

UNIVERSITY OF KWAZULU-NATAL

An exploration of the potential to host Formula One in South Africa

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Declaration

I, Yashika Singh, “declare that:

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Date:

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Abstract

The Formula One Grand Prix is a prestigious motorsport spectacle, drawing billions in viewership and enthusiasts worldwide. Recent years have witnessed heightened interest and conjecture surrounding South Africa's potential as a host for a Formula One Grand Prix, particularly notable due to the absence of such an event since 1993. The overall aim of this study is to explore South Africa's potential to host Formula One while exploring any potential economic benefits and challenges of hosting the event. This study has three objectives. Firstly, to explore the potential of hosting Formula One in the current South African context. Secondly, to explore the potential economic benefits that may occur, and thirdly to explore the challenges that accompany the mega sporting event. The study utilized purposive sampling to specifically select individuals who possessed relevant knowledge and/or experience pertaining to the subject matter. These selected participants were then invited to share their insights through semi-structured virtual interviews. As the number of interviewees was only nine, data from these interviews underwent manual thematic analysis, employing open coding and comparison to derive thematic insights. The study found that there is a potential to host Formula One in South Africa, citing potential benefits such as increased economic growth, job creation, stimulation of the regional economy, and enhanced global branding. The challenges identified include political considerations, venue selection, and financial constraints. The findings emphasise the necessity of a comprehensive analysis to evaluate South Africa's readiness to comply with FIA regulations regarding venue selection. Furthermore, it highlights actionable steps that both the public and private sectors can undertake to mitigate adverse repercussions following the hosting of such events. Through strategic planning and collaborative efforts, avenues exist to address and minimize potential negative consequences proactively, thus enhancing the overall sustainability and success of Formula One hosting endeavours in South Africa. By adopting a holistic approach that considers economic, social, and environmental factors, policymakers and organisers can ensure that hosting F1 events contributes positively to the development and sustainability of South Africa's economy and society.

Keywords: Formula One, mega-events management, economic impact assessment, South Africa.

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List of acronyms and abbreviations

AI	Artificial intelligence
COTA	Circuit of the Americas
F1	Formula One
FIA	Fédération Internationale de l'Automobile
FOM	Formula One Management
GDP	Gross domestic product
PR	Public relations
PWC	PricewaterhouseCoopers
SA	South Africa
UK	United Kingdom
UKZN	University of KwaZulu-Natal

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Seventy-three years after its inception, the theory of economic contributions that Formula One attributes to host nations is at a crossroad. Multiple attempts to critically scrutinise its achievements and shortcomings proliferate, while concerns about the theoretical benefits have been articulated. Heated rows shake the field following accusations that the financial outlays for a sporting event of this magnitude are ineffective at providing the sought-after economic advantages.

Formula One is renowned as the world's top-tier motor racing championship, in which twenty of the quickest cars, driven by the world's most daring drivers, are divided among ten teams (Formula One, 2023). The sport is defined as the apex of single-seat, open-wheel, open-cockpit professional motor racing, where it is legendary for its wheel-to-wheel combat in which drivers attempt to outmanoeuvre their competitors around multiple chicanes in an attempt to become the World Champion.

The inception of The World's Drivers Championship, later renamed the FIA Formula One World Championship in 1981, occurred at the Silverstone Circuit in Britain in 1950 (Williamson, 2022; Wang, 2022). The race had an attendance of approximately 150,000 spectators (Motor Sport Magazine, 2023). Eight years later, Africa received a prominent place on the racing calendar when the first African GP was staged in Morocco with an attendance of 60,000 spectators (Sharan, 2021). The 1960s heralded the signal for sponsors to enter the sport when the 1968 Grand Prix Lotus cars featured the branding of Imperial Tobacco logos on their vehicles (Williamson, 2022; Ernst, 2018). This demonstrated to sponsors the vast investment potential of Formula One. Viewership thus grew in the 1960s as Formula One became publicised in various media forms, such as broadcast television and newspapers. In recent years, the sport has attracted an in-person attendance nearing 400,000 for a single race in the United States (Statistics SA, 2022). It has been noted that fans primarily appreciate the entertainment value this sport provides, as their initial inclination when presented with the sport is usually the correlation between expensive cars, speed, and beautiful women (Fraser, 2017). However, multifaceted elements such as economic expansion serve as the

primary drivers of policy and decision-making as well as the return on investment (ROI) for investors (Jensen and Cobbs, 2014).

Thus, this study systemically reviews a corpus of previously published literature relevant to Formula One with the aim of exploring the potential of South Africa becoming host to the sport while analysing the impact it would have in a South African-specific context.

Chamberlain et al. (2019, p. 2) state that “a mega sporting event can comprise any type of sporting event of a major scale, such as The Summer or Winter Olympics (Essex and Chalkley, 2004); Commonwealth Games (Carlsen and Taylor, 2003); FIFA World Cup (Lee and Taylor, 2005); Formula One Grand Prix (Gezici and Er, 2014); and The MotoGP (Dolles and Söderman, 2008)”. “Such events benefit both organisers and participants greatly if they are commercially successful, and as a result, they benefit the country that hosts them” (Carlsen et al., 2010, p. 15). “Mega-sporting events such as The Olympics and Formula One can be used as catalysts within economic growth strategies for developing countries. “The most common argument made by those who favour using public funds to pay for the staging of large athletic events is that doing so results in increased economic activity” (Storm, Thomsen, and Jakobsen, 2017, p. 3). Typically, the claim made is that the events are worthwhile because they increase tourism and have a positive branding influence on the country or city that is hosting them. Although it is argued that “economic benefits that stem from hallmark sports events must be considered substantial, it may not necessarily be the case since a thorough analysis of the host city's economic impact must be studied” (Storm, Thomsen, and Jakobsen, 2017, p. 3). Initially, there may be anticipated concrete (economic) benefits that outweigh the expenditures of hosting athletic events, but there is no assurance that these will occur (Larissa, 2017; Zimbalist, 2020).

Section 1.2 provides a background of Formula One in South Africa. Section 1.3 discusses the research problem. Section 1.4 provides the aim of the study. Section 1.5 provides the overall objective of the study. Section 1.6 explains the research questions. Section 1.7 provides the significance of the study. Whilst, section 1.8 discusses the research methodology employed and section 1.9 discusses the limitations of the study. Section 1.10 provides the outline of the dissertation. Section 1.11 concludes the chapter.

1.2 Background of Formula One in South Africa

In 1967, the Kyalami racetrack in Johannesburg solidified its place on the global motorsports calendar when it joined the Formula One World Championship (Lubow, 2023). Kyalami gained recognition as one of the top ten Grand Prix courses in the world after becoming a regular Formula One racetrack until 1985 and serving as the site of numerous international events up until 1988 (Import, 2022). The circuit staged eighteen Formula One World Championship rounds between 1967 and 1985 and an additional two Grand Prix in 1992 and 1993 (Kyalami, 2023). The Kyalami racetrack was purchased by the South African Automobile Association in July 1993. Since 1993 the sport has travelled to every continent except Africa. Following 1993, the circuit fell steadily out of favour, and on July 24, 2014, the land was finally put up for auction. The circuit was bought for R 205 million by Mr. Toby Venter, a well-known and esteemed motor company tycoon, visionary, and renowned race driver (Kyalami, 2023). Due to the event's astronomical costs, developing African nations like South Africa were excluded from the consideration of hosting Formula One, as the country lacked the financial guarantees needed to proceed (Gustafsson, 2022). It has been kept amongst the privileged, more affluent nations that have the resources and infrastructure needed to host such an event. These exorbitant expenses are justified by the expectation of high returns. The opportunity presented itself to South Africa when The Omega Consortium, a South African-based conglomerate of businesses (Omega Investment Research, Parallel Media South Africa, The Orly Funt Consortium, and BKS Consulting Engineers), lobbied Mr. Bernie Ecclestone of the FIA in 2004 for South Africa to become a participant on the sporting calendar of the F1 franchise and host an F1 Grand Prix from 2009 to 2015 (Formula One, 2004). By the end of 2005, the Consortium had only been able to collect approximately half of the estimated construction and annual hosting expenses (announced as R400 million construction and R100 million annual hosting costs) for its ambitious plan to establish a racing track from the ground up, close to Cape Town International Airport (Formula One, 2004). The Consortium proceeded to approach the South African Government to lobby for additional funds from the taxpayers of the city. The bid to the South African Government was inclusive of:

1. Provide additional funds for the creation of the anticipated racing circuit in Cape Town;
2. Subsidise the annual hosting expenses;

3. Remove the prohibition of tobacco advertising for specific periods during Formula One to acquire much-needed sponsorship from tobacco companies (Bessit, 2008).

The result of the 2004 bid was ignored as the government was not willing to partake in the public-private partnership that was necessary to provide the financial guarantees needed to ensure that South Africa became a host nation to Formula One (Bessit, 2008).

As per Interviewee Six (2023), “in 2004 a group of South African companies submitted a bid to negotiate the hosting of a South African Formula One Grand Prix in 2009 in Cape Town”. Said group compiled a bid in hopes that the government would be amicable towards a collaborative effort of funding between public and private stakeholders to ensure that South Africa was well-prepared to host an international-level event of this magnitude. Unfortunately, when the race calendar for 2009 was released, South Africa was not listed as one of the nations that would host a Formula One Grand Prix. A review of previous literature has revealed that the City of Cape Town failed to engage in the necessary monetary aspects and endorsements to ensure that Cape Town could create a circuit with a grade 1 FIA rating (Interviewee Six, 2023).

Subsequently, light has since been shed on South Africa with speculation that the country may have a chance to be listed as the host of a Formula One Grand Prix for the year 2024 and beyond (Raymond, 2023). This has raised the hopes of many fans, businesses, and the tourism industry, as the influx of tourists that are expected for an international event of this scale is expected to inject much-needed funds into the economy (Searles, 2023). Hosting a Formula One race in South Africa in 2023 was deemed a viable option when it was speculated to take place at the Kyalami Grand Prix Circuit (Raymond, 2022). Currently, the circuit holds a Grade 2 race circuit rating. For a Formula One race to take place at a specific circuit, that circuit must conform to the FIA’s standards of quality (i.e., an FIA Grade 1 rating) and safety (FIA, 2017). Hosting a Formula One race was speculated to be more tenable at Kyalami in comparison to attempting to host it in Cape Town in 2009, where there is no pre-existing circuit. It has been established that a sizable investment would have been required to guarantee the construction of a circuit from the ground up that conforms to a Grade 1 circuit rating (Erlangsen, 2014). The result, owing to this factor, would be that South Africa was not listed to host a Formula One race in 2009. In theory, the possibility of holding a Formula One Grand Prix in South Africa in 2023 appeared to be feasible, but this plan

eventually collapsed as the rigorous financial guarantees required by the public and private sectors, respectively, failed to materialise (Raymond, 2022).

