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REPORT BY THE CHIEF EXECUTIVE OFFICER FOR THE MSA ANNUAL GENERAL MEETING TO BE HELD ON 30 JULY 2019

The 2019 racing season started off with a bang with the momentous Dakar win for a South African built car. While writing this report the news came in that the same combination had also won the Silk Way Rally in Asia. Big congratulations are (once again) due to Toyota, Glyn Hall and his Hallspeed team for their proudly South African effort that is taking on, and beating, the best in the world.

Other South Africans also continue to do the country proud on the international stage, with local racers competing in many high profile series such as DTM, Formula 4, Formula W and the Moto 3, Moto 2 and Supersport 300 motorcycle world championships. Special mention should be made here of Jordan Pepper for being part of the winning team in the 1000km endurance race at Paul Ricard in France, and to Brad Binder for being confirmed as a premier class rider in the MotoGP world championship in 2020.

Motorsport at home continues to suffer the consequences of a dire local economy, the situation not helped by the withdrawal at the end of 2018 from national circuit racing of long-standing sponsors Engen and Sasol. MSA thanks them for their invaluable contribution to local motorsport over so many years and hopes to see them back in the not too distant future. Despite the economic challenges, there is clearly still a great deal of enthusiasm for motorsport participation and my sincere thanks and appreciation go out to all those who continue to make the sport happen, from promoters to event organisers to race officials to competitors and teams.

At the end of April, South Africa played host to the annual FIA Conference, which was held at Sun City and included a local drifting demonstration as well as a demonstration by the local Toyota Gazoo cross country racing team for the entertainment of the delegates. The conference, which for the first time combined both the FIA's Sport and Mobility conferences, was a resounding success and a great advert for South Africa. The FIA Conference also saw the debut of some of the racing simulators acquired by MSA via grant funding provided by the FIA.

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The simulators were used as part of a Delegates' Challenge at the conference and they are highly impressive pieces of equipment. They will be used locally to generate interest in motorsport amongst youngsters, and ultimately lead to the creation of a MSA online racing championship. Online racing forms part of the future of motorsport and we need to embrace it.

On the subject of FIA grant funding, it is opportune to provide more detail in this regard. The FIA has for the past few years made grant funding available to its member sport federations (ASNs) around the world. The FIA's intention in making this funding available is primarily to promote safety and development of the sport in all member countries. Two types of grant are possible: (1) to part fund a project by a specific ASN or (2) to part fund a project that benefits more than one ASN (a so-called "cluster" project and the FIA's preferred option). FIA grant funding in each instance is limited to €50 000 per project and only part funding of a project is allowed (i.e. the applicant needs to also contribute towards the project, although contributions in kind - such as time given by volunteers - is also counted). FIA grant funding has previously been used to assist in the refurbishment of local karting circuits but unfortunately this option is no longer available. The allocation of FIA grant funding is discretionary and is based on many things, such as the submission of detailed project plans, the benefits to the sport in a country or countries that the FIA sees and a record of proper project implementation and sound management of grant funding. MSA is highly regarded by the FIA in this area, thanks primarily to the efforts of Steve Harding and his Motorsport Training Africa team in training activities around Africa and project implementation.

While in South Africa for the conference, several of the FIA's people, including President Jean Todt, took the opportunity to visit the Kyalami circuit. All were highly impressed at the standard of the facility since its turnaround at the hands of Toby Venter and his team. Kyalami sees the return of international racing at the venue in November this year, with the revival of the legendary 9 Hour event of yesteryear. Motorsport enthusiasts are all looking forward to this event with great anticipation and it will offer a number of South Africa's top drivers the rare opportunity to display their talents in front of a home crowd in a world class event.

The issue of non-sanctioned events remains a major problem for MSA, both locally and internationally. It is particularly prevalent in the two-wheeled space, nowhere more so than in off road and enduro motorcycling (to the point that the FIM recently issued a strongly-worded statement in connection with a series that has started in opposition to its own World Enduro Championship). Locally, the tough economic climate and government legislation is making it increasingly difficult to run events. MSA and its affiliates have no option other than to adhere to applicable legislation and regulation, which is often practically difficult to achieve and financially onerous. Non-sanctioned events have no such constraints and, due to the widespread breakdown in the rule of law, very little if any consequences to face for non-compliance. This places tremendous pressure on MSA-affiliated promoters and race organisers. There is no magic cure but MSA assists where it can to make access to the sport easier and more affordable at the social level, which is where non-sanctioned events are proliferating.

Motorcycle circuit racing in the Northern Regions (and nationally) suffered a big blow from the establishment of a non-sanctioned motorcycle racing series for 2019. Following meetings between MSA and the promoters of this series, an arrangement was reached that saw the series coming under the auspices of MSA, albeit on a different basis to the norm. There has been some criticism from both sides in this regard but I believe it is important to retain a link and keep the lines of communication open with the view to hopefully achieving a win-win situation down the line that will be to the overall benefit of motorcycle racing. It is clear from all that is going on that there is a growing appetite for 'fun' racing that can be conducted as cheaply as possible. MSA needs to be receptive to this and see what more can be done to promote such activities within the MSA fold, while at the same time always keeping in mind MSA's statutory, legal and safety-related responsibilities, as well as its duty of care to all involved in the sport.

MSA welcomed on board a new chairman, Anton Roux, earlier this year. Anton brings a wealth of corporate experience as well as varied experience in various aspects of motorsport to the position. I have enjoyed working with him so far and look forward to continue doing so for years to come.

MSA also welcomed a new staff member, Poka Lehapa, who joined the head office team earlier this year. Poka has certainly undergone a baptism of fire as he has no history in the sport but he is being immersed in all aspects of the sport and business and is learning fast. I am sure that all of you who have met or dealt with Poka will agree that he is a likeable and enthusiastic addition to the MSA team and I am sure he can count on your support going forward.

In closing, I would like to once again thank all of those involved in the administration, promotion and organisation of local motorsport for their efforts in keeping the sport moving forward in extremely trying times. It is humbling to see the amount of time, effort and money that goes into making this happen. Thank you to one and all.

Kind regards,

ADRIAN SCHOLTZ
CHIEF EXECUTIVE OFFICER