MOTORSPORT MARKET RESEARCH REPORT

FRANCE

2004

PREPARED BY

M·R·A
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PREPARED FOR

MOTORSPORT INDUSTRY ASSOCIATION

UK TRADE & INVESTMENT

Shell Racing Solutions

MARKET RESEARCH REPORT

FRENCH

TEN YEARS OF ACHIEVEMENT

1994 - 2004

FOREWORD

The Motorsport Industry Association (MIA) was founded in 1994 and quickly established its mission to ensure long-term competitive advantage for motorsport and high-performance engineering companies. With 300 members, the MIA is now recognised as the industry's leading trade body with a host of activities, events, initiatives and support designed to benefit and develop the motorsport industry.

The MIA is especially committed to providing the UK's Motorsport Valley companies with a distinct business advantage through the provision of cutting edge market research. To date, the MIA has already commissioned a number of key motorsport market reports; principally the National Survey of Motorsport Engineering and Services (2000), the USA Motorsport and Performance Engineering Market Research Report (2002) and the Gulf Region Report (2004). These seminal reports have added to the wide collection of research already available on the MIA's motorsport research website. www.motorsportresearch.com

The European motorsport markets of France, Germany and Italy represent a considerable share of the global motorsport industry. This series of business reports, supported by Shell, identify the key advantages available to UK motorsport companies within these markets and examines potential opportunities. These will enable the UK motorsport industry to reinforce it's position as the global leader and develop further business to strengthen it's place at the forefront of this sector.

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Chief Executive of the Motorsport Industry Association

DR NICK HENRY

Dr. Nick Henry has extensive experience of economic and industrial research extending well over 15 years and is a leading expert on the UK and world motorsport industry. He shares his role at Motorsport Research Associates with a position in GHK Consulting Ltd and as a Reader in the Centre for Urban and Regional Development Studies, University of Newcastle. In 1997 he completed a widely publicised government (ESRC) funded study of the UK motorsport industry that included the identification and systematic investigation of Motorsport Valley. He is the author of numerous academic, consultancy and press articles on the industry including 'In Pole Position: Motor Sport Success in Britain and Its Lessons for the World's Motor Industry', 1999, Euromotor Reports, Ludvigsen Associates Ltd, London. Nick was the Research Director for the MIA National Survey of Motorsport Engineering and Services 2000 and, in 2002-03, acted as research adviser to the DTI Motorsport Competitiveness Panel, co-chaired by the Secretary of State. Nick has acted as Project Director for all of Motorsport Research Associates' market research activity and is lead author of the forthcoming 'Motorsport Going Global: The Challenges Facing the Worlds Motorsport Industry', published by Palgrave MacMillan.

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Mark Jenkins is Professor of Competitive Strategy and Deputy Director of Research at Nottingham University Business School. Prior to joining Nottingham he held positions at Cranfield School of Management, Massey Ferguson Ltd and the Lex Service Group. His teaching and consulting activities focus on the areas of competitive strategy, knowledge management and innovation. He is the author of a number of books on strategic management issues, has published numerous journal articles and is on the editorial boards of Long Range Planning, Organization Studies and the European Journal of Marketing. He is currently researching the role of knowledge and innovation in the development of Formula One motorsport.

He is also co-author of the forthcoming 'Motorsport Going Global: The Challenges Facing the Worlds Motorsport Industry'.

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DR TIM ANGUS

Dr. Tim Angus, Consultant, completed a PhD on the Italian Motorsport Industry in 2000. He worked as part of the research team on The National Survey of Motorsport Engineering and Services 2000 and was responsible for the international benchmarking of the motorsport industry undertaken for the DTI by Motorsport Research Associates. Tim was Research Manager for the Germany, France and Italy Motorsport and Performance Engineering Market Research after successfully completing the role for the USA Motorsport and Performance Engineering Market Research Report in 2002 and 'Motorsport Northamptonshire' produced in 2003.

He is also co-author of the forthcoming 'Motorsport Going Global: The Challenges Facing the Worlds Motorsport Industry'.

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Motorsport Research Associates were contracted by the MIA to undertake research on the French motorsport and performance engineering market. The MIA wishes to identify business opportunities in France for companies in the UK motorsport, performance engineering and motorsport services sector.

'Motorsport' is defined for the purposes of this report as competitions involving 4 wheeled vehicles. These competitions utilise similar machinery on a frequent basis on designated tracks and circuits. These machines include, for example, karts, historic cars, single-seater racing cars like Formula 3 and Formula Ford, Touring cars, rallying, rallycross, IRL and Formula 1.

'Performance engineering', by contrast, is defined as a more generic engineering term representing high-value added, low-volume manufacturing, through the combined application of high technology engineering disciplines and creative design. In this sense, motorsport can be seen as the public brand of performance engineering.

The aims of this study are:

- to provide members of the MIA, and others operating in this sector, with an overview of the Scale, Scope and Potential of the French Motorsport and Performance engineering Market.
- to identify potential Niches of Business Opportunity for UK Companies.

The objectives of the study are listed in Table 1, along with their fulfilment within the report.

Table 1: Objectives of the study

MIA Objectives	Objective fulfilled in
1 Estimate the Size of the French Motorsport and Performance engineering Market	Stage One Section 1.1
2 Establish the French Motorsport and Performance engineering Market Segments	Stage One Section 2
3 Establish the French Motorsport and Performance Engineering Market Trends	1 Overview – Stage One Section 1.1.4 2 Individual Market Segments – see 'Market Trends' section on each segment of Stage One Section 2 3 Table 3
4 Identify Key French Motorsport and Performance engineering Suppliers	1 Suppliers to the Individual Market Segments – see 'The UK's position in...' section on each segment of Stage One Section 2 2 Appendix Three
5 Identify Key French Motorsport and Performance engineering End Users	1 General Overview – see 'Overview' section on each segment of Stage One Section 2 2 Stage Two – The French Motorsport and Performance engineering Market – Niches of Business Opportunity
6 Evaluate the French Motorsport and Performance engineering Supply Chain	Stage One – Section 3
7 Investigate French Motorsport and Performance Engineering Business Practice	Stage One – Section 4

Stage 1

SCALE, SCOPE AND POTENTIAL OF THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET

The aim of Stage One is to provide a comprehensive overview of the French motorsport and performance engineering marketplace. Firstly, it identifies, and provides an overview of each of the market segments in the French motorsport and performance engineering marketplace. Secondly, it identifies the market trends in each segment and the UK motorsport and performance engineering industry's market position within those segments. Thirdly, Stage One provides a general overview of business culture and the supply chain structure in the French motorsport and performance engineering industry. Lastly, this stage identifies potential niches of business opportunity for consideration in Stage Two of the research.

The information for Stage One was gathered by means of desk and field-based research. An 'Expert Panel' comprised of academics, consultants and industry members met to decide on the organisations and personnel to be contacted for interview, in order that the widest possible spread of information on the French market could be gathered. Ten Key Informant interviews were conducted (see below). In order to protect sensitive commercial information, interviewees were assured confidentiality;

- Four interviews with successful French firms involved in the motorsport and performance engineering market.
- Two interviews with French-based organisations dealing with the French motorsport and performance engineering industry.
- Four interviews with French motorsport and performance engineering end-users.

Stage One also included the following desk-based research:

- re-examination of existing National Survey of Motorsport Engineering and Services 2000 questionnaire returns and assessment of other MIA material.
- structured analysis of UK and French trade magazines (e.g. Autosport, Racecar Engineering, Race-Tech, Sport Auto, Auto Hebdo)
- web-searches.
- review of published business/market reports in the UK and France.

Stage 2

THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY

Stage One split French motorsport and performance engineering into various market segments. It also identified which of those segments the UK motorsport and performance engineering industry was particularly well qualified to supply. The Expert Panel met to decide the choice of segments for further investigation as niches of business opportunity. The niches were chosen on the basis of market areas that could provide the highest potential commercial return for the UK motorsport and performance engineering industry. The panel chose two niches of opportunity.

Information gathered during Stage One of the research was utilised in order to provide potential interviewees for Stage Two.

Chosen niches of opportunity were researched through a process of 20 structured interviews with French end users using a mix of face-to-face and telephone interviews. The face-to-face interviews were carried out at the the 'Innovation; Sports, Leisure and Competition' Conference, held at Magny-Cours on 23-24 October 2003, and at the FFSA Super Series race meeting held at Magny-Cours from Oct 24-26, 2003.

VALUE OF THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET

1.0

THE VALUE OF THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET

1.1.1

THE FRENCH MARKET VALUE

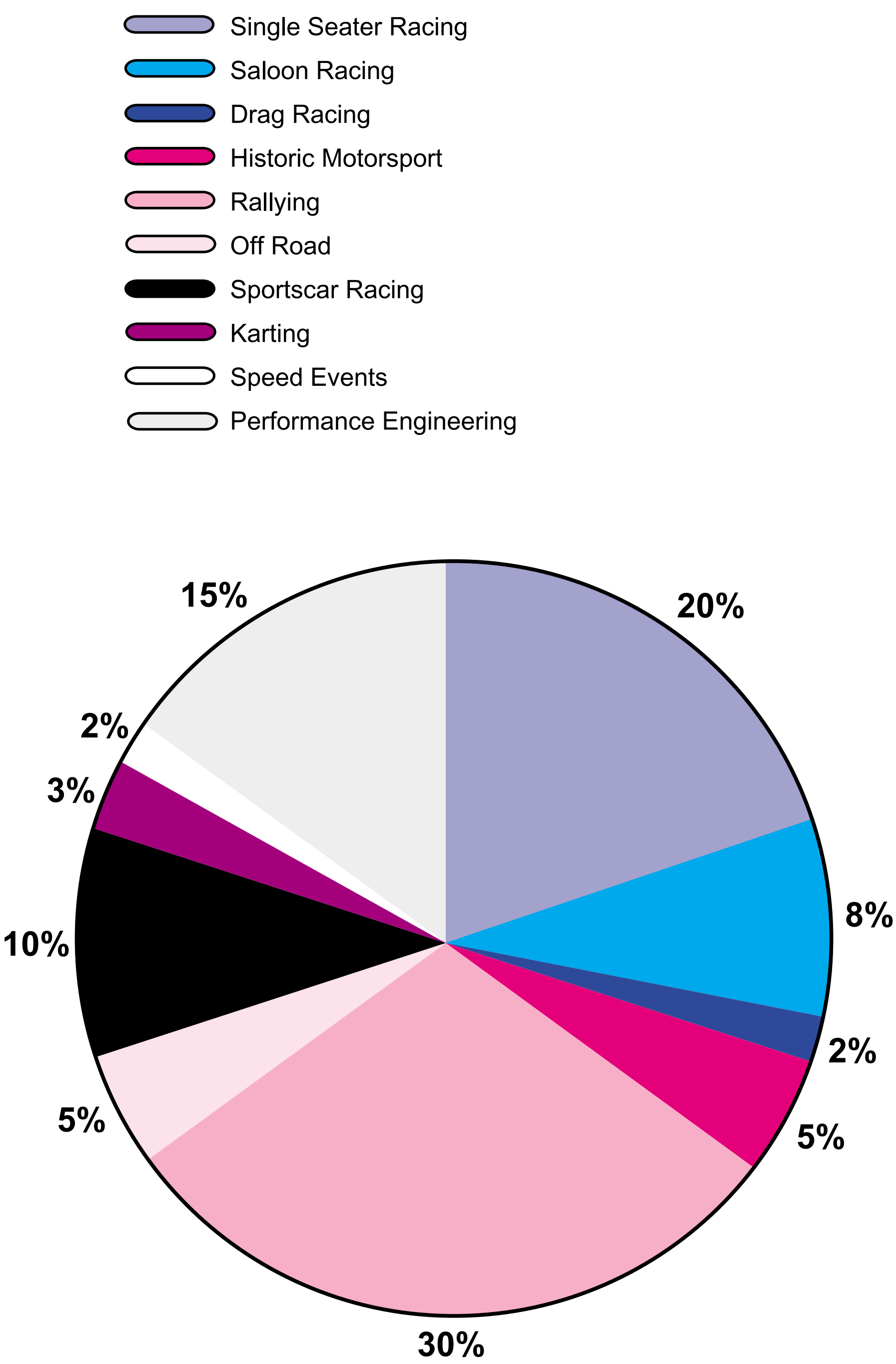
The total turnover of the motorsport and performance engineering market in France, for both engineering and services, is estimated at **£1.5 billion** in 2003.

The French motorsport and performance engineering market was segmented on the basis of the type of motorsport competition, chosen by the individual competitor. This method was chosen above any other type of segmentation, for example by French motorsport business specialism, due to the availability of published figures for French competitor demographics.

The method of calculation of market segment values is detailed in Section 1.1.2. The value of each market segment is shown as a percentage of this total in Diagram 1. Table 2 shows these percentages as monetary values.