1.3 Research problem

According to Hall, O'Mahony, and Viececi (2010), attendance at sporting events is crucial for producing revenue and making a substantial economic impact on the host towns and nations. Hall, O'Mahony, and Viececi (2010) went on to state that sporting events with large attendances may draw more substantial corporate sponsorships. This mega sporting event has had over 5.7 million attendees in the 2022 season (Haldenby, 2023) while Domenicali (2022, p. 1) reinforced that “Formula One has a cumulative annual TV audience of 1.54 billion people, providing a host city with an array of economic advantages and other advantages include increased global awareness, significant fiscal upliftment, contributions to tourism, and job creation, all of which complement local and national tourism strategies”. Avison (2018, p. 1) published an article in which he stated, “hosting a Formula 1 race boosts the economies of the host city and country by raising consumer spending and creating new job opportunities in various sectors of the economy”. The economic impact is outlined as the net shift in an economy due to a major event (Richardson, Long, and Perdue, 1988).

It is often said that hosting Formula One races has significant economic advantages. An example of this would be the Circuit of Americas in Austin, Texas. During the years 2012-2015, an estimated 25,000 jobs were created, and the economic effect primarily from F1 races alone was estimated at \$2.8 billion (Searles, 2023). In some studies, the economic impact of hosting a Formula One race is reported to have resulted in a loss for the host nation (Storm, Jakobsen, and Nielsen, 2020), while in other studies, it is argued that holding Formula One races has resulted in a gain for the host nation's economy (Ramasamy, Wu, and Yeung, 2022).

The COVID-19 pandemic was detrimental to numerous economies, as it left an immense number of challenges for multiple nations. Pillai et al. (2020) introduced a view into how the COVID-19 pandemic crippled the economies of some nations while completely halting the economies of other nations. Three years post-pandemic, and some economies have never fully recovered from this devastating event. The COVID-19 pandemic, according to Gössling, Scott, and Hall (2020, p. 3), “produced an unparalleled economic upheaval not seen since World War Two”. For years to come,

the repercussions of the pandemic will be felt throughout the economy and especially in the health, environmental, and tourism industries (Zenker and Kock, 2020). The South African tourism industry was one of the most severely affected by the COVID-19 pandemic.

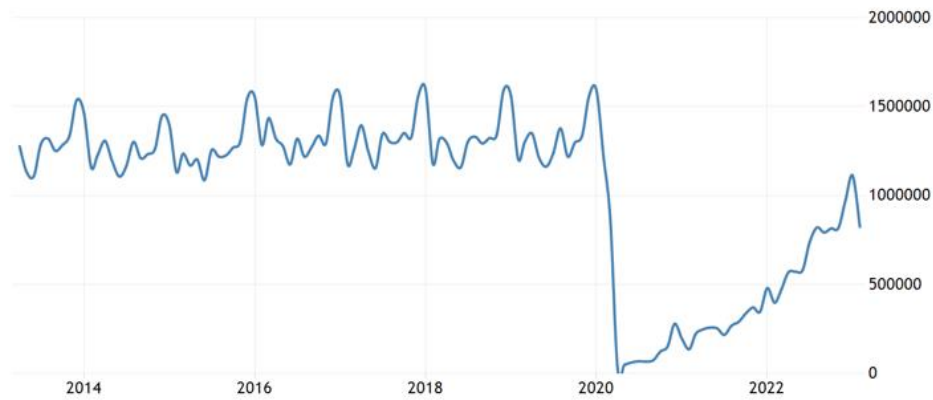


Figure 1.1 Tourist Arrivals into South Africa from 2012 to 2022

Source: Tradingeconomics.com (2023; p. 1)

As seen in the figure above, tourist arrivals oscillate by season from 2012 to 2019. We see a steady decline from late 2019 to 2020 as a result of the global restrictions on travel recommended by The World Health Organization (Chinazzi, et al, 2019). Thus, it can be inferred from previous case studies, that hosting Formula One can boost the tourism industry for the host nation (Searles, 2023).

PricewaterhouseCoopers (PWC) conducted two economic impact studies from 2016 to 2020 on the Azerbaijan Formula One Grand Prix. These studies concluded that the economic impact of hosting Formula One in Azerbaijan was significant, and the impact was estimated to be \$506.3 million since its inaugural race in 2016 (Mirzayeva, et al, 2020). “Beyond the numbers themselves, the annual F1 race weekend has had a significant long-term impact on concrete issues such as job creation and infrastructure development, as well as on intangible issues such as national brand reputation and promoting Azerbaijan as a modern, dynamic nation capable of hosting world-class sporting and entertainment events” (Baku City Circuit, 2020, p.1). The annual race's international media coverage, as well as its hosting in Baku, aided in promoting Azerbaijan as a significant international sports and entertainment hub. This is notably evident in the statistics from the previous two races, which showed “82.3 million people (about twice the population of California)

watched the Formula 1 Azerbaijan Grand Prix 2018 on television globally” (Mirzayeva, et al, 2020, p. 20). Thus, it can be inferred that the benefits experienced by Azerbaijan from hosting a Formula One Grand Prix can be extrapolated to South Africa. The South African economy can expect a boost through the creation of jobs, television broadcast revenue, and increased global exposure. These factors can be used to attract foreign direct investment.

1.4 The aim of the study

This study aims to explore the potential of South Africa to host a Formula One Grand Prix and the impact that the event will have on the economy

1.5 The objectives of the study are:

1.5.1 To explore the potential economic benefits of hosting Formula One in South Africa

1.5.2 To explore the potential economic challenges of hosting Formula One in South Africa

1.5.3 To explore the potential of South Africa hosting Formula One

1.6 Research questions

1.6.1 What are the potential economic benefits that South Africa could experience from hosting Formula One?

1.6.2 What are the potential economic challenges that South Africa might face in hosting Formula One?

1.6.3 What potential does South Africa have to host Formula One?

1.7 Significance of the study

This study explores the economic impact that South Africa could face if it were to host Formula One in the near future. Additionally, this study offers critical insights into the potential benefits and drawbacks. The study explored how hosting Formula One in South Africa could stimulate economic growth, particularly through foreign direct investment, tourism revenue, and job creation. This is crucial for a post-apartheid economy seeking avenues for development and revitalization. The influx of wealthy overseas tourists would be a significant boon to the hospitality sector of South Africa, which has suffered major losses during the pandemic. The study assessed

both the benefits and potential drawbacks of committing to a multiyear Formula One deal. This includes evaluating the financial implications, the boost to international standing, and the development of infrastructure necessary to host such a global event. The study highlights the importance of informed decision-making by policymakers. It suggests that the lack of available information may have previously prevented South Africa from pursuing opportunities like hosting Formula One, thus creating an opportunity cost for South Africa. Providing this information could potentially sway governmental support towards hosting such events. Due to a lack of knowledge about the possible advantages of hosting Formula One in the country, the local economy may have eschewed large financial investments. The study recognised the potential financial burden of hosting Formula One and considers the possibility of leveraging public-private partnerships to share costs and risks. This approach could make hosting the event more feasible and sustainable in the long term. The study emphasizes the need for South Africa to meet specific regulatory criteria set by the FIA (Fédération Internationale de l'Automobile) to become a host nation. Understanding and meeting these criteria are essential steps towards securing a place on the Formula One calendar. In essence, the study not only evaluates the economic impacts but also provides a roadmap for South Africa to potentially capitalize on hosting Formula One, thereby boosting its economy and international profile. It underscores the importance of comprehensive analysis and strategic planning in pursuing such significant global sporting events.

1.8 Research methodology

Using document analysis, the researcher will use information from prior papers to compile a credible body of literature for this study. A thorough background on Formula One's influence on previous and current host nations across the world is provided and discussed. Secondary data will be analysed from previous literature in relation to the chosen area of study.

Primary data will be collected via interviewing nine participants: These parties have knowledge of prior bids and the prerequisites for a nation to host Formula One. The interviewees will provide much-needed insight into the requirements of hosting Formula One in South Africa, as well as where South Africa may fall short, all the while providing expert insight on the economic impact of Formula One. For semi-structured interview scripts, the researcher will use Zoom and Microsoft Teams for interviews. This will allow the researcher to record the interviews as well as utilise the transcription function on both platforms, which will reduce the time needed to manually capture

data. These transcripts will then be manually analysed using open coding and constant comparison to generate themes.

1.9 Limitations of the study

Data collection may be difficult if potential participants are unwilling or unavailable to be interviewed. Due to geographical restrictions, the researcher may not be able to interview key Formula One individuals in a timely manner due to time and expense limits. As there is no funding allocated to this study, all travel costs that may be incurred during the interview process will be at the researcher's expense.

To get favourable responses from the interviewees, the researcher will email the individuals and make them aware of the value of their feedback with regard to the study. The questions for the interview will be developed within the scope of the research objectives and research topic. In compliance with the South African POPI Act, all interviewees' personal information will be kept strictly confidential. Interview subjects who will be quoted will be asked to complete a form granting permission for their statements to be made public.

“The study will adhere to UKZN's ethical guidelines for using human volunteers. The UKZN Research Office will provide ethical clearance. The information will be stored safely for a period of five years on the researcher's Microsoft online drive. The objective of the study will be explained to the participants, and their consent will be secured using a signed consent form. The purpose and scope of the study will be made clear in this permission form. When using human volunteers, the research will comply with all ethical requirements”. (UKZN Postgraduate Guide, 2019, p.14). The University of KwaZulu-Human Natal's Research Ethics Committee has granted approval for the study with the protocol number HSSREC/00006228/2023.

1.10 Outline of the dissertation

Chapter one provides an outline of the study's rationale, research questions, and aims which include the research methodology that will be adopted as well as any potential limitations that the researcher may encounter in the intended study.

The second chapter contains a review of the literature on Formula One as well as information on its economic effect and potential drawbacks for the host country. The literature review provides

concrete examples of previous instances where Formula One Grand Prix were held and the impact that they had on those nations both during the current Formula One hosting phase and in the subsequent years.

Chapter three provides an outline of the methodology and a justification of the chosen technique for the study.

Chapter four presents the analysis and discussion of the results from the primary data collection.

Chapter five presents the summary, results, and recommendations of the preceding chapters.

1.11 Conclusion

The opening chapter attempts to give a thorough summary of the study's goal, which is to ascertain South Africa's ability to host a Formula One Grand Prix. The chapter then went on to discuss Formula One within the broader context of the multifaceted industry in which it operates as well as evaluate the economic achievements and shortcomings that are linked to this mega sporting event, all of which was utilised as motivation for the study. The research problem was then formulated and analysed, and the study objectives and questions were discussed. Further insights into the methodology used for this study were established, the significance of the research was discussed, and the potential limitations that may be encountered were provided.

