Chris Aylett

CEO

Motorsport Industry Association

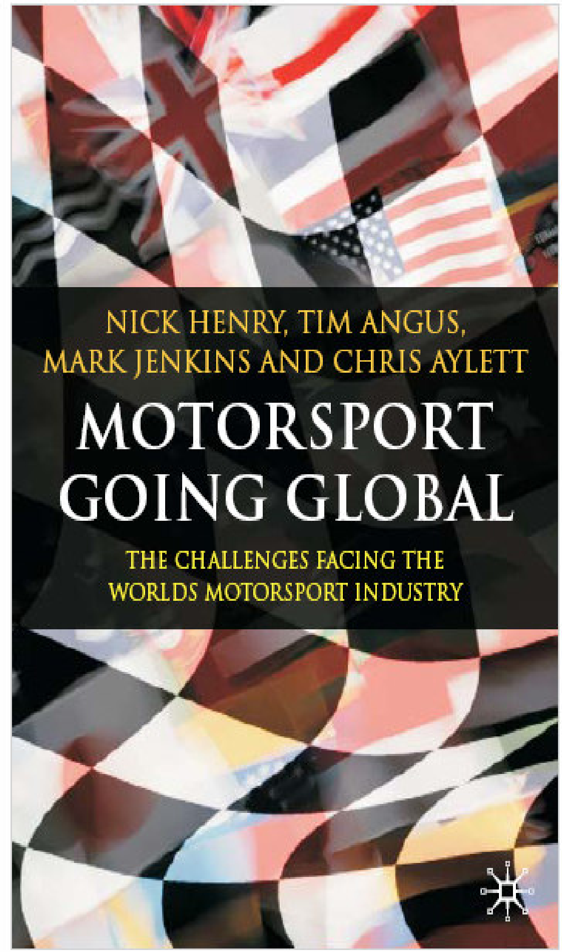
MOTORSPORT INDUSTRY ASSOCIATION

Motorsport Going Global

- The definitive economic study of the global motorsport industry
- Benchmarks 16 national motorsport industries - the "**Global Starting Grid**"

Includes interviews with:

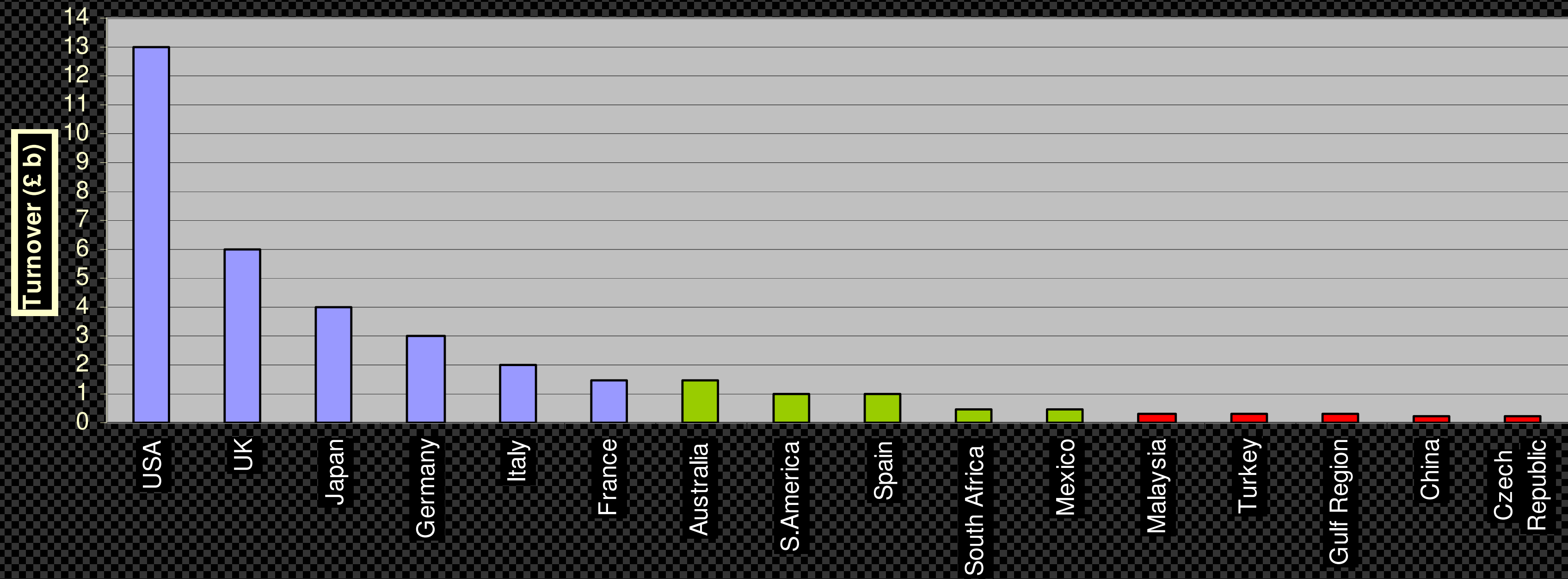
- Herb Fishel, *Former Head of Racing, GM*
- Sir Jackie Stewart, 3 x F1 World Champion
- David Richards, Prodrive and Aston Martin
- Dott. Gian Paolo Dallara, Dallara
- Dr. Pat Symonds, Director of Engineering, Renault F1
- Peter Digby, Managing Director, Xtrac



