

# Black Stars Race Circuit

Bringing Formula One to Ghana

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## Intro

Accra, Ghana is ripe and ready for motorsports. The car culture [is fervent](#), the country is [safe](#), the economy is [strong](#) and [promising](#), its infrastructure is [decent](#), and it has one of the largest ports in Africa by volume.

Bringing F1 to Africa is not a new idea. On the east, Zanzibar is [seriously](#) working on bringing F1 to the island. The face of the sport, Lewis Hamilton, [says](#) he won't retire until F1 races again in Africa, which South Africa had hosted from the 1960s to the mid-1980s. Due to their financial availability and multinational corporate presence, SA has been an excellent contender for a spot on the calendar. However, they still face considerable political and social headwinds, leaving other African nations like Ghana a strong alternative.

Africa is [currently](#) the only continent on Earth without an F1 Grand Prix on the calendar—and for no good reason. The continent is a massive untapped market for Formula One, auto racing, and the broader motorsport industry. I'm willing to bet all my chips that within my lifetime, the sport will grow feverishly in the continent—whether I contribute anything or not. So the question is then, why not contribute?

Auto racing in Africa and Ghana specifically is a win-win. By deciding to contribute, I may gain influence and it will be a very fulfilling endeavor. On the other side, Ghana's economy and its citizens will benefit from foreign investment, global exposure, increased tourism, societal engagement, and economic gain.

This all sounds great, but it could cost over a [Billion](#) dollars a year to host Formula One Races. And I don't have a Billion dollars to spend. **So below, I will explain how we can realistically get from a country with zero racetracks to hosting a Formula One Grand Prix.**

## Why

When you find your why, you'll find your way. It's important to first understand why this undertaking even matters and how it would benefit the lives of millions.

One of the most heartfelt moments in my life was teaching local Ghanaian kids how to ride a skateboard. Sports in Ghana are dominated by soccer, basketball, boxing, and other traditional team sports. More abstract, lifestyle organized sports like dancing, skating, and even surfing are more niche.

I grew up skateboarding and it has greatly improved my life. So for a school project, I decided to start a skateboarding association in Ghana to share the sport with locals.

What stuck with me was the pure joy of the novelty and experimentation that came with skateboarding. They embraced this new activity enthusiastically and couldn't wait for their next opportunity to skate.

I believe that young Ghanaians are passionate about things, and if given the chance, will indulge in the opportunity to be great at it. Passion is a vital ingredient to a fulfilling life, and **if we can provide a new medium of passion to millions of people, this in itself is a worthy pursuit.**

The world of auto racing, as independent as it seems, is a complex and diverse ecosystem; it requires a lot of parts to function. On the infrastructure side, you'll likely need track operators and staff, race officials, circuit designers, construction crew, event organizers, promoters, ticketing and salespeople, and event operations staff. On the racing side, you might have team owners, team managers, race engineers, mechanics, data analysts, drivers, pit crew members, spotters, and PR/marketing.

Then there are also media broadcasters, technical inspectors, medical personnel, and security personnel to list a few. These are all people to be employed or to volunteer in an invigorating activity. This project has its economic benefit through the creation of jobs, but also its societal benefit of reallocating free time to something more gratifying and exciting.

Vanessa Mientus is a German architect who has designed Formula One tracks on multiple continents, most notably Abu Dhabi and Mexico City. In an [article](#) with BMW, she shares some valuable insights gained over the years, detailing all the intricacies of building a successful and functioning venue. One particular insight highlights the importance of strategy:

"Worldwide, a new track is only built every year or two, if at all, Mientus explains. For that reason, there's fierce competition for the big-money projects. Many also end up being put on ice, due to wars for example. In recent times, Formula 1 tracks have often been built in politically unstable countries looking to prove themselves in the world's eyes with such a prestigious project."

Countless tracks have been tried and failed. [Here](#) is a list of some 100+ high-profile failures, and [here](#) is an online forum with even more, obscure failed tracks. The point is that many

have dreamed of this and failed. Even if you manage to build an FIA Grade 1 track, [cancellations](#) have plagued many venues over the years, with financial complications being the leading cause. This is said to emphasize the importance of strategy in bringing Formula One to a new developing country.

As we will see below from other similar countries' efforts, it is a complex but achievable endeavor as long as you play the cards right.

## Economic Case Studies

### Malaysia

I have long been fascinated by **F1's emergence in Malaysia** and the economic leadup and result. Malaysia is a great comparison tool as its economy is fairly similar to that of Ghana, and it occurred more recently (began construction in 1997 and hosted F1 between 1999 to 2017). Recency is important because our world societally, economically, and behaviorally has changed considerably over the decades. So the more recent the comparison and similar the economy, the more accurate and useful the information and modeling will be. There are some valuable insights to take from Malaysia's Sepang International Circuit.