The subsequent chapter is a literature review on the requirements for cities to host Formula One, which is inclusive of the impact it has on the host nation. This is intended to provide a foundation to further assist in understanding the impact that a mega sporting event can have on a host nation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The Formula One (F1) industry has undergone significant evolution, mirroring the dynamics of the global economy. This transformation has opened new avenues for business development worldwide. Historically, F1 fandom was primarily associated with an affluent Western demographic. However, concerted efforts have been made to expand the sport's reach into previously untapped markets across the globe. Consequently, alterations to the F1 calendar have favoured "dominant-emerging cities" at the expense of traditional venues. This shift underscores the strategic utilisation of destination branding, sports tourism, and mega sporting events as multifaceted tools for bolstering a host nation's economy. While traditional sporting events like European football, the Olympics, and the Commonwealth Games have garnered significant attention from sports economists, there is a growing body of research focusing on Formula One events. Such examples include (Kaplanidou and Vogt, 2007; Zhang et al., 2019; Wang, 2022). These scholars have researched Formula One in the following fields: destination branding for Formula One and analysis of Formula One in the Asian Market. These studies provided much-needed insight into Formula One as well as the benefits and drawbacks that accompany the sport (Henderson, et al., 2010). Further research (Parent, Eskerud, and Hanstad, 2012) established that numerous countries utilise locations within their borders to offer yearly sporting events that are used to elevate said areas into elite sporting destinations. Destination branding, sports tourism, and mega sporting events are multifaceted tools that can be used to nurture the host nation's economy (Knott, 2014). This paper examines the emerging trends and economic implications of Formula One's global expansion, offering insights into its influence on host nations' economies. The purpose of this chapter is to conduct a literature review relating to Formula One, the impact it has on a host nation, and the potential that South Africa possesses to host this mega sporting event. As we delve into previous studies, some key areas that we will focus on will include the FIA requirements of a city to host this mega sporting event, the disadvantages that may arise from hosting, and where South Africa tallies up against current host nations in the bid to host Formula One. Furthermore, information may be brought to light in relation to the challenges that South Africa may face in relation to the bidding process.

Section 2.2 defines economic development and provides context for its introduction in Formula One. Section 2.3 discusses the current economic climate of South Africa. Section 2.4 provides an analysis of the economic impact of Formula One on host countries. Section 2.5 reviews previous studies on Formula One in South Africa. Section 2.6 discusses the potential impact of Formula One on the South African economy. Section 2.7 provides the hosting fees for Formula One. Section 2.8 discusses the global sport of Formula One. Section 2.10 draws conclusions from the literature review.

2.2 Economic development

Feldman et al. (2015, p. 3) define economic development as a focus on “quality enhancements, the introduction of new goods and services, risk reduction, and the dynamics of innovation and entrepreneurship. Economic development focuses on positioning the economy on a higher growth trajectory which is dependent on efficient social and economic institutions, collaboration between the public and private sectors, and long-term investments via the creation of new ideas, knowledge transfer, and infrastructure”.

2.3 Current economic climate of South Africa

As a “developing nation, post-apartheid South Africa has had its limited growth opportunities hampered by global influences and local political uncertainties such as state capture” (UNICEF, 2017, p.1). In 2011, “the South African government released a sports and recreation white paper that highlighted the dire need for South Africa to occupy its rightful position on the global sporting map (SA Government, 2011, p.1)”. Over a decade later, the Sport, Art, and Culture Ministry stated, “Due to the lack of understanding of sport's importance in society and its potential as a tool for change among those in positions of decision-making, sport continues to get insufficient funding. When it comes to recreation, the situation is worse. We will continue our efforts to inform policymakers of their responsibilities in this regard, but we are pleased to see that sports are among the worthwhile activities that the proposed national lottery will support” (Tshwete, 2022, p. 1). According to reports by Statistics SA (2021, p. 1), “South Africa's tourism industry contributed between 7.4% and 7.1% of the country's GDP from 2005 to 2018. The tourism sector's contribution to GDP decreased from 6.4% in 2019 to 3.1% in 2020”. One of the contributing factors to the decrease in tourism can be attributed to the COVID-19 pandemic (Statistics SA,

2021) due to the restrictions on movement implemented by the World Health Organisation in March 2020. South Africa has unfortunately fallen short of their economic growth forecasts for the period 2020 to 2022 (Statistics SA, 2021). Real gross domestic product (GDP) was reported to have fallen by 0.7% in the second quarter of 2022 after two-quarters of expansion. As of 2023, the real gross domestic product expanded by 0.4% in the first quarter of 2023 and 0.6% in the second quarter of 2023 (Statistics SA, 2023a). “Devastating floods and riots in KwaZulu-Natal and electrical blackouts across the country exacerbated the downturn, undermining the already precariously frail national economy that only recently returned to pre-pandemic levels” (Cotterell, 2022, p. 1).

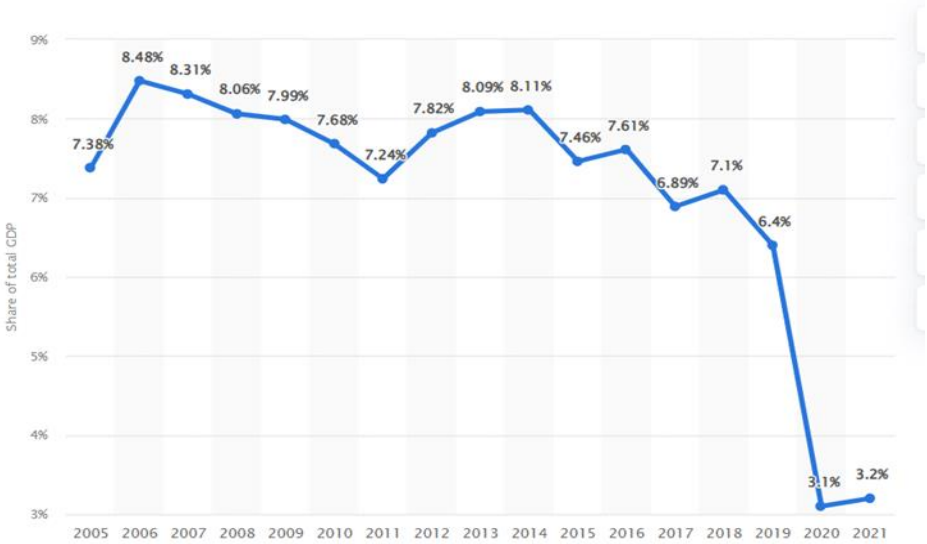


Figure 2.1. “Contribution of travel and tourism to GDP in South Africa from 2005 to 2021”.

Source: Galal, Statista (2022a: p. 1)

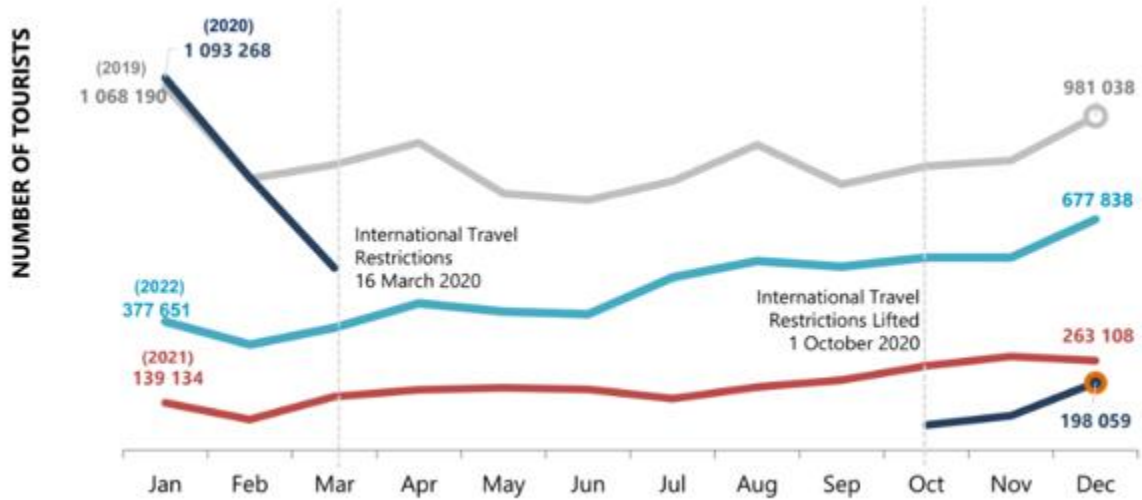


Figure 2.2 Tourist arrivals, by month and year of travel for 2019, 2021 and 2022

Source: Statista (2023a; p. 1)

Figure 2.2 illustrates a sharp decline in tourism numbers in 2020 and 2021, although South Africa is experiencing an increase in tourism in 2022. The decrease in tourist arrivals was estimated to be 72.6%, from 10,228,593 in 2019 to 2,802,320 in 2020, and a further decline of 19.5% was experienced during 2020 and 2021. Thereafter, tourism rates began to increase from 2021 to 2022, although they remained below the pre-pandemic numbers of 2019 (Statista, 2023a).

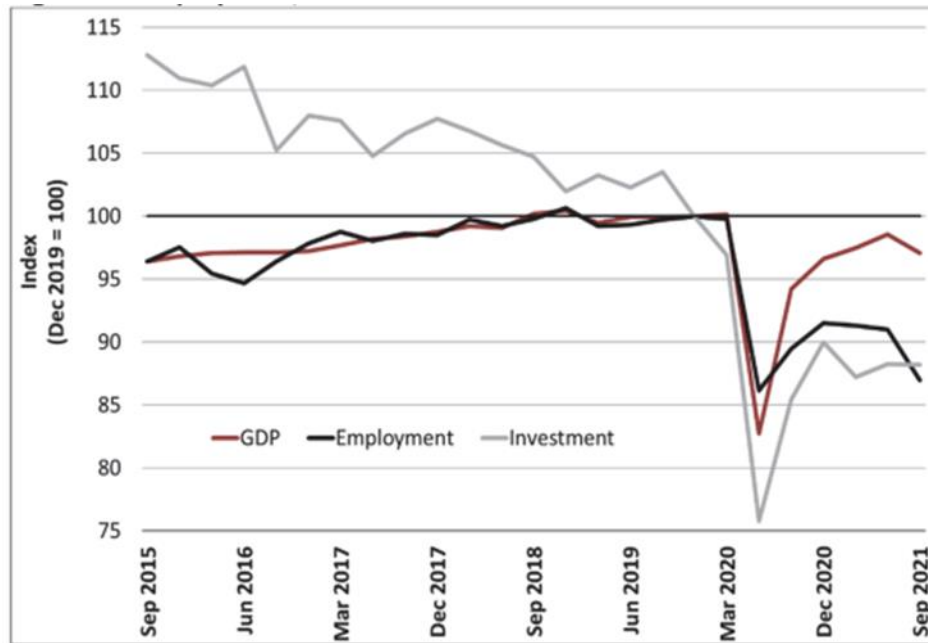


Figure 2.3 Gross domestic product, investment, and employment in South Africa, 2015 to 2021

Source: Statistics SA (2022, p. 1)

Figure 2.3 displays Gross Domestic Product (GDP), employment, and investment for the period beginning in September 2015 and ending in September 2021. Over this period, the pre-pandemic levels of, a) investment have steadily declined despite sporadic upticks. b) Employment has trended slightly positive; c) GDP has steadily risen. Overall, investment and employment have not breached their pre-pandemic levels, while in 2023, GDP has gently risen past pre-pandemic levels. The challenges that South Africa faces, in spite of the modest growth of its GDP in 2023, are cumulative of low growth, high unemployment rates, and a lack of investment (International Monetary Fund 2023; South African Reserve Bank, 2023).