By comparison, the £1.5b turnover for motorsport and performance engineering in France in 2003 compares with the £4.6b turnover for motorsport and performance engineering in the UK in 2000, discovered by the MIA's National Survey of UK Motorsport Engineering and Services in 2000. Also by comparison, the MIA's Market Research Report on the USA Motorsport and Performance engineering Marketplace estimated that this market was worth $16.45b (approximately £11.0b) in 2002.

Diagram 1:
Turnover Value of French Motorsport and Performance Engineering, by Market Segment in 2003



VALUE OF THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET

1.1.2

METHOD OF SEGMENT VALUE CALCULATION

Given a total value of the French motorsport and performance engineering marketplace, including both engineering and services, of £1.5 billion in 2003, the value of each market segment was estimated by using the following calculations;

- Comparing segment value with the value of segments discovered in the MIA's USA Motorsport and Engineering Market Research Report 2002.
- Comparing segment value to the size of the UK industry discovered in the MIA's National Survey of Motorsport Engineering and Services 2000.
- Our expert interviewees were asked to verify the segment values given their own particular segment experience and cross reference with established values of the UK and USA marketplace.
- Utilising company revenues published on company websites, or in the press.
- Utilising Competitor numbers taken from the Federation Francaise du Sport Automobile (FFSA) and shown in Appendix One.

1.1.3

FUTURE POTENTIAL OF THE FRENCH MARKET

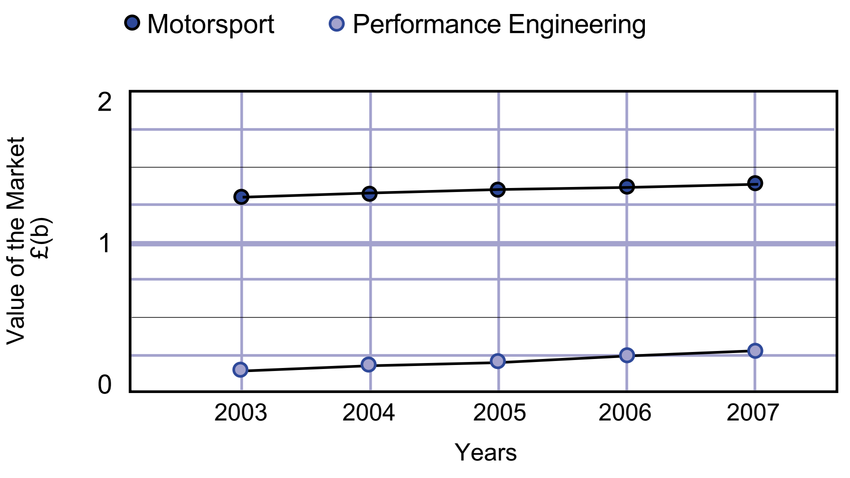
Our expert interviewees were asked to estimate the future growth potential of each segment over the next five years. These results were validated using desk-based research. Both these methods suggest that the future value of the total French motorsport and performance engineering market will increase to £1.582b by the end of 2007, an increase of 5.5% from a 2003 total of £1.5b.

Table 2: The French Market Segment Values in 2003

Market Segment		Value of market (£m)	%
1	Single seater Racing	300	20
2	Saloon Racing	120	8
3	Drag Racing	30	2
4	Historic Motorsport	75	5
5	Rallying	450	30
6	Off Road (incl. Rallycross)	75	5
7	Sportscar Racing	150	10
8	Karting	45	3
9	Speed Events	30	2
10	Performance Engineering	225	15
	Total	1500	100

As Diagram 2 indicates, the French motorsport segment (excluding performance engineering) is expected to grow from £1.275b of this total in 2003, to £1.311b in 2007, a segment increase of 2.8%. Performance engineering, by comparison, is expected to grow from £0.225b in 2003, to £0.271b in 2007, a segment increase of 20.4%.

Diagram 2:
Future Potential of French Motorsport and Performance Engineering Market



VALUE OF THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET

1.1.4

A GENERAL OVERVIEW OF FRENCH MARKET TRENDS

The headline figure of £1.5b is for the combined value of French motorsport and performance engineering in 2003.

Currently, French motorsport is epitomised by WRC teams, Peugeot and Citroen, and the Le Mans 24-hour race. Less well known is the country's strong presence in the F1 supply chain.

While Renault now has a significant presence in F1 after the OEM bought Benetton outright in 2001, the team and chassis production are still based in UK and Renault's engines produced in Viry Chatillon, France at Renault Sport. France's last surviving F1 team, Prost Grand Prix (formerly Ligier), slid into bankruptcy early in 2002. Asiatech, an F1 engine manufacturer based at the former Peugeot F1 facility at Viry Chatillon, closed in October 2002 due to funding difficulties.

Renault F1 engines are now the only high profile F1 involvement in France, but this hides a strong, wider French presence as engineering suppliers to the F1 industry.

Within the F1 engine supply chain, Mecachrome is a long-standing partner of Renault. Mecachrome is an aerospace engineering company, currently involved with Airbus, and supplies the high technology end of the motorsport market. In the past it has acted as a manufacturer of F1 engines in its own right, utilising Renault F1 technology when Renault decided to cut its F1 involvement. Today it acts as a highly regarded subcontractor to the F1 engine programme of Renault and it is rumoured, other OEM F1 engine programmes, and is very active in the USA.

Table 3: French Market Trends

Market Segment	Potential overall growth of segment over next 5 years	Potential growth of UK industry's share of sector over next 5 years	Latest Developments in segment
1. Single Seater Racing	Low	Low	Euro F3 supersedes French F3; Loss of F1 team Prost and F1 engine manufacturer Asiatech; introduction of FRV6 weakens F3000; Mygale and Martini developing F3 cars; New 2005 F2 spec engine made by Mecachrome; Mechachrome buys French JPX and Swiss Mader Racing; Renault removes support for SODEMO F3 engine
2. Saloon Racing			
Professional	Medium	Medium	Success of Supertourisme means no French Super 2000; Diesels for Supertourisme in 2005?, ORECA buys SNBE
Amateur	Low	Low	Success of Coup de France
3. Drag Racing	Low	Low	None of significance
4. Historic	Medium	Medium	ACO Historic support races affect non ACO series; Success of Le Mans Classic event; Closure of Montlhery circuit in 2004
5. Rallying	Low	Low	Renault to WRC?; National S1600 has few manufacturers for 2004; ORECA buys SNBE; One-make Renault Clio series in France for 2004 – cars built by UK's LAD
6. Off Road	Medium	Medium	Paris-Dakar; Success of Ice Racing; ORECA buys SNBE
7. Sportscar racing			
Professional	Medium	Medium	New Euro Le Mans Series; Lack of manufacturers at Le Mans; Diesels at Le Mans?; Peugeot remove Le Mans backing
Amateur	Low	Low	Growth of FFrance; Legends for 2004? Alternative fuel Peugeot RC Cup for 2004
8. Karting	Low	Low	Strong domestic scene but few manufacturers; SODEMO developing 4 stroke engine
9. Speed Events	Low	Low	None of significance
10.Performance engineering	Medium	Medium	Pininfarina buys Automobiles Matra; ORECA buys SNBE

1.1.4 continued

Another highly regarded F1 engine supplier based in France is crankshaft producer Chambon, part of the US owned Performance Motorsports Inc group of companies, that includes Perfect Bore, JE Pistons and Carrillo Rods. JPX, a firm that supplies F1 pistons, valves and specialist coatings, is now part-owned by Mecachrome. Mecachrome has recently bought the Swiss-based Mader Racing engine specialists.

Outside the F1 engine supply chain, French firms play an important part in supplying the F1 sector. Chief amongst them is Carbon Industrie, a manufacturer of carbon brakes to F1 and one of the three recognised carbon brake F1 suppliers. Carbon Industrie, principally an aerospace company, is increasingly using F1 to raise the technological and marketing profile of its mainstream non-F1 product line. The French tyre company Michelin is one of two current F1 tyre suppliers alongside the Japanese company Bridgestone. In 2004 Michelin supplied 60% of the F1 grid.

Historically, French motorsport has gained significant funding from French OEM's, tobacco companies and oil companies. Over the last ten years finance from oil and tobacco companies has reduced, leading to the loss of a generation of F1 drivers and a significant part of the industry.

Outside F1, France also has a strong presence in the World Rally Championship, providing both the Peugeot WRC team, based at Velizy, and the increasingly competitive Citroen WRC team, based in Versailles. Renault is also rumoured to be considering a WRC programme. Elsewhere in the French motorsport industry, Mygale has a presence in Formula Ford and builds the chassis for the various Formula BMW Junior series.

In sporting terms, the Le Mans 24 Hours remains the world's premier sportscar race and attracts domestic sportscar constructors like Courage. In addition, the former F1 circuit, Paul Ricard in the south of the country is being developed as a permanent F1 test facility under Bernie Ecclestone's ownership, and includes a permanent Toyota F1 test-team base.

Finally, the strength of the French aerospace industry means that the French OEM's have been able to call on the services of aerospace engineering firms like Mecachrome and Carbon Industrie. Consequently these firms have gone on to become global suppliers to the motorsport industry. French OEM's also benefit from the large-scale aerodynamic research establishments like ONERA, and Institut Aerotechnique. The strength of this French aerodynamic research link to motorsport has resulted in the establishment of smaller motorsport related aerodynamic consultancies, such as the Sardou Group.

Table 3 on page 11 provides a summary overview of market trends across the segments. The next section (2.1 – 2.10) provides a detailed overview of market trends

2.1

SINGLE SEATER RACING

2.1.1

OVERVIEW

The single seat market segment in France is dominated, at an industry level, by involvement in Formula 1. Renault Sport supplies engines to the UK-based Renault team and Mecachrome, Carbon Industrie and Michelin are key players in the F1 global marketplace.

Single seat racing, at a domestic level, in France is dominated by Renault. Although several of the Renault single seat categories are not strictly French domestic series, they will be briefly described for the sake of an overview of Renault's activity within European motorsport.

Renault's leading European single seat category is called Formula Renault V6. This is a one-make chassis and engine formula intended to rival Formula 3000. The category was introduced in 2003 although only one round actually takes place in France.

French motorsport, in the past, had a headline F3 series within its single seat segment, but demand fell due partly to the strength of the domestic Formula Renault Championship. Partly to offset this decline, in 2003 the French and German F3 series were combined to form the F3 Euroseries, with strong manufacturer support from German and French OEM's. The series is jointly organised by the French-based FFSA and the German-based DMSB organising bodies.

Table 4: Overview of the Single Seat segment

Description of Market Segment	Examples of Domestic Series in this Segment	Value of Market Segment (£m)
SIngle Seat Categories	FRV6 FRenault 2000, FRenault Campus, FF1800	**300**

Table 5: French, or French-based, Single Seat Series (Source: FFSA)

French National Single Seater Series	No. Races in 2003	No. Regular Drivers in 2003	Series Details
Eurocup FR V6	11	17	1 round in France
Euro F3 Series	10	30	3 rounds in France, DTM Support Series
Masters FRenault 2000	4	35	0 rounds in France; Euroseries
FRenault 2000	8	30	Top French-based only series
FF1800	8	25	Only open chassis single seat category based solely in France
FRenault Campus	8	24	Main Feeder route for French karters

Renault heavily supports Formula Renault in France, and many other European countries. As Table 5 indicates, Renault also supports a short 4 round European series, although none of the rounds of this series take place in France. The French Formula Renault Series now comprises 8 races in France. Each race attracts approximately 30 drivers, all utilising the one-make chassis supplied to the series.

Formula Renault is part of the major French race series, organised by the French motorsport governing body, the FFSA. This series is called the FFSA Super Series and comprises Supertourisme, One-make Peugeot 206, Porsche Carrera Cup and French GT's. It comprises 8 rounds, although not all the individual support races compete at all of the 8 events.

The FFSA also organises a series below the Super Series, entitled the Series FFSA. This programme of events features 7 rounds. The series covers a wide variety of motorsport including Super Production Saloons, Formula Renault Campus, Formula France, Formula Ford, 250 Superkart, One-make Caterham and a lower key GT series. Not all these series will race at all the 7 events of "Series FFSA".

The two lower rungs of single seat racing in France compete in the Series FFSA. Formula Ford 1800 races at National championship level in this series and attracts approximately 25 cars per event, and is the only open chassis formula in French single seat racing.

Formula Renault Campus also competes as part of the Series FFSA package. Formula Renault Campus is a Renault supported one-make chassis and engine formula designed to act as a feeder between the French Karting scene and the lower rungs of French Single Seat Racing. Unlike the other French Single Seat categories, all the drivers are run by an umbrella organisation, rather than by individual teams.

2.1.2

MARKET TRENDS

Our estimates for future growth within this segment are very much based on the future strategy of the French OEM's and, currently, we do not forecast any great change in value within this segment over the next 5 years.

At an industry level, high profile French F1 involvement has fallen away over the last few years with the closure of Prost, Asiatech and Peugeot, and we have accounted for these closures in our headline figures. The possibility that Mecachrome may be awarded the engine contract for F2 from 2005, under a Renault sponsored series, would be a large gain for the French industry, and a loss of opportunity for the current UK supplier Zytek (and Judd).

