

CONFERENCE NEWS

DAILY NEWSLETTER #4 FRIDAY 19.06.20



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SPORT PLENARY - DIGITAL MOTOR SPORT USING DIGITAL PLATFORMS TO RACE ON

Digital Motor Sport has enabled top level motor sport competition to race on amidst the Covid-19 pandemic, with all the industry stakeholders demonstrating the power of esports platforms.



Since motor sport has been paused on track, Digital Motor Sport has become the new preferred activity for drivers to compete alongside top sim racers around the world.

These digital platforms have enabled to race on while we figure out how to get back on track, and simultaneously gave esports two years of growth in just two months.

One of the stars of sim racing during the enforced off-season has been Alexander Albon, driver for Aston Martin Red Bull Racing Formula One team, who opened the Sport session by explaining why streaming platforms such as Twitch have given fans access that they wouldn't normally get in real motor sport.

"What I've realised is that there is definitely this feeling that the fans have been able to really connect with the drivers," said Albon. "Just in the way F1 is, it's very difficult to really get to know a driver, and that feeling of being at home, speaking to your audience and getting that interaction is something really special."



According to Albon, Digital Motor Sport is fast becoming the grassroots into motor sport due to the affordable way drivers can buy a rig and a steering wheel with other peripherals, and then jump straight into a realistic game that tests their abilities.

"The main thing is really the cost, if you think about how much it does cost at the minute to do Karting, as well as the time away. A weekend of Karting means you're leaving school on maybe a Thursday or a Friday," said Albon. "Whereas with a simulator, you can jump on it, do your homework afterwards, and keep that racing mentality throughout your development."

Mercedes-Benz EQ Formula E driver Stoffel Vandoorne said that, for the drivers, it has been a challenge to get to grips with the various platforms of racing, and train well enough to be as quick as the pro-sim racers.

"It gave us the opportunity to drive against many other different racing drivers we've not really competed against in real life and to try different cars, different platforms," said Vandoorne. "There's been a huge spread of platforms which we've been able to use during the last couple of months."

Last year's inaugural FIA Motorsport Games gold-medallist in Digital Cup Cody Nikola Latkovski added to the discussion by noting that getting into real motor sport is the ambition for sim racers when they start out on these platforms.

"I think the ambition of every sim racer who gets into Digital Motor Sport is to make it into the real world of [racing] eventually," said Latkovski. "I think it's going to be a very possible opportunity for many drivers who are fast enough, but we'll see with the financial barriers and logistics."





FIA Head of Motor Sport Development and Innovative Sport Activities Gwen Bourcier believes that Digital Motor Sport could act as an educational tool for ASNs.

"They are carrying the flag of the FIA around the world and we will provide them with the base structure," said Bourcier. "But it will be up to the ASNs to develop it in their own countries and use it for talent detection, education, entertainment, and make sure that sim racing is not considered as a game anymore."

With esports primarily attracting a younger audience, being able to keep them engaged is important to the success of an event. During the panel discussion, CEO of Electronic Sports League Ralph Reichert stressed the importance of this as esports have grown during the Covid-19 pandemic.

"Games have grown somewhere between 20 and 100% in terms of monetisation. Why? Because people spend more and more time with video games overall," said Reichert. "We have our Champions League of Counter Strike, which has seen somewhere between 100 and 200% growth across the board. So that means two to three times the viewership we would have had before, and good content is the base of all of this."

Stéphane Ratel, CEO of SRO Motorsports Group who specialises in GT racing, noted that for motor sport, they have seen the same amount of interest during this period as they normally do with their real racing championships.

"We have enjoyed the presence of very well-known drivers joining our Digital Motor Sport series and that gave an exposure that is very useful for us and for our partners," said Ratel. "The numbers we've achieved have been really spectacular, we were very similar to the numbers our normal racing is achieving."

According to Ben Rossiter-Turner, Head of Esports at Motorsport Games (Motorsport Network's gaming division), esports is now being looked at in the same way as real sports from a promotional perspective, which is something they did while working with partners on the recent Virtual Le Mans 24 Hours race.





