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MARTINIQUE

The Yachting Sector

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TABLE OF CONTENTS

Executive Summary	1
Country Background	2
Social and Economic Background	2
Overview of the Tourism Sector	3
Description of Yachting Sector	6
Composition of Fleets	13
Government Incentives and Legislations	13
Patterns of Use.....	14
Strengths and Weaknesses.....	17

INDEX OF MAPS

Map1: The Map of Martinique	3
Map 2: Fort de France.....	7
Map 4:La Pointe du Bout.....	9
Map 5: Les Anse D'Arlet.....	10
Map 6: Petite Anse D'Arlet.....	10
Map 7: Grande Anse D'Arlet.....	11
Map 8: Marina of Marin.....	12
Map 9: (A) Le Club Mediterranee et L'Ilet Baude	12
(B) Le Trou Des Cyclones.....	12

Executive Summary

This mini report is an overview of the yachting sector in Martinique specific to the terms of reference as presented by the Economic Commission of Latin America and the Caribbean (ECLAC) Subregional Headquarters for the Caribbean. This report was compiled based on information gathered through interviews, previously existing data and observations where data was not available.

The following are the major findings of this study:

- Yacht visitors contributed \$7.8 million to direct tourist expenditure in 2001, when compared with cruise ships' \$4.5 million for the same period.
- Martinique's yachting sector is vibrant and will continue to grow at a phenomenal rate because of defiscalisation. (An investment law).
- A total of 45,757 yachts persons visited Martinique in 2001. This sector recorded an increase of 4.2% from 2000 and 2.07% in 2001 compared to 2000.
- Martinique has excellent infrastructure at marinas and several anchorages.
- 63% of the total yachts departing from Martinique visit the Grenadines.
- Average stay for visiting yachts is two weeks.
- Martinique's best anchorages are plagued with strong user conflicts: between fishermen and yachts.
- Overall there is an absence of a centralised maritime authority to liaise with the tourism department and improve the yachting product.
- The table which follows shows that for the period 2000 to 2001 the direct expenditure for tourism in 2001 in all categories declined. However, the percentage contribution for the yachting sector increased.

Table 1: Tourist Direct Expenditure in Millions of US Dollars

	2001	%	2000	%	2001/2000
Stay-over	210.67	94.46%	244.83	94.60%	-0.14%
Yachtspersons	7.85	3.52%	8.04	3.11%	0.41%
Cruise	4.50	2.02%	5.94	2.30%	-0.28%
Total	223.02		258.81		

Source: ARDTM

Country Background

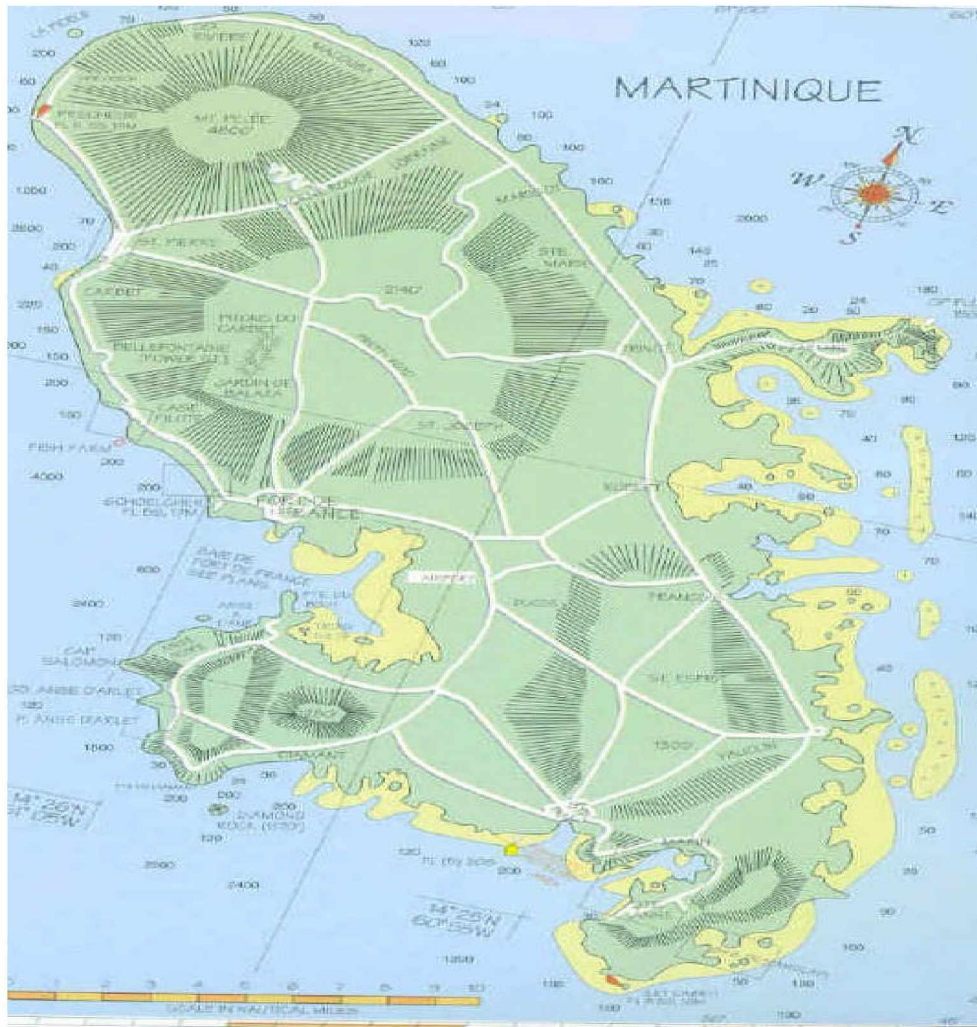
Martinique is a lush tropical island boasting an exotic historical mix of French heritage and Carib Indians. Centrally located within the Caribbean Archipelago, Martinique totals a surface area of 426 square miles. At its greatest length Martinique measures 50 miles and its greatest width is 22 miles.