In 2009 when the article was published, Deloitte Sports Business Group estimated that the sport generated US\$3.9 billion annually. A year prior, Formula Money and Deloitte Sports Business Group [revealed](#) that F1 generates more revenue per event than any other sport in the world. *"Each of the motor sport's 17 races produce an average revenue of \$229 million per event -- nearly ten times that of its closest competitor, the National Football League (NFL), which generates \$24 million per game."*

For context, F1's revenue is comprised of rights revenue (race sponsorships, corporate hospitality, broadcast fees), team revenue (sponsorship and contributions from partners and owners), and circuit revenue (ticket sales, sponsorships).

Around the time, the U.S. was absent from F1's calendar for the first time since 2000 as Indianapolis Motor Speedway failed to reach an agreement. So instead, F1 focused on expanding its presence in Asia with the new Singapore addition. By 2008, *"almost a third of all races were held in Asia, a continent that didn't even host its first race until 1976 -- 26 years*

*after the F1 World Championship was founded. In the next three years, new Grands Prix in India, Abu Dhabi and South Korea will join F1's calendar."*

*"With race-hosting fees soaring, most Grands Prix no longer aim to make a profit from the event itself, and instead see it as a marketing exercise and an opportunity to put a region on the sporting map. This is in stark contrast to NASCAR, where in 2007, circuit operators International Speedway Corp. and Speedway Motorsports Inc. made net incomes of \$86.2 million and \$38.4 million respectively."*

### **Inception and Construction**

Malaysia's Grand Prix can trace its [origins](#) to 1996 when its Prime Minister Mahathir Mohamad visited Portugal to see his first F1 race. Mahathir was probably also curious about how the state-run oil company, Petronas, was spending the taxpayers' money. A year earlier, Petronas had decided it needed to buff its image as a major player in international commerce. And you don't get more international than F1, especially when you can sponsor the Swiss-based Sauber team. As Time Asia's John White describes it, *"Formula One is the glitziest, most expensive and technologically advanced of sports, and marketers have long wanted to associate their products with those qualities."*

So Petronas bought a 40% stake in the team and formed Sauber Petronas Engineering AG to help develop the Ferrari engines used in Sauber's race cars. Petronas wouldn't reveal what it paid for the stake, but observers estimate the company spent at least US\$10 million a year on the venture. Mahathir met with F1 owner at the time, Bernie Ecclestone after the race during the initiation of former racing driver and now team owner Jackie Stewart. Here, they discussed the possibility of bringing F1 to Malaysia. Apparently, Petronas' sponsorship of a European team had helped overcome a psychological hurdle to Malaysia being considered a serious applicant to host the pinnacle of international motorsports.

As part of a series of major infrastructure projects in the 1990s under Mahathir Mohamad's government, the Sepang International Circuit was [constructed](#) between 1997 and 1999. Strategically located 14km from Kuala Lumpur International Airport (KLIA) and a 45-minute drive (60km) from most major cities, especially from Kuala Lumpur's densely populated city center. Also close to Putrajaya, the then-newly founded administrative capital of the country, the track was built with the intent of hosting the Malaysian Grand Prix. The circuit formed a central part of plans to transform Malaysia into an industrialized nation. To link the national capital with its international airport, a 'Multimedia Super Corridor' was planned, complete with

two 'intelligent' cities featuring buildings linked by fiber optic cable networks and an integrated transportation system.

German architect Hermann Tilke, who had won previous favor with his redesign of the Österreichring into the shortened A1-Ring (now Red Bull Ring), was chosen to draw up the plans. The new Formula One-standard circuit would complete the project and set new standards in circuit design. It was completed in a [record](#) 14 months costing RM286 million (US\$12 million, or US\$23 million adjusted for inflation). At times, it was [noted](#) there were well over 1,000 people working on the site. With the recognition of its multifaceted facilities, it was given the honor to incorporate the F1 logo in its name from 1999 to 2017.

### **Results and Analysis**

Even before its completion, Malaysia's new race venue was being hailed as the best circuit in the world thanks to the massive government investment and class-leading facilities. The circuit is covered by 27 closed-circuit TV cameras via fiber optic cabling and includes online, real-time tracking of race cars, combined with electronic marshal posts which will flash colored lights to the drivers instead of waving physical flags. The two-story pit building houses all the main facilities. There are 30 pits, including an office, a kitchen area, and a conference area. Upstairs are 12 offices for the FIA and administration, plus race control, timekeeping, a media center, an interview room plus a photographers' room. There is also a medical center including a small operating theatre to handle minor surgery.

