


British Horseracing's International Influence



"The attraction to British racing is the sheer quality on an international stage. We are racing against the best horses who will, in time, go on to become Champion sires and broodmares. You cannot put a monetary value on such quality. That is why we love racing in Britain, and why it is the home of Qatar Racing."

SHEIKH FAHAD, QATAR RACING

British Horseracing's International Influence

HENHAM STRATEGY

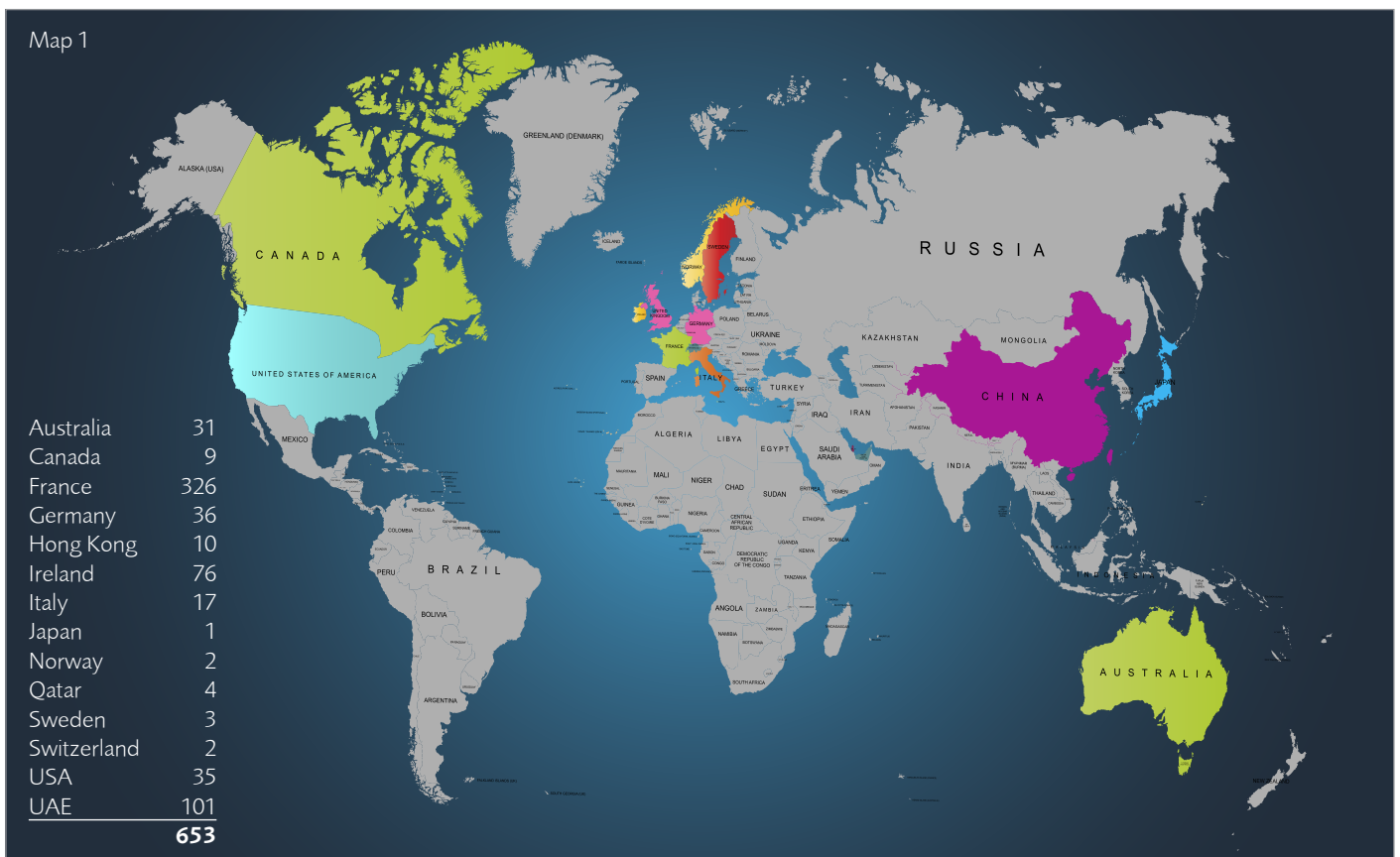
Introduction

Minister for Sport and Civil Society, Mims Davies MP, summed up British racing's international appeal during her visit to the Cheltenham Festival in 2019 where she said: "Great Britain is on the global stage... everybody wants a piece of our sport and racing punches above its weight because of this".¹

These are very positive – and entirely accurate – words. But they belie a wider truth. For although the Department for Digital, Culture, Media and Sport might recognise the importance of sport, including racing, in the international context, it is far from clear the rest of the UK Government does.

