



F1 and the World (Part 2) – The Economy

Welcome to Sidepodcast, this is a mini series dedicated to looking at how F1 fits into the world around it. Today we're going to take a closer look at F1 and the Economy.

Spending a few millions on a racetrack may seem like a barmy idea if you're a government minister with a limited budget. But the phrase "speculate to accumulate" has never been more true, and if Formula 1 comes to town it can generate quite a few billion in extra revenue for the tourism industry.

Formula 1 is a truly global event. It's watched in over 200 countries worldwide, and 50,000 plus fans come to see races firsthand. Some of those are from the host country, while many others are visitors, tourists or holiday makers. A new circuit, or redevelopment of an existing one, often includes new hotels, leisure facilities and business parks – and this creates all manner of employment opportunities.

In Dubai, the Formula 1 track has also sparked a sideline in theme parks. A Formula 1 shaped theme park. Think of the revenue, the creation of jobs, and the publicity this will bring to the area. I've never had a desire to go to Dubai, but an F1 theme park? Now you're talking.

In Turkey, the relatively new circuit brought investment opportunities to the Asian side of the country, an area that had mostly been residential until the F1 circus rolled in to town. Now they can compete with the European side for business and investment opportunities – something they had been unable to do previously.

India are a nation getting more and more involved in Formula 1, and this is getting themselves as a country more and more publicity. Force India F1 are set to take over the back of the grid, Vijay Mallya is bound to bring in some fresh, new Indian drivers, and it won't be long before India itself is included on the calendar.

It's not all about money though. F1 can be used as a strategic marketing platform as well. Later in the series we will look closer at Honda's initiative to try and get car enthusiasts excited about green ideas, whether it be as simple as turning off a light bulb when it's not in use, or as big as choosing to buy a hybrid car. Although there is no doubt Honda would be investing in green technologies without the F1 influence, it's fair to say that a much wider audience has been reached thanks to the popularity of F1.

Although Tasmania has no Formula 1 interests itself, it does host the Mark Webber Challenge. This is an initiative created by Mark, involving sports personalities orienteering through the beautiful Tasmanian countryside, making the most of their skills and the tools nature gives them, and raising money at the same time. While this is a worthy project in its own right, it's conceivable that it wouldn't have as much global coverage if there wasn't a Formula 1 driver involved. I don't think I would know about it, but because of F1, I have heard about it, magazines devote articles to the subject and Tasmania and the Mark Webber Challenge get the publicity they need and deserve. For a charity based event, this can only be a good thing.

So, what can we conclude from this? Whilst Formula 1 is one of the most expensive sports in the world, where the concept of money can become a little bit skewed by the number of billions involved, it is not completely wasted on the world surrounding the sport. Industry, economy and charity can all benefit from F1 coming to town.

That's all for today, tomorrow we'll be taking a look at what the FIA are doing to benefit the world.