The track features 15 corners and 8 straights with a minimum width of 16 meters but rising to 20 meters in some areas, providing several good overtaking opportunities. In total, the track can accommodate ~130,000 spectators, with 30,000 in the unique double-fronted main grandstand. At the time, it set new standards in circuit design.

The circuit was officially inaugurated on March 7th, 1999 and the government investment soon paid off with the track licensed for top-level racing by both the FIA and FIM. That subsequently led to the inauguration of the first Moto GP Malaysian Grand Prix on April 20, 1999, followed by the first Formula One Petronas Malaysian Grand Prix on October 17th, 1999. Other major events included an annual 12-hour race for GT cars and occasional visits by the Japanese Super GT series.

It was clear from the very first races that the circuit promoted good close racing and was popular with the drivers, drawing favorable comments from both the F1 and MotoGP

paddocks. *"Sepang is a very special place - it's not a stop-start circuit; it's a flowing, high-speed track which is all about getting the car to flow from one corner to the next".* - Lewis Hamilton

Known for its unpredictable humid tropical weather, varying from clear furnace hot days to tropical rain storms, the track has been extensively resurfaced in recent years to try and avoid the worst of the track flooding which marred some past events. The circuit is tough on tires and drivers because of the wide range of corners and the hard braking at the end of the straights. Also, the temperature which often reaches 60 degrees Celcius with seasonal downpours of rain adds to the logistical troubles.

Despite its auspicious start and lavish early funding, government interest in the facility waned slightly to the extent that by 2010 it had - according to Bernie Ecclestone, F1's owner at the time - become *"like an old house that needs a bit of redecorating."* and *"It's starting to get a little shabby and looks a bit tired. There is rubbish all over the place and it's not really a good sign for Malaysia."* The Finance Ministry later approved RM40 million (US\$8.4 million) to spruce up the track and its facilities. The work included some general improvements to paddock and spectator facilities and the circuit was extensively resurfaced in 2016 by Dromo srl, the Italian circuit consultancy.

Ironically, the circuit's resurfacing and upgrades came as Sepang's bosses were in the process of falling out of love with F1. With the constant escalation in hosting fees and reducing audience sizes, the decision was taken not to renew the contract, so 2017's event, won by Max Verstappen, would prove to be the last for the foreseeable future. Instead, the circuit is focussing on its MotoGP and World Superbike events, which continue to prove to be very popular events. During 2020, the circuit elected to let its FIA Grade One certification lapse, although this was largely due to the coronavirus pandemic and could be re-certified in the future.

By October 2016, it was [rumored](#) that the Sepang circuit may be dropped from the Formula One calendar due to dwindling ticket sales. Malaysian Sports Minister Khairy Jamaluddin said competition from other Asian venues was also taking its toll *"When we first hosted the F1 it was a big deal. First in Asia outside Japan. Now so many venues. No first mover advantage. Not a novelty."* The Sepang circuit held its nineteenth and last World Championship Grand Prix in 2017. The race's contract was due to expire in 2018, but its future had been under threat due to rising hosting fees and declining ticket sales.

With the high-end audience that F1 attracts, Malaysia became known as an international destination that offers high-quality services and facilities, five-star hotels, fine dining, luxury pampering, high-tech telecommunications services, cosmopolitan city entertainment, and shopping. Its brand had essentially been gentrified.

In 2009, Sepang International Circuit Sdn Bhd (SIC) CEO Razlan Razali said about 70% of those turning up for the races are Malaysian, and about 25% of the foreign spectators are from the region. Tourism Minister Datuk Seri Azalina Othman said a survey conducted in 2008 shows that **80.8% of the international visitors surveyed came to Malaysia solely for the F1 event.**

*"Based on the survey, the average per capita expenditure from international visitors was RM3,373.96 and their average length of stay was 5.4 nights,"* she added [Apx. US\$1,500 in today's inflation-adjusted USD]. The expenditure includes the tickets and all other expenses during the F1 events only. However, since the majority of race spectators were local, the local economic climate played a significant role in revenues.

The benefits of F1 in Malaysia were not just confined to the track. Hosting an F1 race has contributed generously, both directly and indirectly, to the country's tourism and hospitality sector. *"In terms of F1 venue, Malaysia remains a value-for-money destination, especially to the Europeans, who make up a large majority of the international audience at Malaysia's F1 event,"* Azalina shared.