Located at 14 40 North 61 00 West it is the largest of the Windward Islands. It is a sophisticated island, volcanic in origin and bares a rugged, green mountainous terrain. The indented coast is dotted with numerous picturesque coves and bays; even the rugged open Atlantic East Coast has several sheltered spots. Martinique peaks at 4586 feet: Mt Pelee, an active volcano at the northern point of the island. Martinique has several colourful flowers, with a vegetation type varying with altitude and rainfall.

Social and Economic Background

Martinique was discovered by Columbus in 1502 and colonized by France in 1635. The island has subsequently remained French except for three brief periods of foreign occupation. Martinique is an overseas department¹, with elected representation in the French Parliament. The estimated population for 2002 is 422,227 (as at July 2002). The local economy is essentially based on sugar cane, bananas, tourism and light industry. Traditionally the country has had an agriculture base, but as with many other Caribbean islands, tourism now plays a more dominant role than agricultural exports as a source of foreign exchange. Tourism employs more than 11,000 persons presently. Agriculture accounts for 6% of GDP and the small manufacturing sector for 11%. Sugar has declined, with most of the sugarcane now used for the production of rum. Banana exports are increasing, going mostly to France. The bulk of the meat, vegetable and grain requirements must be imported, contributing to a chronic trade deficit, which requires large annual transfers of aid from France. The majority of the work force is employed in the service sector and government administration.

¹ Martinique acquired status of French Department on March 19th 1946

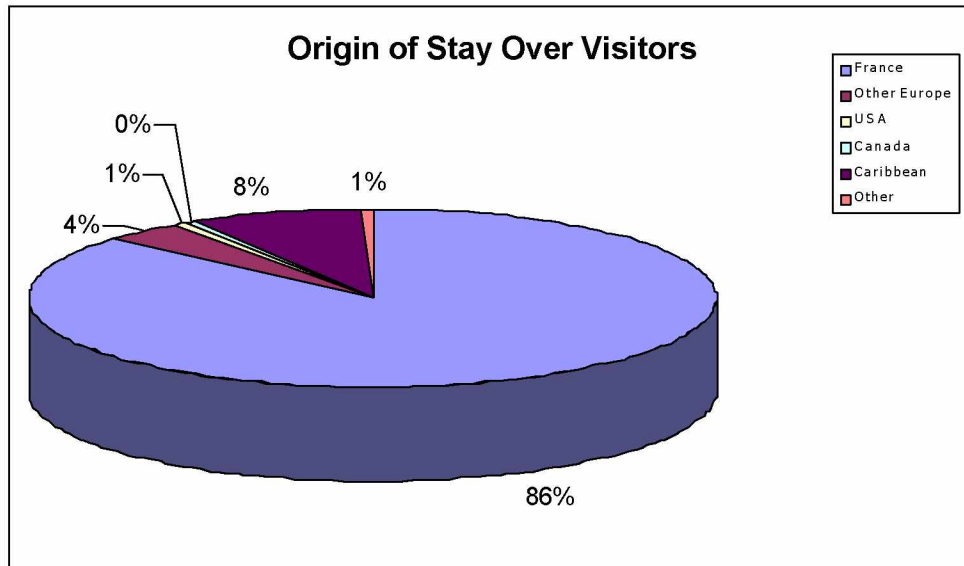


Map1: The Map of Martinique

Overview of the Tourism Sector

Martinique, due to its French parentage, is a Caribbean home for many French persons. It is therefore not surprising to see that 86% of its stay-over visitors² are accounted for by France and 8.2% by the Caribbean. Significantly only 4.10% of stay-over visitors are from other European countries, with Luxembourg accounting for 22% of the 4.10%.