As with much of French domestic motorsport, trends within French Single Seat Racing tend to be dictated by the competition policy of the French OEM's. In this case, Renault holds a very high profile within French Single Seat racing.

Although not strictly based in France, the Renault supported FRV6 category rivals F3000 and Formula Nissan on a European basis. This has led to the dilution of all three categories, with entries in each category struggling to reach and maintain 20 cars. It appears likely that consolidation will occur from 2005 onwards, and change this position.

The loss of French F3, partly due to the loss of French oil and tobacco sponsorship over the last decade, has meant that many leading French Single Seat Teams have migrated away from France into other single seat categories. The Iberian-based Formula Nissan V6 World Series, for example, has attracted French F3 teams, as has the F3 Euroseries.

At the level of the F3 Euroseries, Renault is one of several OEM's involved in supporting teams and drivers. While providing funding for teams and drivers through its Driver Development programme until 2003, it also supplied funding to the French specialist engine manufacturer Sodemo, to build F3 engines that it supplied to two of the leading Euroseries teams. This funding relationship ended at the end of 2003.

Below F3 the domestic Formula Renault series is one of Europe's strongest. This contrasts significantly to the situation in Formula Ford. As in many countries, the lack of support by the OEM for this category means it is under threat from other single seat categories.

2.1.3

THE UK'S POSITION IN THE SINGLE SEAT SEGMENT

At the level of F1, UK firms are key suppliers to the involvement of Renault in F1, as the Renault F1 team is based in the UK, with only its engines and tyres sourced from France.

The Renault-organised, but European wide, FRV6 category is a one-specification formula wherein all chassis and engines are supplied centrally. Renault does not allow competing chassis, engines or subsidiary components. All chassis are carbon monocoques supplied by the Italian Tatuus concern, all engines by Renault Sport, and all gearboxes by the French SADEV organisation. Tyres are supplied by the French company Michelin, wheels by the Italian firm OZ, and electronics by the Italian-based Magneti Marelli. The technically restrictive nature of this one-make category means it is very difficult for UK firms to gain a foothold, unless they can win a contract as the sole supplier of a particular component from the parent OEM.

The Italian Dallara chassis dominates the F3 Euroseries. The UK firm Lola is attempting to break into the F3 market. Engine suppliers to the F3 Euroseries are dominated by the OEM's (Mercedes, Toyota, Honda, Opel). These OEM's supply engines built by subcontractors like the German-based Spiess (Opel) and HWA (Mercedes). UK-based Neil Brown is involved in supplying Mugen-branded, Honda-based engines to two teams in the 2003 Euroseries. UK firms, Hewland (gearbox) and AP (brakes) are involved in the series as subcontractors to Dallara, but any meaningful further penetration of this market may rely on a UK-based chassis manufacturer challenging the dominance of the Italian Dallara concern.

UK firm involvement below F3 in the French Single Seat category is restricted due to the preponderance of one-make series supported by Renault. The Formula Renault series, for example, have a carbon monocoque chassis built by the Italian firm Tatuus, a gearbox supplied by the French firm SADEV, tyres by Michelin, wheels by the Italian firm OZ, and engines supplied by Renault Sport in France. Strict controls are set up by Renault to ensure that engines and gearboxes are maintained, rather than developed, usually by one officially authorised distributor in each country where the Renault series competes. As such, the opportunities for UK firms are limited, subject to a bid to Renault to supply the whole chassis batch, or all the gearboxes.

This may be an option when the current regulations for the class are renewed. An example of where a UK company has made this sort of bid is Alcon, which supplies all the brakes for Formula Renault on a worldwide basis.

At the lowest level of Renault's domestic Single Seat involvement is Formula Renault Campus. These chassis are of a spaceframe construction and built by the Mygale chassis contructor in France. Like Formula Renault, Formula Renault Campus has a one-specification gearbox and engine centrally supplied and maintained. All these factors mean UK firms' development of this level of the market is, again, difficult.

The one open chassis French Single Seat Category is Formula Ford. The UK firm Van Diemen has a presence as a chassis supplier, but the market for chassis in French Formula Ford is dominated by the French Mygale concern. UK suppliers do have a presence as Hewland gearboxes, for example, are utilised in all Formula Ford chassis. Although on the surface, the strength of Van Diemen in other markets may presuppose an opportunity in French Formula Ford, the entrenched position of a domestic chassis manufacturer, together with the weak state of Formula Ford more widely, mean that this may not be the opportunity it at first appears. At the last round of the National French Formula Ford championship, only 2 of the 25 entrants were entered in 2003 spec cars. The rest of the field were entered in older chassis.

Table 6: Overview of the Saloon Racing Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Saloon Racing		**120**
Professional	Euro Clio Trophy, Euro Clio Cup, Supertourisme	
Amateur	Peugeot Coupe 206CC, Superproduction,	

2.2. SALOON RACING

2.2.1 OVERVIEW

The position of Renault in the French Saloon Racing segment will be initially outlined. Although technically Renault does not have a domestic one-make championship in France, the company does run two European-based series, which for the sake of completeness should be included in the discussion of this segment.

The top class of Renault's European wide saloon car strategy is the Clio Trophy (see Table 7). This is a 9 round European championship for high performance mid-engined Clio V6 cars. Below this series in Renault's European wide saloon car strategy is the Clio Cup. This series is also European wide, and caters for the more standard front wheel drive Clio.

Table 7: French, or French-based, Saloon Racing Series in 2003
(Source: FFSA)

French National Single Seater Series	No. Races in 2003	No. Regular Drivers in 2003	Series Details
Clio Trophy	9	30	Mid-engine V6 Clio; EuroSeries with 1 round in France; discontinued in 2004
Clio Cup	9	50	Fwd Clio; Euro Series with 1 round in France
Supertourisme	8	26	Top Saloon category in France
Peugeot Coupe 206CC	8	45	Leading France only One-make saloon category
Superproduction	7	16	Production based saloon series
Coupe de France	11	190	Introductory category for lightly modified road cars

At a purely national level, the leading French saloon car category is called Supertourisme. This is part of the 8 Round National French racing series, attracting entries of 26 Supertourisme cars per event, called Super FFSA. Supertourisme is unlike other leading European saloon car championships in that the cars are 'silhouettes' of existing models, rather than being mechanically based on road going cars.

Below Supertourisme, in French Saloon Racing is the one-make Peugeot Coupe 206 Series. This is a very popular controlled specification one-make formula supported by Peugeot Sport. The series races across 8 meetings in France, and features high entries of up to 45 cars per race.

Also below Supertourisme, and at approximately the same level of technical sophistication as the one-make Peugeot 206 series, is the French Superproduction series. This is a low-key category, similar to Group N, for lightly modified road cars.

The introductory series for club racers within the French saloon car racing segment is called the Coupe de France. This is an 11 round championship that allows many types of lightly modified road car to compete against one another. The series attracts up to 200 cars per event and seems to be successful in providing a low cost entry route to racing in France. This seems to operate in a similar manner to a category like the 750MC's Stock Hatch series in the UK, although the French series is not restricted to hatchbacks only.

2.2.2

MARKET TRENDS

Although less beholden to the French OEM's than the French Single Seat market segment, this is only marginally less apparent. Our Key Informants and Expert Panel prescribed no real change in this segment over the next 5 years.

The European Renault Championships are obviously dependent on the whims of the OEM's marketing programme and it is likely that the Clio Trophy may have less of a shelf life than the Clio Cup. The same remarks could also be aimed at the National level Peugeot Coupe 206CC. Although highly successful at the moment, it cannot really go in any direction other than down, once its marketing shelf life has expired. It could perhaps be replaced with the next model the OEM wishes to promote.

The relative success of the Supertourisme category indicates a change in direction by the FFSA, away from a European standard set of saloon regulations towards something more home grown. Early signs, for a category in only its second year in 2003, look promising. Of the French OEM's, Peugeot is involved in the category, as is the Spanish OEM, SEAT. If this category could attract involvement from Renault and Citroen, then it may show relatively strong growth. Its ultimate success may be compromised as its regulatory environment means it can only ever be a French series. It may be that attracting Renault to the category may detract from an existing Renault motorsport marketing strategy that the OEM may be unwilling to change.

At the grassroots of French Saloon Racing lies Superproduction and Coupe de France. Superproduction currently relies on very small fields and its success is not assured unless OEM's become involved. This situation is similar, at this level of saloon racing, in many countries. The category needs OEM involvement but OEMs often see more marketing value in running their own one-make series.

The Coupe De France is a successful grassroots series allowing, what are little more than lightly modified road cars, onto the track, for little expense. It may grow further as a segment but the grassroots nature of the category means this is unlikely to boost overall segment revenues significantly.

2.2.3

THE UK'S POSITION IN THE SALOON RACING SEGMENT

The European wide categories, Clio Trophy and Clio Cup, are one-make controlled specification formulae that, like, Formula Renault V6 and Formula Renault in the single seat categories, offer little in the way of opportunities for UK companies. Renault Sport builds cars in the Clio Trophy series and their engines are sealed to maintain equivalence, and are maintained by Renault Sport. The cars have SADEV derived gearboxes, Italian Brembo brakes, Magneti Marelli electronics and have Michelin tyres. Technical regulations in the lower specification Clio Cup are equally restrictive. The only opportunity for UK companies seems to be in becoming a preferred supplier of a particular component when the next set of cars for a new Renault supported series becomes available.

The Supertourisme series may offer more opportunities for UK companies. This is a silhouette saloon series with bodies modelled on existing production cars but with spaceframe chassis. The chassis are currently all built in France by firms like ORECA, SNBE and Solution F. Currently chassis are modelled on the Peugeot 406 Coupe, Opel Astra Coupe, SEAT Cordoba and BMW M3. In terms of engines, each car must use a production derived 3 litre V6, based on an engine available from the parent OEM. French engine specialists like SODEMO and Solution F currently supply engines to the category. Due to the slightly more open technical regulations in this series, there could be opportunities for UK engine builders and specialist engine suppliers, together with specialist engineering service suppliers, to become involved in the category.

At the grassroots level of Superproduction and Coupe de France there seems little to tempt UK companies. Superproduction has small grids, and although Coupe de France has a large number of entrants, they are all competitors on a tight budget who are unlikely to look too far or spend too much on new components or services.

2.3

DRAG RACING

2.3.1

OVERVIEW

French Drag racing is at a low level compared to that in the UK, Germany, or the Nordic countries. There is a 16 round national championship held mainly at temporary venues, rather than permanent drag racing strips like Santa Pod in the UK. The cars race at tracks measuring both a quarter and eighth miles in length.

There are 10 drag racing venues in France, of which the Meginac venue is the most popular. In comparison to drag racing in the UK or Germany which utilises highly specialised Drag racing cars, in France the most popular are modified European road cars.

2.3.2

MARKET TRENDS

Our Key Informants and Expert Panel confirmed the low-key nature of Drag Racing in France and did not foresee any particular growth in the segment over the next 5 years.

2.3.3

THE UK'S POSITION IN THE DRAG RACING SEGMENT

Due to the low-key domestic nature of the championship, there do not appear too many opportunities in this sector. It is likely that local distributors supply these club level racers with generic competition equipment like clutches, hoses and fittings and brakes. It is likely that UK firms such as AP and Goodridge sell equipment through these local distributors, but the volumes of equipment sold will be relatively small.

Table 8: Overview of the Drag Racing Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Drag Racing	FFSA Coupe de France	**30**

2.4.

HISTORIC MOTORSPORT

2.4.1

OVERVIEW

In terms of historic events in France, key events are the Tour Auto and events held at the Le Mans circuit. The Tour de France is a 5-day road-based event, like the Italian Mille Miglia and is organised by the French company Peter Auto. The event involves participants driving historic vehicles between various French circuits, where they compete against the clock at these facilities. The event attracts a large contingent of international participants.

There are also various racing events held at the Le Mans circuit, which attracts a great deal of attention due to the current status and historic importance of the Le Mans 24 Hours. Each year a support race for historic cars is held at the main Le Mans 24 Hours event. In the last few years, Le Mans has also added a bi annual historic only event, run separately from the main 24 hours event, and purely for historic cars. This event has attracted good reviews and a large number of international participants

France also has a strong heritage of motorsport, with some of the most famous circuits in Europe alongside Le Mans. For example, French historic motorsport runs race events at the Pau and Angouleme street circuits, and at the Montlhery circuit. Montlhery is a part oval circuit with a history similar to that of the UK's Brooklands circuit but which, closed at the end of June 2004. These events include domestic French historic motorsport series but also involve pan European Historic series, which are based in Germany or the UK.

Below the international historic circuit based events, the FFSA organises a 5 round Serie VH (Historic Vehicle) championship at the main French circuits. This championship has classes for Classic F3 cars, 1960's saloons, 1970's saloons, Lotus 7's, up to 1 litre Historic saloons, Classic Formula Ford and a class exclusively for historic French single seaters. Most of these classes appear well supported by French competitors.