SIC also partnered with Tourism Malaysia, Kuala Lumpur City Hall (DBKL), and the Federal Territory Ministry to promote F1 beyond the circuit. *"The experience of F1 has to be different in each country, and it is up to the host country to make it different,"* says SIC chairman Datuk Mokhzani Mahathir. *"The beneficiary of all the things we do is Kuala Lumpur. The city has to play a big role in attracting the people. That is the total business of motorsports."*

One example was its F1 Gala dinner, an event that was attended by the F1 teams as well as Malaysia's elite personalities. Mokhzani planned for over 10 city-based events scheduled during the F1 leg in Malaysia. *"There are a lot of things that can be done to promote the country through F1. If you look at other countries that don't have an established identity as Malaysia has, they use F1 to promote themselves by bringing in international corporate figures and celebrities,"* Mokhzani adds. *"These are people of prominence. When you bring them in, the media will follow. You don't want F1 to be just be a local event. We don't want it to be 99% attended by Malaysians because you need to fill hotel rooms, food and beverage outlets and shopping malls, to see the benefits of tourism dollars."*



Malaysian Association of Hotels vice-president Ivo Nekvapil noted that **most hotels in Kuala Lumpur register high occupancy rates during the F1 week.** *"Generally the five-star hotels all do well, with occupancy of over 85% during the F1 week,"* he says, adding that Pan Pacific KLIA does very well because of its proximity to the airport and the circuit.

At the time in 2009, It cost SIC RM40 million (US\$8.4 million) to stage the F1 race, but that amount is not the biggest cost component for the hosting job. SIC chairman Datuk Mokhzani Mahathir said the promoters' much larger fees are borne by the Government.

A local economist shared that there is a perception that the total costs of hosting F1 in Malaysia outweigh the benefits. *"There is anecdotal evidence that it probably costs more (to host) than what we get back. There was a lot of hype and interest in the early years which has since fizzled out, and there is a danger of it becoming a white elephant,"* he adds. *"But hosting the event has put Malaysia on the world map and there are a lot of benefits which are not captured in dollars and cents."*

In September 2008, Singapore hosted the [first](#) night-time event in Formula One history. It proved a huge hit, staged on a new street circuit, with the city's famous skyline providing a truly spectacular backdrop, and established itself as one of the calendar's most dramatic and atmospheric races. Being hailed as the 'Monaco of the East' and further raising the bar for the standard of racing circuits around the world, this race addition had a negative result for Malaysia, competing away its paying fans.

Singapore was the last big thing for F1 as the global economic slowdown took a toll on the sport. Japan's Super Aguri and Honda were the biggest casualties, having pulled out of F1 in April and December 2008 respectively. According to industry analyst Formula Money, Team Honda had the fourth highest budget in 2008 at US\$398.1mil, while Super Aguri had the smallest budget at US\$45.6mil. Their withdrawal reduced the 2009 starting grid to 18 cars from 22 previously. Sponsorship deals were also being reduced, further adding to the sport's financial troubles.

Mokhzani said that Malaysia had done well in promoting F1 over the past decade *"I think we have done a good job and the F1 people know that we were one of the first to believe in F1 enough to promote it in this region and make it what it is... The next Asian countries to come on board were Bahrain and China, which was five years later. They [F1 management] should credit us for helping build the image of F1 long before anyone from Asia decided to be part of F1."*

The falling out between Malaysia's Sepang Circuit and Formula One was a combination of a souring relationship, increased competition within Asia, dwindling local spectatorship (affordability and interest), and a lack of financial justification. However, its emergence and presence as a Grand Prix Host was initially well executed, and it reaped massive economic benefits that last till this day.

An impressive anecdote on the economic power of hosting F1 comes during the [Asia Financial Crisis of 1997-1998](#). Malaysia was the only severely affected crisis country that didn't borrow any money from the IMF, and yet it recovered as quickly as countries that received help. It also actually gained multiple significant advantages by charting its own course out of the crisis. One of the contributing factors to the country's recovery was its sports economy factor. During that time, Malaysia hosted the Commonwealth Games and later the first highly-anticipated F1 Grand Prix which noticeably stimulated the economy during a time of need.

In hindsight, Malaysia can be credited for the success of Formula One and motorsport throughout Asia. Its investment in the sport has greatly contributed to its pioneering image which continues to benefit its bottom line both directly and indirectly.

## **Dominican Republic**

Last week I took a trip to the Dominican Republic. We flew into the largest airport in the country, Las Américas International Airport in Punta Caucedo, and drove thirty minutes west to the capital, Santo Domingo, where most other tourists visiting make their first stop. This drive is almost entirely along the coastline with stunning views of the crystal clear baby blue Caribbean Sea.

Approximately halfway to the capital, travelers pass by an expansive, vibrant plot of land that catches your eye from the highway. This is the [Autodrómo Internacional de Las Américas](#), a paved full-length FIA Grade Four circuit that hosts weekly races and almost day-by-day training sessions for the best of Caribbean talent.

The circuit was built in 1998 by an esteemed Dominican architect named Cuquito Armenteros. Facing the Caribbean Sea, its unique breathtaking views from [turn one](#) and overall tropical vibe make it a hot destination for race enthusiasts worldwide.