Racing specifically, and sport more generally, are soft power assets which offer huge potential for the UK. By 'soft power assets' we mean platforms which can increase awareness and understanding, break down barriers and provide a forum for creating and building relationships, all of which can help secure diplomatic and commercial objectives. Yet it is clear to all those we talked to – within racing, the Foreign Office and beyond – that this potential is not being realised. Not enough is being done.

Map of the world showing where GB trained horses go to race in International Group and Listed races. Numbers represent Flat Pattern and Listed runs.



As the UK leaves the European Union, its relationships with the rest of the world will become ever more important. Racing, as well as having strong connections with EU countries like Ireland and France, offers excellent opportunities to connect with important global partners through 'sports diplomacy'. These international connections, particularly with some of the UK Government's priority countries, form an important part of racing's untapped potential.

Now is the right time for racing, sport and others to crystallise the contribution they can

make in terms of soft power and international relations. The UK Government is currently producing its first Soft Power Strategy, which will suggest how the UK can make best use of its cultural and sporting assets in creating a more connected, attractive and trusted country.

Racing is a unique British sporting and cultural institution – and it is a soft power asset already working for the UK internationally. Yet it can do more and Government needs to be shown the significant role that racing can play in a global context.

This report aims to provide a detailed analysis of British racing's international reach and how that relates to the UK Government's international objectives abroad. It looks to make recommendations as to how the UK can make more of its unique racing heritage, and the quality of racing and breeding which exists in Britain today, for the benefit of the country as a whole.

We will begin by considering the foundations of racing's international appeal, and the factors which set it apart from other sports and from racing around the world.

The second section will provide an analysis of the existing international reach of British racing, focusing on three main areas – international viewership and spectators; international participation in British races and British participation in international races; and perhaps most importantly, the level of international investment made into British racing from all over the world.

Finally, we come onto the opportunities that exist and make recommendations for how they can be realised. We caution that British racing must move with the times to retain its position at the forefront of world racing, and reflect on some of the areas that the Government could make much more of in relation to British racing, as a soft power asset and a means of encouraging international trade for a post-Brexit Britain.

"Godolphin expanded not just because of HH Sheikh Mohammed's passion for racing, but also because the Godolphin brand is synonymous with Dubai. Godolphin, like Emirates, is recognised as one of the soft power assets for Dubai that British racing could be for Britain."

JOHN FERGUSON, CELEBRATED TRAINER AND FORMER CEO OF GODOLPHIN RACING

"I have never seen an FCO or any other Government department official aim to get hold of the true potential of British racing to use it internationally."

DOUGLAS ERSKINE CRUM, CEO OF JUDDMONTE GROUP



Lady Aurelia, renowned as one of the finest American horses to grace the Royal meeting, won twice at Royal Ascot in 2016 and 2017.

"The thoroughbred exists because its selection has depended not on experts, technicians or zoologists but on a piece of wood: the winning post of the Epsom Derby"

FEDERICO TESIO

The Foundations

Like many British sports, British racing is blessed in terms of its heritage, international reach and reputation. Whether considering its mass market appeal – most obviously demonstrated through its broadcasting deals, its social media presence or through international visitors to British racing – or whether looking at its particular appeal to those foreign nationals who invest, breed, train or race here, racing has a powerful story to tell.

But this success story rests on foundations, some of which are general to all British sports and some of which are very specific to racing – and British racing in particular. Some of these foundations are matters of history, some are of the present day. Some of them have come about by accident, but more of them have come through design. If we are to understand racing's reputation, reach and appeal properly, they merit closer attention.

HISTORY OF BRITISH RACING

Britain is the birthplace of modern horseracing. With a heritage dating back more than three centuries, thoroughbred racing was created here and has therefore existed for longer in the UK than anywhere else in the world. King Charles II began to race horses against each other at Newmarket in the 1660s and Queen Anne founded Ascot Racecourse in 1711. British racing is not only the oldest competitive horseracing in the world, but also one of the oldest professional sports in the UK.