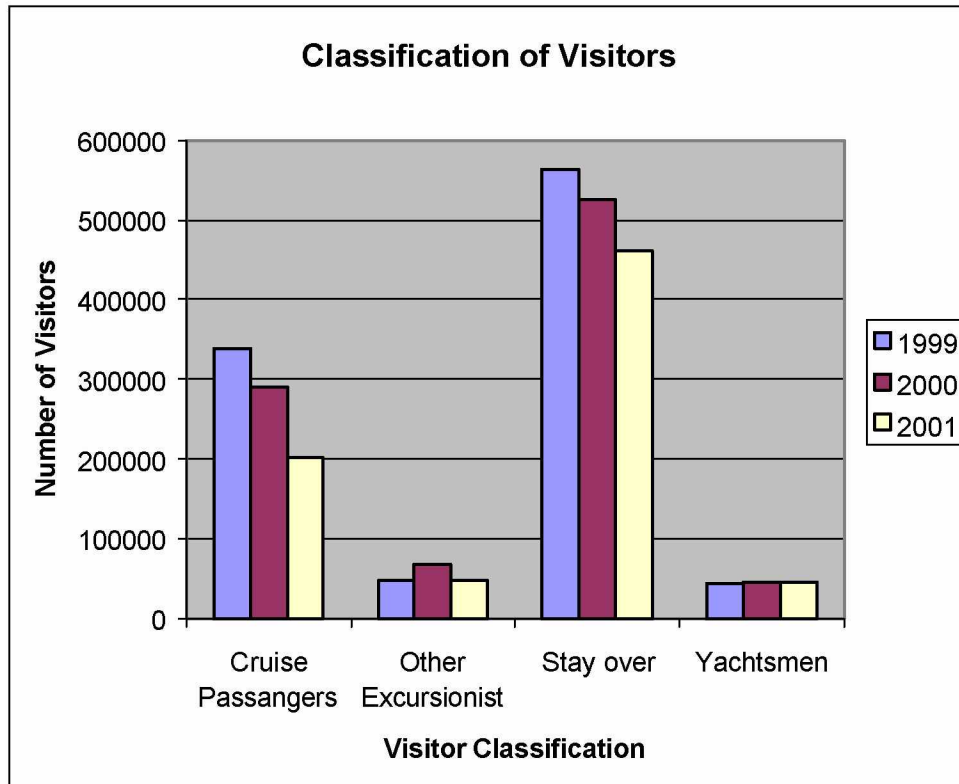
² Stay-over visitor defined as visitor who stays in hotels, furnished apartments or cottages.

Graph 1: Origin of Stay-over visitors to Martinique

Martinique receives two categories of visitors:

Excursionists who spend less than 24 hours on the island: they are by large, cruise passengers. In addition other excursionists arrive by plane or maritime shuttles from Guadeloupe and Saint Lucia.

Stay-over visitors who stay at least 24 hours in the country in land accommodation facilities or who are yacht visitors and stay on their boats.

Graph 2: Classification of Visitors to Martinique

The above graph shows the categories of visitors to Martinique. Stay-over visitors constitute the largest proportion of visitors followed by cruise passengers.

Of significance is the decline in both these areas over the past three years, e.g stay-over visitors declined by 14% from 1999 to 2000 and 30% from 2000 to 2001. It must be noted however that contrary to this pattern is that of yachting visitors which shows an increase from 1999 to 2000 by 4.24% and from 2000 to 2001 by 2.07%.