## History

The [history](#) of motorsport in the Dominican Republic dates back to 1950 when clandestine racing filled the streets. That same year, the son of the tyrant Rafael Leónidas Trujillo, Ramfis decided to scale his love for racing cars. So he held an exclusive event at the San Isidro Air Base where the first circuit races were held. At the time, participants in the events were only those in his inner circle.

In the 50s, there were already renowned Dominican racers who were recognized globally in the international automobile world, but it was not until ten years later that the first club specifically for the practice of "La Cumbre", an off-road rally of Marlboro, was born on the island. The Marlboro International Race Track was located in La Cumbre, a city in the province of Santiago. It was known for its numerous curves (even in the starting area) and the frequent and dangerous sweeps caused by the condition of the asphalt in some sections.

This racetrack played a leading role for car racing drivers, such as Luis Rafael Méndez, Tony Canahuate, and Adriano Abreu, as well as motorcyclists, among them Daniel Abreu and Mime Cordero, who made the raceway a landmark venue that remained unique until the Las Americas racetrack was inaugurated in the late '90s.

Mamén Mendez was crowned as the first driver to win a race at the new track with a Fiat A112 in the category known as "Criolla". Thanks to the relevance that La Cumbre had gained, the exclusive races at the Air Base lost relevancy, but in 1967 its impact on circuit competitions resumed by producing notable large engine drivers such as Héctor Vilorio, Horacio Álvarez, Luís Rafael Méndez, Luís García, Jaime Nelson Rodríguez, Jacinto Peynado G. and Chuck Fleishawer.

In that then-famous region, adrenaline was still flowing with makeshift go-karts and Slalom races in different locations, such as the area of the monument in Santiago, the Livestock Fair, and the Peace Fair in Santo Domingo. These events would continue to extend to the present day.

The Santo Domingo Auto Club, Inc. (SDAC) had also stopped its motorsports activities and restarted them in 1967, returning to the region by organizing interesting quarter-mile races (Dragueos) on the Sanchez highway, which soon became unusually popular.

To meet the demands of this growing sport, the SDAC built, at a cost of several thousand pesos, electronic measuring equipment to establish the exact times of the cars in competition, revolutionizing the course of national speed sport.

The revolutionary period that began to mark the sport of speed in the Dominican Republic attracted the attention of the great international drivers of the time. They traveled from their countries to compete in the various national tracks that were emerging, highlighting the Puerto Rican drivers William Tartack and Diego Febles. At the same time, the Dominican Republic continued to participate abroad in circuit competitions in Puerto Rico and Jamaica, with sprinters Omar Victoria, Pedro Báez, and others standing out.

Expanding the border for racing only strengthened the fever of the sport in the nation, with events such as the "Copa GT Marlboro de las Américas" championship bringing together the best Caribbean racers and sharing the excitement.

October 1968 was a big milestone when two women competed in the quarter-mile races. Laura Álvarez and Blanca Ginebra, both from SDAC, stood out as the first representatives in these sprint races, opening the door for new competitors.

Before this, in March, the Mountain Rally was born. An event that today has outstanding participation and countless prizes. The Mountain Rally has come to be the most representative classic event of the Santo Domingo Auto Club, Inc.

1968 was a year of organization and assistance to other new clubs. The SDAC, in addition to preparing its events, advised other clubs in their efforts to spread the sport. This birthed the Quisqueya Auto Club, the Navy Club, and the Club Automovilístico del Norte (CADEN), followed by the Puerto Plata Auto Club, the Club Automovilístico Vegano (CLAVEG), the Romana Auto Club and the Ozama Auto Club.

In 1973, the Federación Dominicana de Automovilismo, Inc. (FDA) was created to guarantee the development of national automobile championships and international events, integrating economic agents, professionals, and participants of all automobile disciplines. Today, most of the aforementioned entities and car clubs are part of the FDA.

The Grand Prix of the Dominican Republic and the First National Tourism Race are held on this new mountain track and sponsored by the Quisqueya Auto Club, the second most important entity within the Federation.

At the end of the '90s, there was a resurgence of rallies that took place all over the country. The Autódromo de las Américas was inaugurated in Santo Domingo, which, years later would become the only one of its kind and where championships were held. Eventually, Cumbre Racing faded and disappeared. Today, the space that once made history under the name "La Cumbre" is occupied by a residential and commercial project.

### **Dominican Motorsport Today**

In 2008, the Autódromo de Las Américas acquired the pseudonym "Autodromo Mobil 1" after the sponsorship from the brand. That same year sparked a modern revolution in the sport with the emergence of the Mini Autodromo, known as "Adocarc".

