



CURRENT USA Motorsport Market Opportunities

The USA is the world's leading motorsport market - valued at over \$13.5 billion and comprising of 400,000+ participants across a range of disciplines - each with unique requirements. Whether in off-road, drag, oval, road racing, aftermarket performance tuning or elsewhere, the USA constantly produces new business opportunities.

In the past 12 months almost 80% of UK motorsport companies recorded export sales, with the USA accounting for the majority. The USA was also seen by 42% of respondents to the MIA's recent business survey as having the 'best growth potential' of all export markets.

With upcoming developments, projects and vehicles across Formula 1, Indycar, NASCAR, Rallycross, Sportscars and beyond, there has never been a better time to grow business in this lucrative, fast-growing market. Here are just some of the current opportunities:

TUDOR United SportsCar Championship

A new US sportscar championship - and now the world's largest national sportscar series, created from the merger of GRAND-AM and ALMS. The championship boasts almost 150 entries across four classes (spanning Prototype & GT vehicles). With regulations being relatively open, this is a very strong area for new business.

- **Current supply chain opportunities** through manufacturers (Riley, Crawford, Coyote, Ford, GM, Oreca, OAK, Morgan);
- **Firms encouraged to contact teams directly** for 'non-spec' supply opportunities (i.e. Aston Martin Racing, Chip Ganassi Racing, Wayne Taylor Racing etc.);
- Major challenge with current cars / regulations is '**performance balancing**' DP and LMP cars;
- Series organisers IMSA (in conjunction with FIA/ACO) **currently seeking suppliers for a new prototype / 'common car'** (2017) - potential suppliers encouraged to approach now;
- Teams **interested in learning of any new, innovative technology** that will provide a competitive advantage;
- **New entry expected from Andretti Autosport** in 2015;
- 2017 regulations to mandate **spec chassis**. However, **6/7 engine suppliers sought** (so this is still 'open');
- **Technical changes / new technology introduction expected** in 2015, 2016 (some) and 2017 (most) - **2017 technical regulation meeting in Aug/Sep**- organisers & teams encourage potential supplier approaches now;
- **Teams have influence over IMSA with new car** - suppliers encouraged to pursue 'gateway' with teams;
- Interest in **alternative fuels** in the near future (driven by government partners);
- Future interest in **energy recovery and hybridisation** (cost / team budget / rules dependent) from series organisers and teams;
- Significant business opportunities in **R&D, test simulation programmes** (little rules impact);
- Largest US sportscar builder, '**Riley Technologies**', seeking all suppliers now for brand new 2016 European LMP3 (and US trackday) car, and design analysis on carbon crash structures.
- **ACO / FIA / IMSA interested in future introduction of a 'common car'**, which can be externally tailored to suit market (i.e. OEM 'look');

Formula 1

NASCAR team co-owner Gene Haas was recently **granted a Formula 1 team entry for the 2016 season**. Following a lengthy evaluation process to ensure they have the financial means and necessary infrastructure, the *'Haas Formula'* team is already **looking to build its supply chain**, having already **announced plans to base their operation in the UK**. Dallara have been named as their intended chassis supplier, with Ferrari expected to be announced as the team's engine supplier shortly.

NASCAR

NASCAR is by far the most valuable, fast-growing US business opportunity for UK suppliers. The income of just the top ten teams totals over \$800 million, and in North Carolina alone 1000 motorsport companies employ 25,000. Each leading car costs \$20 million a year to race 38 times, or a spend of ~\$500,000 per car, per race.

