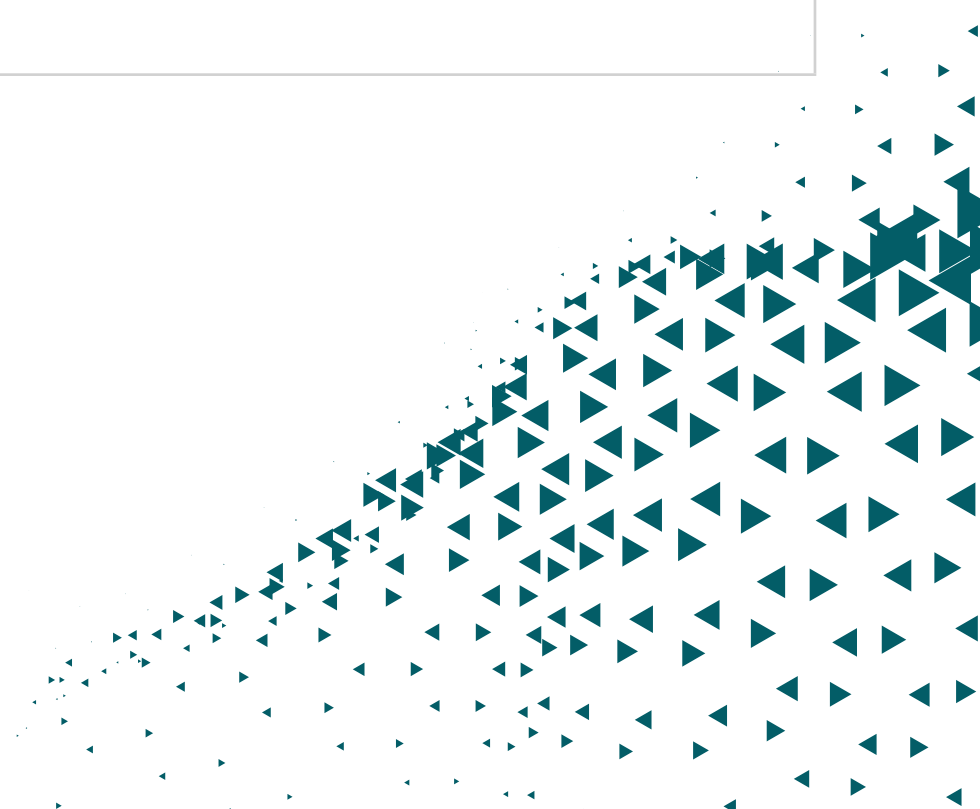
Malta's maritime industry is largely based on the attractiveness of its legislative and regulatory frameworks. Ensuring that our regulatory frameworks remain attractive, relevant, and robust is central to Malta's future establishment of a superyacht hub. For this reason, regulating the industry and main stakeholders will be imperative moving forward to ensure standardisation and quality across the industry.

In parallel with such frameworks, reducing the administrative burden is just as important. Ensuring efficiency and effectiveness when implementing such frameworks and reducing the bureaucracy around them will be critical.

Three dimensions have been identified under this enabling factor and the respective actions and recommendations are presented below.

Dimension	
Standardisation for shipyards.	
Desired position	Actions
Having a regulated and standardised sub-industry which provides quality service to its clients.	<ul style="list-style-type: none"> ■ Promote certification to ensure a level of standard and compliance. This can be based on industry standards such as ISO 9000 or ICOMIA. ■ Explore possible affiliations with international organisations to ensure standards are maintained. ■ Standardisation of refit yard access procedures through the creation of a clear regulatory standard framework in collaboration with yard owners, being respectful of the principle of fair competition on a commercial basis

Table 9. Enhancing Malta's regulatory framework.



<p>Dimension</p> <p>Enhancing Malta's regulatory framework.</p>	
<p>Desired position</p> <p>Future-proofing the regulatory framework by ensuring that it remains attractive and relevant.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Formulate a private superyacht code regulating aspects of the industry. ■ Continue efforts towards the introduction of regulations on licensed maritime service providers authorised to provide superyacht registration services. ■ Promote Malta as a jurisdiction for superyacht managers to set up shop on the island. ■ Extend discounted registration fees to newbuild commercial superyachts to render Malta's registration fee structure more competitive.