By 2011, the Las Américas circuit no longer hosted official races, but it remains the hub for local testing for the best Caribbean talent through weekly events and almost daily use. It's also not the only track in the country. The relatively small island of 18,792 square miles (compared to Ghana's 92,098 sq mi) is home to 11.4 million inhabitants and a dozen racetracks that vary in size, and purpose.

Driving around the Dominican Republic, I was shocked at how many personal cars were modified with race-specced gear. Race tow hooks were everywhere. You'd see them on cars in remote country towns, on trucks and taxis, run-down and brand-new vehicles. Many cars were lowered and after-market rims were almost as common as OEM. Race stickers were plasters on JDMs and cars would be buzzing with their after-market exhausts.

It's remarkable how this racing culture had woven itself into the fabric of everyday life, with such a significant portion of the population participating in some way. And while the Dominican Republic has its fine beaches, rich history, and beautiful architecture already attracting tourism, its motorsport scene has produced a passionate, lively, and inclusive community.

### **Global Impact of Motorsport**

You may be an investor or stakeholder reading this who is interested mainly in the financial incentive. Quite a few studies and books have been published that discuss the impact of motorsports on the macro and micro societal and economic levels. These provide valuable insights into the demographics, trends, history, and societal impacts.

For this paper, it will be useful to explore the key findings from a [study](#) conducted by the FIA in 2021 on the global economic and social impact of motorsport. The industry figures encompass three types of participants: 1) competitors, 2) officials, marshals, and volunteers, and 3) non-competing club members. Here's what they found:

**€159.2B TOTAL ANNUAL GROSS OUTPUT** – The total annual gross output, which is the market value of goods and services produced by the motorsport industry plus the flow-on, or multiplier, effects of the direct expenditure throughout the economy. For example, money spent at restaurants by event attendees is allocated between the additional material inputs, food and drink, wages, and profits of the proprietor. Wages spent by the employees of the restaurant (e.g. on household items) circulate the money throughout a broader section of the economy creating indirect benefits.

**€66.9B TOTAL VALUE ADD** – The market value of goods and services produced by the motorsport industry plus the flow-on, or multiplier, effects of the direct expenditure throughout the economy.

In 2019, the motorsport industry directly generated €59.8B with €25B of value add. The direct contribution reflects the economic activity directly generated by all elements of the industry, including activity generated by participants, governing bodies, Local Motor Sport Clubs, facilities, tracks and circuits, events, (semi) professional teams, and auto-related industries.

**1.5M TOTAL PAID JOBS** – The number of paid jobs (full-time, part-time, and casual) directly supported by the motorsport industry. 576k were direct paid jobs, or people employed as a direct result of the €59.8b direct output, and 924,000 were indirect paid jobs, caused by 'flow on' effects to other industries, including supplier demand for intermediate goods and services and additional consumption by people employed in the industry. In addition, there were 302k unpaid formal officials, marshals, and volunteers. Of the paid employment, 63% came from services, 24% from advanced manufacturing and engineering, and 13% from other manufacturing.

**302,000 FORMAL (UNPAID) OFFICIALS, MARSHALS AND VOLUNTEERS**

**2.7M MOTORSPORT PARTICIPANTS** (competitors', 'officials, marshals and volunteers')

**60,700 EVENTS**

## 7,200 FACILITIES, TRACKS, AND VENUES

## 21,600 LOCAL MOTORSPORT CLUBS

Globally, Africa hosts 1.8% of all FIA international series events/rounds/series. Of all FIA-grade circuits, Africa holds 2 out of the 229 or just 0.87%, and they are all in South Africa.

The global motorsport industry includes and supports 21,600 Local Motor Sport Clubs (excluding non-motor sport clubs), FIA, and FIA's 145-member ASNs, and an international network of car manufacturers, component manufacturers, and other supply/support industries.

Car goods and revenues go through a large network that includes parts manufacturers, vehicle manufacturers, wholesalers and distributors, resellers, retailers, car dealers, service stations, chains, independent workshops, and specialists/repairers.

### **Private Investment in Motorsports**

Due to the private nature of investment deals and the [complex](#) ownership structures of many race circuits, it's difficult to study and model lucrative investment strategies in the field of race venues. However, there are a few possibilities to consider.

Wealth creation in race circuits often involves consortiums or investment groups that manage multiple racing facilities.

[Land ownership](#) and real estate developers come into play as many circuits have been built on valuable land that often has surrounding commercial development. Developers who invest in these projects and surrounding areas can potentially see significant returns.

Aside from the circuit, investors may focus on any aspect of the motorsport economy. For example, focusing on the cars brings tons of opportunities including import/export, parts, manufacturing, repair/modification services, engineering, consulting, etc. There is also training, staffing, promoting, planning, construction, and much more for an investor to contribute and earn a financial return.