Table 9: Overview of the Historic motorsport Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Historic Racing		**75**
Professional	Le Mans, Tour Auto Race	
Club	FFSA Serie VH, French Endurance; Rally; Speed	

1.1.4 continued

There is a French Endurance Championship for Historic sportscars of the sixties and seventies, entitled the French HSR Endurance Championship. This is a 6 race series of various race lengths of 6, 8, 12 and 24 hours duration. The series is organised by VdeV Racing with 5 of the 6 rounds taking place in France.

Outside circuit racing, French motorsport organises a series of Road and Stage based Rally championships for historic cars, although these are not of an international standing nor do they produce a segment value comparable with the circuit-based events described above.

Similarly, French Club motorsport operates Historic motorsport events within its speed-based events. These hillclimbs have classes for Historic vehicles and appear well supported although again, the size and value of this market does not compare with the various Le Mans based events or the Tour Auto.

2.4.2

MARKET TRENDS

Historic motorsport in Europe is growing. Our Expert Panel and Key Informants confirmed that this was also likely to be the case in France. We have factored in a 5% yearly increase in the value of French Historic motorsport to reflect the more general European wide increase in Historic motorsport. This takes the value of the segment from £75m in 2003 to £91m in 2007.

The strength of the Le Mans brand means that any event associated with the circuit is likely to prove successful. In 2004, Le Mans will launch a short series of 4 European sportscar races to support the Le Mans 24 Hours. As part of these 4 new events it is proposed that there will be a historic racing support package, to be organised in conjunction with Peter Auto, the organisers of the bi-annual Le Mans historic event and the Tour Auto. These events are likely to be strongly supported from within the European Historic motorsport community.

At the club level of French Historic motorsport, our Key Informants and Expert Panel confirmed that an increasing interest in Historic motorsport was likely to be also reflected at the grassroots level of French Motorsport.

2.4.3

THE UK'S POSITION IN THE HISTORIC MOTORSPORT SEGMENT

The Historic motorsport segment in France may be subdivided into two sections for the purposes of UK firms. The first segment is based around a series of events, such as the Le Mans Historic races, that have international stature. Many competitors at these events are high net worth individuals racing expensive and often UK-built racing cars. In this case, UK Historic racing preparation experts like Hall and Hall, Cambridge Motorsport, and Hoole Racing are well placed to supply the market.

The second segment where UK firms are involved, is for the less well off enthusiast who prepares his/her own vehicle within French club Historic motorsport. For example, the Serie VH run by the FFSA, includes many cars in categories like Historic Formula Ford and Classic F3 which are UK derived, such as Van Diemen and Ralt. UK component suppliers are supplying this level of club motorsport and are proactive in supplying components for club level historic speed events and rallying.

While the club level of historic motorsport may be less well funded, the fact that the sector is one of the few areas of European motorsport still expanding, must be seen as an opportunity. At the other end of the scale, the organisation of high profile French Historic motorsport events around Le Mans, for example, must also be an opportunity for the higher profile UK preparation companies.

2.5.

RALLYING

2.5.1

OVERVIEW

At the level of the WRC, French teams are hugely successful within the Rallying segment. Operations like Peugeot Sport and Citroen Sport are world class rally car designers, car builders and teams.

French Domestic Rallying has three top national level series. One series concentrates on gravel road special stages, another concentrates on tarmac roads, and the last is a series for a certain type of car, the Super 1600 category.

The French Gravel Rally Championship takes place nationally over 7 rounds, whereas the French Tarmac Rally Championship comprises 6 rounds. The Gravel Championship attracts entries of approximately 60 cars per event; the Tarmac Championship attracts entries of 110 cars per event.

The Super 1600 Rally Championship, by contrast, attracts 40 entries per round and is contested over 7 rounds.

Below these national rally series are two levels of events. There are regional championships, spread across the 18 administrative regions of France, all of whom organise their own regional rally championships. Below this there are also events local to each region that form part of local club organised grassroots rally championships.

2.5.2

MARKET TRENDS

Our Key Informants and Expert Panel felt that French rallying would be a fairly static market over the next 5 years. French rallying at the national level is dependent on the marketing strategies and committed motorsport involvement of the French OEM's. For example, the French have a stand alone Super 1600 series, but there are only half a dozen or so entrants in the top Super 1600 class. If, as rumoured, one of the three currently competing French OEM's pulls out of this championship in 2004, there is likely to be little competition in this category next year. The rest of the Super 1600 field is filled with lower specification one-make 1600cc cars from the French OEM's, but this hardly constitutes a frontline championship.

The other French National Championships, the Gravel and Tarmac Championships, comprise only 3 WRC level teams at best between them, according to our Key Informants, and are also predicted to be fairly static in terms of growth over the next 5 years.

Table 10: Overview of the Rallying Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Rallying	French Gravel Championship, French Tarmac Championship, Super 1600	**450**

2.5.3

THE UK'S POSITION IN THE RALLYING SEGMENT

The two French WRC teams, Peugeot and Citroen have a history of close relationship with the UK motorsport industry. Xtrac and Hewland, for example, supply gearboxes and gearbox components to the French teams while both AP and Alcon supply brakes to the market. Renault are rumoured to be considering an entry in WRC.

At the level of the National French Series there are few WRC cars involved, although where they exist, they are run by French teams like Bozian, a highly respected organisation also present on the world rallying stage. Within National level rallying outside the few WRC cars, the equipment used by competitors are mainly cars such as the Mitsubishi Evo, and a large number of lower specification Peugeot and Citroen hatchbacks.

Within the French Super 1600 series, OEM cars are built either by the motorsport arms of the French OEM's themselves, or by the few French specialists. For example, currently ORECA builds and runs the Renault Super 1600 Rally Car.

Within the French rallying segment, below the level of component and service suppliers to the two main WRC teams, the lower value of UK specialist component supply to National and Regional competitors is fulfilled by the supply of components through French motorsport distributors.

2.6.

OFF ROAD (INCL. RALLYCROSS)

2.6.1

OVERVIEW

The Off road segment of the market comprises two main sub-segments. The first segment comprises the French National Rallycross championship and the Trophee Andros Ice Racing Championship. The second main segment comprises National level 4x4 championships and the Paris-Dakar Rally.

The French Rallycross Championship has 11 rounds attracting 90 participants per event. There is also a one-make Citroen Saxo National Rallycross Championship that has 7 rounds and attracts entries of 40 identical cars per event.

The Trophee Andros is a high profile winter Ice racing series running from early December to early February over 7 events in France. Typically there are around 70 participants competing over the whole championship.

The 4x4 Championship has 9 rounds that attract 180 participants over the course of the season, while the 4x4 Enduro Championship is contested over 6 rounds and attracts over 300 participants over the season.

The Paris-Dakar Rally is a stand-alone event run in January that has a very high profile in the media. The event is not part of the FIA Cross Country Championship nor part of a French National Series, and takes place partly in France, but mainly in North Africa. The event's success and history means that in 2003 it attracted fields of 437 competitors from 28 nationalities. These competitors used 324 vehicles in the race, of which 155 were motorcycles, 124 were cars and 45 were trucks.

Table 11: Overview of the Off Road Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Off Road Total		**75**
Rallycross/Ice racing	National, Coupe de France, Saxo, Trophee Andros	
4x4, 4x4 Enduro	National, Paris-Dakar	

2.6.2

MARKET TRENDS

Our Key Informants and Expert Panel confirmed that Rallycross was a fairly static segment unlikely to grow much in the years ahead. Similarly, they confirmed that the Trophee Andros, while highly successful, was also unlikely to grow greatly over the next 5 years.

Alongside Historic motorsport, our Key Informants and Expert Panel suggested that Off Road 4x4 events were one of the few categories growing in motorsport within Europe. It is likely that an increase in this part of the segment may offset any weaknesses from Rallycross or Ice Racing. In France, this is largely due to the success of the Paris-Dakar and the spin off effects of the high media profile this attracts. It also reflects the growing road going market for 4x4 vehicles, a small number of which may be modified by competitors for competition use.

2.6.3

THE UK'S POSITION IN THE OFF ROAD SEGMENT

French rallycross is mainly a grassroots sport. The only factory involvement is with a low-key Citroen one-make programme. UK firm involvement in this category will therefore be slight, apart from the sort of generic motorsport components likely to be distributed in France through local distributors.

The Trophee Andros is higher profile, utilising specific vehicles, purpose designed for the event. UK firms such as the gearbox suppliers Hewland and engine suppliers Nicholson McLaren have an involvement in this sector. Our Expert Panel confirmed that approximately 4 French firms construct cars for this series, amongst them ORECA and SNBE, and the market for UK firms is not particularly large in this segment.

The 4x4 market in France may show the most promise for UK firms. Schlesser buggies are made in France, while the modification of Japanese 4x4's for competition use is undertaken by French firms like Team Ralliart France, CLC Mitsubishi and Team Dessoude. Mitsubishi's Paris-Dakar vehicle, the Mitsubishi Pajero Evo, is built in France even though the company management structure resides in Germany at Mitsubishi Motor Sport (MMSP).

The UK's place in the segment is characterised by the supply of the sophisticated transmission systems and differentials needed for such rough terrains by UK firms like Hewland, Ricardo and Xtrac, in competition with the French firm SADEV.

Our Expert Panel confirmed, however, that they could not identify many opportunities for further market penetration by UK firms in this sector. The sector is still quite small, albeit the Panel acknowledged the possibilities for some growth in the segment.

2.7.

SPORTSCAR RACING

2.7.1

OVERVIEW

Sportscar racing in France is dominated by the Le Mans 24 Hours race organised by the ACO. This race is the most famous sportscar race in the world, and its 80 year heritage continues to set the agenda for much of sportscar racing throughout Europe and the rest of the world.

Below the Le Mans event lie two national sportscar series. The most popular is the GT series run under the auspices of the Super FFSA championship. This series attracts a high quality field, including entries from French teams who contest the main European FIA GT Championship. The number of rounds in this series (8) and its entrants (40), along with figures for other sportscar series in France, can be seen in Table 13.

The second French sportscar series supports the second string FFSA series, and is called the GT FFSA series. This is a much lower key championship than the Super FFSA GT series, with lower entries of less quality.

Below these two GT series are three one-make championships.

First is a Porsche Supercup series, similar to that run in other European countries and strongly supported by the German OEM.

Second, is a series for UK Caterham sportscars that attracts good entries for each of its 7 rounds. Note there is also a one-make Historic Lotus 7 championship run under the FFSA Serie VH, and described in Section 2.4.

Table 12: Overview of the Sportscar Racing Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Sportscar Racing		**150**
Professional	Le Mans, GT (Super FFSA), Porsche Carrera Cup	
Amateur	GT (FFSA), Formula France, Caterham	

Table 13: French, or French-based, Sportscar Racing Series in 2003 (Source: FFSA)

French Sportscar Events and Series	No. Races in 2003	No. Regular Entries in 2003	Series Details
Le Mans	1	50	Leading Sportscar race in the world
GT Super FFSA	8	40	Leading French GT series; organised by SRO
GT FFSA	7	20	Second rung GT series
Porsche	8	22	One-make championship
Caterham	7	35	One-make championship
Formula France	8	40	One-make championship; 7 rounds in France

Third, and run at a similar level to the Caterham series, is the recently introduced Formula France. This is a one-make, French produced, sportscar series utilising motorcycle engines, in a similar sort of technical package to that offered by the Radical Sportscar company in the UK. The championship encompasses both Super FFSA and FFSA events, as well as a one off event at Spa in Belgium.

2.7.2

MARKET TRENDS

Le Mans dominates the future potential of the sportscar segment in France. Sportscar racing is currently experiencing a decline in entries from OEM's in the prototype classes, as can be seen in the 2003 FIA Sportscar Championship and amongst Le Mans entries. Nevertheless, this is being slowly counterbalanced by OEM involvement in GT racing. The success of the FIA GT Championship, and similarly Le Mans, is seeing OEM's like Ferrari (FIAT), Maserati (FIAT) and Lamborghini (VW) join long term GT devotees like Porsche, Lister and Chrysler. Aston Martin will enter, with Prodrive UK in 2005.

The success of GT's at an international level is having a knock on effect on the success of French GT racing within the Super FFSA Series. Although not a huge market, it is likely that the success of GT racing, and the likely success of the new Le Mans series, should slightly increase the value of the French sportscar segment over the next 5 years. We predict that the value of the segment will increase from £150m in 2003 to £170m in 2007.

The second rung of GT racing within the FFSA Series mainly utilises cars from the French one-make Porsche and Caterham series, albeit run in longer distance events than the one-make series attempt. This level of French sportscar racing is unlikely to change much in value over the next 5 years.

At the bottom rung of French Sportscar racing lies the one-make Formula France. This category has been successful since its introduction 2 years ago, and may prove more successful over the next 5 years. Although an effective low cost first rung on the sportscar ladder, its overall added effect to the value of the sportscar segment in the next 5 years is likely to be small. At the lower end of French sportscar racing is the recently introduced Formula France category. This is based on a spaceframe chassis, motorcycle engined category, raced in both closed and open topped format. Exess Competition in France builds all the cars, with 250 cars so far produced, and 150 more under preparation as of October 2003. This series is proving successful, but there is no real involvement by UK companies in the category.