Table 10. Enhancing Malta's regulatory framework.

<p>Dimension</p> <p>Reduce administrative burden.</p>	
<p>Desired position</p> <p>Smooth and efficient processes that support this niche industry.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Remove inconsistency between shipping companies where one cannot file documents and forms online as is the case with companies covered by the Companies Act. ■ Invest in human resources and focus on succession planning and training of key officials within all departments that service the industry: flag administration, MBR, VAT and customs. ■ Establish of a Centralised Due Diligence System - a centralised document repository system that holds and maintains all due diligence documents related to investors/shareholders/UBOs and foreign workers. ■ Create a system whereby Transport Malta, Customs and Commissioner for Revenue, MBR, Inland Revenue, NSO, and FIAU have immediate access to certificates issued (and already in possession) by other Maltese authorities to avoid requesting them from service providers and speed up authorisation processes. ■ Set up a dedicated superyacht registry team and middle desk for superyacht transfers. ■ Establish a process dedicated specifically to superyachts e.g. superyacht deals take precedence over a transfer of a 10m yacht, double people at the registry on Fridays (all of them happen on Fridays) ■ Improve working hours by Government departments that service the superyacht industry to meet the requirements of this specialised niche.

Table 11. Reduce administrative burden.



Enabler 4 - Infrastructure & investment

The yachting and superyacht industry depend heavily on the infrastructure that support this niche. Specialised infrastructure to support the needs of the industry as well as having the right ancillary infrastructure to support this industry is critical in attracting clients and players to Malta.

In order to succeed, Malta needs to be aware of its size constraints which do not allow it be the be-all for the industry but to further specialise and carve out its own niche.

Several infrastructural investments together with the private sector have been rolled out over the years and Government needs to actively pursue the Public Private Partnership model to ensure that we can truly leverage our strategic assets commercially and sustainably.

Three dimensions were identified as part of this enabler, these are shown below.

Dimension	
Enhancing the direct infrastructure.	
Desired position	Actions
Ensuring that the industry is well-served with its infrastructural requirements.	<ul style="list-style-type: none"> ■ Prepare a policy related to superyacht mooring and related servicing facilities post-mooring. ■ Ensure that the refits industry is incorporated into the holistic Grand Harbour regeneration plan. ■ Explore the potential of Marsa being regenerated into a superyacht hub. ■ Invest in facilities and infrastructure in areas surrounding refit yards to support the industry – recreational/ hospitality facilities for the crew. ■ Explore the potential of public-private partnerships in new infrastructural and marina projects including a breakwater in Tigne to protect the whole of Marsamxett Harbour.

Table 12. Enhancing the direct infrastructure.

<p>Dimension</p> <p>Enhancing ancillary infrastructure.</p>	
<p>Desired position</p> <p>The industry requires to have modern ancillary investment which elevates the customer experience.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Earmark a location close to the Grand Harbour Marina to develop corporate offices for key players in the superyacht industry, providing offices for rent, event and meeting spaces and boardrooms, with video and IT facilities. This can also be used for hosting yachting events. ■ Undertake a study to explore the necessity of a helipad for servicing superyachts. ■ Focus on maintaining marinas and coastal areas in pristine condition.

Table 13. Enhancing ancillary infrastructure.

<p>Dimension</p> <p>Supporting private investment.</p>	
<p>Desired position</p> <p>Well-developed schemes and support packages to allow private operators to continue investing in their product and service offerings.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Explore possible schemes for business re-engineering and transformation schemes. ■ Support enterprises when undertaking large investment projects such as the paintwork market. ■ Encourage and support partnerships with leading superyacht refit companies and yacht builders. ■ Develop incentive and investment support schemes for the superyacht refit and maintenance industry to continue investing. ■ Discuss the possibility of providing the necessary space for infrastructure requirements of operators in the superyacht industry. ■ Modify grants to cater specifically for the industry needs, specifically for modernisation and operation of refit yards.

Table 14. Supporting private investment.