Motorsports unequivocally has a significant global impact financially and socially but greatly lacks on the African continent. It will take a strategic initiative to get the ball rolling, and Ghana is well-positioned as the spearhead, and perhaps even the hub for motorsport in Africa.

### **Ghana's Economic Prospects**

Ghana is among the African countries with the largest concentration of [middle-class](#) and [millionaires](#). The country is also among the most desired for multinational corporations and foreign investment due to its safety and political stability.

Its revenue potential extends beyond its citizens. Ghana is well positioned, gaining an advantage from its port for importing/exporting goods, but is also for its tourism prospects. The country is surrounded by some of the largest economies on the continent: Egypt (#1 largest African economy) 6hr flight away, Nigeria (#2 largest African economy) within a reasonable 9hr *driving* distance, Algeria (#4 largest African economy) 5hr flight away, Morocco #6, 4hr flight, etc. It's also easier for Europeans to visit Ghana than South Africa (London to Accra is <7hr flight vs London to Cape Town is >11hr flight). This is significant because Europe is arguably the home of motorsport.

These economic factors add to the promising prospectus for Ghana as the next Formula One host country. Its economy has the resources, ability, and positioning to support and utilize a permanent racetrack for motorsports. The country already has a solid supercar and drag racing scene which has been growing for the past decade—a promising foundation for motorsports. It will take a few deliberate efforts to take it to the next level.

## **Master Plan**

### **Stage One: Foundation**

Before we run we must first walk. Developing motorsports with limited infrastructure but growing enthusiasm can be both challenging and exciting. Building from the ground up with grassroots racing initiatives and talent development programs contributes to the sport's growth and regional representation. For the sport to last, it must develop completely and thoroughly to avoid being a fad.



There are four phases of an industry life cycle. **Introduction, growth, maturity, and decline.** We are currently in the introduction or adolescence phase. Demand outlook is uncertain, information is scarce, and the industry is fragmented. However, this situation is slightly different because motorsport itself is not new—it is only new to the country. Much of the strategy can be modeled from historical precedents from other continents, as discussed in our case studies above.

It's helpful to begin growing auto racing in Ghana in the most **accessible, affordable, and engaging** way possible. This entails:

- Grow the karting scene: competitions, official rankings, national tournaments, and more accessible to all levels of experience. Karting needs to be seen as the starting point for all aspiring racers, and they need an opportunity to progress to other higher forms of racing if they desire.
- Grow drag racing, drifting: A large step forward from karting, but still significantly more affordable and accomplishable than circuit racing, this will be an important step in the progression. The drag racing scene typically begins on public roads, then to abandoned/closed-off roads, and then to a dedicated track, which can be shared with drifting and circuit racers. To scale these categories, we will need to establish organized leagues with leaderboards and prizes to incentivize further (financial, time, passion) investment.
- Establish a rally racing league: Probably the most affordable form of car racing and the easiest to get started. Ghana has enough land that can be used as temporary rally tracks or converted into temporary off-road circuits.
- Racing clubs/meetups: Watch and discuss motorsports, plan events, govern and grow the local sport, and grow the intercontinental business/logistics for events and products. Would be helpful to establish either a larger FIA presence in Africa or create a separate organization to sub-govern, develop, and represent the sport on the continent.
- Import racing parts & gear stores: Helmets, race suits, underwear, HANS devices, shoes, gloves, radios, and also car parts such as seats, steering wheel, sensors, data loggers, fire systems, mechanics and crew gear, etc.
- Strong media presence: YouTube [channels](#), vloggers, Instagram/Facebook pages, TV/radio shows, magazines, etc.
- Pro racer demos & appearances: The Fanbase grows when the fans feel closer to the performers. Invite some pro racers to meet, mentor, teach, and display their talent to inspire aspiring racers and new fans.

## Stage 2: Germination

Germination is defined as the process of something coming into existence and developing. It usually refers to the development of a plant from a seed after a period of dormancy. This word accurately describes this stage. It's not yet a blooming flower, nor is it still a seed.

As mentioned previously, the second phase of an industry life cycle is growth, and that is what this stage is all about. It will probably take ten or so years of intense effort before reaching an autocatalytic state. This can be identified when a few components are present: 1) The interest and participation level has reached a critical mass and the sport is growing on its own 2) Motorsport is recognized nationally and is not a foreign or esoteric industry 3) Youth locals have opportunities for a career/hobby in the sport 4) Locals have greater or equal participation and interest than foreigners 5) Total annual expenditure for the motorsport market in Ghana exceeds ~US\$10 million.