New for 2004 is the one-make Peugeot RC Cup series. This is an alternative fuel manufacturer-backed series comprising 26 cars racing at 7 rounds in France. In the long term this series could be templated by Peugeot in other countries, providing a boost to the segment and the general cause of alternative fuels in motorsport.

2.7.3

THE UK'S POSITION IN THE SPORTSCAR RACING SEGMENT

There are a few sports prototype manufacturers in France, of the type that compete at Le Mans, and will likely compete in the new, European Le Mans series. Courage is the largest of these chassis manufacturers, producing perhaps two chassis a year, followed by manufacturers like Norma, WR and Debora, who may produce one new chassis every other year or so. The size of this market is not large, and is unlikely to change significantly in the years ahead.

UK gearbox suppliers, Xtrac and Hewland, together with engine makers like Engine Developments (EDL), are active suppliers in this market. The decision by Peugeot to downgrade its support for the Courage chassis and Le Mans based, Pescarolo Sport team, has put more business the way of the UK engine manufacturers EDL, as will the decision by Le Mans organisers ACO to allow diesel engines in the future. Peugeot formerly supplied funds for French engine builder SODEMO to produce a sportscar engine for Pescarolo Sport.

Within the French GT Championship, the popular choice is Chrysler Vipers, supplied mainly by Paul-Ricard based ORECA, and various Porsches, supplied by the German based manufacturer. Some Porsches are GT cars, while some are Porsche Cup cars. There are also a few Lamborghini Diablos that formerly used to compete in the Diablo one-make championship.

If the success of the French GT Championship increases, there may be opportunities for UK firms like Prodrive, who produce successful privateer Ferrari GT cars, together with key UK component suppliers like Xtrac and Hewland, to increase market share, but as our experts intimated, the market segment is not large.

Below French GT racing are the one-make championships. The highest value of these is the Porsche Cup, whose cars are all built by the parent company in Germany. The next category of one-make championship is for Caterham sports cars. Here Caterham builds all chassis in the UK, with engine development by UK-based Minister Racing Engines. Both engine and chassis are distributed in France through a local Caterham distributor.

The new for 2004 Peugeot RC Cup also appears to offer little for the UK industry. French-based Nogaro Technology builds all the cars and they use alternative fuel road-based engines built by Peugeot Sport. Other major component suppliers are Italian Brembo brakes and French Michelin tyres in a series run centrally by the French-based Geoscan Concept organisation.

2.8.
KARTING

2.8.1
OVERVIEW

French karting is split, as in many countries, between long circuit gearbox events and short circuit, principally non-gearbox events. Short circuit karting is by far the most popular segment in France.

Long circuit karting utilises the same full-scale circuits as do other categories of motor racing. Short circuit karting utilises smaller purpose built karting facilities. Long circuit karting in France comprises a 7 round series supporting the main Serie FFSA across the country. The category is for 250 Superkarts and attracts approximately 25 participants per event.

Short circuit karting in France is very popular, probably second only in the European popularity stakes to short circuit karting in Italy. Short circuit karting in France takes place at approximately 100 venues across the country, organised by 218 Kart clubs.

The main French short circuit National Championship is called the Grand Prix Karting FFSA Series. This is a 6 round championship held at 6 venues across France. The National Championship has approximately 6 classes, from Juniors through to 125cc classes, though not all classes race at each round of the championship. Each championship round attracts approximately 200 entrants per meeting.

Below the national short circuit championship, each region in France has its own championship, and each kart club organises its own grass roots series.

Table 14: Overview of the Karting Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Karting **(50, 60, 100, 125, 250cc)**	French SuperKart (Long Circuit), Grand Prix Karting FFSA (Short Circuit)	**45**

2.8.2
MARKET TRENDS

While acknowledging that France is probably the second biggest market for karting in Europe, after Italy, our Key Informants and Expert Panel suggested that the total size of the karting market in France was likely to remain stable over the next 5 years.

One factor that will affect French short circuit karting in the future, as well as all other European countries, is the introduction of 4 stroke motors. Currently most short circuit karting utilises small capacity 2 strokes. Due to environmental concerns, the karting governing body, the CIK, is trying to move short circuit karting towards the more environmentally friendly 4 stroke motors. This will have repercussions in France both for the competitor who will eventually have to equip with new motors, and for the engine manufacturers, who will need to embrace a new set of engine regulations.

2.8.3
THE UK’S POSITION IN THE KARTING SEGMENT

Within the Long Circuit French kart market, the predominant chassis manufacturer is the Danish company PVP. Most engines in this segment are from the Austrian-based Rotax company. UK chassis manufacturers like Zip and Anderson do supply the long circuit kart chassis segment, but have a low level of market penetration in France.

Within Short Circuit French Karting the predominant chassis and engine manufacturers are from the dominant Italian kart industry. Italian chassis firms like, Biesse, Birel, CRG, Jolly Kart, Maranello Kart, Tony Kart and Trulli, dominate French short circuit karting. In short circuit engine supply, Italian firms like Comer, IAME, Italsystem, PCR, Pavesi and Vortex predominate.

France does have one high profile short circuit chassis manufacturer, Sodikart, but no high profile engine manufacturers. The UK has no real presence as either a chassis or an engine manufacturer in the French short circuit karting segment. Within Europe, in the main, the Italian industry dominates this area of the market. UK industry potential is therefore limited.

2.9.

SPEED EVENTS

2.9.1

OVERVIEW

Speed events in France are epitomised by the French national hillclimb championship entitled the Championnat de France de la Montagne. Hill climbing and speed events in France, as in the rest of Europe, are different to those in the UK. In the UK hillclimbs and sprints take place on short, twisty, purpose built venues like the Prescott Hillclimb or the Curborough Sprint venue. In France speed events, particularly hillclimbs, are held on closed public roads in remote areas.

European national governments demonstrate a greater readiness to close public roads for competition than the UK Government. The events in France are usually far longer in length than those in the UK, and the speeds achieved are usually consistently higher.

The premier series in France, the Championnat de France de la Montagne, attracts fields of 150 cars per event, and is run over 12 rounds. Below the level of the national championship, French motorsport holds speed events at a regional and local level. The class structure of French speed events is similar to that in the UK. The top category pitches large capacity single seaters and sportscars, sometimes with old F1 engines, against each other. Below that will be various engine, size related, classes for single seaters, sportscars, saloons and Historic cars.

Table 15: Overview of the Speed Event Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
Speed Events		**30**
National	Championnat de France de la Montagne	
Club	Hillclimb, Sprint	

2.9.2

MARKET TRENDS

Speed events are at the grassroots of European motorsport. As such, though many people may participate in the sport, the value of the segment is low. Our Key Informants and Expert Panel confirmed that the value of the segment was likely to remain constant over the next 5 years.

2.9.3

THE UK'S POSITION IN THE SPEED EVENT SEGMENT

The top category of French speed events sees large capacity single seaters like old F3000 chassis from UK firms like Lola and Reynard competing against purpose built sportscars from the Italian firm Osella. Due to the cost of running these cars in an amateur sport, the numbers are relatively low.

UK suppliers such as Hewland, Nicholson McLaren, AP and Goodridge are involved in supplying components for French speed events, particularly where the original source of engine or chassis manufacture is British, but the value of that supply is low. As speed events are an amateur sport, UK companies will supply the market through French distributors, as the value of business in the segment will not warrant a greater market presence

2.10.

FRENCH OEM PERFORMANCE ENGINEERING

2.10.1

OVERVIEW

Generally, OEM involvement with motorsport currently comprises two distinct roles. The first is OEM involvement in the motorsport series themselves. This is exemplified by the role of Renault Sport, Peugeot Sport and Citroen Sport.

The second is the use of motorsport firms by the OEM as 'performance engineering' consultants in more mainstream road car production. In this sense, motorsport is the public brand of performance engineering, where performance engineering represents high value added, low-volume manufacturing, through the combined application of high technology engineering disciplines and creative design. UK firms such as Prodrive Automotive Technology, Lotus Engineering and Ricardo illustrate the sort of role a performance engineering firm can perform for OEM's.

2.10.2

MARKET TRENDS

Our Expert Panel estimates that OEM Performance engineering outsourcing in France may show increases over the next 5 years. The general trend over the last decade in worldwide OEM manufacturing has been vertical disintegration of the production process. Vehicle manufacturers are increasingly becoming 'assemblers' as they seek to outsource. The context of this change is an estimated 25-30% overcapacity in European vehicle manufacturing capacity in Europe. We estimate, therefore, that the segment will increase in value from £225m in 2003 to £271m in 2007.

This change in direction of OEM organisation could lead to smaller, more flexible factories than currently seen within French OEM's. It could also lead to the outsourcing of specialist cars and services, as small specialists produce knowledge intensive, branded cars for larger OEM's. This sort of work is currently undertaken mainly in house in the French OEM's. It will be a challenge for UK performance engineering firms to understand, and then access, these internal markets.

Within France, the current role of independent performance engineering firms supplying the French OEM's remains small. It would seem that the economic power and political influence of the French OEM's has allowed them to assemble a vertically integrated supply chain. For example, the formerly independent motorsport and high performance road car specialist Gordini and similarly Alpine, were absorbed by Renault in the sixties and seventies. Consequently, Renault has effectively relied on 'in house performance engineering' to a larger extent, while, on occasion, utilising the services of some UK performance engineering companies such as Ricardo and the former UK TWR Group.

Few French firms seem capable of operating in the area of outsourced performance engineering undertaken by UK firms like Prodrive, Lotus or Ricardo. Some firms do exist, like Nogaro Technologies and Danielson Engineering, but they are relatively small scale testing and prototyping firms compared to the strength and expertise of their UK counterparts.

2.10.3

THE UK'S POSITION IN THE FRENCH OEM PERFORMANCE ENGINEERING SEGMENT

The UK's motorsport industry has a long history of the knowledge intensive firm-supplier relationships needed to secure Performance engineering collaboration. Increasingly firms such as Prodrive, Lotus and Ricardo are utilising their motorsport experience to move into the supply of specialist services, and indeed whole vehicles, to the OEM industry.

Developing an understanding of the French OEM's, their current performance engineering requirements, their current suppliers, and their needs and future demands in this segment may open up opportunities for some of those internal performance engineering markets to UK-based suppliers. Our Expert Panel confirmed that developing an understanding of, and relationship with, the OEM's would be the key to developing this market.

Leveraging the motorsport-oriented connections available to existing UK suppliers with French OEM competition departments could present an opening. Several UK motorsport and performance engineering firms are heavily linked with French OEM competition departments, and may be able to utilise these pre-existing links to leverage the internal OEM performance engineering market to their advantage.

Table 16: Overview of the OEM Performance Engineering Segment

Description of Market Segment	Examples of Series in this Segment	Value of Market Segment (£m)
OEM's	Not applicable	**225**

3.0

THE FRENCH MOTORSPORT SUPPLY CHAIN

There are two main methods suggested by our Expert Panel to supply the French market:

1. Sell direct to end user

This method is the primary one utilised where the product is sold on performance more than price. In this case a UK manufacturer would build up a technical relationship with a proven team in a specific category. This close relationship would normally require the presence of the UK personnel at test days and race meetings, in order that technical feedback between manufacturer and end user was maximised.

This would be the preferred method where UK companies are dealing with the competition departments of French OEM's, for example.

2. Independent Distributor

This is the preferred option by most of the UK industry when supplying the French market. Where a product line is stable, price controlled and not subject to rapid innovation, this method of supply works well for UK suppliers.

In France there are three main distributors covering most of the market for UK suppliers; Gtii, Danielson Equipment and ORECA.

4.0

DOING BUSINESS WITH FRANCE

The French motorsport industry is strongly dominated by the OEM's, Renault, Peugeot and Citroen. While such OEM domination is prevalent to a greater or lesser extent in all the three European countries surveyed, arguably the French OEM influence is proportionally highest. This leads us to suggest that the key to accessing the French motorsport market is to develop an understanding of the French OEM's needs and culture, in order to access that key internal OEM influenced motorsport market.

The French motorsport industry is one of the most insular in Europe. The industry in France is more domestically oriented towards its own domestic motorsport series than are Germany, Italy or the UK.

UK firms attempting to access the French market are likely to face language requirements. Many firms will not necessarily speak English as they do not perceive their market to be outside France.

The inward looking nature of much of the French industry might present problems when UK firms attempt to access the market. Information and statistics on the industry were extremely hard to discover.

SELECTING NICHES OF BUSINESS OPPORTUNITY FOR THE UK MOTORSPORT AND PERFORMANCE ENGINEERING SECTOR

5.0

SELECTING THE NICHES OF BUSINESS OPPORTUNITY FOR THE UK MOTORSPORT AND PERFORMANCE ENGINEERING SECTOR

5.1

OVERVIEW

Stage One provided an overview of market scale, scope and trends. Stage Two involved the detailed investigation of two selected Niches of Business Opportunity. The following section outlines this process of selection.