Enabler 5 - Value-adding initiatives

A number of initiatives were identified that stakeholders believe can support the growth and transformation of the industry.

From the discussions held, research undertaken and analysis done it is evident that Malta has the potential to truly develop in this niche industry. To truly leverage this potential, Government needs to embark on a more detailed economic impact assessment before finalising a holistic strategic vision for the yachting and superyacht industries.

In line with this, improving Malta's branding and promotional campaigns

will be key going forward. Malta needs to carefully develop and manage its sectoral brand to distinguish it from other jurisdictions and offerings given Malta's unique features and elements.

Further digitalisation of the Public Service is central going forward to truly service the industry properly and in a way that is expected by the industry players. Such initiatives will provide enormous value to the industry at large.

Four dimensions were thus identified for this enabler. These are defined in more detail with their respective action points below.

<p>Dimension</p> <p>Develop industry intelligence.</p>	
<p>Desired position</p> <p>Having a data-strong and intelligence-driven strategy and analysis framework of the industry.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Commission an extensive economic impact assessment of the industry. ■ Launch an industry data collection framework and repository to support decision-making. ■ Build a specialised and centralised data repository covering the industry. ■ Commission market intelligence on cost structure benchmarked against other jurisdictions to understand how competitive Malta is.

Table 15. Develop detailed industry intelligence.

<p>Dimension</p> <p>Develop Malta's international sectoral brand.</p>	
<p>Desired position</p> <p>Malta is an internationally well-known and respected centre of excellence which is backed by a strong brand and identity.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Create a specific identity for Malta as a charter destination. ■ Cultivate a stronger PR campaign and physical presence to promote the flag, and more generally Malta, as a superyacht jurisdiction. ■ Increase investment in attendance and physical presence in Yacht Shows: Cannes, Fort Lauderdale, Palma, Dusseldorf, Genoa. ■ Promote Malta as a wintering destination, which would include re-fits. This should be packaged as a product and branded accordingly. ■ Provide training to ambassadors and consulates in the industry to support the marketing efforts of Malta as a jurisdiction of choice.

Table 16. Develop Malta's international sectoral brand.

Dimension

Further digitalise the Public Service.

Desired position

A digital government and Public Service to the core.

Actions

- Invest in digital transformation technologies to ensure that operational processes can be carried out online, from submission of forms and requests to the receipt and collection of documents issued by the MBR.
- Make all documentation available online.
- Provide applications with a real-time indication as to the timeframes of deliverables and progress with respect to each application so that they can offer a better service to the client and manage their expectations.
- Introduce a system which accepts documents signed via digital signatures as an alternative to documents notarised and apostilled from abroad and help clients and applicants to also save hundreds of Euros. Explore the possible introduction of a QR Code system to prove authenticity in all departments and avoid physical returns.
- Explore the possibility of allowing online real payments for any certificate with a clear price list available online.
- Introduce an easy and immediate content search function similar to legislation.mt with respect to MS Notices. Very often aspects concerning yacht registration are included in MS notices but finding the correct MS Notice is almost impossible and tedious.
- Introduce a tracking tool for each application, allowing the desk officer in charge of the matter to be aware of the progress/status of the application. This already exists in the Aviation Registry.

	<p>Actions (cntd)</p> <ul style="list-style-type: none"> ■ Introduce a ticketing/app system as the sole means of communications with TM Officials (email or phone calls will not be accepted). ■ Provide technical equipment to work remotely such as a hands-free/blue tooth accessory to Transport Malta officials handling registration and mortgage matters. Ticketing should not be archived and should allow operators to access them at will.
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Table 17. Further digitalise the public service.

Enabler 6 - Education, talent, and people

In today's talent-driven economy, human capital is the most potent source of value creation and is also the constraint to the growth of any organisation and industry. As an industry, superyachts are heavily dependent on having the right human resources with the required skill sets and the shortage of qualified human resources was highlighted by several stakeholders.

This is currently a nationwide issue and the shortage of human resources is one of Malta's biggest economic challenges. The government launched the National Employment Policy 2021-2030 to address these shortages by proposing a number of measures to support private sector operators to invest in industry-led training as well as to reform the work permit administrative process. Here the success of Lufthansa Technik in developing industry-led courses can be seen as replicable in the maritime industry.