2.4 Analysis of the economic impact of Formula One on host countries

This subsection examines the pivotal role that Formula One can play in driving economic development. Drawing from a substantial and expanding body of literature, including studies by Ibadoghlu (2023) and Kim et al. (2017), this review delves into the multifaceted influences of Formula One Grand Prix events on the economies of host regions. Specifically, it explores both the direct and indirect outcomes of Formula One's involvement in local economic activities.

Economic impact assessments commonly rely on four key indicators:

- 1) employment,
- 2) household earnings,
- 3) economic output, and
- 4) value added.

Among these indicators, employment, measured in job numbers rather than full-time equivalents, is often considered the most straightforward metric. Furthermore, economic impact analyses typically prioritise three overarching metrics: income, direct spending, and indirect spending by visitors. Assessing income is critical for understanding the transformation of financial inputs into tangible economic outcomes. This review provides insights into the methodologies and findings of research exploring the economic dimensions of Formula One participation, contributing to a deeper understanding of its broader socio-economic implications.

2.4.1 The Chinese Grand Prix

Input-output (I-O) modelling, a widely used methodological approach, has been employed to quantify the economic impacts of sporting events, including Formula One (F1) races (Jasmand and Maennig, 2008). Huang et al. (2014) utilised I-O modelling to assess the economic impact of the Chinese F1 Grand Prix in Shanghai in 2012. Their study projected an economic impact estimating the creation of 9,048 full-time equivalent jobs and generating approximately \$174.28 million in output, approximately \$66.96 million in income, and approximately \$17.74 million in indirect tax revenue Huang et al. (2014). Similar findings were reported by Kim et al. (2017, p. 70), they analysed the 2017 Chinese F1 Grand Prix held in Shanghai, determining that “it generated 1,409 full-time equivalent jobs and produced an economic impact totalling at least approximately \$30.6 million in output, approximately \$11.2 million in income, and approximately \$2.6 million in indirect tax revenue. Despite international attendees constituting less than 6% of the total spectators, they accounted for over 25% of the overall expenditure, suggesting that host cities should prioritise attracting foreign visitors to maximise economic benefits”. While I-O modelling is a widely used approach, it relies on several assumptions that can impact the accuracy of the results. These include assumptions about the direct and indirect effects of spending, the multiplier effect, and the leakage of negative economic impact in the host region (Huang et al., 2014). The

studies should clearly articulate these assumptions and their potential limitations to provide a more nuanced understanding of the results.

2.4.2 The Austin Grand Prix

The Formula One (F1) series stands as one of the world's most renowned sporting spectacles, captivating millions of enthusiasts globally and yielding substantial revenues for the sport (Axelsson and Reinholdsson, 2022). One prime illustration of this phenomenon is the Circuit of The Americas (COTA) in Austin, Texas, which is renowned for hosting prestigious events such as the Formula One United States Grand Prix. This event garners a massive worldwide viewership and has entrenched itself as a key fixture on the Formula One calendar. COTA's diverse array of uses, spanning from motorsports to entertainment and corporate gatherings, underscores its dedication to delivering a rich and multifaceted experience for attendees. The fusion of racing, entertainment, and business endeavours contributes significantly to the venue's allure and economic footprint (Searles, 2023).

Avison (2018) highlighted the substantial economic impact of the United States Grand Prix, noting a contribution of \$2.8 billion to the host nation, specifically Austin, Texas, from 2012 to 2015. Fast forward almost a decade, and the Circuit of The Americas reports an estimated economic impact of \$7 billion for the United States Formula One Grand Prix (Searles, 2023), indicating a doubling of impact within a decade, indicative of a robust stimulus for the host nation. The significance of the event is underscored by 2021 statistics revealing that fans spent \$200 million in the city and \$400 million on the track alone. In 2022, 450,000 fans attended the United States Formula One Grand Prix. This influx of spending has led to the creation of 64,000 new jobs in the host city (Searles, 2023). The development of the 375-acre Circuit of The Americas complex necessitated an investment of around \$400 million and facilitated the creation of 1,700 jobs in the construction industry. Approximately \$50 million was dedicated to contracting minority- and women-owned businesses, resulting in the engagement of sixteen local Texas enterprises. Initially anticipated to yield an annual economic impact ranging from \$400 million to \$500 million for Texas, recent reports from 2023 indicate that COTA has exceeded expectations by a staggering margin, delivering \$7 billion in economic advantages to both Austin and the state of Texas. This remarkable growth is credited to a record-breaking attendance of 440,000 spectators during the 2023 race weekend, surpassing the initial forecast of 300,000 attendees. Moreover, the economic

impact encompasses a substantial yearly payroll of \$306 million for workers in the Austin area, underscoring the income generated by various positions associated with the Formula 1 event hosted at COTA (Fernandez, 2023). By comparing the economic impacts from different years, the analysis illustrates significant growth over time, highlighting the increasing value of the event to the host city and state. The analysis notes that the economic impact exceeded initial forecasts significantly. It would be useful to explore why the forecasts were underestimated and how future projections might be adjusted based on recent trends. This insight can improve future economic planning and expectations.

2.4.3 The Azerbaijan Grand Prix

PricewaterhouseCoopers' analysis into the economic impact of hosting Formula One in the Azerbaijani capital of Baku during the period 2016 to 2020, provided insight that Formula One had a significant impact on the host economy; the monetary figures associated with the event's impact were estimated to be \$506.3 million since the inaugural race in 2016 (Mirzayeva, et al, 2020). "This aggregate figure includes spending on public lodging, catering, transportation, social and cultural services, postage and telecommunications, trade, and utilities, as well as direct and indirect incomes based on the costs of those who travelled to Baku in connection with Formula One" (Baku City Circuit, 2020, p.1). The cost of spending deployed on other sectors, such as hotels, professional services, and other businesses, was taken into consideration when calculating the sum of the direct and indirect effects. Beyond the staggering numbers themselves, the annual Formula One race weekend has had a noteworthy long-term impact on concrete matters such as job creation and infrastructure development, as well as on intangible matters such as national brand reputation and promoting Azerbaijan as a contemporary, dynamic nation capable of hosting world-class sporting and entertainment events (Baku City Circuit, 2020).

The annual race's exposure in the international media as well as the elite facilities found in Baku helped to promote Azerbaijan as a significant international sports and entertainment hub. This is notably evident in the statistics from the previous two races, which showed "82.3 million people watched the Formula One Azerbaijan Grand Prix 2018 on television globally" (Mirzayeva, et al, 2020, p. 20), and the 10% rise in viewers it attracted in 2019 increased viewership to 90.2 million (Kerimkhanov, 2020). It has been noted that the annual hosting fee for the Azerbaijan GP is 57 million dollars.

The industries that offer goods and services to Formula One guests and participants, such as hotels, restaurants, and transportation services, are the main beneficiaries of the direct economic benefits associated with Formula One hosting. During the first four Grand Prix races hosted in Baku, it was reported that the tourism, hospitality, and transportation sectors accrued \$73.8 million in earnings. The first four Grand Prix (years 2016 to 2020) reportedly brought Azerbaijan direct advantages totalling \$300.6 million across all industries during this time (Ibadoghlu, 2023). The earnings from the building, manufacturing, commercial, and social services sectors were included in the indirect revenue streams associated with hosting Formula One in the capital of Azerbaijan from 2016 to 2019. These revenues are estimated to have totalled \$205.7 million (Kerimkhanov, 2020).

The yearly competition greatly aids in raising awareness of Azerbaijan as a premier sports and entertainment destination. Additionally, the continued presence of Formula 1 in the country boosts annual and seasonal employment across several businesses. Currently, 1,500 volunteers will help with the 2023 Formula One championship, in addition to the 207 permanent employees of the Baku Circuit Operating Company. Furthermore, by generating temporary and long-term jobs, Formula One directly supports the growth of the local labour market. Formula One has a significant long-term impact on both the tangible (infrastructure development, for example) and intangible (national brand reputation and worldwide awareness) spheres of development. By organising this event, Azerbaijan has showcased its capacity as an innovative host of prestigious mega sporting and entertainment events (Faurie, 2022). In contrast to the positive economic impact witnessed by the pre-COVID Grand Prix, the post-2020 editions of the Formula 1 Azerbaijan Grand Prix in Baku have lacked comprehensive disclosures regarding their economic and social benefits. Furthermore, the absence of clear accountability and transparency regarding the associated costs and benefits has raised concerns about potential corruption surrounding the event (Ibadoghlu, 2023). There are concerns regarding the transparency and accountability of economic disclosures, particularly post-2020, and potential corruption issues. By addressing the gap in comprehensive economic evaluations since 2020, the study can present a clearer understanding of the event's long-term benefits and challenges.

2.4.4 The Mexican Grand Prix

The Mexican Grand Prix has proven to be an exceptional driver of media coverage and economic impact, with noteworthy figures highlighting its significance. Specifically, the event has garnered

a staggering \$5.5 billion MXN worth of media coverage, highlighting its extensive reach and influence in the global media landscape. This substantial exposure not only promotes the Grand Prix itself but also serves as a powerful branding tool for Mexico as an international tourist destination. Moreover, the impact extends beyond media metrics into tangible economic benefits, as evidenced by the surge in occupancy rates at Mexico City's 4 and 5-star hotels during the Grand Prix period. With a notable 12% increase in hotel bookings, the event has stimulated the local tourism and hospitality sectors, transforming media attention into real economic activity (Sylt, 2016).

