

The rise and rise of S'pore's Formula One Grand Prix



The association of Singapore with a high-profile, prestigious and distinctive sport like Formula One has transformed the image of the city-state into one of an exhilarating metropolis, characterised by its openness to the world and global influences, says the writer. ST PHOTO: MARK CHEONG

The crown jewel in Singapore's international events calendar remains an attractive magnet for business, talent and tourism.

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Back in 2020, as the world was grappling with the onset of a deadly global pandemic, one of the biggest casualties was live sporting events.

A raging Covid-19 threatened business models requiring throngs of spectators to gather at crowded places. With public health risks persisting amid an uncertain economic outlook, the Tokyo Olympics, the United States' National Basketball Association (NBA) and English Premier League struggled to find their footing.

Here in Singapore, questions were raised over the future of the Formula One Singapore Grand Prix. With a decision on renewal due in 2022, and after a two-year hiatus, the partnership seemed in doubt. And after more than a decade since the Grand Prix hit Singapore shores, concerns over waning interest among F1 enthusiasts and declining global viewership led to qualms over its long-term value proposition to Singapore.

But 2022 put an end to that doom-and-gloom, as vaccines,

safe distancing and a slew of other measures allowed Singapore to reopen. In announcing its intention to host F1 that year, Singapore signalled it was open for business. And in renewing its contract for another seven years, Singapore was taking a huge gamble on the prospects of the sport.

A POST-PANDEMIC GAMBIT

That gambit paid off. The F1 night race returned with a vengeance in 2022, with a record crowd of 302,000 and a historic-high hotel room rate of \$440 per night. Singapore's wild success even led Nikkei to declare that Singapore was overtaking Hong Kong in the meetings, incentives, conferences and exhibitions space.

The Grand Prix has been instrumental in turbocharging Singapore's tourism industry, drawing over half a million visitors annually, allured specifically by the race. Between 2008 and 2021, the Grand Prix reportedly generated more than \$1.5 billion in incremental tourism receipts, further underscoring its profound economic impact.

These visitors infuse substantial capital into sectors spanning accommodation, dining, entertainment and retail, generating revenue while concurrently nurturing employment opportunities across diverse industries. Close to 1,000 Institute of Technical Education students were also roped in to

support the 2022 edition as service ambassadors, gate and grandstand officials and circuit park guides.

The Singapore Grand Prix remains one of the biggest marketing exercises for the country, with F1 viewership holding steady at around 1.54 billion viewers in 2021 and 2022.

"The tight and winding Singapore street circuit is truly one-of-a-kind. Part of the charm of F1 is the enthusiasm and passion of the crowd on race day," 34-year-old Chin Yi Yun from Kuala Lumpur, who attended the race in 2022, said to a local media outlet.

A RACE AND SO MUCH MORE

The Singapore F1 race is a crown jewel in Singapore's international events calendar. Far more than a glitzy spectacle, it stands as a flagship event conferring substantial economic benefits and amplifying its global image.

The association of Singapore with a high-profile, prestigious and distinctive sport like F1 has transformed the image of the city-state into one of an exhilarating metropolis, characterised by its openness to the world and global influences. This has enticed international talent and wealthy individuals to pursue careers and establish family offices in Singapore, with 690 established in 2022.

With its business-friendly policies and dynamic economic

environment, Singapore recorded a remarkable US\$195 billion (\$265 billion) in foreign direct investment inflows in 2022, underscoring its appeal as an international business destination. Maintaining this impressive figure necessitates retaining a robust presence on the global stage, which hosting world prominent events like the F1 Grand Prix supports.

Glamour aside, the growth of business-related activities, trade shows and product launches on the sidelines of the Singapore night race over the past decade has entrenched the race's role as a marquee event and Singapore's reputation as a top-tier destination for business and marketing events.

This includes the Milken Institute Asia Summit and the Forbes Global CEO Conference, which bring together investors, business executives and thought leaders for intellectual exchange and networking opportunities. Attendees also have the convenient option of extending their stay to bask in the high-octane excitement and global appeal of F1.

The reality is that F1 offers a unique form of entertainment capturing a different demographic that extends beyond racing enthusiasts. It draws in a diverse audience including passionate music fans, thanks to the star-studded concerts that provide a thrilling dose of entertainment. Past line-ups have included

world sensations Katy Perry, Maroon 5 and Gwen Stefani. Parties held by some of the most recognisable bars and nightlife spots like Ce La Vi and Smoke and Mirrors keep the adrenaline pumping until the wee hours.

The huge crowds drawn have additionally reshaped Singapore's entertainment landscape, giving concert organisers greater confidence that regional audiences will flock to Singapore if they bring in big names to helm huge venues, even outside of the F1 calendar.

Taylor Swift's and Coldplay's sold-out, eagerly awaited appearances in 2024 will serve to further elevate the city's burgeoning status as a global epicentre for top-tier musical acts. These concerts are also investments in Singapore's future as a business and tourism centre. They resonate strongly with globe-trotting young people, providing them with opportunities to connect with their favourite stars and create lasting memories associated with Singapore.

F1'S FUTURE PROSPECTS

The successes of F1 notwithstanding, the Singapore night race faces three key challenges. First, news of a graft probe into Singapore's Transport Minister S. Iswaran and tycoon Ong Beng Seng will call into question whether renewal was primarily motivated by other personal considerations.

Both men are known to be key figures in Singapore's pitch to become a part of the F1 circuit, with Mr Ong owning the rights to the Singapore Grand Prix.

The hope is that the Corrupt Practices Investigation Bureau's findings, which are still pending, will give a definitive answer and address any wrongdoing that could severely blemish the race's reputation.

Second, the F1 has come under fire in recent years for the sport's notoriously high carbon footprint. Measures have been taken by the Singapore Tourism Board and Formula One, including the installation of solar panels to power the night race, the reduction in single-use plastics and improvements to waste management. While the sport has taken more steps to address environmental concerns, the environmental challenges for Formula One will remain a subject of ongoing debate.

Third, Formula One's rising costs of organising the race raise questions about whether a country, already host to world-class business events like the World Economic Forum and the Bloomberg New Economy Forum, still finds value in hosting the night race. The 2022 costs of hosting the night race are estimated between \$135 million and \$140 million, with the Singapore Government covering 60 per cent of total expenses, including racetrack maintenance, and the set-up of infrastructure like grandstands and hospitality suites.

These are questions Singapore, with a pristine reputation for integrity, environmental friendliness and prudence, must answer decisively before the next renewal is up in 2028.

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