The table below shows annual comparison of these two categories of visitors totalling 755,660 persons in 2001, representing an 18.1% decrease when compared with 2000

Table 2: Data relating to Visitor Categories

	1999	2000	2001
Cruise Passengers	339086	290097	202421
Other Excursionist	47052	67525	47099
Total	386138	357622	249520
Stay-over	564303	526290	460383
Yachtsmen	43000	44825	45757
Total	607303	571115	506140
TOTAL	993441	928737	755660

Source: ARDTM

Description of Yachting Sector

Martinique is one of the many islands forming the arc of the Lesser Antilles, which separates the Atlantic Ocean from the Caribbean Sea. Excluding Barbados, it is the most eastern island of the group of the Lesser Antilles and it is world famous for its pleasant sailing conditions. Situated between 14.23 and 14.53 north and 60.49 and 61.14 west. A channel of 27 miles separates it from Dominica and another 17 miles from Saint Lucia.

Martinique, a small slice of France in the Americas, has always been a favourite stop over for sailors of all nationalities. It has benefited from the development of yachting in the Caribbean. Due to a law, the defiscalisation, which provides a tax-free incentive for overseas departments of France, many charter companies were created, and a large number of yachts were imported to the island. Nearly every bay has a wonderful government built dock, ideal for leaving one's dingy or small vessel.

One can get almost anything done in Martinique regarding repairs to yachts. The continued postponement of the building of a big marina near Fort de France has benefited Le Marin where the largest marina on island can be found. Sailing around Martinique means a navigation of 100 miles.

This allows one to visit a total of 120 anchorages, however for the purpose of this report only the major ones will be described, which are:

- Fort de France
- Cohe Du Lametin
- Anse Mitan
- Anse Noire
- Le Marin
- Grande Anse d' Arlet
- Pointe du Bout
- Le Francois
- Le Robert
- Sainte Anne

- ***Fort de France***

Most of the island's activities are to be found in Fort de France. It started as a simple anchorage for naval ships, however, after the catastrophic eruption of Mount Pele in 1902 the town was made the capital and main port. Yacht visitors are privileged to anchor right in the heart of town. Conditions however are not ideal for yachts, but it is extremely practical, due to the short dinghy ride into town. The following bays are located in Fort de France:

- *Bay Des Flamands*
- *Port of Fort de France*
- *Bassin de Radoub*
- *Baie Des Tourelles*
- *Pointe Des Carriers.*

In the Fort De France area there is one marina and two small boatyards. The marina, Yacht club of Martinique, has 30 floating docks made of wood. The pontoons are reserved for club members. The dockyards are both small, offering services in paint application, welding, fire extinguishers, machine shop, etc. There is however a proposal to shift the Yacht Club and Boatyard.

Map 2: Fort de France



Map 3: Bay Des Flamands



- ***Cohe du Lamentin***

Le Cohe du Lamentin is used by yachts in case of hurricanes and also gives access to the small port of Club Neptune and to the marina, port of Cohe. Mangrove and swamps frustrate the frequent use of these passages. The Marina of Port Cohe is very basic and isolated, however, it is the best hurricane shelter for small boats in the bay. The docks are poorly built with limited utility services; the depth is less than 5.5 feet at low tide.

The Club Neptune situated in Pointe du Lamentin is a small yacht club, which offers services to yachts. It is principally a sailing school but offers limited service to yacht visitors. The maximum depth is 6.5 feet.

- ***La Pointe du Bout***

Pointe du Bout has four anchorages and one marina.

- *The Anchorage of Trou Etienne*
- *The Marina of Pointe Du Bout*
- *Anse Mitan*
- *Anchorage of Pointe Du Bout.*

The anchorages of Pointe du Bout are all very shallow, close to the shore and the bays are 49 feet to 82 feet deep in the middle. The Marina of Pointe du Bout is situated just opposite Fort de France; the peninsula of Pointe du Bout is the most important touristic center of Martinique. Four of the islands major hotels surround this 60 berth marina. The marina is well protected and is a good hurricane shelter, with the depth normally slightly over 10 feet. Water and electricity are available at dockside, with long-term security services. Other shore services are diesel mechanic, communications, garbage collections, toilet and shower facilities, laundry services, charters boats, car rental, supermarket, small strip mall, casinos and night club, and a very efficient ferry service to Fort de France.

Map 4: La Pointe du Bout



- *Les Anse D'Arlet*

The Anse D'Arlets, named after a Carib Indian chief, are two of the most beautiful bays of Martinique. They provide pleasant anchorages and access is very easy. The following anchorages are located in this bay:

- *Grande Anse D' Arlet*
- *Petite Anse D' Arlet*
- *Anse Chaudire*
- *Petite Anse Du Diamant.*

Due to the beauty of these anchorage spots there is a permanent disagreement between fishermen and yachtsmen. Anchorage in these areas is in principle restricted, but the yellow floats, which mark the forbidden areas, frequently disappear.