The significance of the Grand Prix is further underscored by its impressive attendance figures. Drawing in a sizable crowd of 200,000 attendees, the event serves as a focal point for motorsport enthusiasts and spectators from across the globe. The diverse audience not only contributes to the vibrant atmosphere of the Grand Prix but also amplifies its economic impact through spending on tickets, accommodation, dining, and various other associated services (Sylt, 2016; Avison, 2018).

The strategic utilisation of destination branding initiatives during the Mexican Grand Prix has yielded substantial returns. The prominent display of the Mexican logo throughout the event translates into a media value of \$885 million MXN, showcasing the effectiveness of leveraging a Grand Prix platform to enhance a country's global visibility and reputation. The Mexican Grand Prix stands as a prime example of how sporting events can serve as catalysts for economic growth and destination promotion. Through its remarkable media coverage, boost to local hospitality sectors, significant attendance figures, and strategic branding efforts, the Mexican Grand Prix not only captivates audiences worldwide but also delivers tangible benefits to Mexico's economy and its image on the global stage (Avison, 2018). The focus is primarily on media coverage and hotel bookings. It would be beneficial to include data on other economic impacts, such as spending in retail, transportation, and entertainment, to offer a more comprehensive assessment of the Grand Prix's overall economic effect.

2.4.5 The Singapore Grand Prix and The Abu Dhabi Grand Prix

For many years, Singapore has always had a reputation for being a stopover destination rather than the main attraction (Pike, Pontes, and Kotsi, 2021). According to Kotsi, Pike, and Gottlieb (2018), a stopover destination during long-haul international air travel is defined as a stay of one to three

nights in a connecting port before arriving at the destination. This has changed since 2008, which saw the hosting of the inaugural Singapore Formula One Grand Prix. This event has led to more than 450,000 international visitors, who have contributed around \$1.4 billion in incremental tourism receipts, and as a result, the nation's economy has prospered (Michaels, 2019). The average citywide lodging occupancy rate in Singapore is roughly 80% throughout the year, but during the Formula One race weekend, it swells to 100% (Chng-Lüchau, 2019).

An attempt was made to transform Abu Dhabi, a city with a similar reputation as a stopover destination, into a global sports and events destination with the construction of the Yas Marina Formula One circuit in 2009 (Remy-Miller, 2017). The Abu Dhabi government forked out \$1.3 billion in building costs for the circuit, in addition to spending another billion dollars on new venues and other refurbishment projects around the city to grow its hospitality sector and attract tourists from all over the world.

“To achieve the benefits promised by hosting events such as the Olympics, the FIFA World Cup, and the European Football Championship, public funds are typically required (Baade and Matheson, 2000, p. 21). Therefore, venues, purchasing of hosting license fees, and other infrastructure projects are frequently constructed using public monies (Mourão, 2017). Examining the ambition of sporting event legacies has become crucial to the point of being of public concern because public spending is frequently large (Flyvbjerg and Stewart, 2016) and public finances are finite (Crompton, 1995; Tichaawa and Bob, 2018). Even though these studies do indicate that Formula One brings about substantial economic benefits for the host cities and/or regions, they all share a flaw in that they neglect to account for the event's complete costs (Taks et al., 2011).

2.4.6 The Australian Grand Prix

A few studies have been conducted on the Australian Formula One Grand Prix over various years. “The 2012 Australian Formula One Grand Prix led to a net economic deficit for the State of Victoria. The loss ranged between A\$48.7 million and A\$66.7 million, with a median estimate of A\$60.6 million. These calculations encompass both financial losses incurred by the state and considerations of non-market factors, such as noise and park amenities, as well as the benefits derived from increased visitation to Victoria and media exposure generated by the event. Sensitivity analyses conducted on variables with less certainty indicate that the overall loss

magnitude remains unaffected by these factors. It is evident that the welfare of Victorians was substantially diminished by tens of millions of Australian dollars in 2012 due to the Grand Prix” (Campbell, 2013, p.5). “The assessment was commissioned by Save Albert Park and conducted by Economists at Large, employing cost-benefit analysis (CBA), the preferred economic evaluation tool of the Victorian Department of Treasury and Finance. A CBA was also recommended for continued evaluation of the Grand Prix by the Victorian Auditor General’s Office (VAGO) in 2007. The VAGO estimated a net loss of A\$6.7 million for the 2005 Grand Prix in its 2007 study. Since then, the escalating costs of the event have been widely publicised, yet no further CBA study has been undertaken. The analysis closely aligns with the methodology employed by VAGO in 2007, facilitating direct comparison of results” (Campbell, 2013, p. 5). While the study offers a comprehensive range of financial losses, the large span between A\$48.7 million and A\$66.7 million suggests a significant degree of uncertainty. This variability could indicate potential issues in the data quality or the assumptions underlying the cost-benefit analysis (CBA). The critique also extends to the lack of ongoing CBA studies since the 2007 Victorian Auditor General’s Office (VAGO) recommendation. Despite escalating costs and public awareness, the absence of further CBAs until 2011 indicates a potential gap in policy implementation and oversight. Regular and updated evaluations are crucial for making informed decisions about the continuation or modification of such large-scale events.

	VAGO (2007) analysis of 2005 Grand Prix	Economists at Large analysis of 2011 Grand Prix	Economists at Large analysis of 2012 Grand Prix
<i>Total operating costs</i>	68,100,000	85,132,000	97,185,000
<i>Total revenues</i>	41,500,000	32,421,000	35,609,000
<i>Net operating loss</i>	-26,600,000	-52,711,000	-61,576,000
<i>Less other economic costs:</i>			
<i>Other government costs</i>	500,000	415,000	419,150
<i>Loss of park use and amenity</i>	400,000	2,689,506	2,716,401
<i>Congestion</i>	500,000	598,000	603,980
<i>Noise</i>	200,000	283,936	286,775
<i>Plus other economic benefits</i>			
<i>Victorian spectator and public consumer surplus</i>	5,300,000	1,854,775	1,873,322
<i>Net benefits of increased visitation</i>	5,400,000	2,878,000	2,906,780
<i>Media exposure and induced tourism</i>	0	263,000	265,630
<i>Mid estimate of net loss</i>	-6,700,000	-51,701,668	-60,556,574

Figure 2.4: CBA of the Australian GP for 2005, 2011 and 2012.

Source: Campbell, (2013, p. 4).

Applying a Cost-Benefit Analysis (CBA) to the 2011 and 2012 Australian F1 Grand Prix in Melbourne, Campbell (2013, p. 24) “approximates net losses at around A\$52.7 million and A\$60.5 million, respectively. Despite some degree of uncertainty in these estimates, the report concluded that due to the substantial losses projected and the reliability of the primary costs and benefits evaluated, the race diminished the economic well-being of Victoria and recommended its discontinuation”.

Additionally, a report commissioned by the Victorian government and conducted by Ernst and Young (2011) highlighted the economic benefits of the 2011 Australian Formula One Grand Prix in Melbourne, indicating an enhancement to the state's gross domestic product ranging from \$32

million to \$39 million and the addition of 351 to 411 full-time equivalent jobs. In 2011, Tourism Victoria emphasised the significant advantages of hosting the Formula One Australian Grand Prix. The Victorian government has justified its decision to continually host the Australian Formula One Grand Prix despite incurring substantial financial losses, citing the event's significance in garnering international exposure (Gordon, 2022). In 2015, the Melbourne Grand Prix incurred expenses totalling approximately \$62 million, necessitating a government outlay of \$61.7 million to bridge the deficit (Johnston, 2015). This marked the continuation of a trend where expenditures consistently exceeded revenues, resulting in Victorian taxpayers covering losses amounting to \$279 million since 2011 (Johnston, 2015). Nonetheless, the government remains steadfast in its support for the four-day event, asserting its value in terms of bolstering the state's global visibility (Ernst and Young, 2023). While the revenue generated from corporate hospitality and sponsorship experienced a modest 4% increase, reaching \$39.8 million, this figure fell significantly short of offsetting the event's mounting costs, which surpassed \$100 million for the first time (Johnston, 2015). Despite these financial challenges, the Australian Grand Prix Corporation reported a sizable attendance of 296,000 spectators in 2015, with the national television audience peaking at 3.82 million viewers. These metrics underscore the event's enduring popularity and its potential as a platform for showcasing Melbourne on both domestic and international scales (Australian Associated Press, 2015; Johnston, 2015).

2.4.7 The Belgian Grand Prix

The potential exclusion of the Belgian Grand Prix from the 2023 Formula One calendar in favour of South Africa hosting a Grand Prix represents a notable inflection point in the motorsport domain (Moxon, 2022). This decision was reportedly prompted by the need to accommodate South Africa as a host, which came after the Belgian Grand Prix of 2021 encountered adverse weather conditions, rendering the track unsafe for racing, as adjudged by the Fédération Internationale de l'Automobile (Moxon, 2022). The proposal to omit Belgium from the calendar can be traced to the circumstances surrounding the 2021 Belgian Grand Prix, notably the inclement weather conditions that impeded the completion of the race (Cooper, 2021). This led to the cancellation of much of the event, resulting in disappointment among teams, fans, and the race organisers. The impact of the torrential rains and subsequent cancellation of the race prompted a reassessment of the viability of the Belgian Grand Prix going forward.

2.4.8 The Istanbul Grand Prix

The Istanbul Park Grand Prix symbolised a significant investment by the public sector, predicated on the envisaged symbiosis between Formula One's allure to tourists, its potential for catalysing economic dynamism, and its role as a vehicle for urban promotional campaigns. Inaugurated in 2005, the Formula One Grand Prix in Istanbul was emblematic of the city's promotional initiative. Boasting a maximum capacity of 125,000 spectators, including seating for 75,000 individuals, Istanbul Park garnered acclaim from racing enthusiasts, being lauded as one of the premier tracks within the Formula One stable by professional drivers. Regrettably, post-2011, the cessation of Formula 1 events in Istanbul ensued, attributed to dwindling attendance figures and exorbitant operational expenses (Gezici and Er, 2014).

Notably, the selection of the race site within Istanbul, located in Akfirat, Tepeoren, was expedited, requiring only one month—a decision attributed to Mr. Bernie Ecclestone, the proprietor of all organisational trade rights. Consequently, preparations promptly commenced for the construction of the racetrack at the designated site. Following the designation of Akfirat, Tepeoren, as the site for the Formula One racetrack, media speculation regarding potential improprieties proliferated. Further media reports disclosed details concerning the landowners and the extent of land holdings attributed to specific capital entities (Gezici and Er, 2014). These revelations underscored public perceptions of possible favouritism or preconceived outcomes surrounding the selection process, thereby fuelling conjecture regarding the integrity of the decision-making framework (Gezici and Er, 2014).

