Executive Summary

During 2012, we estimate that the UK motorsport industry had a turnover of £9 billion, in contrast to £4.6 billion in 2000[1] and employed 41,000 people, in contrast to 38,500 in 2000. The sector can be segmented between 45% of businesses engaged in high performance motorsport engineering; 31% providing non-engineering services and 24% engaged in both high performance motorsport engineering and motorsport services.

The sector has enjoyed continuous sales growth from 2009 to 2012. It continues to have a strong focus on research and development (R&D) with 15% of all firms spending over 25% of their annual sales turnover on R&D. There is also a strong international focus with 87% of all firms involved in exporting.

The sector is optimistic about future growth levels, with 66% identifying 'motorsport' as a core growth area, 40% identifying mainstream automotive as their source of future growth and 18% aerospace. More than half (55%) expect export sales to increase, with the highest potential markets being USA, Germany and France. The top three markets for motorsport amongst emerging countries are China, Brazil and Russia The majority (53%) believe low carbon technologies will drive future growth. Motorsport engineering capability has an increasing opportunity to act as a bridge between specialist prototyping capability and mainstream commercialisation of technology products.

The main constraints for growth are identified as demand levels, access to finance and quality and capacity of the supply chain. There is a significant opportunity in engaging the small and medium enterprise (SME) base in motorsport for the wider development of low-carbon technologies in other sectors. There is a further opportunity for increased engagement between the UK motorsport sector and government industrial and technology policy.

In the future, the industry will be impacted by regulatory regimes, the role of the automotive original equipment manufacturers (OEMs) and the global audience for motorsport events. On a broader level, there will be increased corporate consolidation, a greater focus on differentiating products and services, a shift of sales towards the emerging markets and further increase in the speed of change and diffusion of knowledge.

In the future, successful firms will develop a deeper understanding of emerging motorsport markets and regulatory regimes, and develop the ability to integrate multiple technologies to create and deliver low carbon solutions. The development and application of low cost technologies has the potential to grow motorsport participation. Innovation, adaptation and the ability to create effective alliances will be increasingly important. From a policy perspective, access to finance, facilitation of technology development and market intelligence will be key areas to help facilitate growth.

The sector remains healthy and is enjoying the highest levels of sales turnover in its history. Following a recessionary dip around 2008, it has bounced back to new high levels of performance. Employment growth has been restrained and has not matched turnover growth in recent years, suggesting an increase in productivity.

The sector has both broadened its core motorsport activity (in particular through the integration of engineering and services) and expanded into other technology intensive industries. R&D expenditure and high levels of export activity remain defining characteristics of the sector. Low-carbon technologies are seen as the most important growth technology, although uncertainty as to which will emerge as dominant technologies remains a potential barrier to growth.

[1] Figures not inflation adjusted