In summary, the recognised competences of the UK Motorsport and Performance engineering industry were cross-referenced with identified market trends and established knowledge of the French market segments, as outlined in Stage One. This provided several choices of market segment for further consideration and research.

Table 17:
Core UK Competences and French Market Segments

Core UK Motorsport Industry Competences relevant to the French market	Race	Rally	Off road (4x4)	Drag Racing	Karting	Speed events	Historic	Performance engineering
Specialist components								
Data Acquisition (see Note 1 below)	Strong	Strong	Medium	Weak	Medium	Medium	Weak	Medium
Composites	Medium	Medium	Medium	Weak	Weak	Weak	Weak	Medium
General Motorsport Components (see Note 2 below)	Strong	Strong	Strong	Weak	Weak	Weak	Weak	Weak
Access to specialised equipment and services								
Mechanical Engineering Development (see Note 3 below)	Strong	Medium	Medium	Weak	Weak	Weak	Weak	Strong
Aerodynamic Research (see Note 4 below)	Strong	Weak	Weak	Weak	Weak	Weak	Weak	Strong
Project Management	Medium	Medium	Medium	Weak	Weak	Weak	Weak	Strong

Key

- Strong Niche possibility
- Medium Niche possibility
- Weak Niche possibility

Table 18:
Summary Table of French Niche Possibilities for UK companies

Race	Rally	Off road (4x4)	Drag Racing	Karting	Speed events	Historic	Performance engineering
Strong	Medium	Medium	Weak	Weak	Weak	Weak	Medium

FOOTNOTES

Note 1 - Data Acquisition; from 'intelligent' instrumentation to full two-way telemetry systems
Note 2 - Motorsport components; including brakes, clutches, gearbox, gearbox components, hydraulic transfer, suspension components, fuel cells, engine components, fuel injection, engine management, turbochargers, safety equipment and exhausts.
Note 3 - Mechanical Engineering Development; Test and motion simulation (e.g. 7 poster rigs), modelling software (e.g. CAD, FEA, CAE).
Note 4 - Aerodynamic Research; Wind tunnels (e.g. moving ground plane), computational fluid dynamics.

SELECTING NICHES OF BUSINESS OPPORTUNITY FOR THE UK MOTORSPORT AND PERFORMANCE ENGINEERING SECTOR

Table 19:
SWOT Analysis of UK Motorsport and Performance engineering in the French Market

Strengths (of UK in France)	Weaknesses (of UK in France)
1. Data acquisition 2. General Motorsport components 3. Mechanical Engineering Development 4. Aerodynamic Research 5. Project Management	1. Services - insurance?
Opportunities (for UK in France)	**Threats (to UK from France)**
1 Data acquisition – Race, Rally 2 General Motorsport components • Race, Rally, Off Road 3 Mechanical Engineering Development • Race, Performance engineering 4 Aerodynamic Research • Race, Performance engineering 5 Project Management • Performance engineering	1 One-make formulae made outside UK and promoted by Renault. 2 Engines - Renault Sport, Mecachrome, Sodemo, JPX.

5.2

THE DECISION MAKING PROCESS

Market segments for investigation were chosen using the following method;

- An 'Expert' Panel;

  - agreed an initial set of UK Motorsport and Performance engineering competences.

  - using the results from Stage One research, cross referenced this list of competences against potential to calculate the French market share and opportunities (see Table 17).

  - Chose two Niches of Business Opportunity for the UK Motorsport and Performance engineering Industry (see Table 18).

- The process of selection was aided by production of a SWOT analysis (see Table 19).

THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY FOR UK COMPANIES

Stage Two:

THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY FOR UK COMPANIES

The niches of business opportunity for the UK motorsport and performance engineering industry were chosen as:

- Sportscar/GT Teams
- Supertourisme Teams

20 end user interviews were carried out. Half of the interviews were carried out face to face, with the remainder undertaken by telephone.

1.0

SPORTSCAR/GT TEAMS

1.1

CORE UK COMPONENT COMPETENCES AND FRENCH END USER RATES

The Expert Panel designated 11 areas of UK competence in component manufacture for this niche. The French End Users were asked to rate their purchasing frequency of items within each area of UK industry competence. The results are seen in Diagram 3 right;

1.2

MOST POPULAR WAY OF SUPPLYING THE MARKET IN FRENCH SPORTSCAR/GT TEAMS

In the 11 areas of component competence outlined previously, the End Users were asked to identify the most popular method of supplying the French Sportscar/GT teams (Diagram 4);

Diagram 3:
Core UK Component Competences and French Sportscar / GT End User Usage Rates

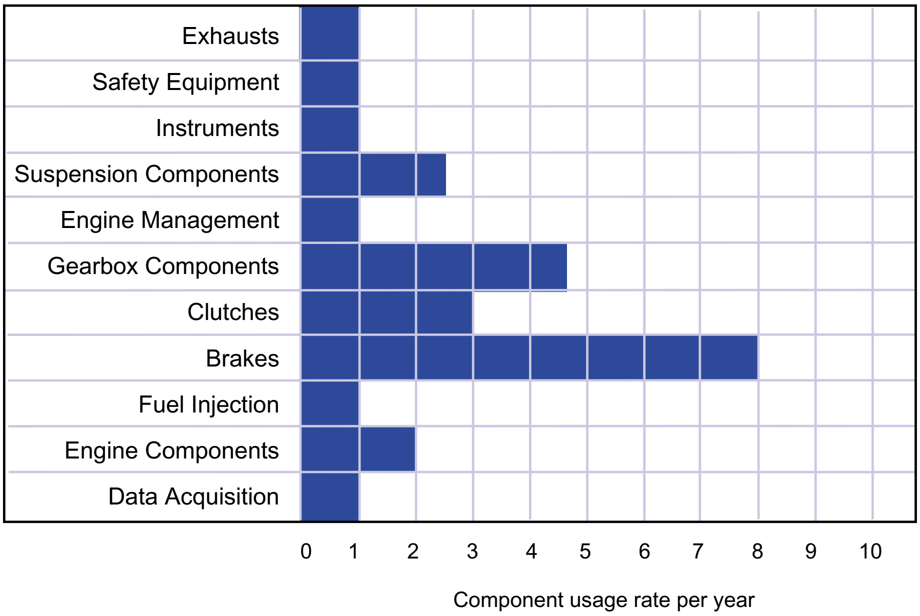
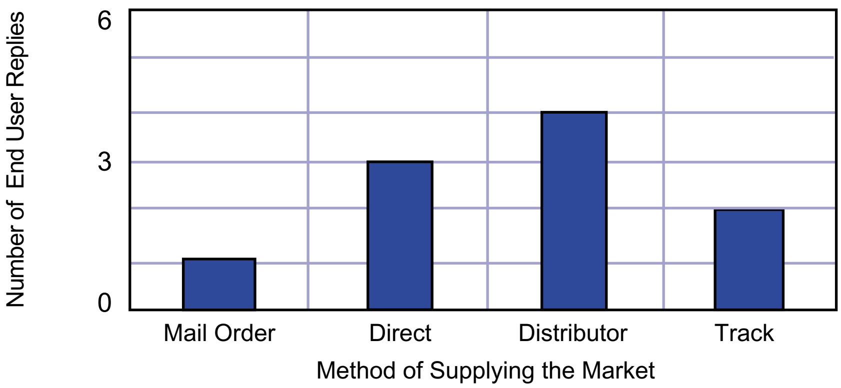


Diagram 4:
Most Popular Source of Component Supply for French Sportscar / GT End Users



1.3

CORE UK TESTING AND DEVELOPMENT SERVICES COMPETENCE AND FRENCH END USER RATES

The Expert Panel designated 5 areas of UK competence in Testing and Development services for this niche. The French End Users were asked to rate their purchasing frequency of services within each area of UK industry competence. The results are seen in Diagram 5 overleaf

THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY FOR UK COMPANIES

1.4

CURRENT SUPPLIER RATING BY THE END USER

French Sportscar/GT Team End Users were asked to rate their current suppliers qualities in a number of areas on a scale from 1 to 5, where 5 was the highest rating (Diagram 6);

1.5

WHY AND HOW END USERS DECIDE TO BUY NEW COMPONENTS/SERVICES

French Sportscar/GT Team End Users were asked why (Diagram 7), and how (Diagram 8), they went about buying and sourcing new components/services from suppliers;

Diagram 5:
Core UK Testing and Development Services Competences and French Sportscar / GT End User Usage Rates

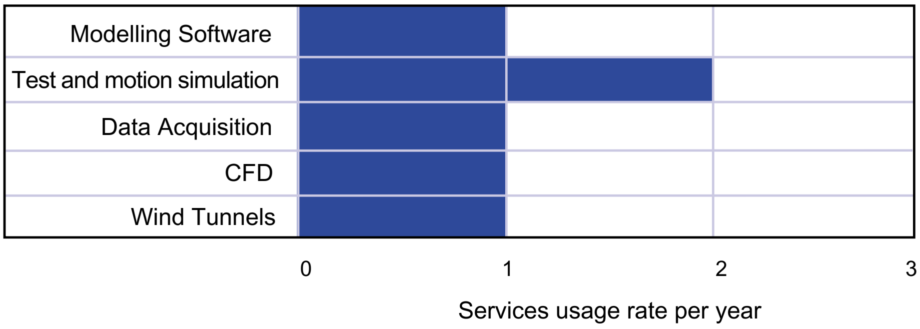


Diagram 6:
Supplier Rating: Sportscar / GT Teams

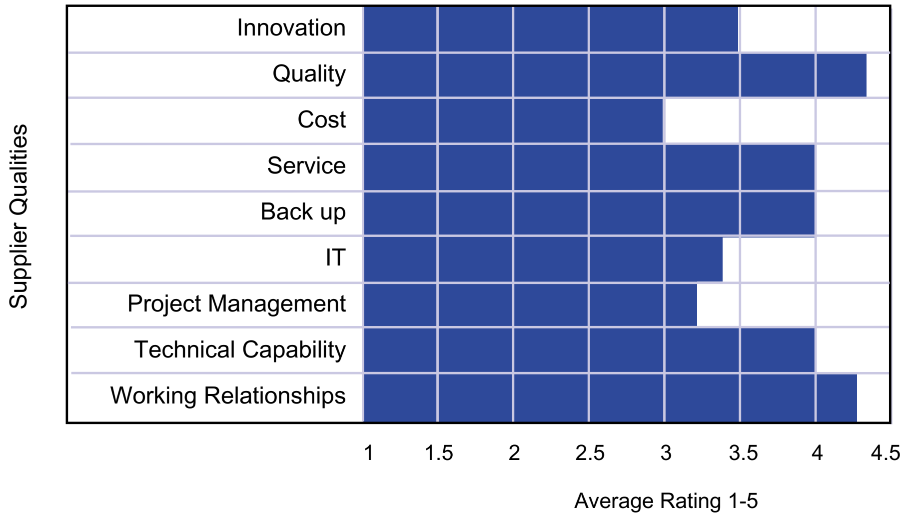
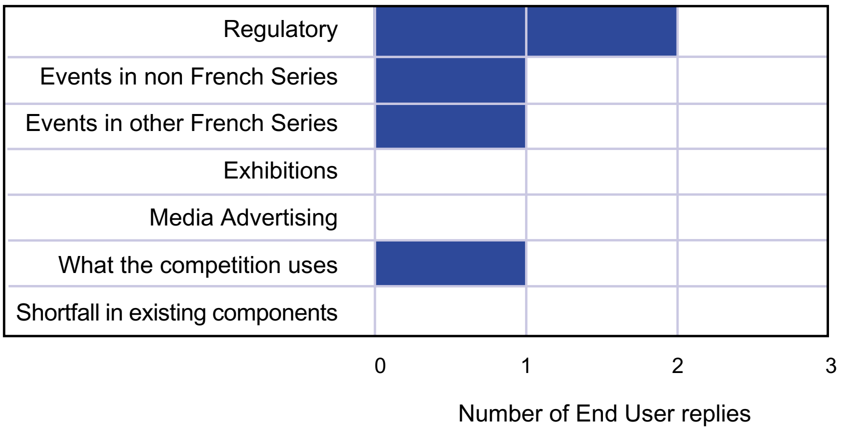


Diagram 7:
What Prompts you to buy New Components/Services?: Sportscar / GT Teams



THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY FOR UK COMPANIES

1.6

PERCEPTIONS OF UK COMPANIES AND THE BEST WAY TO SUPPLY THE SPORTSCAR/GT TEAM NICHE

French Sportscar/GT team End Users were asked, firstly, their perceptions of UK companies already supplying the Niche (Diagram 9). Secondly, how they thought UK companies should best supply the market (Diagram 10);

1.7

FUTURE PRODUCT DEMAND IN THE SEGMENT

French Sportscar/GT End Users were asked;

- *"If there was one new product you were seeking in the next two years, what would it be?"*

The top three answers were;

- High performance car batteries (1 reply).
- Engine bench facilities (1 reply).
- Reliable sequential gearbox with 'shift down option' (1 reply).