"We've had quite a few invitationals over this period and what you'll find is that a lot of promoters or rights holders will look at esports from a media perspective as well as a sporting perspective," said Rossiter-Turner. "For Virtual Le Mans, there was a committee as there is in the real world. That went through each entry and it was looked at from a sporting and commercial perspective as to who was then brought through."

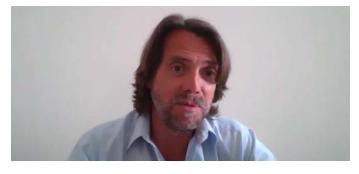
Bridging the gap between the virtual and the real world has been something the Marelli Group has focused on, with Head of Advanced Innovation Tom Hyder noting the real-world applications of sim racing technology.

"With the emergence of ever more complex automated systems and Artificial Intelligence in cars, it becomes inevitable to use simulated environments to prove your systems and train them," said Hyder. "Just as esports can train drivers for the real world or for their competition, so there's a big interconnection between the two worlds."

With increasingly large prizes on offer and the chance to potentially cross over into real racing, FIA Formula E Race Director Scot Elkins believes that the governance of Digital Motor Sport needs to be at the same level as it is in reality.

"I think it's a very real situation that needs to be taken very seriously," said Elkins. "We've seen in the United States what's happened with one gentleman in NASCAR who lost his sponsorship because of how he acted during a digital event, so it's more than just a game."

Rounding off the session was EMEA Sports Lead for Twitch Charlie Beall, giving a case study on how to make broadcasts interactive and gain viewers, alongside a second case study centred around the logistics of putting a Digital Motor Sport championship in place with President of the Sim Racing Association Singapore Mark Langer.



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MOBILITY PLENARY - TOURISM: ACTIONS NEEDED TO FUTURE-PROOF THE INDUSTRY GETTING TOURISM MOVING

Travel and tourism have perhaps been the sectors most adversely affected by the Covid-19 pandemic. Yesterday's final Mobility plenary looked at methods of future-proofing the industry.



At the beginning of May, the UN World Tourism Organization estimated that, due to the Covid-19 crisis, earnings from international tourism could be down 80% this year against last year's figure of \$1.7tn, and that 120 million jobs could be lost. It's a stunning reversal from a late 2019 report that forecast a 3-4% increase in global travel in 2020.

With the impact of the pandemic on travel patterns in mind, yesterday's final Mobility plenary sought to explore possible measures the industry, and particularly the automobile tourism sector, might take to get the industry up and running once more.

Opening the session, George Anjaparidze, Economist and CEO of Veritas Global, revealed that, according to research conducted by his company, automobiles had been used as the means of transport for 75% of overnight trips taken by people in the EU.

"Automobiles create the largest mobility benefit in the EU," he said. "There are huge economic benefits. Automobiles are responsible for 6% of GDP at \in 827bn. The sector supports 7% of jobs, with 14.2 million people employed in the sector. It's these benefits that have been hit head-on by the Covid-19 crisis and these are the benefits at stake now."

FIA Director of Tourism Services and session host Habib Turki then brought in Linda Ristogno, Assistant Director, External Affairs at the International Air Transport Association (IATA), to detail how the aviation sector is trying to recover from the crisis by asking whether people have lost the desire to travel.

"I don't think so. People still want to see family and friends, they still want to see the world, they still want to do business," she said. "The

issue is not about the desire to travel, it's about confidence, giving passengers reassurance that they can fly in safety.

"The information that we share with them is that it's safer to fly in the cabin and that we have less probability of catching Covid-19 in a plane than in a supermarket," she added. "It's our role to communicate that but there is a big role for state regulators to communicate that as well.

"We have worked hard to create harmonised rules and regulations. For states to reopen is crucial, it's fundamental. We are very confident about the harmonised rules developed by the ICAO (International Civil Aviation Organization) in its Take-off Guidance. If States apply these rules, it will allow passengers to take off again."

George Anjaparidze added that the tourism industry would also need to deal with different demands from travellers as it recovered.

"The type of travel and tourism products that travellers demand has changed," he said. "It's probably too early to make strong conclusions but evidence suggests that people are planning more of their holidays in advance. As a result, we may see more old-style package holidays. We may see more alignment between airlines, hotels, pick up services, etc."