To address the elephant in the room, motorsports is expensive. And for it to grow, the wealthy will be vital to the industry. For this, we can take inspiration from Tesla whose beginning strategy was to target early adopters who were wealthy people willing to pay a premium.

This was necessary to fund the new market's infrastructure, technology, and systems to eventually bring down costs and make the technology accessible to everyone. As Elon Musk put it in his [letter](#) in August 2006, *"Almost any new technology initially has high unit cost before it can be optimized and this is no less true for electric cars. The strategy of Tesla is to enter at the high end of the market, where customers are prepared to pay a premium, and then drive down market as fast as possible to higher unit volume and lower prices with each successive model."*

Although we're dealing with an industry and not a technology, the principles remain similar. During Stage One we would have needed to onboard enough of the wealthy population to import racecars, gear, parts, sponsor events, and attend the events for the sport to grow beyond karting.

By this stage, we would've already achieved massive success. What comes next is both icing on the cake and probably inevitable.

### **Stage 3: Prevalence**

After some more time in the second stage, there will be a point where it seems like motorsport is ubiquitous in Ghana's identity and culture. It's difficult to accurately predict how long this can take because as we've seen in recent years, a successful effort (Netflix: Drive To Survive) can cause a sport to explode in popularity within a matter of months.

But we're dealing with a developing country, an uncertain governmental embrace or support, and [economic volatility](#), amongst other unforeseen challenges. However, if Stage 2 prevails for some time, then Stage 3 will be the natural eventual result. This stage is where Ghana shifts its focus to contend for a position on the global motorsport totem pole.

Thus far, I have only emphasized car racing, but motorsport is more broad. It also consists of motorcycles, motorboats, and even aircraft. These all can contribute to the industry—especially motorcycle racing as it shares the most similarities and facilities as car racing. But this paper's main focus is on auto racing.

The end goal is to try and establish an intercountry African auto racing series and to import global motorsport series such as Formula One, Formula E, WEC, WRC, and MotoGP. [Details](#) about these would be frivolous to investigate at the moment because substantial work must first be done in the first two stages for this to even be a possibility. But Ghana's geography has the promise for a captivating track on the outskirts of the densely populated capital of Accra, with hills and elevation changes, tropical climate and picturesque landscapes. One can only imagine how amazing this will be for all.

### **Final Words**

This master plan could arguably proceed in reverse order, beginning with the effort of building a permanent racetrack and after focusing on growing the sport for longevity and revenues, as Malaysia did. However, this comes with greater risk and difficulty. It also relies more on luck (factors not in our control) and governmental support.

I believe that with this plan, we can greatly contribute to the development of motorsports in the country, and eventually, host a Formula One Grand Prix.

## Footnotes

A contributor to this movement who I highly respect is **Marco**, the owner of **All Along The Racetrack**. Marco develops fictional and existing racetracks in Africa for the racing simulator, Asseto Corsa. His goal with this is to increase exposure and enthusiasm for racing in Africa. He has a [Patreon](#) where users can contribute \$1-\$2 a month to help him fund the tools needed to continue building these tracks. Check out his fictional street circuit for Accra, Ghana:

<https://allalongtheracetrack.co.uk/2021/01/15/black-star-gate-circuit-accra/>

History of Motorsport in Dominican Republic

<https://listindiario.com/la-republica/2022/07/31/732381/historia-del-kartodromo-las-americanas.html>

Analyzing the business of F1 in Malaysia. Original article [here](#), comprehensive summary without paywall [here](#). Written in February 2009.

History of the Sepang Circuit <https://www.racingcircuits.info/asia/malaysia/sepang.html>

Return to Africa a Priority for F1 Owners

<https://www.motorsport.com/f1/news/return-africa-priority-liberty-media/4389598/>

Formula Money publishes an annual data report on the business behind Formula One, which provides all of the key data for understanding the industry in a single volume for the first time. It contains more than 200 tables and diagrams including a breakdown of every current sponsorship deal, all race sanction fees, the total resources of each team, and a comparison of team turnover stretching back 20 years <https://www.formulamoney.com/>

FIA-led study on economic and social impact of motorsport

<https://www.fia.com/news/fia-presents-worldwide-study-economic-and-social-impact-motor-sport>

Accelerating Growth: Exploring Opportunities in the Motorsports Market

<https://www.linkedin.com/pulse/accelerating-growth-exploring-opportunities-market-denis-green-phraf>

Insightful studies on motorsports and circuit viability:

How major motorsport events can become viable in the long-term by implementing Shared Value throughout the stakeholder sphere <https://gupea.ub.gu.se/handle/2077/53133>

Analyzing the marketability and feasibility of motorsports as a rural economic development tool <https://repository.arizona.edu/handle/10150/555237>

*\*Additional sources have been hyperlinked within the relevant parts of the document above.*