1.8

ADVICE FOR UK COMPANIES

French Sportscar/GT End Users were asked;

- *"What would be the best single piece of advice you would give to a UK company entering the market?"*

The top three answers were;

- Speak French (3 replies).
- Have a circuit presence at meetings (2 replies).
- Have a company representative based in France (2 replies).

Diagram 8:
What Supplier Qualities are the End Users looking for?; Sportscar / GT Teams

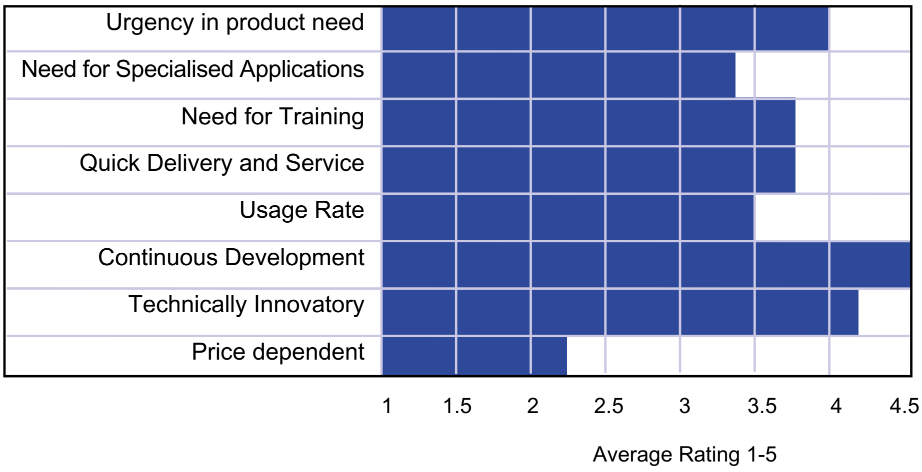


Diagram 9:
Capability of UK Companies already in the Sportscar / GT Segment

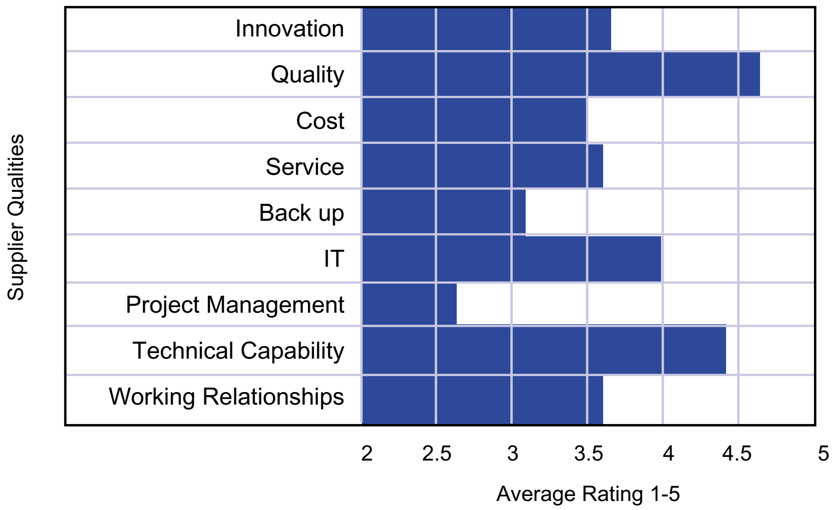
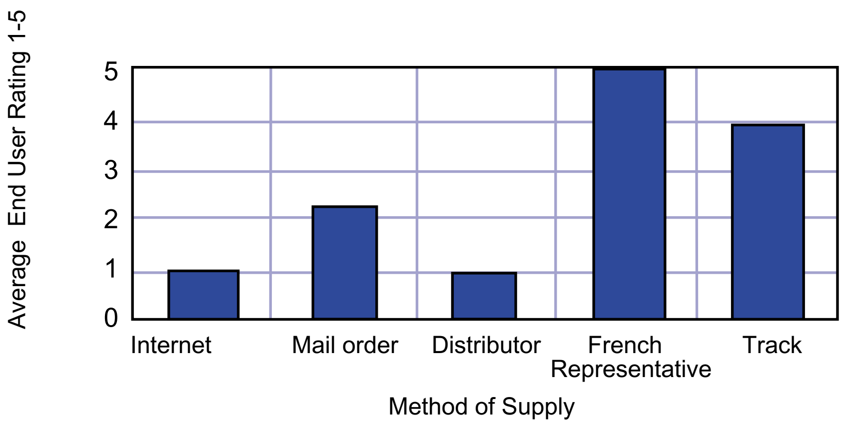


Diagram 10:
Best Way for UK Companies to Supply the Market in the Sportscar / GT Segment



THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY FOR UK COMPANIES

2.0

SUPERTOURISME TEAMS

2.1

CORE UK COMPONENT COMPETENCES AND FRENCH END USER RATES

The Expert Panel designated 12 areas of UK competence in component manufacture for this niche. The French End Users were asked to rate their purchasing frequency of items within each area of UK industry competence. The results are seen in Diagram 11.

2.2

MOST POPULAR WAY OF SUPPLYING THE MARKET IN FRENCH SUPERTOURISME

In the 12 areas of component competence outlined previously, the End Users were asked to identify the most popular method of supplying the French Supertourisme teams (Diagram 12);

Diagram 11:
Core UK Component Competences and French Supertourisme End User Usage Rates

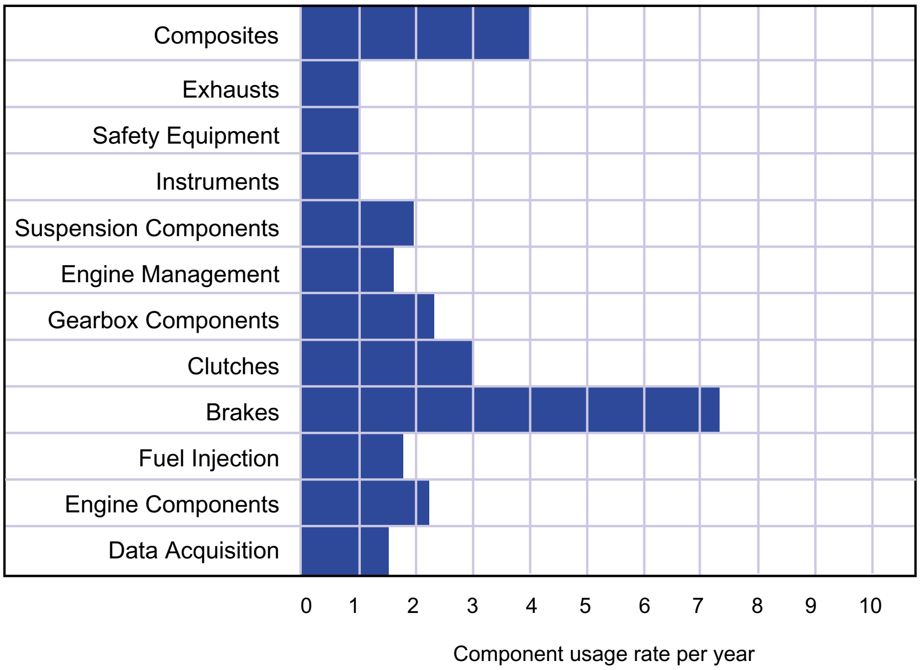
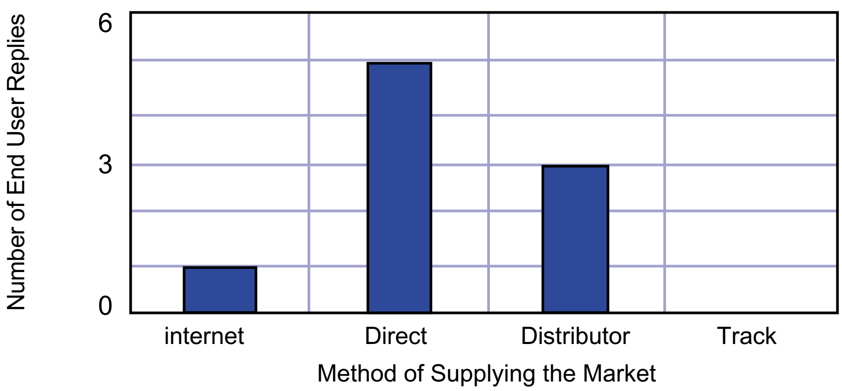


Diagram 12:
Most Popular Source of Component Supply for French Supertourisme End Users



THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY FOR UK COMPANIES

2.3

CURRENT SUPPLIER RATING BY THE END USER

French Supertourisme team End Users were asked to rate their current suppliers qualities in a number of areas on a scale from 1 to 5, where 5 was the highest rating (Diagram 13);

2.4

WHY AND HOW END USERS DECIDE TO BUY NEW COMPONENTS

French Supertourisme team End Users were asked why (Diagram 14), and how (Diagram 15), they went about buying and sourcing new components from suppliers;

Diagram 13:
Supplier Rating: Supertourisme Teams

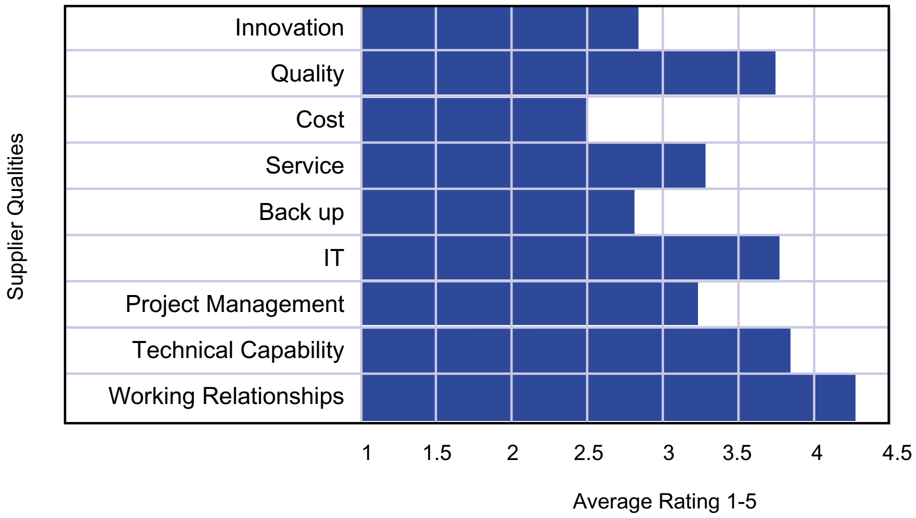


Diagram 14:
What Prompts you to Buy New Components?: Supertourisme Teams

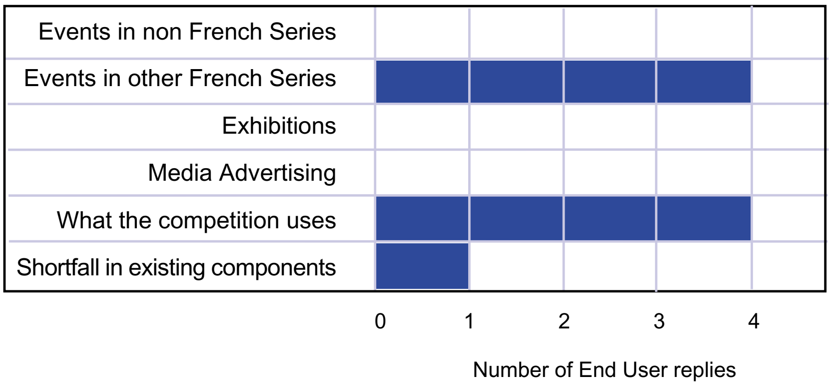
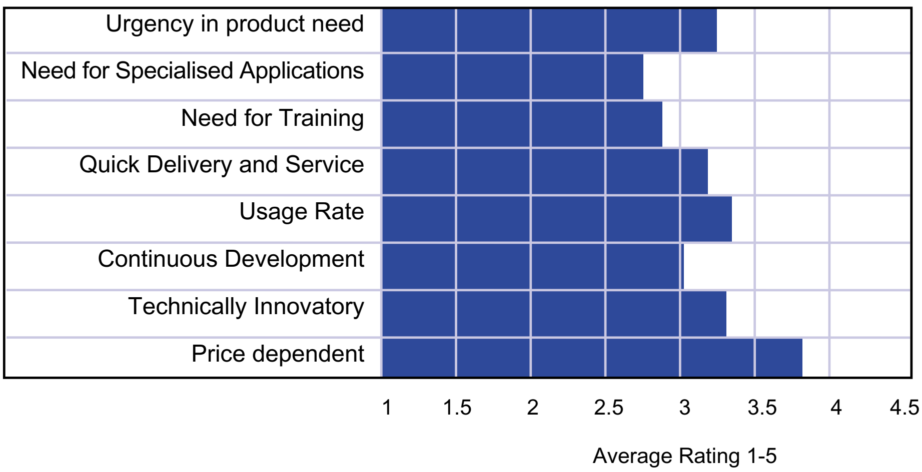


Diagram 15:
What Supplier Qualities are the End Users Looking for?: Supertourisme Teams