The primary opposition to the Formula 1 racetrack project stemmed not from apprehensions regarding its potential economic ramifications but rather from concerns pertaining to the perceived error in site selection and the associated environmental hazards it posed (Gezici and Er, 2014). Specifically, eleven distinct organisations voiced objections to placing the racetrack within the Omerli water catchment and forested region, contending that such a location ran counter to the urban development principles espoused by Istanbul (Gezici and Er, 2014). Advocating for an alternative site, these entities posited that relocation would yield superior benefits to the city while mitigating economic, social, and environmental costs. This opposition underscored the imperative of adhering to holistic considerations encompassing the interplay between developmental imperatives and environmental sustainability within the urban landscape (Gezici and Er, 2014).

Year	Number of 3-day audience
2005	180,000
2006	135,000
2007	112,000
2008	100,000
2009	90,000

Figure 2.5 “Number of spectators for the Istanbul Grand Prix by year received from the Istanbul Park Organisation Inc”.

Source: Gezici and Er (2014, p. 50)

Despite the perceived economic benefits and international recognition that such an event promises, the selection process and organisation of the Istanbul Grand Prix faced significant challenges (Gezici and Er, 2014). Site selection disregarded social and environmental concerns, prioritising urgency over comprehensive consultation. Inadequate risk assessment and accountability mechanisms underscored the failure of the public sector to justify and oversee the event's legitimacy (Gezici and Er, 2014). The anticipated economic windfall of the Grand Prix was overstated, leading to financial strain and underwhelming attendance. The physical and social impact of the event, particularly its disproportionate burden on infrastructure and limited community engagement, highlights the mismatch between expectations and reality (Gezici and Er, 2014). Ultimately, the case of the Istanbul Park Grand Prix exemplifies the pitfalls of pursuing mega-events as drivers of urban development without due diligence and stakeholder engagement.

2.5 A review of previous studies and research on Formula One in South Africa

Bessit (2008) examined the effects of potentially hosting a Formula One Grand Prix in Cape Town from 2009 to 2015. A consortium of South African companies put forth a proposal to host a Formula One Grand Prix in Cape Town beginning in 2009. They sought out a partnership with the South African government owing to the prohibitive costs associated with bankrolling a brand-new investment. They believed the event would greatly benefit the South African tourism industry as well as the wider economy. However, a review of literature conducted upon major sporting events revealed that despite the belief that such events are seen as economic drivers, they often lead to bidding wars among countries and consequently rely on public funding, with claims of indirect

economic benefits used to motivate the bids. Despite this, detailed economic impact assessments are rarely conducted (Bessit, 2008). The study's findings indicated:

- There is a positive link between Formula One events and tourism, but post-event tourism growth may be overstated, especially in cities such as Cape Town, which is an already popular tourist hotspot.
- The projected numbers associated with job creation and tourist arrivals provided by the South African Formula One Bid Company are based on industry norms rather than a specialist assessment of the event's impact on South Africa.
- The absence of a detailed economic impact assessment and limited government feedback made it difficult to gauge whether the impact of the event would be positive or negative for South Africa. However, literature suggests that in most cases, mega sporting events do not yield profitable returns, particularly for the government partners involved (Bessit, 2008).

The study concluded that the South African government was reliant on research conducted by other host nations owing to the fact that there was no quantifiable data on a recent Formula One Grand Prix held in South Africa. Bessit (2008) concluded that the direct construction expenses surrounding the theoretical Formula One track and the wider complex were not wholly considered. The Cape Town International Airport would also require an upgrade to contend with the influx of international spectators that are anticipated to attend the race. Additionally, an environmental impact study that complies with criteria set out by the South African Sport Commission, which includes gathering risk and social effect assessment data, is notably absent (Bessit, 2008). Despite the members of the Consortium having expertise in event organising, they did not have experience in organising a mega sporting event of this magnitude (Bessit, 2008). Cape Town and the Western Cape already receive the largest share of SA's tourism compared to the other current bid cities. In contrast to other South African regions that compete to host the Formula One Grand Prix, Cape Town has an abundance of attractions, which aids in attracting tourists to the city (Bessit, 2008).

Erlangsen (2014) conducted a comprehensive examination concerning the prospective design considerations for a Formula One pit complex in Cape Town. Erlangsen (2014, p. 1) stated “this study represents a pivotal contribution to the discourse surrounding the architectural dimensions of pit infrastructure, which fundamentally underpins the effective management and strategic

planning of Formula One Grand Prix events. By scrutinising the intricacies of the pit building's architecture, Erlangsen elucidated a range of critical factors and potential limitations inherent in its design, thereby offering valuable insights into optimising its functionality within the context of race operations”.

Moreover, Erlangsen's investigation extended beyond the immediate scope of the pit complex itself, encompassing a meticulous analysis of the environs in the Green Point area. This holistic approach aimed to identify and evaluate potential ancillary uses and supplementary functionalities that the pit complex could accommodate during periods of non-racing activity. By leveraging this contextual understanding, Erlangsen sought to delineate a strategic blueprint for maximising the utilisation and utility of the pit infrastructure, thereby fostering its integration into the broader urban fabric of Cape Town (Erlangsen, 2014). The study concluded that this proposal was tabled at an inconvenient time, directly after the 2010 FIFA World Cup. After the culmination of the 2010 World Cup, Green Point Stadium, which had been considered a roaring success during the event, was considered a "white elephant”. There were no post-World Cup contingency plans, no smaller-scale public component, or any other way to generate revenue; it had only been created solely for huge events. At the time this study was published, the stadium had cost the South African taxpayers R436 million since its inception, and aside from looking pretty on postcards, it serves truly little practical use (IOL, 2013).

Rencken and Janse (2022) presents an examination of Kyalami Circuit's pursuit of a Grade One FIA license, as scrutinised by Stuart Robertson, the FIA's director of racing and circuit safety, in July 2022. The analysis indicates that “the circuit currently conforms to a Grade Two criteria but requires significant enhancements to achieve the more stringent specifications set forth in the Grade One standard. Critical improvements, including the paving of over 50,000 square meters of gravel-filled drainage basins, have been deemed essential. Moreover, adjustments such as expanded team garage access and reprofiling of runoff areas in certain corners have been identified for upgrade. Compliance with FIA regulations entail relocating the medical heliport for the purposes of privacy and security. Additionally, limitations in space behind the garages for team administration and hospitality pose further challenges” (Rencken and Janse, 2022, p.1). The upgrades detailed above, which are imperative for elevating the circuit's rating to Grade One, have a proposed cost well beyond Kyalami's budget capacity. Although specific financial details are not

disclosed, estimations suggest a required investment ranging between four and six million dollars (Rencken and Janse, 2022).

2.6 The potential impact of Formula One on the South African economy

Chamberlain et al (2019, p. 1) “analysed the literature on mega-event management concerning Formula One Grand Prix events. They established that the organisation of large-scale athletic events is the subject of an extensive literature review. The premise of the study is to take the lessons learned from massive events and recommend cost-performance improvements as well as public disturbance reduction measures for Formula One Grand Prix events”.

As previously defined, “mega events are defined as significant one-time or recurrent, short-lived events created solely to increase the visibility, desirability, and profitability of a tourism destination” (Crouch and Ritchie, 2006, p. 137). These events must meet four criteria in order to be considered such: they must occur within a fixed timeframe; they must draw a sizable audience; they must appeal to major media outlets that broadcast the event internationally; and they must generate direct inward investment in the host nation in the form of new infrastructure, economic expansion, and urban renewal (Horne and Manzenreiter, 2006; Zagnoli and Radicchi, 2009). A Formula One Grand Prix meets all these prerequisites, but hosting a mega event facilitates a variety of beneficial and harmful effects, which present a challenge for the host nation (Fairley et al., 2011). Chamberlain et al (2019, p. 1 states “the need for thorough forward planning of the event in close cooperation with all stakeholders and the preparation of disaster plans to address any emergencies is highlighted by a synthesis and analysis of the material that is currently available on mega event management. The sheer scale, complexity, and dynamic nature of mega-event management necessitate the hiring of highly qualified project management personnel who are experienced with previously staged events. While components of such are funded and investigated on a regular basis (especially in terms of "marketing" and "brand recognition" for linked event sales and sponsorship purposes), the tacit knowledge of major athletic event administrators is scarce in the literature”.

In 2004, the Omega Consortium lobbied the FIA’s Mr. Bernie Ecclestone to be part of the South African Formula One franchise and host a Formula One Grand Prix from 2009 to 2015. The consortium planned to construct a brand-new racing circuit near Cape Town International Airport but had only been able to secure approximately 50% of the anticipated construction and annual

hosting capital required by the end of 2005. The main points that help drive these events are the massive, anticipated spending and job-creation opportunities. The study explores the belief that hosting mega-sporting events will assist regions in increasing their economic growth by promoting brand recognition and tourism.

Raymond (2022, p. 1) suggested in her article that “the South African government was not directly involved in the bid to host a Formula One Grand Prix in 2023, although they would have benefited quite handsomely. The article continues to explore the factors that contributed to South Africa falling off the race calendar. Hosting a Formula One race can have significant economic benefits for the host country, particularly in terms of tourism, hotel accommodations, flights, and overall spending”. These benefits extend beyond the immediate race weekend and can contribute to a country's economic growth in the long run (Eryilmaz and Cengiz, 2016). The following is a discussion of the potential economic impacts:

Formula One races attract a global audience, attracting international tourists who travel to the host country to witness the event. This influx of visitors can lead to increased tourism revenue, benefiting local businesses and attractions (Watanabe, 2018). The demand for hotel accommodation tends to surge during Formula One race weekends as fans, teams, and sponsors flock to the host city. This spike in demand can lead to increased hotel occupancy rates, allowing the hospitality industry to generate additional revenue (Remenyik and Molnár, 2017). Formula One events often attract enthusiasts who arrive early for pre-event activities or stay after the race to explore the host city or country. This extended duration of stay further benefits hotels and associated services (Eryilmaz and Cengiz, 2016). Hosting a Formula One race results in increased demand for air travel as teams, media, and spectators fly in for the event. This uptick in flight demand contributes to the growth of the aviation sector, benefiting airlines and related services (Russell, 2023). Local transportation services, including taxis, buses, and car rental companies, experience increased demand during the race weekend. This leads to additional business opportunities for these services (Knuif, 2023).