This history and tradition of racing is perhaps most obviously seen in the case of Ascot – no other racecourse in the world has a comparable history – but there are many other courses and festivals with proud histories and global reputations to match. The Cheltenham Festival, York's Ebor Festival and the Qatar Goodwood Festival each hold very special places in the racing calendar as does the Grand National, held each year at Aintree.

Newmarket, of course, is seen by many around the world as 'the home of racing' and hosts two of the five Classics (with the St Leger taking place at Doncaster and the Oaks and the Derby at Epsom). It is a place of immense historical importance, and the connections with power have long existed – the Jockey Club Rooms were used to discuss state affairs during parliamentary recesses over the years.

Federico Tesio, the famous thoroughbred breeder, summed up the history and prestige of Epsom when he said: "The thoroughbred exists because its selection has depended not on experts, technicians or zoologists but on a piece of wood: the winning post of the Epsom Derby".



*Winning post of the Epsom Derby,
1st June 2019*



Those thoroughbreds have created their own stories over the years, of course. Frankel's unbeaten career, Kauto Star's record breaking five King Georges and two Cheltenham Gold Cups, Red Rum and Tiger Roll's history making exploits in the Grand National and Yeats winning four straight Gold Cups at Royal Ascot are all the stuff of legend – and part of British sporting history.

Associated with these British thoroughbreds are some of the finest jockeys and most celebrated trainers and owners to have graced racing anywhere in the world, from 20-time Champion Jockey A.P. McCoy to legendary trainer Sir Henry Cecil.

THE ROYAL CONNECTION

Closely linked to the history and tradition of racing is the deep and important connection with Britain's oldest and most famous soft power asset – the monarchy. HM Queen Elizabeth II is a well-known supporter of racing, owning and breeding horses herself and attending several race meetings each year at Epsom, Newbury, QIPCO British Champions Day, and famously all five days of Royal Ascot each June. She has owned 23 Royal Ascot winners in total since she ascended the throne in 1952, most memorably of all when Estimate landed the Gold Cup in 2013, the first success for a reigning monarch in the biggest race of the meeting.

The Royal Procession each day at Ascot delights the crowds and is one of the major draws for the international audience. The Royal Family help increase international spectator numbers, and interest in racing more generally, but they also undoubtedly underpin much of the international investment in British racing. For example, William Derby at York Racecourse pointed out that VisitBritain's latest promotional campaign for British racing is entitled 'Sport of Kings' – this royal connection is of great significance to investors in British racing from the Middle East, Commonwealth and Far East.²

Indeed, it is not only through Queen Elizabeth II that the Royal Family's connections with British racing exist. The Duke of York was a key component in helping to secure the major QIPCO sponsorship deal for the British Champions Series and is Patron of York Racecourse, the Princess Royal is a well-known racing aficionado, as well as a member of the Jockey Club, and the Duchess of Cornwall is the patron of the National Stud.

Royal patronage gives the sport a particular association with Britishness which is part of its appeal for international investors, who are not just buying into racing, but are also buying into Britain.

Royal Procession, Ascot Racecourse

“Royal patronage gives the sport a particular association with Britishness which is part of its appeal for international investors, who are not just buying into racing, but are also buying into Britain.”

British Horseracing's International Influence

HENHAM STRATEGY

"British racing festivals are the global gold standard. The quality of racing and bloodstock on display will reverberate around the world in the pedigrees of future generations"

BARBARA BANKE, STONESTREET STABLES, KENTUCKY, CO-OWNER OF LADY AURELIA

Great Britain makes up just **4.94%** of the global thoroughbred breeding market and **5.24%** of total runners worldwide, yet **19%** of all the horses in the world rated above **120** in 2017 were trained in Britain, highlighting the quality of racing and bloodstock on offer.

Legendary, unbeaten wonder-horse, Frankel

BLOODSTOCK, TRAINING AND WELFARE

Much of Britain's success in racing comes about because of its important and highly successful record in terms of training and breeding.