Motorsport Industry Metrics

Indicators		Global Measure in 2005
Total value of Annual Motorsport Sales in Engineering and Services		**£50bn (US$ 100 bn)**
Motorsport Turnover as percent GDP		**0.23%**
Permanent Paved Circuits (including ovals over ¼ mile but not kart)		**600**
Competition License Holders		**1,000,000**
Global Chassis Constructors (F1, WRC, WTCC and A1GP)		**22**
Number of Racing Series:	**Global**	**4** (F1, WRC, WTCC, A1GP)
	Regional	**10** (Champcar, IRL, NASCAR, GP2, FIA GT, LMS, 4 FIA
Global Motorsport Events (F1,WRC, WTCC and A1GP		**56 across 29 countries**
Average F1 Viewing Figures per Event (Sports Marketing Surveys)		**52.5m**
Average WRC Viewing Figures per Event (wrc.com)		**50.1m**

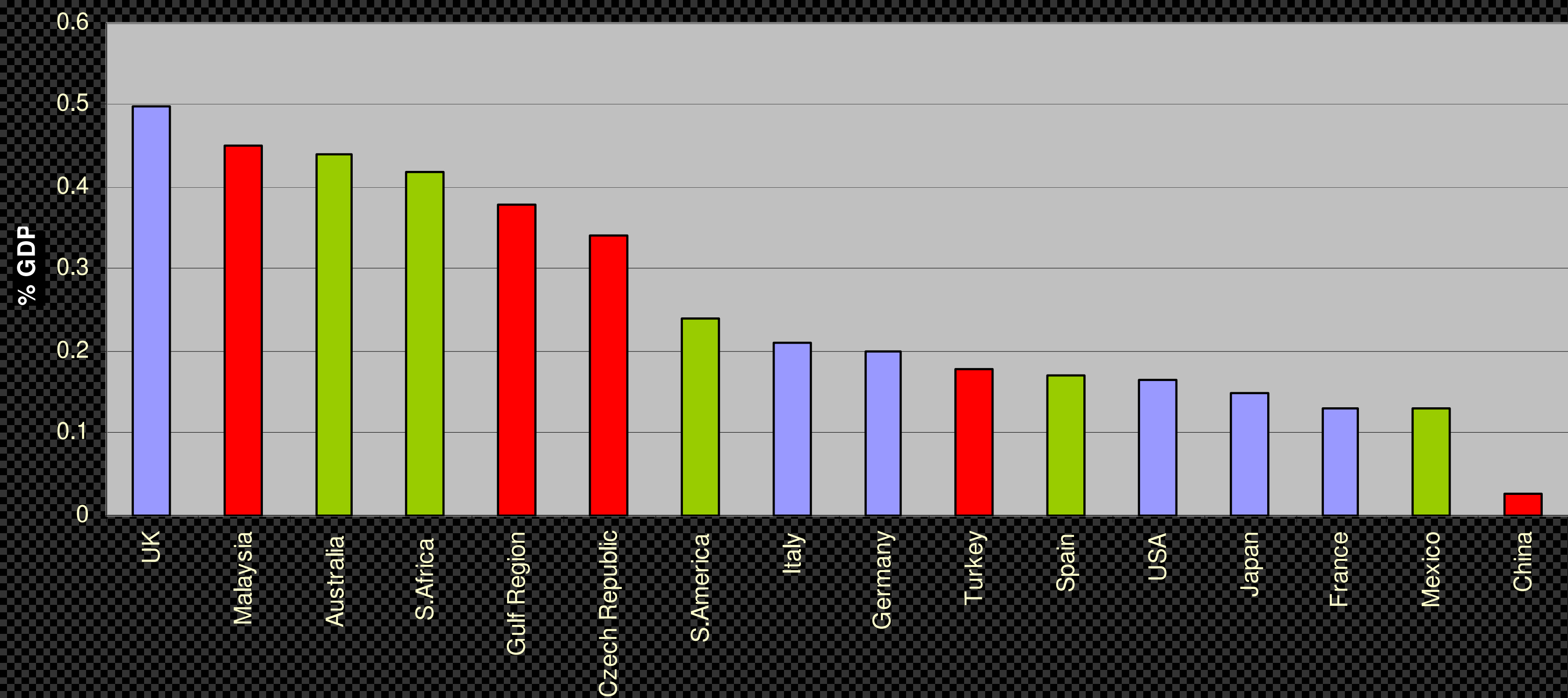
The Global Grid:
Motorsport Sales value by Country 2005