Formula One events create a substantial economic impact through direct and indirect spending. Attendees spend on tickets, merchandise, food, and beverages, contributing to the local economy (Kim et al., 2017). The increased demand for services during a Formula One race often results in job creation, particularly in sectors such as hospitality, catering, and event management. This can

have positive effects on employment rates and income levels (Storm, Jakobsen and Nielsen, 2020; Ernst and Young, 2022). The global exposure generated by a Formula One race can attract international businesses and investors to the host country. The event provides a platform for displaying the country's economic potential and attractiveness for business. This has been underscored by Ernst and Young (2022, p. 12) in their study on the 2022 Australian Grand Prix, where they went on to state that enhanced trade and investment often result from events that stimulate an uptick in exports originating from the region where the event occurs. Recognised globally as a unifying force capable of transcending cultural divides, major sporting events serve as a mode of soft diplomacy, drawing increased trade and investment into a nation in the aftermath of such occasions. Further to this they concluded that “the capability and capacity to host a large global event creates a legacy that continues in the years following an event. Major tourism events can greatly contribute to the overall marketing of a destination by helping to create an image for the city. A significant component of this legacy is the increased tourism generated from the event” (Ernst and Young, 2022, p. 12).

Hosting a Formula One race can lead to a substantial economic boost for the host country. The influx of international visitors, increased demand for accommodation and transportation, and the overall spending associated with the event contribute to economic growth, job creation, and infrastructure development. The long-term effects extend beyond the race weekend, with the potential to position the host country as an attractive destination for tourism and business.

The modern Formula One race calendar is increasingly being populated by street races. These races require the set-up and construction of a temporary racetrack, a pitlane building, seating for fans, and the necessary safety features. The construction work often begins four to five weeks ahead of the Grand Prix; this can lead to road closures, which adversely affect the quality of life of residents (Henderson et al. 2010). It is possible for events of this magnitude to face backlash from residents due to the disturbances caused to local businesses (Dwyer et al. 2010). Public backlash can be extremely intense; that was the case for the 2023 Las Vegas Grand Prix when Greg Maffei, the CEO of Liberty Media, the owners of the Formula One franchise, issued an apology to the residents of Las Vegas for the delays to traffic and the inaccessibility of pedestrian walkways caused by the construction of the track and the resurfacing of roads (Latham, 2023).

As with any mega sporting event where billions of dollars are at stake, the clutches of corruption are always nearby. Formula One is no different; the latest corruption scandal to mire the sport involves the Singapore Grand Prix. S. Iswaran, a Singaporean transport minister, has been charged with several counts of corruption and obstructing justice. He stands accused of accepting the equivalent of \$119,000 in bribes for aiding the advancement of the business interests of Ong Beng Seng, the sole shareholder and organiser of the Singapore Grand Prix (Chen, 2024).

There are many environmental concerns surrounding Formula One. The construction that is required as well as the cars themselves are subject to scrutiny from environmental groups who criticise Formula One's output of carbon dioxide. The operations involved with hosting of the Formula One race contribute 7.3% out of the 256,000 tons of carbon dioxide that Formula One release each year, while the cars themselves release a mere 0.7%. The biggest contributor to carbon dioxide emissions is the travel associated with the teams and well as the global logistics operations which contribute 27.7% and 45% respectively according (Gallagher, 2021; Underwood, 2023).

2.7 Hosting fees for Formula One

The licence fees paid by the host country to Formula One Management (FOM) play a pivotal role in the economic assessment that surrounds the hosting a Formula One event (Rencken and Janse, 2022). These fees represent a significant financial commitment by the host country and are a crucial aspect of the overall financial evaluation of the prospective bid (Smith, 2022b).

This expenditure is especially noteworthy as it involves devoting substantial sums of money to a single event when the money could have been allocated to other projects (Bessit, 2008). The terms and conditions of the licence agreement, including the duration and escalation clauses, can have long-term financial implications for the host country. For instance, if the licence fees increase significantly over time or if the agreement requires a long-term commitment, it could place a strain on the host country's finances and potentially restrict future budget allocations to other economically viable projects. Furthermore, the negotiation of license fees with FOM reflects the bargaining power and leverage of the host country within the Formula One ecosystem. Countries with strong bargaining positions may be able to negotiate more favourable terms, including lower fees or additional benefits, thereby enhancing the economic viability of hosting the event (Smith, 2022a).

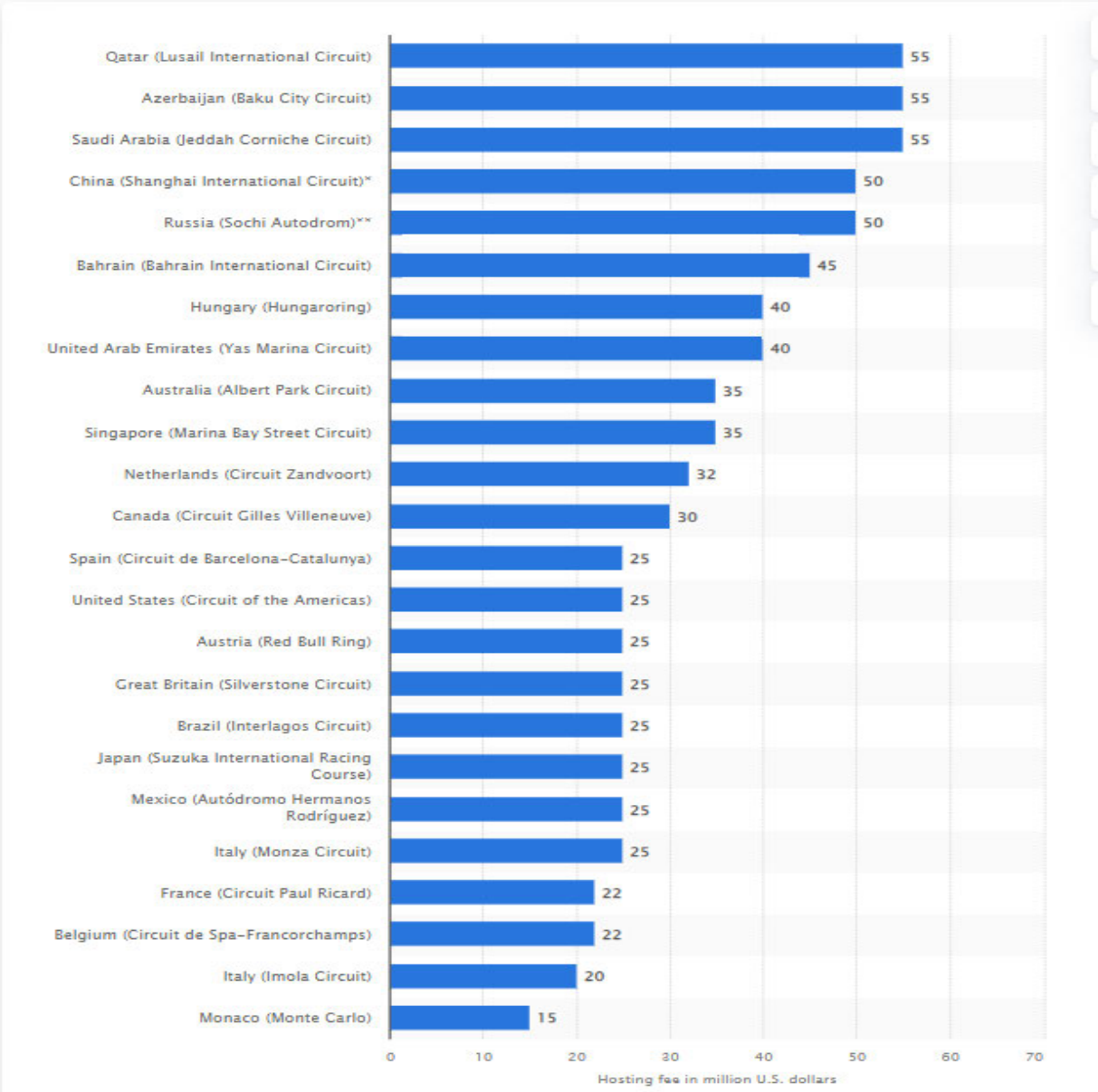


Figure 2.6 Fees paid to host Formula One races in 2022, by circuit (in million U.S. dollars)

Source: Statista (2023b, p. 1)

Table 2.1 Location of Formula One races, hosting fee for 2023, and contract dates.

“Event	Hosting Fee (\$ million)	Contract signed until
Bahrain Grand Prix	52	2036
Saudi Arabia Grand Prix	55	2030
Australian Grand Prix	37	2035
Azerbaijan Grand Prix	57	2026
Miami Grand Prix	Costs estimated on a different model	2031
Emilia Romagna Grand Prix	21	2025
Monaco Grand Prix	20	2025
Spanish Grand Prix	25	2026
Canadian Grand Prix	32	2031
Austrian Grand Prix	25	2023
British Grand Prix	26	2024
Hungarian Grand Prix	40	2027
Belgian Grand Prix	22	2023
Dutch Grand Prix	32	2025
Italian Grand Prix	25	2024”

Source: Coch (2023, p. 1)

2.8 Is Formula One a ‘global’ sporting phenomenon?

Formula One prides itself on being a “global” sport (Formula One, 2023, p. 1). Formula One states, “New European events arrived as Formula One developed, with the following decades bringing adventures to South America, North America, Africa, Asia, Australia, and, most recently, the Middle East – well and truly putting the ‘world’ in world championship” (Formula One, 2023, p. 1).

Africa has not been on the racing calendar since 1993. The absence of an African venue on the Formula One racing calendar can be attributed to several factors, and understanding these reasons requires examining both historical and contemporary aspects of Formula One and motorsport development in Africa (Horton, 2023). This is further discussed in the next section.

2.9 Potential historic factors for Africa’s exclusion from the F1 race calendar post 1993

Historically, Africa has had limited infrastructure that would be suitable for racetrack-based motorsports compared to other regions with strong racing traditions. The lack of suitable tracks and facilities meeting Formula One standards has been a significant hindrance (Paula, 2022). Economic challenges in some African countries have impacted their ability to invest in motorsport infrastructure and host Formula One races. The financial commitment required to host a Grand Prix, including building, or upgrading tracks to meet FIA standards, can be substantial (Luzich, 2023). The logistical challenges of transporting Formula One equipment, teams, and personnel across continents can be complex and expensive (Duxbury, 2020). Africa's geographic location, coupled with potential transportation infrastructure issues (James, 2024), could present challenges for hosting races on the continent. Formula One races attract a global audience, and the ability to provide convenient travel options and sufficient accommodation for teams, sponsors, and fans is crucial. Inadequate transportation and accommodation facilities could deter Formula One organisers. Given the demanding schedule of Formula One race weekends, convenience is paramount for drivers. Staying close to the racetrack minimises travel time to and from the circuit, allowing them to focus on their preparations and rest between sessions (Valantine, 2023). The logistics of transporting Formula One cars, equipment, and staff to racetracks involves a complex orchestration of various modes of transportation – air, sea, and road. Each element plays a crucial role in ensuring the seamless execution of Formula One events worldwide. Specifically in South Africa, the ports are problematic (Havenga et al.,2023). This is confirmed by Mthembu and Chasomeris (2023, p. 1); Meyiwa and Chasomeris (2020) who state, “chronic failures and inefficiencies in the provision of marine services in ports can have a grave negative impact on trade and, therefore, on the functioning of a country’s economy. Marine services provision in South Africa’s ports is notorious for chronic service failures that have generated industry players’ concerns regarding shipping delays”. Formula One organisers often seek assurances of political and economic stability from host countries. Concerns about political instability or economic

uncertainties in certain African nations may have been factors in not including them in the racing calendar (Interviewee One, personal communication, 16 November 2023).