All thoroughbred horses in the UK are descended from just three forefathers, and as celebrated former trainer John Ferguson told us, Britain, through long years of careful breeding and investment, is now home to some of the most respected and acclaimed stud farms in the world. This is one of the foundations of the international investment in the UK, as international owners look to purchase the finest racehorses in the world.

Once they have purchased these elite thoroughbred racehorses, there is nowhere better than Britain for their training. The best trainers in the world are based in Britain, at world-class facilities including in Lambourn, Middleham, Malton and Newmarket, where world-renowned trainers like John Gosden ply their trade. Britain, through the British Horseracing Authority (BHA), is also renowned for exceptionally high horse welfare standards, ensuring that those who stable their horses in Britain have no concerns about the wellbeing of their thoroughbreds. Investment in cutting edge research, particularly through the Horserace Betting Levy Board, benefits all breeds of horses in Britain, not just thoroughbreds. In addition, those who race their horses in Britain can be assured of the integrity of the sport, with the BHA having invested significantly in ensuring the sport is fair and free from corruption in recent years.

QUALITY OF BRITISH RACING

One of the key foundations of British Racing's international appeal is its quality. Britain is home to 76 Group and Grade 1 races every year, and despite the lower prize that is currently on offer around the world, these races consistently attract the world's best horses. These Group and Grade 1 races are the highest level of racing in the world. 4 of the top 10 races in the world are held in Britain – more than in any other country – and 24 of the top 100 are held here. Last year British horses made up 6 of the world's top 12. In 2018, the International rankings crowned Cracksman, sired by British racing legend Frankel, as the world's joint-best horse, with 8 other British-trained horses in the top 30.³

Royal Ascot alone hosts 8 Group 1 races, and uses this to best effect in terms of promoting itself internationally. Julian Muscat in the Racing Post described Royal Ascot as having "the greatest concentration of quality in the racing calendar anywhere in the world". Guy Henderson, the Chief Executive of Ascot Racecourse, recognised the draw of the Royal Family, but noted that it was the quality of racing which would provide sustainable



and long-term success for the British racing industry, with international investment and engagement extremely important in maintaining that.

Other courses, notably Cheltenham, Epsom, Goodwood and York, also host international race meetings with high-quality races. Each of these courses also has a unique profile, and it is this range of courses and meetings, as well as the prestige associated with the biggest of them, which helps bolster British racing's global appeal.

The quality of British racing underpins international viewership, as people around the world tune in to see the best horses in the world compete. It underpins international participation, as foreign-owned and trained horses want to win the most prestigious races in the racing calendar, and it underpins international investment, with any winner of a British Group 1 race likely to be put out to stud, earning hundreds of thousands or even millions per year in stallion fees, or producing valuable foals.

Royal Ascot in particular has great strength in depth across many categories, and there is no doubt that races like the Queen Anne, Prince of Wales's and St James's Palace Stakes are hugely beneficial in stallion terms if added to a horse's CV, as indeed is the King George VI and Queen Elizabeth Stakes, which is run later in the summer, and has been won by many leading stallions, including Galileo.

This table demonstrates the desire for prospective owners to be part of a gene pool which has shown the ability to win racing's most prestigious Group 1 prizes.

Table 1

RACE	COUNTRY	AVERAGE STALLION FEE OF WINNER ON RETIREMENT	HIGHEST STALLION FEE ON RETIREMENT	EQUIVALENT 3YR STALLION VALUE
2000 GUINEAS	GB	£ 36,938	£ 125,000	£ 11,081,581
EPSOM DERBY	GB	£ 27,387	£ 73,913	£ 8,216,387
DUBAI TURF	UAE	£ 14,350	£ 35,714	£ 4,305,013
JAPAN DERBY	JAPAN	£ 20,267	£ 42,857	£ 6,080,357
HONG KONG CUP	HK	£ 13,737	£ 42,857	£ 4,121,165
BREEDERS' CUP TURF	USA	£ 13,103	£ 21,739	£ 3,930,960
GOLDEN SLIPPER	AUS	£ 24,472	£ 41,621	£ 7,341,735

PRIZE MONEY

Of course, other countries and other courses internationally are keen to challenge the British crown as the world's leading racing nation and though they cannot match our history, traditions or the quality of our racing, they can certainly offer more in prize money, often due to explicit Government support, for example in the cases of Australia, France or Hong Kong. Although the UK has a truly unique history and such a rich heritage, it must ensure that British racing offers as positive a front-story as it has a back-story.