- New 'working group' signals **NASCAR being more open to innovations / technical changes / new suppliers** than ever before;
- **Major technical changes planned for 2015** Sprint Cup cars (aerodynamic and tyre changes , and reduced horsepower / powertrain). Changes to electronic systems expected more imminently;
- **Large number of suspension changes** in 2014 technical regulations;
- **Move toward 'spec' racing changing supply chain 'landscape'** (team budgets and supply chain opportunities reduced);
- **NASCAR technical regulations relatively 'open'**, compared to other series;
- **OEM pressure for increased relevance to road cars**. Exterior styling for Gen.6 car already implemented, and **further technical / engineering changes expected in future**;
- Larger NASCAR constructors (i.e. Penske Racing) build **30/40 complete new cars per year**;
- Teams expect **direct injection to be introduced in the near future**;
- Teams expect **small, incremental regulation changes to reduce power** (i.e. smaller, more restrictive throttle bodies, rather than complete engine change);
- Future **introduction of hybridisation most likely to be OEM-driven** (not likely to be introduced in near future);
- NASCAR **'innovation trend' in-line with four priority R&D areas in the UK Automotive Council's Technology Roadmap** (electric machines & power electronics, energy storage & energy management, internal combustion engines, light weight vehicle & powertrain structures);
- Teams currently look for **cost-saving, weight-saving, reliability, quality and service** when considering new suppliers;
- **Relatively lengthy process of introducing new suppliers** can be a major hurdle to teams purchasing;
- **NASCAR looking to Europe** for innovative technology, capability and solutions - MIA currently compiling list of potential suppliers for NASCAR;
- May consider **low-cost** (affordable for teams) **composite alternatives for roll structure and chassis reinforcement**;
- NASCAR currently **exploring 'predictive monitoring' / 'vehicle health management systems'** - to pre-empt vehicle issues during races;
- Seeking to increase **development and implementation of telematics**;
- Potential **'window' for new suppliers via NASCAR Parts Submission Programme**;
- Significant business opportunities in **R&D, test simulation programmes** (little rules impact).

Indycar & Indy Lights

- A new 'shopping list' of technologies required by Indycar has recently been issued;
- Further technical changes expected shortly for 2015 Indycar season - to be supplied during 2014;
- Definition of new chassis and engine regulations (new car) underway for 2016/2017 - potential suppliers encouraged to explore opportunities now;
- Contractually, Indycar able to engage new suppliers (on current / new car) in 2017 - potential suppliers encouraged to approach now;
- New Indy Lights car announced for the 2015 season - requiring new engine, electronics, brakes, transmission and tyre partners during 2014. Potential suppliers encouraged to pursue Tony Cotman (Indy Lights) now;
- Firms encouraged to contact teams directly for 'non-spec' supply opportunities;
- Move toward 'spec' racing changing supply chain 'landscape' (team budgets and supply chain opportunities reduced);
- UK-based 'Ilmor Engineering' (GM Indycar engine manufacturer) interested in new suppliers now;
- Indycar exploring KERS / ERS and associated vehicle systems controls (i.e. clutch control, electronic brake manipulation) now;
- New Indycar engine suppliers expected/encouraged for 2017 season, earliest. Indycar open to discussions now;
- Significant business opportunities in R&D, test simulation programmes (little rules impact).

Global RallyCross Championship (GRC)

Modern, fast-growing US series, based on European rallying - now the 2nd/3rd highest US motorsport television broadcast figures. Primarily stadium-based, utilising small, production-based turbocharged 4-cylinder vehicles. Around 31 championship entries across two classes (Supercars & GRC Lites) in 2014 - including manufacturer (and supported) entries from Chevrolet, Ford, Hyundai, Mini, Subaru, Volkswagen - with three more expected 2015 (design and build in 2014).

- 2014: 16/17 'Super Cars' (top class) & 12/14 'GRC Lite' cars (built by 'Olsbergs MSE'). Nearly all entries factory-run / supported.
- 2014 manufacturer (and supported) entries from Chevrolet (GM), Ford, Hyundai, Mini, Subaru, Volkswagen - and in discussion with three more (design & build in 2014, for 2015 entry). Subaru due to launch new Impreza in series.
- Typical budget for two car GRC team ranges from \$1.5million - \$3million;
- Potential suppliers are encouraged to approach vehicle constructors and teams, with new technology and capability;
- GRC are always interested to learn of innovative energy-efficiency / fuel-saving solutions;
- Potential GRC Lites suppliers are encouraged to contact vehicle constructor, 'Olsbergs MSE';
- Firms are also encouraged to approach series organisers with technology and capability - they will act as a channel to raise constructors and teams awareness of potential suppliers;
- New suppliers encouraged to research market requirements, clearly communicate benefits and negotiate costs;
- Organisers are keen to work with manufacturers and suppliers (both in the series and the development aftermarket GRC-inspired products and components);
- Series organisers are interested in all technological innovation and development, data acquisition (rule compliance, scrutineering & collision recording) and safety equipment (incl. seats, harnesses etc.).
- OEMs will work with specialist suppliers to 'buy up' new, innovative technology to stay competitive;