One of the main recommendations of the National Employment Policy was to focus on developing career paths across different sectors and to also work on a job impact dashboard which shows the impact of automation and areas of growth across the different career paths. This is also something that the stakeholders mentioned.

Finally, Malta has long been seen as a regional centre of education. Our command of English, in particular the presence of English-language schools that attract thousands of students on a yearly basis, makes Malta well suited to develop an international maritime training centre of excellence.

Within this enabler, four key dimensions were identified and under each several key actions and recommendations are being put forward.

Dimension	
Training	
Desired position	Actions
To strengthen the quality of training and education with a focus on the superyacht industry.	<ul style="list-style-type: none"> ■ Explore ways to incentivise training centres to upgrade their training programmes and equipment to reflect the requirements of the industry. ■ Promote the superyacht industry and include certifications and crew training in its marketing campaigns. ■ Lobby at international level as there are no standards or guidelines in relation to superyacht certifications. ■ Establish accreditation for training in maritime just like in other countries. ■ Lobby the EU and encourage harmonisation of training and certifications. ■ Strengthen the current courses offered by MCAST by enhancing the industry-driven component. ■ Diversify MCAST and UM courses to cater for all aspects of the maritime industry including the re-fits industry. ■ Encourage collaboration between international trade schools and local refit yards for the development of technical skills.

Table 18. The training dimension.

<p>Dimension</p> <p>Careers in the maritime industry.</p>	
<p>Desired position</p> <p>Develop and promote multiple pathways to rewarding, enriching and future-proof maritime careers.</p>	<p>Actions</p> <ul style="list-style-type: none"> ■ Explore the development of a career pathway for the maritime and superyacht industry. ■ Ensure that the digital and green revolution are included in career paths. ■ Develop job dashboards to trace the impact of automation and digitalisation on the maritime industry. ■ Explore the introduction of a Superyacht Industry Skill Card (SISC) which will be issued based on an industry-standard level of certification or years of experience. This will be done in collaboration with stakeholders. ■ Invest in maritime careers by including maritime subjects at the secondary levels. ■ Educate guidance teachers on the benefits and opportunities of working within the maritime industry. ■ Explore the creation of internships to cater for the superyacht industry.

Table 19. The career dimension.



Dimension	
Malta as a training hub.	
Desired position	Actions
Malta can become a regional crew training hub.	<ul style="list-style-type: none"> ■ Explore possible funding incentives specific to the superyacht industry to encourage training in Malta. ■ Seek collaboration with the English-language schools to develop maritime-specific courses. ■ A specific scheme for the maritime industry similar to the Training Pays is required for the superyacht industry to attract more crew to train in Malta. ■ Promote crew training in Malta by offering incentives to businesses in the form of tax credits or rebates. ■ Explore the introduction of a single, transparent, and publicised policy for student visas exceeding 90 days, and the removal of the 150-day requirement.

Table 20. Malta as a training hub.

Dimension	
Attracting foreign talent to Malta.	
Desired position	Actions
An accessible and efficient process to attract foreign workers to Malta in order to work in this industry where local skills might be missing.	<ul style="list-style-type: none"> ■ Extend the Highly Qualified Persons rules for superyacht/charter management company executives. ■ Fast-track work permits for crew members who want to live on-shore ■ Streamline Identità's process and strengthen their workforce.

Table 21. Attracting foreign talent to Malta.

Additional action points for prioritisation
<ul style="list-style-type: none"> ■ A project undertaken by Yachting Malta that includes Malta and other Mediterranean countries focusing on the greening of marinas ■ Raising awareness within the yachting community on ESG and what grants are available for the industry ■ Organise familiarisation trips to promote Malta as a winter base for refits and charter clients, collectively between all stakeholders. This can be done by offering special berthing prices for yacht wintering in Malta. The trips will target Captains and brokers respectively. Brokers can be further incentivised thanks to the recent 12% reduction in VAT for pleasure yachts. The purpose of these trips would also focus on the promotion of Malta as a wintering destination, which would include re-fits.

Table 22. Additional action points for prioritisation