It is clear from the below table that British racing is extremely attractive despite the prize money on offer, rather than because of it. Those that do race in Britain do so primarily because of the unique experience British racing offers and the prestige associated with winning a British Group 1, in addition to the increased stallion or broodmare value of the horse after winning such a race.

Recent history confirms that the owners of the very best horses from around the world

"There's no doubt that people come from all around the world. It's the finest of racing, from five furlongs to two and a half miles, and such a variation of quality in these races is superb but it's the variation of the types of races that makes it so interesting."

JOHN GOSDEN – WORLD-FAMOUS TRAINER, ON ROYAL ASCOT

British Horseracing's International Influence

HENHAM STRATEGY

"Levels of prize money in the UK are so low that some British horses are going abroad, and internationally trained horses may be less likely to race in Britain although, having said that, British racing and the value of its bloodstock remain for the time being near the top of the league."

DOUGLAS ERSKINE CRUM – CEO OF JUDDMONTE GROUP

respect and value the tradition of Britain's racing, with global superstars Black Caviar and Lady Aurelia travelling to Britain in recent years to enhance their global standing. However, British racing is heavily reliant on its reputation, rather than the prize money it is able to offer, to attract the best horses from the wealthiest racing nations such as Japan, Australia and the USA to race here.

This forms an important part of the foundations of British racing's international appeal, and whilst it demonstrates the enormous strengths inherent in the quality and traditions of British racing, it also shows how important it is to maintain each of these foundations at the highest level.

Table 2

Foreign trained horses running in GB races – 2018 (BHA data)	
	Flat Pattern and Listed runs
Australia	2
Czech Republic	1
France	31
Germany	11
Ireland	288
Northern Ireland	2
USA	10
	345

Table 3

Ascot international like for like (all age races) prize money comparisons	
One mile (total prize fund)	Middle distance (total prize funds)
1 Dubai – Dubai Turf - £4.5m	1 Dubai – Dubai World Cup - £9.1m
2 Australia - All Star Mile – £2.7m	2 America – Pegasus Turf Invitational - £5.3m
3 Hong Kong – Champions Mile £1.7m	3 Dubai – Dubai Sheema Classic - £4.5m
4 America – Breeders' Cup Mile - £1.5m	4 Japan – Japan Cup - £4.4m
5 France – Jacques Le Marois £860,000	5 France – The Arc - £4.3m
6 GB - Queen Anne Stakes - £600,000	6 Hong Kong – Queen Elizabeth Cup £2.3m
	7 Australia – Queen Elizabeth Stakes £2.1m
	8 GB – King George VI and Queen Elizabeth Stakes - £1.25m
	9 GB - Prince of Wales's Stakes - £750,000

ATTENDANCE AND BROADCAST COVERAGE

Part of the reason that British racing is so popular internationally is because it is so well attended, in particular its major events. British racing attracts not only huge numbers of fans, but also a great diversity of spectators, from all age groups and backgrounds.

This helps the sport provide an appealing broadcast product but also encourages international audiences to visit or participate in British racing.

High profile and high net worth racing fans visit Royal Ascot every year as a matter of course. But they are just a small proportion of the huge numbers of foreign visitors who attend Ascot, Epsom and other courses around the country. For many it will have been a long-held ambition to watch British racing live, having previously engaged with it via the television or social media.

Racing's relationship with broadcast media is unique in the world of sport. Since 1986, racing has been broadcast live in betting shops throughout the UK; when implemented, this changed the face of racing as a broadcast product in this country. This has improved the appeal of racing, and therefore its popularity. Of course, this has also increased the amount of money in racing through broadcast and sponsorship deals.

Racing is the second most terrestrially viewed sport in the UK, with over 25 million viewers annually watching live racing on ITV each year. 9.6 million people watched the Grand National alone in 2019. In addition, racing's social media channels in the UK boast upwards of 2m fans across the leading platforms and horse racing is the only British sport to boast a dedicated daily newspaper – the Racing Post.