He also pointed to the crisis being an opportunity to pursue greater sustainability, an area Motoring Clubs could exploit. "Motor Clubs are well positioned to be champions of this transformation. It's the role of the FIA to capture that knowledge, help Clubs apply it, be champions of change, and use that for revenue growth." #FIAeConf2020





Habib Turki then introduced International Trade Centre Head of Non-Tariff Measures Programme Ursula Hermelink to talk about the travel and transport issues affecting small- and medium-sized enterprises.

"How to future-proof the industry? The key for smaller companies is transparency of the regulatory framework – company licensing requirements, registrations, and the ever-changing hygiene standards.

"Predictability is also key," she added. "If rules change happen in the regulatory environment without prior notice, such as changes in taxation for example, if they are not disseminated in advance and travel operators are selling services in advance, then, they will make a loss.

"Enforcement of regulations and standards is also important. If these are enforced, it will help to restore confidence. I think that, going forward, it will be important for tourism to be more on the agenda of policy makers."

Regional Advisor on Transport and Logistics at the United Nations Economic and Social Commission for Western Asia (UNESCWA) Dr Yarob Badr then gave an overview of the travel and tourism picture in the Arab region.

He began by saying that the region had weakness and disparity in its infrastructure prior to the pandemic, with "very general weakness in transport integration in the region. We have 20km of road per 100,000 people in the Arab region compared to 2,000km per 100,000 of population in Europe. The world average is 800km, we are a quarter of that. In rail, we have 7km per 100,000 people. Half of Arab countries do not have any. In Europe, the figure is 40km and the world average is 50km. Vehicle ownership is 117 vehicles per 1,000 people compared with a world average of 163 and 600 in the EU and 800 in the US. Allied to this, we have geopolitical issues and other issues so, before Covid-19, there was already a low level of integration in the Arab world.

"Conversely, the air transport sector was performing well due to high improvement of Gulf countries and to policies elsewhere. For example, Morocco and Jordan opted for open skies a long time ago. Following Covid-19, however, we are expecting a drop in air traffic passengers of 47% in 2020 and a loss of \$28bn, which will affect the employment of 1 million people."

Dr Badr said, however, that measures have been put in place, prior to the crisis, to improve the situation with regard to regional travel. "With the support of the Islamic Development Bank, we started mapping the region via GIS tools to identify where we are going to have road rails, border crossings and airports. Via this mapping at regional level we will be able to identify where the real weaknesses are. We started this at the end of 2019 and, hopefully, we will have some results by the end of the year."

Finally, the session heard from Aaron Imperiale, Director, Technical Cooperation at IBF Consulting International, a firm that he said works on technical assistance projects around the world, mostly in developing countries.

After outlining his organisation's assistance work with governments, Imperiale was asked how FIA Member Clubs could be further involved in dialogue with policy makers regarding travel and tourism industry policy.

"Great question. I would almost say, from the private sector side, I'm a bit envious of the position the FIA occupies on the world stage. You are in a distinctly unique position to not only drive policy but also, on an operational level, you have unprecedented access to policy makers. Through your Members, through your internal or external networks, you are in a prime position to drive conversations. You can have a very high level of dialogue to set in motion a series of projects that can trickle down through the pipeline.

"It's a win-win for everybody, as the policy makers know they are getting quality from those who know exactly what needs to be done and you can get in at an early stage and really drive the conversation instead of reacting to it. It is a long and gruelling process but it is worth it."

USEFUL STUDIES

- » Economic benefits of auto-Mobility in the EU
- » ITC's Business surveys on trade in services
- » IATA's COVID19 ressource center

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JOINT SESSION - WRAP-UP & CLOSING SESSION

STRONG AND SAFE TOGETHER

The first FIA eConference was brought to a close yesterday by FIA President Jean Todt who reflected on what has been a very unique and special event.



Opening the final session of the first FIA eConference, President Jean Todt was joined by former Director-General for UNESCO Irina Bokova and Ambassador and Permanent Representative of Italy to the United Nations Mariangela Zappia to discuss the vital role that international organisations have played in responding to the Covid-19 pandemic, and the new opportunities that have risen to build a sustainable future.

Mariangela Zappia noted that the role of international organisations is crucial because they enable a dialogue between the countries and the World Health Organization (WHO).