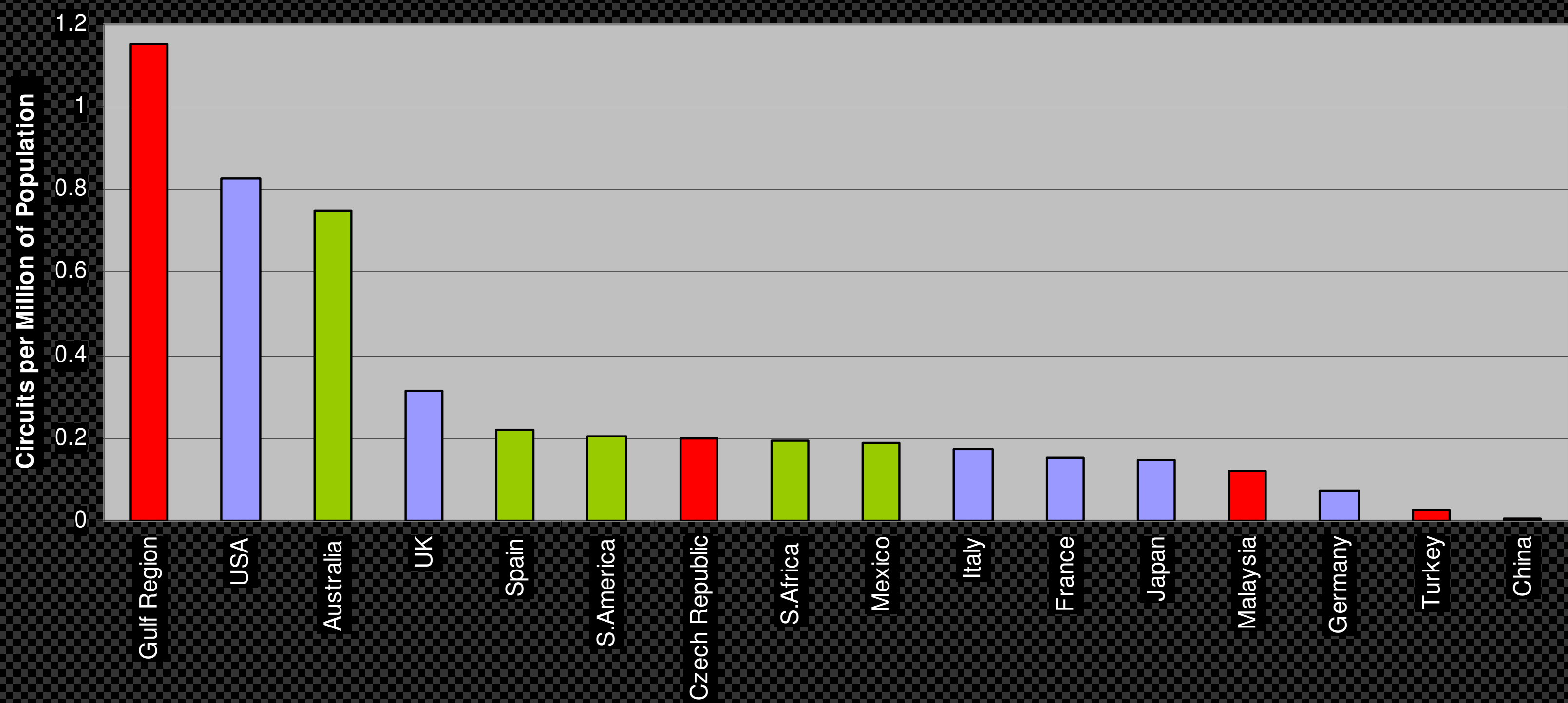
Motorsport Research Associates ©

Motorsport Sales as % National GDP

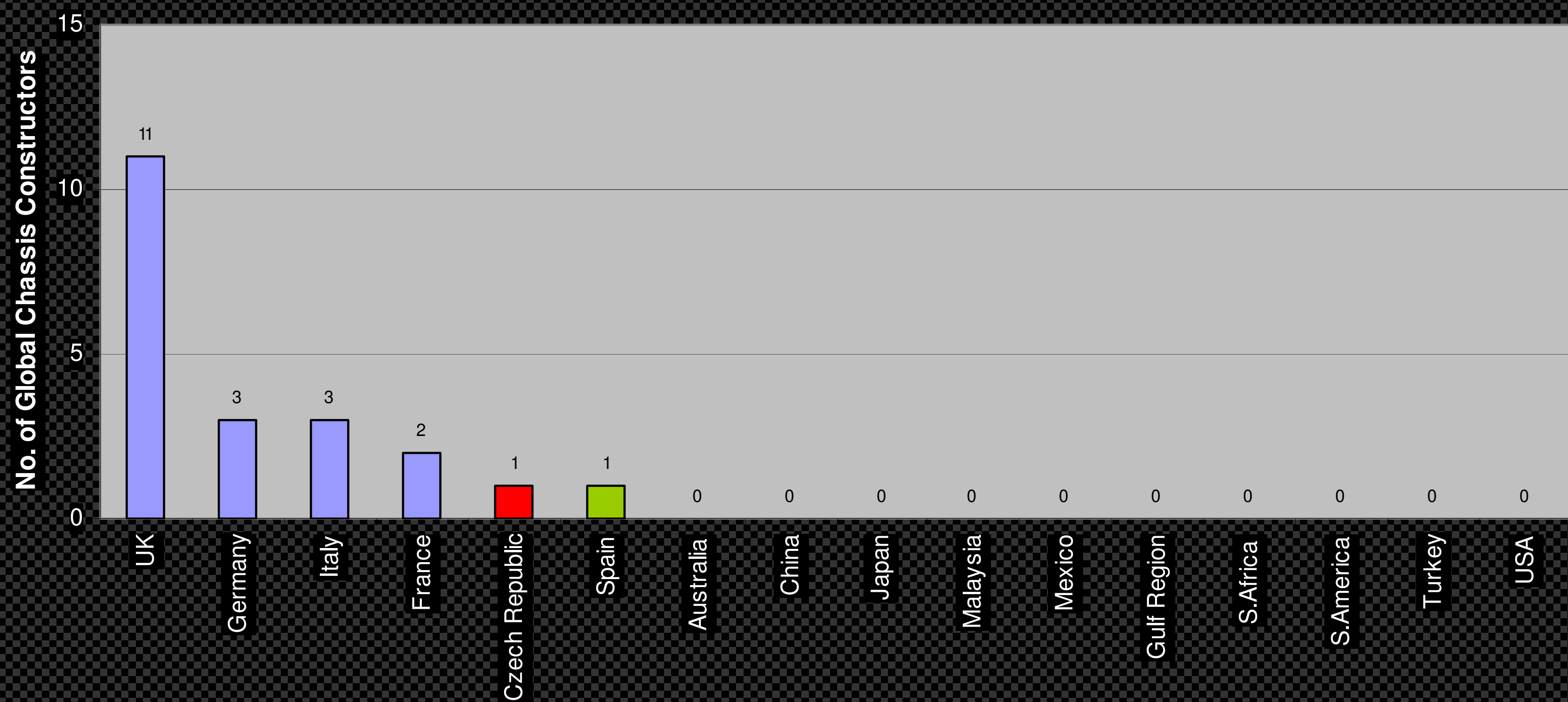
2005



Number of Paved Permanent Circuits per 1 Million of Population 2005



Number of Global Motorsport Chassis Constructors by Country 2005



The Global Motorsport Industry:
The Frontrunners

- These four share 75% of world motorsport sales with 91% of global chassis constructors and 41% of global racing series events

- **USA**: largest market, fundamentally remains domestic in outlook but expanding US-owned global presence
- **UK**: 50% of global constructors, no domestic mass production, long history of substantial inward investment
- **Germany**: Domestic OEMS (plus Toyota) and supply chain combined with overseas partnership and investment (UK and USA)
- **Italy**: strongest motorsport brand in world (Ferrari); new breed of constructors and suppliers (e.g.Dallara)

- **Global Trend** ……Italy and USA gain at expense of UK

The Global Motorsport Industry: the Rest of the Grid

- **<u>In the Midfield</u>:** with less than 10% of world motorsport sales

- 1 of 22 global chassis constructors (SEAT Sport)
- 21% of global racing series events
- National motorsport industries or regional markets of moderate size with limited share of global industry despite significant racing heritage
