Recreational Boating Industry Advocacy Update

Libby Yranski | Director of State Government Relations
SOBA and NMMA: A Partnership

• Management Agreement since 2006
• SOBA is Boating’s Best Friend
• Synergy between industry and SOBA Members
PROMOTE.
PROTECT.

NMMA is dedicated to advocating for and promoting the strength of marine manufacturing, the sales and service networks of its members, and the boating lifestyle.
Outdoor Recreation is Big Business

**How Big is Outdoor Rec?**

*$412 billion of U.S. GDP in 2016* or **2.2%** of the economy

- **$38.2 billion** Boating/Fishing
- **$30.8 billion** RVing
- **$19.5 billion** Motorcycling/ATVing

Employed 4.5 million people

Outdoor recreation GDP measures the value of production within the United States.

Activities are measured by gross output, essentially sales or receipts.

[www.bea.gov/data/special-topics/outdoor-recreation](http://www.bea.gov/data/special-topics/outdoor-recreation) Statistics released in September 2018

**Driving the American Economy**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth in U.S. GDP</th>
<th>Growth in Outdoor Recreation GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2.3%</td>
<td>3.5%</td>
</tr>
<tr>
<td>2014</td>
<td>3.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>2015</td>
<td>4.5%</td>
<td>5.0%</td>
</tr>
<tr>
<td>2016</td>
<td>2.5%</td>
<td>3.0%</td>
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</tbody>
</table>
The outdoor recreation economy accounted for

2.2\% of U.S. GDP

in 2016, making it one of the nation’s largest economic engines and growing faster than the economy as a whole.

OUTDOOR RECREATION AS A PERCENT OF GDP WITH COMPARABLE INDUSTRIES (2016)

Source: BEA
Industry by the Numbers

- The U.S. recreational boating industry has an annual economic impact of more than $170.3 billion (includes direct, indirect & induced spending)
- Supporting 691,000 direct & indirect American jobs
- Supporting 35,000 businesses
- Annual U.S. sales of boats, marine products & services totaled $39 billion in 2017 (includes maintenance, storage, fuel, insurance, taxes & interest)
U.S. Boat Registrations

Source: USCG
2017 U.S. Boat Registrations

- Outboard boats, 61.4%
- Sterndrive boats, 11.9%
- Inboard boats, 9.3%
- PWC, 9.2%
- Other, 7.3%
- Sailboats, 0.9%

Source: USCG
95% of boats in the U.S. are small, towable boats sized at 26 feet or less

Top 3 Most Popular Boating Activities
FISHING
SWIMMING
ENTERTAINING
TOP 10 STATES
2017 U.S. STATE RECREATIONAL BOATING REGISTRATIONS

1. FLORIDA
2. MINNESOTA
3. MICHIGAN
4. CALIFORNIA
5. WISCONSIN
6. TEXAS
7. OHIO
8. SOUTH CAROLINA
9. NEW YORK
10. NORTH CAROLINA
Expanded Advocacy Presence
Impact at Every Level of Government

Recreational Boating Industry

- The White House
- Federal Regulators
- U.S. Congress
- Governors
- State Legislatures
- State Regulators
- Local Officials
- International
- The White House
Recreational Boating Industry’s Policy Priorities
STATE POLICY PRIORITIES

- Wake Surfing
- Vessel Titling & Registration
- Outdoor Recreation Offices
- Boating Access and Infrastructure
- Taxes
NMMA POLICY PRIORITIES

1. TRADE
2. INFRASTRUCTURE
3. CONSERVATION
4. RECREATIONAL FISHING
5. FUEL POLICY
6. BOATING SAFETY
7. WORKFORCE DEVELOPMENT
Trade and Tariffs
Aluminum and Steel Tariffs

- In March 2018, the U.S. government imposed global tariffs on steel (25%) and aluminum (10%) under section 232 of the Trade Act of 1974
- Applies to raw materials not finished products
- Date of Implementation: June 1, 2018
- Exempted countries: Argentina, Australia, Brazil and South Korea (initially)
  - Canada and Mexico were exempted on May 20, 2019
RETALIATORY TARIFFS ON U.S. BOAT EXPORTS

- Canada: 10%
- China: 5-10%
- European Union: 25%
- Mexico: 15%

70% OF ANNUAL U.S. BOAT EXPORTS
Removal of EU tariffs

- Timeline is uncertain
- US and EU ongoing trade negotiations
- NMMA, ICOMIA, and EBI working together to eliminate tariffs
  - Use as opportunity to reduce non-tariff barriers in broader trade agreement, including:
    - Conformity assessment
    - Standards harmonization
Exports to the E.U. Down on Average 23% YOY Since Counter Tariff Went Into Effect

Exports of U.S. Recreational Boats to the E.U.

By NMMA using USITC data
How does this impact YOU?
U.S – China Trade War
US- China Trade War

What? On March 22, 2018 President Trump imposed tariffs under Section 301 of the Trade Act of 1974

Why? Lower US-China trade deficit and deter cybertheft and intellectual property infringement

How? 4 tranches of tariff lists proposed/implemented by US and Chinese subsequently retaliated
Chinese List 1

- **$34 billion**
- **Date of implementation:** July 6, 2018
- **25% tariffs on 818 Harmonized Tariff Code listings,** including miscellaneous metal and rubber parts for boat equipment, navigation equipment, and marine engines.
- **Exclusion requests closed October 9, 2018**
Chinese List 2

$16 billion

Date of implementation: August 23, 2018

25% tariffs on 279 Harmonized Tariff Code listings, including many types of plastics and steel/aluminum component parts

Exclusion requests closed December 18, 2018
Chinese List 3

$200 billion

Date of implementation:
September 24, 2018: 10%
May 10, 2019: 25%

Tariffs on 5,745 full or partial Harmonized Tariff Code listings including boats, canoes/kayaks, steel tires, fiberglass

Exclusion Requests: The process for requesting an exclusion won’t begin until on or around June 30 but the USTR has published preliminary details
Chinese List 4

$325 billion

15% tariffs on nearly 4,000 Harmonized Tariff Code listings, including virtually any product not already subject to a tariff and life jackets, fishing gear, apparel for recreation

Date of implementation: Sept. 1st – 15%
Dec. 15th – 15%

Exclusion Requests: TBD
What’s your Impact?

Let us know how these tariffs are impacting you and your projects!
Advocacy Events
propelling our industry forward

• American Boating Congress (ABC)
• State Fly-Ins
• Congressional Briefings
• Plant Tours
• Roundtable Discussions
• Congressional Delegations
TEXT ‘BOAT’ TO 504-57
SIGN UP FOR BOATING UNITED TODAY
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