British racing is broadcast all around the world. The Grand National is a global race, televised in over 140 countries. Royal Ascot is shown even more widely, to over 584 million households in 200 countries, including Australia, Dubai, Abu Dhabi and Qatar. NBC broadcasts full coverage of Royal Ascot on its terrestrial coast to coast channel in the USA, reaching 80 million households, and viewership of their coverage of British racing far outstrips any of their coverage of any domestic race meetings. The 2019 Derby was shown by 32 broadcasters across North and South America, Africa, Europe and the Asia-Pacific region, including major broadcasters NBC, ESPN, CBC and SuperSport. These factors underpin the international influence of racing and enable it to reach out to global markets.

"British racing attracts not only huge numbers of fans, but also a great diversity of spectators, from all age groups and backgrounds."

Purely in numerical terms, the annual **six million** attendees at British racing make it the second best attended sport in the UK, behind only football.

At Royal Ascot alone, there are over **300,000** visitors over five days.

2019's Cheltenham Festival attracted record crowds of **266,779**, with **71,816** on Gold Cup day itself.

Racing provides **4 of the top 10 best attended events** in the UK's sporting calendar.

"International spectators generally come from countries which the UK Government considers as priority countries, either for diplomatic purposes or as key growth markets."

International Reach

Having considered the foundations of British racing which set it apart from racing around the world, and from other British sports, we now turn our attention more explicitly towards British racing's international reach. We look at the numbers which demonstrate its international appeal, how these different aspects of racing's reach correspond to and complement each other and what is being done to promote and take advantage of this appeal.

INTERNATIONAL SPECTATORS

Racing's international spectators come through international TV audiences, from foreign visitors to British courses, including high net worth individuals, and as a result of British horses, trainers and jockeys travelling abroad and taking their horses to new markets.

It is worth noting that the international spectators generally come from countries which the UK Government considers as priority countries, either for diplomatic purposes or as key growth markets. The USA, China, Japan, Ireland and most – if not all – the Gulf States, including Saudi Arabia, Qatar and the UAE, are home to great numbers of racing fans, and indeed many of the most famous and wealthy racing investors in the world come from these countries. Connections made through racing therefore align very closely with the UK Government's international commercial priorities – making it one of the sports which the Department for International Trade should focus more of its energy on, for example through using racing much more as part of the GREAT campaign in priority markets.

Racing as an engagement opportunity could be made much more of by the UK Government. In contrast to other sporting events, which are often shorter and rely more heavily on the sporting action, part of the thrill of racing is the wider experience, and the sport itself will often take less than thirty minutes during a five-hour event. Whilst it is not the primary motivation for going racing, it is undoubtedly a wonderful opportunity to get to know people in an informal setting, and to make connections with important political and economic figures. Amongst those who travel to the UK to experience Royal Ascot or the Qatar Goodwood Festival are very high net worth individuals, and people of significant political influence in other countries.

However, despite engagement with the sport across a range of issues, currently the UK Government does not fully take advantage of this opportunity, and barely interacts with racing to identify people of common interest, or individuals who Government Ministers might be advised to meet.

An example of how racing can facilitate such introductions is that of the Japanese Ambassador in the UK, who was put in touch with HH Sheikh Hamdan Bin Rashid Al Maktoum, over a mutual appreciation of racing. The Japanese ambassador was invited to HH Sheikh Hamdan's Shadwell Stud and was a guest of his during racing at Newmarket. This would not seem an unusual association given the relationship that has been built – but it is certainly an irony that this introduction was made through British racing.

Of course, racing is not just an opportunity to meet and host investors in racing or even in sport, but also investors from multiple and varied fields who might take pleasure in racing. The central point is that relationships matter and these relationships can be forged and developed through sport generally and racing in particular – the UK Government should recognise and take advantage of that opportunity.

INTERNATIONAL PARTICIPATION

British trained horses last year won 37 Grade or Group 1 flat races outside of Britain. To place this in context, the country with the second-most overseas winners was Ireland, with 16. In 2018, British horses placed first, second and third in the Melbourne Cup, won five Group 1 races over the course of Arc weekend in Paris, and three more victories at the Breeders' Cup at Churchill Downs in Kentucky. Indeed, some courses around the world are so keen to attract top-quality British horses to race in their meetings that they offer enormous incentives – in 2018 the Japan Racing Association offered to provide a \$1,000,000 bonus to any horse that wins the prestigious Group One King George VI and Queen Elizabeth Stakes at Ascot and then goes on to win the Japan Cup, in addition to help with transportation costs and support in Japan. The same bonus is available to any horse that wins York's Juddmonte International and goes on to win the Japan Cup.