"The international community tried to address the most important issue right now, which is to find a vaccine," said Zappia. "That was a very good example of how the international community can work together, an alliance was created, money was put together to sustain the research for the vaccine, how to then immediately produce the vaccine, and now to distribute it everywhere in the world."



"What we have in place with the UN, WHO, and other organisations is absolutely necessary to give a global challenge, a global response," added Zappia. "We have to act together to be really resilient as societies."

Irina Bokova echoed these statements and added that Covid-19 has allowed us to question the values in society, and has given the opportunity for the FIA network to assess how it can contribute to that agenda with its global outreach.

"The FIA is a global organisation and it has a very particular role to play here," said Bokova. "The FIA is close to the United Nations Sustainable Development Agenda, in participating very actively in this collaboration and achieving its important ambitions."

"What this pandemic has revealed to us is what it is to be human," added Bokova. "What are our values as a human society? And I think the FIA has an extremely important message; it's a message of solidarity, it's a message of empathy, team spirit, mutual respect, anti-discrimination, and inclusiveness. I think the world post-Covid will need to build on these values."

Inclusiveness has been a big theme of the eConference for both the Sport and Mobility pillars, notably related to female involvement in motor sport and the automotive sector. The session was rounded off by reflecting on the larger social impact and revolutions that have come out of this pandemic.

"When we are confronted with the challenges in categories that are less protected, I think the FIA, as a responsible social actor, has to give the example to tackle these inequalities," said Zappia. "I think what the FIA is doing with Women in Motorsport is a very good example, because we need role models, we need to see that women can do what they were not doing in the past."





Closing out the eConference, President Jean Todt reflected on the key issues discussed about the future of Sport and Mobility alongside FIA Deputy President for Sport Graham Stoker and FIA Deputy President for Automobile Mobility and Tourism Thierry Willemarck.

Concerning the Sport pillar, Stoker noted how he believes this is a unique moment that FIA Members and National Sporting Authorities worldwide should grab, while everyone is aligned with the same priority.

"Going forward when we restart, we have to concentrate on social responsibility, and sustainability as part of that exercise," said Stoker. "It protects our sport, it puts us in a strong and unique position, and it leads to a positive and informative transformational restart process."

"The message is 'Shaping the Future Together' and each day we're learning, aren't we?" added Stoker. "I've never seen a stronger reason why we need a real, strong, and focused international federation. Together with our Members, we are giving out a positive message that we can restart motor sport with confidence."

On the Mobility side, Willemarck highlighted the changing world around us and the uncertainties society faces, which demands a thoughtful and analytic response to ensure that we can work together and leverage what is needed to survive in the world of tomorrow.

"We have seen, in terms of advocacy, that there is a part for the FIA to play in embracing our role as corporate citizens," said Willemarck. "In the last session on tourism, it was said that automobiles create the largest mobility benefit. In the EU only, it's 6% of the GDP, it's 14.2 million jobs, and it provides freedom of choice and happiness to the users."

"We have also learned that there is a role of education that can be undertaken by the FIA," added Willemarck."We all have to speak the same language throughout the world to make people change their attitude, so we can improve sustainability and road safety."

To accelerate the positive contribution of motor sport to society, in relations to health, safety, economy, environment, education, inclusion, and diversity, FIA President Jean Todt launched a new movement called



#PurposeDriven. He invited the motor sport community to commit to a 'Purpose Pledge' and concrete actions.

President Todt then closed the eConference by thanking the 906 Delegates who followed the sessions and each of the Member Clubs, paying tribute to the 'New Deal' in the Sport pillar and also to the sustainability initiatives that have been set up on the Mobility side. He also commented on the challenges that lie ahead during the Covid-19 pandemic, and how the FIA Community has to adapt to this new emerging world.

"It is very important to decide now what we have learned from this crisis and what we will do differently in the future," said Todt. "It has been three months of confinement, three months of trying to adapt our organisation to the emerging world, and to understand and develop what is resilience."

"I'm sure that we will learn a lot out of that, and again, working together in a different way has been a privilege," added Todt. "The next appointment will be during the next FIA Annual General Assembly in Munich, Germany. In the meantime, I will have the opportunity to meet some of you, but I wish you all good health in this difficult time."