Map 5: Les Anse D'Arlet



Map 6: Petite Anse D'Arlet



Map 7: Grande Anse D'Arlet



- *Cul De Sac Marin*

This is a natural sheltered bay more than two miles long, which has mushroomed into the mecca of yachting activity for Martinique. Marin has benefited from huge increases in yachting in the Caribbean over the past 10 years. The bay is spacious and well protected with a pleasant sloping landscape. There is plenty of room to anchor apart from a 600 slip full service marina. The following anchorage spots are located in this cul de sac:

- *The Mooring of Club Mediterranean*
- *The Mooring of Ilte Baude*
- *Les Trou Des Cyclones*
- *The Mooring of Habitation Letit Versailles*
- *The Marina of Marin*
- *The Technical Zone*

This bay is a blend of anchorage spots, a full service marina of European standards, and a full service boatyard, an excellent hurricane shelter and a beehive of service both touristic and administrative. The marina of Marin is a member of the “Marina Association of France” and is built to European standards. The port officer handles all berthing allocations, with a number of services within the area:

- Customs and Immigration
- Port Office
- Public Facilities’ Chandleries
- Fishing and diving equipment
- Mechanic Services

Map 8: Marina of Marin



Map 9: (A) Le Club Mediterranee et L'Ilet Baude

(B) Le Trou Des Cyclones

(A)

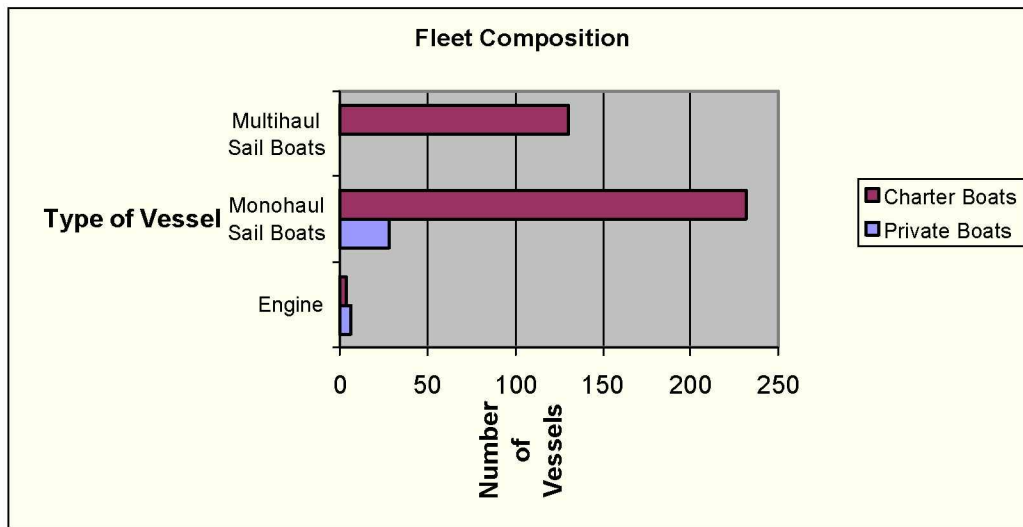


(B)



Composition of Fleets

Graph 3: Fleet Composition



Source: ARDTM

Fleet composition³ in this instance looks at a comparison of charter vessels and private vessels. There are no recorded multihull sail boats owned privately; of the total 34 private vessels, 82.3% are monohulls and the remaining power boats.

The majority of charter boats are monohull sail boats.

Government Incentives and Legislations

Defiscalisation

The defiscalisation (the Pons Law) is a programme created to promote and encourage investment in the Departement d'Outre Mer, having as objective a higher economical independence for the nautical sector.

The defiscalisation was based on the concept of creating investment activity by enabling a tax deduction for investment in boating related activities. The concept started in 1986 and, as a result, created strong economic growth in all of the French departments especially overseas.

For example:

Private: Boat owners could benefit from a tax reduction when realizing an investment of this nature. The tax reduction is calculated on a cost basis or on the value of the tax subscription.

³ Based on information received from Le Marin

Companies: All companies regulated under the French tax regime, under “Tax on the Companies” or “Tax on the Revenues”, are entitled to deduct their investment under the following conditions:

Direct Investment:

The amount of the tax reduction, which was limited to 75% of the investments as of 1 January 1992, is now increased to 100% on all investments done as of 1 July 1993.

Length of the period of use: The goods or shares must be used for a minimum period of five years.

Length of the period of deduction: Investment done up to 31 December 2001 is deductible until 31 December 2006.