- 'Regional gateways' to racing markets and cultures pursuing growth of cross-border/regional championships

<u>Coming through the Field</u>: **with l**ess than 3% of world motorsport sales

- 1 of 22 global chassis constructors (in 2005, Skoda Motorsport)
- 16% of global racing series events
- Government-driven e.g. Malaysia, Gulf Region, Singapore

Motorsport Going Global

- Three nations – USA, UK and Japan - account for over 50% of global sales
- Just 56 **global** motorsport events attract global media coverage, viewing audiences and global sponsorship
- Globalisation of motorsport events - away from Europe - into developing new markets (e.g. China and the Gulf)
- Significant recent global "winners" are USA and Italy – at the expense of Motorsport Valley UK
- Leadership changes are WITHIN the **Frontrunner** countries
- But what of China……………………and then India and Russia?

MOTORSPORT INDUSTRY ASSOCIATION

Major Growth Centres in 2020

Key Indicators

Countries with

- **high GDP growth rates (total)**
- **high per capita GDP growth**
- **history of low growth volatility**

Increasing attractiveness for:

- **exports**
- **inward investment flows**

Source: Deutsche Bank's *Formel-G* Framework
➔ **For**esight **M**odel for **E**valuating **L**ong-term **G**rowth

MOTORSPORT INDUSTRY ASSOCIATION

Major Growth Centres in 2020

Countries with highest GDP growth rates overall during 2006 – 2020

- **India**
- **Malaysia**
- **China**

Countries with high income levels *and* low volatility in the past

- **Ireland**
- **USA**
- **Spain**

MOTORSPORT INDUSTRY ASSOCIATION

Drivers of Economic Growth to 2020

KEY DRIVERS FOR THE NEXT DECADE

1 Population Growth

- the quantity of labour

2 Investment Ratio

- the accumulation of capital

3 Human Capital

-the quality of labour

4 Trade Openness

- promoting competition and faster learning

Global automotive: Future trends

- Major growth in emerging markets, especially China
- The emerging markets are setting the prices across the industry
- Increasing fuel price as oil supply declines
- Environmental concerns
- Demand for smaller more economical cars increasing
- Increased spend on R&D

Global motorsport: Future trends

- Major growth in emerging markets to provide new sales and suppliers
- Environmental concerns to be addressed
- Alternative technologies to broaden support
- Alternative business models to maintain activity

Contact Details

Motorsport Industry Association

Federation House
Stoneleigh Park
Warwickshire
CV8 2RF
UK

Tel: +44 (0) 2476 692600
Fax: +44 (0) 2476 69260
Email: chris.aylett@the-mia.com

www.the-mia.com