In addition, there are a huge number of foreign-owned horses racing in British races. 19 British races are consistently rated in the top 100 flat races worldwide because of the quality of horses racing in Britain. There would be even more British races in the top 100 if it were not for British horses travelling around the world and raising the profile and standard of races in other countries.

Great foreign horses of the last decade have come to race in this country to prove themselves. Since the turn of the millennium, Royal Ascot alone has had 11 winners from the USA including the ground-breaking Tepin, two from Hong Kong and five from Australia including the incomparable wonder-mare Black Caviar. Royal Ascot in 2019 will have more than 70 Group 1 and 2 entries from outside Britain, making up more than 11% of total entries.

"What a wonderful experience for my family and I to be a part of Royal Ascot in the year of the Diamond Jubilee, and to have our wonderful mare Black Caviar etched in the history of Royal Ascot. Truly a memorable week of racing."

JOHN WILKIE, PART OWNER OF BLACK CAVIAR, CHAMPION AUSTRALIAN MARE UNDEFEATED IN 25 RACES AND DIAMOND JUBILEE WINNER IN 2012

Cross Counter winning the Melbourne Cup, as part of a remarkable all-British top 3 in Australia's biggest race.



HM Queen Elizabeth II with Sheikh Mohammed



Many foreign-owned horses are trained and stabled in the UK. Britain has a fantastic international reputation for training and breeding of thoroughbreds, as well as for high horse welfare standards. As a result many foreign owners choose to keep their horses here. These foreign owners are often extremely wealthy and often from countries which are UK Government priorities, where the Government would be well advised to continue to build important relationships. Obvious examples include Prince Khalid Abdullah at Juddmonte Farms, and Sheikh Mohammed at Godolphin, who train and stable many of their horses in the UK, as well as Sheikh Hamdan's Shadwell Racing, and the Qatar Racing operation run by Sheikh Fahad and his brothers.

This international participation helps create relationships between owners, trainers, and others in the world of racing on a regular basis. These relationships are important for racing, but also could be for Government. It was clear from our interviews that Government has not made use of this opportunity anywhere near as much as it might have done. Indeed, one senior Foreign Office representative we spoke to said it hadn't even occurred to them that racecourses might be a good place to meet Middle Eastern investors. There are clearly excellent opportunities here that have yet to be fully taken advantage of.

INTERNATIONAL INVESTMENT

One of the areas in which the UK is leading the world of racing is in the bloodstock trade. This is also one of the largest investment areas within racing, outstripping prize money, gambling and broadcast rights by a large margin.

Our interview with Jason Singh at Tattersalls revealed that over 8,000 horses each year are sold at Tattersalls auctioneers in Newmarket, and that 65-70% of the money coming through Tattersalls is foreign. Overall bloodstock sales at public auction at Tattersalls in 2018 were almost £245 million. Much of this comes from wealthy investors like Sheikh Hamdan and Sheikh Mohammed, looking to add to their substantial portfolios of racehorses in Britain.

The British bloodstock scene is one of the most desirable aspects of the British racing industry, and the fact that Tattersalls is situated in the heart of Newmarket, which is home

to so many of the world's best trainers and studs, is significant.

This aspect of the international appeal should be extremely important to Government, as there are influential figures not only investing huge amounts into the local economies and creating UK jobs, but also investing long-term into the UK. The Juddmonte, Godolphin and Coolmore operations, in particular, have invested huge amounts of money into the UK by buying into British racing. But as well as the economic impact, this creates an affiliation between countries as well. It would be remiss of Government not to take advantage of the opportunities that this offers, by meeting and engaging with politically influential individuals.

China is an absolutely key emerging market for British racing, and two of the leading Chinese owners – China Horse Club and Yulong Investments – have already had runners at the major British meetings, including Royal Ascot. Those two organisations have also been major purchasers at European bloodstock sales in the past few years (spending in excess of £16m in the last five years in Britain alone). British racing and breeding officials are now regular visitors to China, looking to export expertise and encourage inward investment in British bloodstock; although it is fair to say that France, Ireland, Australia and Japan have already established strong relationships with the burgeoning bloodstock and racing industry there. China remains a huge global opportunity for horseracing, with an expanding middle class, significant wealth generation and a developing passion for equestrian pursuits.