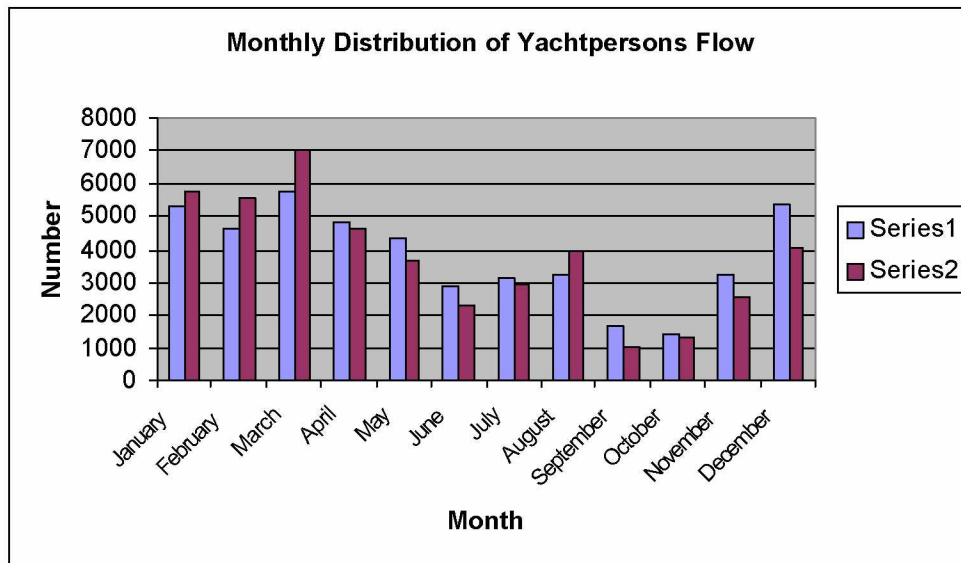
After which:

After five years minimum of the use of the goods or shares there are different possibilities: continuation of the use of the goods or shares, re-buying from the operating company of the goods or shares at 30% min. of the value of the original investment, selling of the yacht (according to the state of the yacht, market, taxes...).

Patterns of Use

Arrivals and Stay Patterns

Graph 4: Monthly Distribution of Yachts persons arrivals



Source: ARDTM

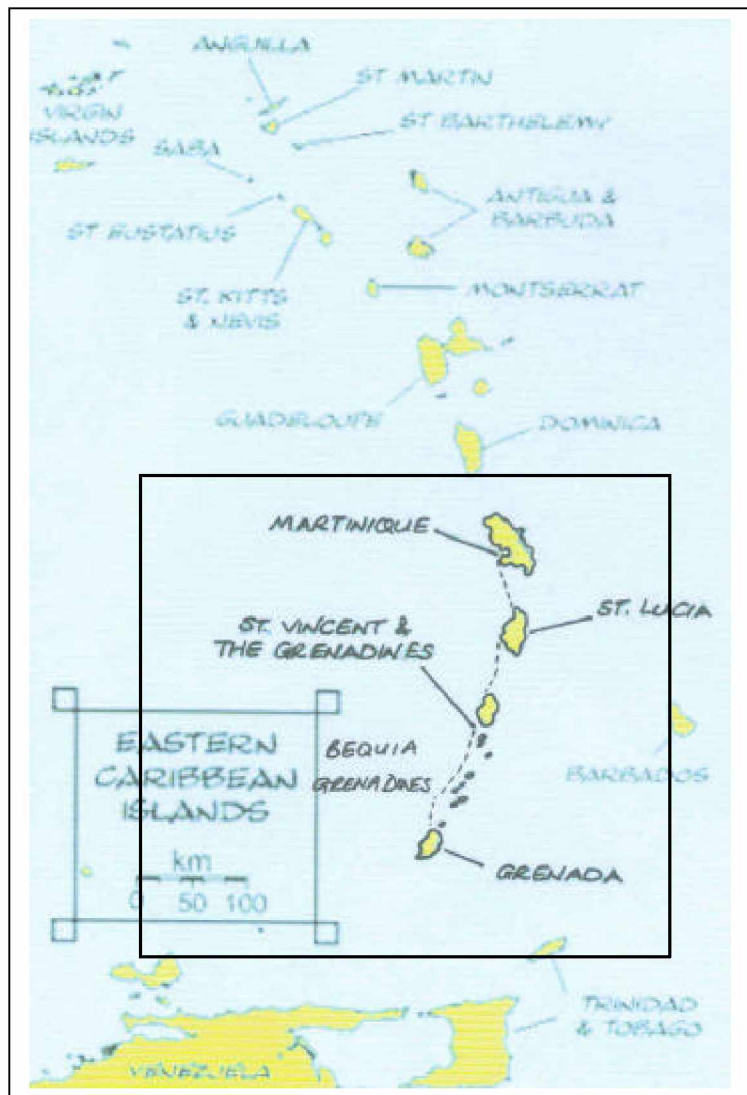
As seen above, the peak flow period is March. Arguably March, the peak month, can be aligned with Easter a major religious holiday. The above graph shows that, like many other islands, the low season flow is aligned with the hurricane season.