THE FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING MARKET – NICHES OF BUSINESS OPPORTUNITY FOR UK COMPANIES

2.5

PERCEPTIONS OF UK COMPANIES AND THE BEST WAY TO SUPPLY THE FRENCH SUPERTOURISME TEAM NICHE

French Supertourisme team End Users were asked, firstly, of their perceptions of UK companies already supplying the Niche (Diagram 16). Secondly, they were asked how they thought UK companies should best supply the market (Diagram 17);

2.6

FUTURE PRODUCT/SERVICE DEMAND IN THE SEGMENT

French Supertourisme End Users were asked;

- *“If there was one new product/service you were seeking in the next two years, what would it be?”*

The top two answers were;

- Cheaper engine packages (3 replies)
- More durable body panels (1 reply)

2.7

ADVICE FOR UK COMPANIES

French Supertourisme End Users were asked;

- *“What would be the best single piece of advice you would give to a UK company entering the market?”*

The top three answers were;

- Speak the language (2 replies)
- Understand the French way of thinking (1 reply)
- Employ a French representative (1 reply)

Diagram 16:
Capability of UK Companies already in the Supertourisme Segment

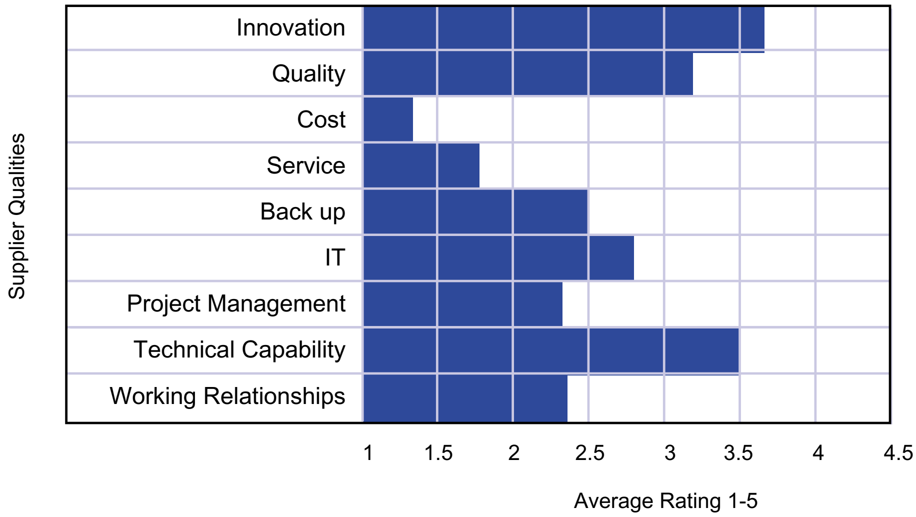
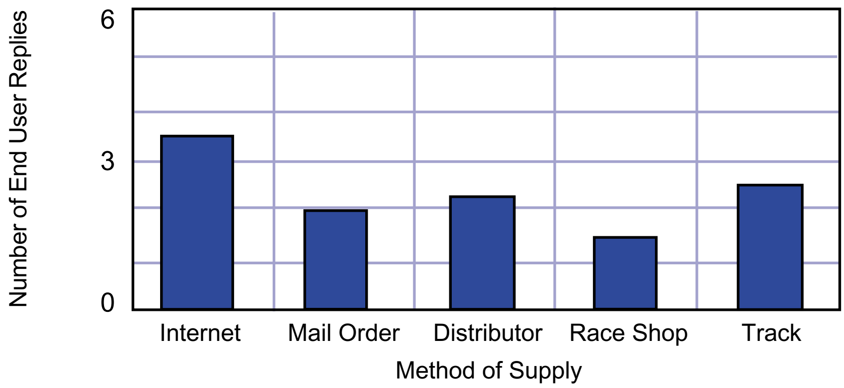


Diagram 17:
Supplier Rating: Supertourisme Teams



STATISTICS ON MOTORSPORT IN FRANCE

FRENCH CIRCUITS

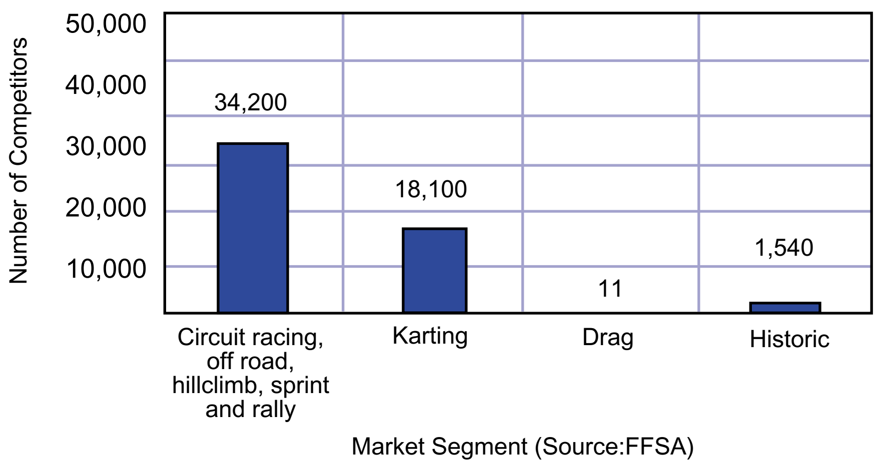
The FFSA is the main organising body for motorsport in France. There are 100 kart tracks in France (Source: FFSA) and 10 permanent road-racing courses (Source: Autosport Eurocircuit Guide 2003). Paul Ricard in the South of France is used solely for F1 testing.

The 10 permanent road racing circuits are listed below, together with website addresses;

1. Albi; www.circuit-albi.com
2. Charade; www.charade.fr
3. Croix-en-Ternois; www.circuitdecroix.com
4. Dijon; www.circuit-dijon-prenois.com
5. Ledenon; www.ledenon.com
6. Le Mans; www.lemans.org
7. Magny Cours; www.magny-cours.com
8 Montlhery; www.montlhery.com/autodrom.htm
9. Nogaro; www.circuit-nogaro.com
10. Val de Vienne;

    www.circuit-valdevienne.com

The Number of French Motorsport Competitors by Segment in 2003



DECISION MAKERS AND OEM INFLUENCE

Market Segment	Major Decision Makers	Relationship to OEM's
1. Single Seater Racing	Renault Sport	**High**
2. Saloon Racing		
Professional	Peugeot, FFSA	**Strong**
Amateur	Peugeot	**Medium**
3. Drag Racing	FFSA	**Weak**
4. Historic	ACO, Peter Auto	**Weak**
5. Rallying	Peugeot, Citroen, Renault	**Strong**
6. Off Road	Paris-Dakar Organisation, Nissan, Toyota, Mitsubishi; Rallycross - Citroen	**Strong**
7. Sportscar racing		
Professional	ACO (Le Mans), Stephan Ratel	**Medium**
Amateur	Organisation (SRO), Porsche	**Low**
8. Karting	Exess Competition	**Low**
9. Speed Events	FFSA	**Low**

EXAMPLES OF INDIGENOUS AND OVERSEAS SUPPLIERS IN THE FRENCH MARKET

Market Segment	Indigenous or imported?	Major French Suppliers	UK suppliers and level of involvement	Threat to UK from France?
1. Single Seater Racing	**Both** Italian and UK	*Chassis* - Mygale (FF), Nogaro Technologies (FR Campus) *Gearbox* - SADEV *Engines* - Mecachrome, Chambon, JPX *Cams* - MTS *Brakes* - Carbone Industrie *Tyres* - Michelin *Data Acquisition Sensors* - Atex *Fasteners* - Blanc Aero Technologies *Hose and Fittings* - ACC La Jonchere *Safety* - Stand 21 *Coatings* - SOREVI, ICC	**Medium** *Brakes* - Alcon, AP *Hose and Fittings* - Goodridge *Gearbox* - Hewland	**Medium** Engines
2. Saloon Racing				
Professional	**Indigenous**	*Chassis* - ORECA, Solution F, SNBE, Danielson Engineering *Engine* - SODEMO; *Gearbox* - SADEV; *Fasteners* - Blanc Aero Technologies *Hose and Fittings* - ACC La Jonchere	**Medium** *Hose and Fittings* - Goodridge *Data Acquisition* - Pi *Brakes* - AP	**Low**
Amateur	**Indigenous**	Peugeot One-make: *Gearbox* - SADEV	**Medium** *Hose and Fittings* - Goodridge *Data Acquisition* - Pi *Brakes* - AP	**Low**
3. Drag Racing	**Indigenous**	*Component Suppliers* - Jacquemin Tuning, USA equipment importers	**Low**	**Low**
4. Historic	**Both** Europe wide but strong UK presence Both - UK Indigenous	*Organisers* - TOP, ACO, Peter Auto	**Medium** *Engine* - Knight Racing Development Car Preparation more widely	**Low** ACO Organisers reduce UK organisers involvement
5. Rallying	**Both** UK,	*Teams* - Peugeot Sport, Citroen Sport, Renault Sport, Bozian, ORECA *Engines* - Pipo Moteur *Cams* - MTS *Fasteners* - Blanc Aero Technologies *Hose and Fittings* - ACC La Jonchere *Coatings* - SOREVI, ICC; *Safety* - Stand 21;	**Medium** *Brakes* - Alcon, AP *Gearbox* - Xtrac, Hewland *Hose and fittings* - Goodridge *Chassis* - LAD, Prodrive, Ralliart	**Low**

EXAMPLES OF INDIGENOUS AND OVERSEAS SUPPLIERS IN THE FRENCH MARKET

Market Segment	Indigenous or imported?	Major French Suppliers	UK suppliers and level of involvement	Threat to UK from France?
6. Off Road	**Indigenous**	*Gearbox* - SADEV; *Chassis* - Schlesser, Ralliart France, Dessoude Competition; *Safety* - Stand 21; *Fasteners* - Blanc Aero Technologies; *Hose & Fittings* - ACC La Jonchere	**Medium** *Gearbox* - Xtrac, Hewland, Ricardo *Hose and Fittings* - Goodridge *Engines* - Nicholson McLaren	**Medium**
7. Sportscar racing				
Professional	**Both** UK, Italian	*Chassis* - Courage, Norma, WR, Debora, ORECA; Engines - SODEMO; *Safety* - Stand 21; *Fasteners* - Blanc Aero Technologies; *Hose and Fittings* - ACC La Jonchere	**Medium** *Brakes* - AP *Gearbox* - Xtrac, Hewland	**Low**
Amateur	**Both**	FFrance - Exess Competition	**Low**	**Low**
8. Karting	**Imported**	*Chassis* - Sodikart; *Safety* - Stand 21	**Low**	**Low**
9. Speed Events	**Both** Italian sportscars and UK single seaters	*Chassis* - Martini, Norma; *Fasteners* - Blanc Aero Technologies; *Hose and Fittings* - ACC La Jonchere; *Safety* - Stand 21	**Medium** *Chassis* - Reynard, Lola *Gearbox* - Hewland *Hose and Fittings* - Goodridge *Brakes* - AP *Engines* - Nicholson McLaren	**Low**
10. Performance engineering	**Both**	*Wind Tunnels* - Sardou Group, ONERA, Institut Aerotechnique; *Chassis and Prototyping* - Solution F; Danielson Engineering, Nogaro Technologies; *Fasteners* - Blanc Aero Technologies; *Composites* - Sardou Group, Duqeine Composites;	**Medium** Ricardo	**Low**

EMPLOYMENT FIGURES FOR A SAMPLE OF LEADING FRENCH MOTORSPORT AND PERFORMANCE ENGINEERING FIRMS

Name	Business	EMPLOYMENT
Mecachrome	Engine Development	670 (including non-motorsport)
Renault Sport	F1 Engine, One-make Race	500
Blanc Aero Technologies	Fasteners	210
Citroen Sport	WRC, One-make race and rally chassis	200
Michelin (Competition Department)	Tyres	200
MTS	Camshafts	150
Peugeot Sport	WRC, One-make race and rally chassis	140
ORECA	Sportscar, rally and off-road preparation	140
Chambon	Engine Components (Crankshafts)	120
SADEV	Gearbox	112
JPX	Engine Development	110
Danielson Engineering	Engine Development; Prototyping	96
SOREVI	DLC Coatings	62
SODEMO	Engine Development	60
SNBE – Snobeck Racing Services	Saloon Preparation and Team	42
Exess Competition	One-make Formula France	40
Pipo Moteur	WRC Engine	30
Mygale	Single Seat Chassis	24
Bozian Racing	WRC Team	20
ICC	DLC Coatings	12

Source: Company websites

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www.motorsport research.com

The aim of the MIA is to provide a service and give advice to companies in the industry, and promote and protect their interests. We also provide information, assistance and encouragement to our membership in all aspects of business development, particularly in export sales opportunities and in liaison with government. We promote the achievements of our members, and those of the industry, to the business and general media.

The MIA was founded in 1994 and now has over 300 members, who transact over £5 billion of motorsport business worldwide.

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