James Oldring of GBRI told us that one of the most important aspects of selling into China is legitimacy, and that the best way to achieve that is through Government support or recognition, for example through trade missions. This is an area in which the UK lags behind other countries, particularly direct competitors like France and Ireland, where racing representatives are regularly invited on their countries' respective trade missions.

Tattersalls Auction House, Newmarket



"We work internationally in many ways, from attracting horses to run from all around the world to developing relationships and alliances with racing organisations in various jurisdictions.

Working more closely with Government to promote Britain as a central sports diplomacy hub holds great appeal to us. We had 19 Heads of Mission during Royal Ascot for the Commonwealth Cup in 2018, and every summer we host some of the most influential and wealthiest individuals in the world."

GUY HENDERSON – CEO OF ASCOT

Recommendations

There are risks on the horizon. British racing cannot rely forever on royal support and there is always an inherent time-limit in terms of individual patronage for British racing, whether from the British Royal family or the interest of wealthy individuals from the Gulf States.

Furthermore, other countries are offering more and more prize money, meaning Britain has to work harder to remain appealing to the global racing community.

But the foundations of British racing are very strong. The quality of the racing, the bloodstock, training and horse welfare standards, the number of Group and Grade 1 races, all underpin attendance, global media coverage and international investment into British racing.

It is therefore clear that there is enormous potential in British racing for the UK Government to take advantage of.

It is equally clear that racing is very happy to play its part in helping the UK Government seize the opportunities that exist.

The majority of those we interviewed and surveyed from the world of racing in the writing of this report informed us that they never or rarely interact with Government in the course of their international business and international engagement, which is a significant missed opportunity for both parties.

As such, we make three key recommendations which we hope will enable the racing industry and Government to work together more fruitfully to ensure the UK takes full advantage of the soft power provided by racing's international reach:

1 The first step is for Government and racing to undertake a **joint mapping exercise on their key markets, their priority countries and important stakeholders**, to evaluate areas of overlap and common interest. This will inform the partnerships and future relationships which could benefit both parties.

2 Government and racing should then embark upon a programme of **meeting and engaging with key stakeholders** who have invested huge amounts into Britain and are often influential individuals in their home countries as well.

3 Beyond this Government and racing **should work together more formally for mutual benefit**. The Government can help racing to expand in markets, like China, where implicit Government support through being invited on trade delegations and official overseas missions is essential in establishing legitimacy. Something as simple as being invited on a trade mission can kickstart key informal relationships with Chinese investors, opening up a growth market for British racing and building and developing the amount of Foreign Direct Investment in the UK. Racing, in turn, can provide opportunities for politicians and senior civil servants to meet with and entertain key individuals at events throughout the racing calendar.

We hope that this report will encourage action from both racing and Government and might herald a new era where racing is seen as the influential tool of soft power it truly is. We would like to see both parties communicating and collaborating much more, appreciating what each might be able to offer the other. In short, we would like to see opportunities being seized and for Britain to lead the pack, as it has done historically and should continue to do.



Acknowledgements

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This report is produced alongside a wider report commissioned by UK Sport into the role of sport in soft power and international relations, a report which the racing industry bodies are also supporting.

BHA Photos are taken by Dan Abraham unless otherwise stated

Back cover photo: Goffs London Sale in association with QIPCO 2018, © Sarah Farnsworth

Front cover photo: Estimate, owned by HM Queen Elizabeth II, racing at Royal Ascot in the royal silks

Methodology for table on p7 on stallion fees:

Average stallion fee of the winner on retirement: Initial published stallion fee, at time of retirement, for winners of races listed in table between 2005 and 2018

Equivalent three year stallion value:

Average stallion fee multiplied by 100 on the basis that a top stallion will cover an average of 100 mares in a Northern Hemisphere breeding season, and then multiplied by three on the basis that the stallion fee will not change for first three years standing at stud (as progeny will not yet have raced).



1 <https://www.racingpost.com/news/sports-minister-mims-davies-racing-must-make-most-of-commercial-opportunities/371441>

2 <https://trade.visitbritain.com/whats-new/horse-racing-sport-of-kings/>

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