In 2000, yachts persons accounted for 8.21% of stay-over visitors and in 2001 they accounted for 9.88% of stay-over visitors. On average the stay-over yachts person will spend two weeks, with the French averaging the highest stay period and United States citizens the lowest stay period.

There are very clearly defined Caribbean stop patterns emerging from yachts persons cruising around the Caribbean.

The usual pattern can be summed up as a journey from the North of the archipelago to the South. Yachts persons sometimes opt to sail back up the chain to depart from their starting point or opt to fly back from Grenada or Union Island. Grenada is generally used a drop-off point. The sailing pattern is generally as follows

1. **Martinique**
 - a. *Fort-De-France*
 - b. *Anse D'Arlet*
 - c. *Marin*
2. **St.Lucia**
 - a. *Rodney Bay*
 - b. *Marigot Bay*
 - c. *Soufriere*
3. **St.Vincent**
 - a. *Chateau Belair*
 - b. *Cumberland Bay*
 - c. *Walliabou*
 - d. *Kingstown*
4. **Bequia**
 - a. *Admiralty Bay*
5. **Grenadines**
 - *Mustique*
 - *Canouan*
 - *Union*
 - *Mayreau*
 - *Carriacou*
 - *Tobago Cays*

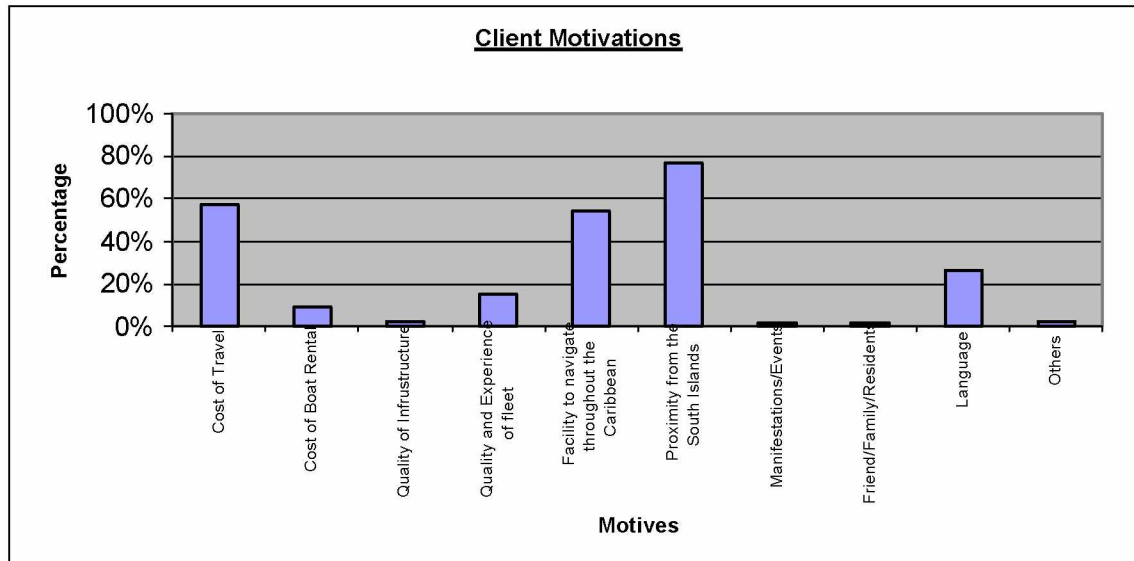


Map 10: Caribbean Sailing

Most of the charter time is spent in the Grenadines. Grenada, at times, is the final stop, used as airlift out of the Caribbean and a drop off point for charter equipment.

Yachts persons are motivated to come to Martinique as the starting and charter point of a sailing vacation for several reasons. The graph below explores the motives of clients from France, Germany, Italy and Spain.

Graph 5: Client Motivations



Emerging from this are three major influences: cost of travel, facility to navigate through the Caribbean and proximity to the “South” Islands.

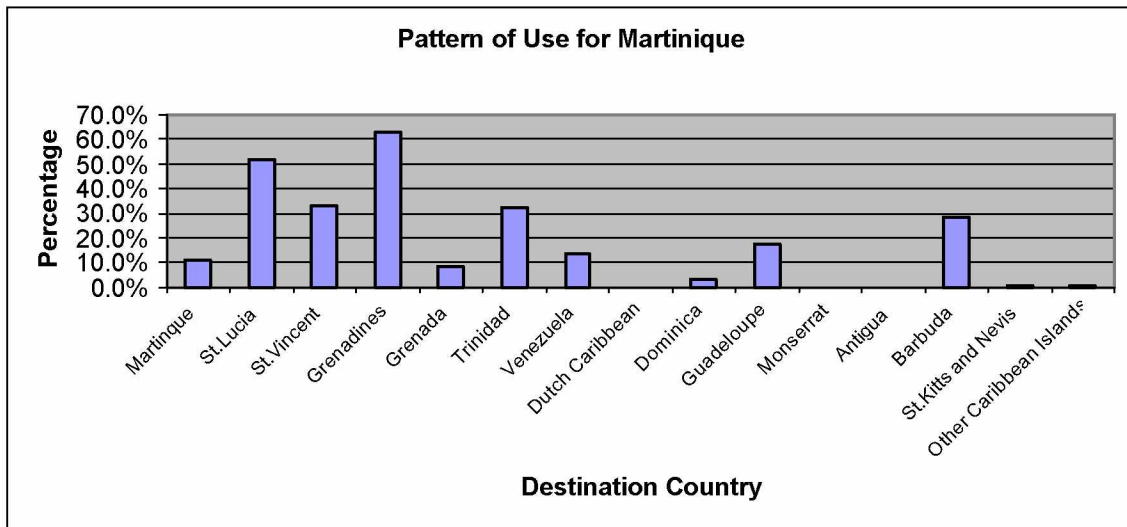
Cost of travel will include airfare cost to Martinique and also the cost of returning home. It is also key to recognise that included in here will be the usual travel cost of food and entertainment.

Facility to navigate through the Caribbean refers to the ease of travel between the islands and the sailing environment.

Proximity to the “South” Islands is a motivation as it allows exploration of the southern islands, which are varied in cultures in a time efficient manner, e.g. 32% travel to Trinidad, which is distinctly different to Martinique, providing a new experience and several day visit attractions.

The specific pattern of use for Martinique is as follows:

Graph 6: Destination by Percentage of persons travelling out of Martinique



Saint Lucia and the Grenadines are the key destinations from Martinique, followed by Saint Vincent, Trinidad and Barbuda.

The Grenadines, however, is the premier destination with six out of every 10 charters (63.1%) indicating that the Grenadines is the key destination.

Strengths and Weaknesses

Weakness

- One of the major weaknesses of the yachting industry in Martinique is the lack of adequate training for the local human resource base. Too little is being invested in the training of personnel involved in the yachting industry. Though most of the infrastructure is in place to service the yachts, there is a significant gap in trained personnel.
- Secondly a lack of a centralised body to serve as a liaison entity between maritime agencies and touristic agencies creates an informational and policy gap. Several agencies exist with very defined roles, however, there is considerable overlap and heavy bureaucracy, which has the potential to be stifling to the industries growth. The main marina, Le Marin, is a member of the Ports of France, however, there are problems specific to Martinique which this entity does not address.
- Thirdly there exist *strong user conflicts* in prime anchorage sites. Martinique has a vibrant fishing industry, which supports all of its coastal villages. Most of these villages are very attractive anchorage. Often the visiting yachts persons and local fisherman compete for use of these anchorages.

- Island politics. There is no local ownership e.g. all waterfront property is owned by the State, thus limiting creativity regarding waterfront development.
- All marinas are managed under the following concepts: municipal operation, mixed private and public and leased by public administration.

Strengths

- Martinique has all the amenities of first world countries whilst being located in a developing region primarily made up of third world countries, e.g. a dynamic variety of local produce to supply supermarkets and the wider region.
- A tropical climate, which encourages European vacationers for charter, this is based on the island's location in the arc of islands.
- Martinique has an international airport with eight daily flights to and from Europe, which supports the charter industry.
- Good nautical information and guides.
- A central location facilitating ease of travel to other islands.
- As a department of France a stable political environment exists.
- The enactment of the defiscalisation (economic incentives) has encouraged significant investment in charter companies and auxiliary services for the yachting industry.