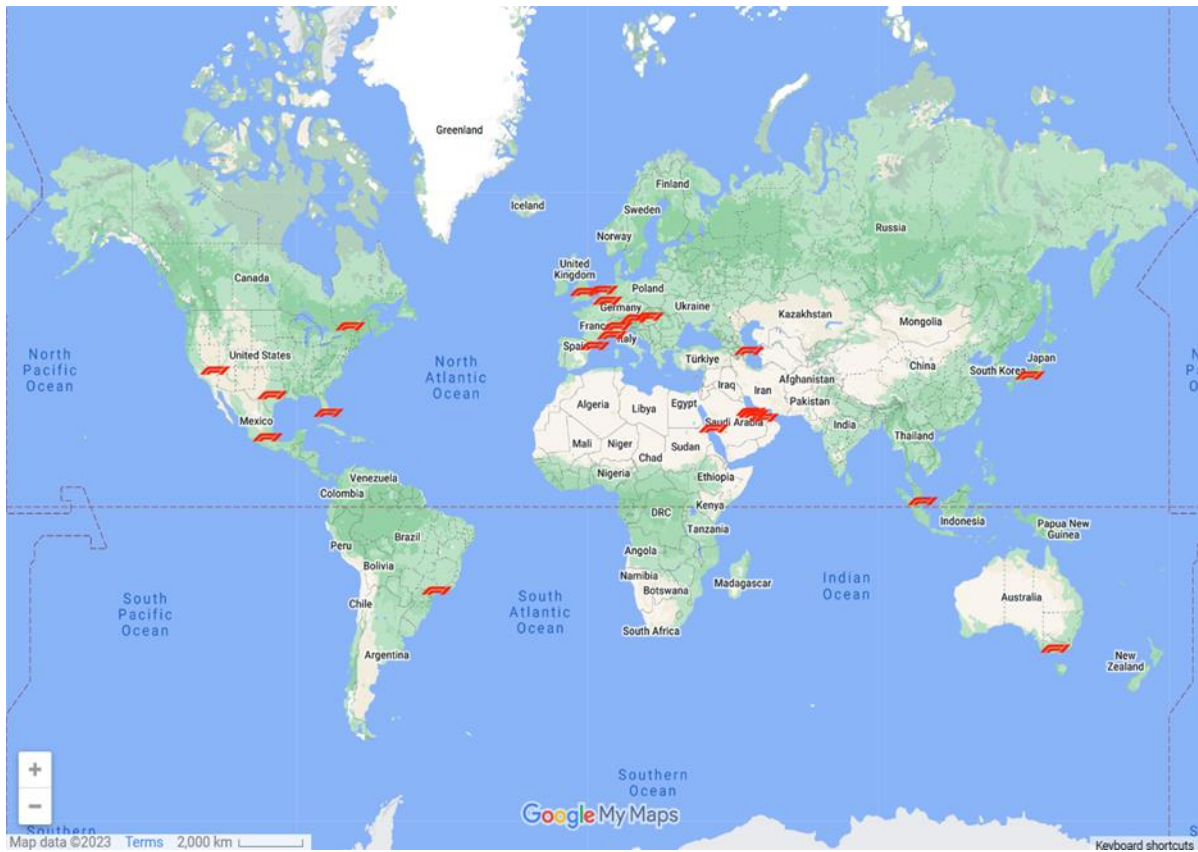


Figure 2.7 A map of the world with current Formula One tracks' locations

Source: Formula One track locations on the world map, Google Maps (2023).

While Africa has not been represented on the Formula One racing calendar, there is a growing interest in expanding the sport's reach to the continent. Overcoming historic challenges, addressing logistical complexities, and securing the necessary investments and government support are crucial steps towards bringing Formula One to Africa in the future. As motorsport continues to gain popularity in the region, ongoing efforts and strategic planning may pave the way for an African Grand Prix in the years to come.

2.10 Conclusion

Attendance at sporting events is widely recognized as crucial for generating revenue and making a substantial economic impact on host cities and countries. Certainly, robust attendance at sporting

events has the potential to attract increased corporate sponsorships. Given that such expenditures typically constitute a significant portion of public budgets and considering the scarcity of public funds, there is now a pressing need to scrutinize the aspirations of sporting event legacies, reaching the level of public concern. Formula One races are not only about the thrill of the sport but also serve as major economic drivers for the host cities and regions. The events attract spectators from around the world, leading to increased tourism and spending, which in turn supports local businesses and job growth. This positive economic impact is a key factor that makes hosting Formula One races such an attractive proposition for many nations. Subsequent studies offer valuable insights into the complexities associated with hosting Formula One events, notably addressing challenges such as economic impact assessments which may sometimes overstate the post-event tourism growth. Furthermore, issues surrounding site selections have surfaced in various countries, underscoring the significance of environmental considerations. These challenges emphasise the necessity for comprehensive evaluations encompassing economic, social, and environmental dimensions to ensure informed decision-making processes and sustainable event management practices in Formula One hosting contexts. The literature highlights the advantages and disadvantages the host nation can receive from hosting a Formula One Grand Prix and delves further into the hosting fees per circuit required to be included in economic impact studies. It is noteworthy that these fees have often been omitted from economic impact analyses.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The purpose of this chapter is to provide an overview of the research methodology of this study. This study utilised a purposive qualitative methodology in which data was collected to answer the key questions of the study: to determine the potential South Africa possesses to host Formula One and what potential impact it will have on the host nation.

Research methodology is an overarching framework of guiding principles used to lead a research study. The research methodology is the foundation of the research paper, and it underpins the philosophical reasoning that the researcher has used to answer their question (Dawson, Grant and Osanloo, 2019; New Mexico State University, 2014). It encompasses the type of data that the researcher has collected, the manner in which it has been collected, and the reasons as to why those methods are appropriate for the study.

Qualitative research is best described as the antithesis of quantitative research, which involves the collection of numerical data and the testing of a predetermined hypothesis. It is a more fluid research method that focusses on identifying themes that arise within the data collected. It emphasises understanding and is more appropriate when striving to appreciate complex human perspectives. Qualitative research is more suitable when conducting research on newer topics where numeric data is not available (Aspers and Corte, 2021). This is why a qualitative research methodology is appropriate for this study, as there is minimal research on the feasibility of South Africa hosting Formula One. Furthermore, historic bids, which might contain financial data on the hosting costs as well as the economic benefits and drawbacks of a potential South African Formula One race are not publicly available.

This chapter is structured as follows: Section 3.2 discusses the research philosophy. Section 3.3 provides the approach to theory development. Section 3.4 discusses the methodological choice. Section 3.5 delves into the research design. Section 3.6 discusses the data analysis in qualitative studies. Section 3.7 provides the validity, reliability, and trustworthiness of the study. Section 3.8 discusses the limitations of the study. Section 3.9 provides the ethical consideration, and Section 3.10 concludes the chapter.

3.2 Research philosophy

Research philosophy refers to the overarching approach or perspective guiding the researcher's theoretical orientation and epistemological stance in conducting research. It shapes the researcher's understanding of reality, knowledge, and the nature of inquiry. In research design, the chosen research philosophy informs key decisions about the research process, including the formulation of research questions, data collection methods, and data analysis techniques (Creswell, 2013; Abutabenjeh and Jaradat, 2018). Thorne (2014) asserts that qualitative inquiry is frequently associated with an interpretive philosophy, as it necessitates the researcher's interpretation of the personal and socially constructed meanings conveyed regarding the phenomenon under scrutiny. In this study, an interpretive philosophy was employed to facilitate a nuanced exploration aimed at gaining comprehensive insights into the economic implications associated with hosting Formula One events.

3.3 Approach to theory development

Qualitative investigations often commence with an inductive approach to theory development. Realistic and emergent research designs are employed in this process to construct theory (Saunders, Lewis, and Thornhill, 2016). Inductive content analysis represents a methodological approach within qualitative research wherein data collection and analysis occur without predetermined categories or theoretical frameworks. This approach offers flexibility, enabling researchers to allow the data itself to shape the analysis process, facilitating the identification of emerging patterns, themes, and concepts (Cho and Lee, 2014). According to Saunders, Lewis, and Thornhill (2016, p. 168), “qualitative research adopts an abductive approach to philosophy development, wherein inductive interpretations are formulated and deductive ones are iteratively validated throughout the investigation”.

3.4 Methodological choice

The methodological choice refers to the decision-making process regarding the selection and utilisation of quantitative, qualitative, or a combination of both in a research study. This decision is influenced by various factors, including the research question, environment, and practical considerations such as available resources and expertise (Melnikovas, 2018). For the purpose of this study, qualitative methodology is employed as it is most suited to the research problem that

has been proposed. The approach and rationale for this study are rooted in grounded theory, whereby the researcher generates a framework using systematic data collection and in-depth analysis of said data. The data that is generated by this study was obtained through the collation of answers to various questions that were set forth by the researcher in the form of semi-structured interviews. This allowed the interviewees to provide open-ended answers that showcased their extensive knowledge concerning the underlying research problem. Additionally, the researcher analysed a wide-ranging collection of relevant academic theory. The methods employed in this study were selected to provide a comprehensive and meaningful insight into the topic at hand.

3.5 Research design

Thakur (2021) contends that research design is the overarching strategy that a researcher must use to create a logical amalgamation of the various elements of the study. This comprehensive approach ensures that all components of the study are effectively aligned to address the research problem. Birks and Mills (2010) conceptualised research design as being influenced by methods, methodology, and philosophy. Methods refer to the specific techniques used for data collection and analysis, such as interviews or observations. Methodology encompasses the overall approach and rationale behind these techniques, guiding how the research is conducted. Philosophy, including ontological and epistemological stances, underpins the researcher's worldview and fundamentally influences the research process. Sileyew (2019, p. 1) defined “the goal of the research design as offering a suitable framework for a study, the decision to be made regarding the research approach is a crucial one since it affects how relevant data for a study will be gathered, yet the research design process comprises several interrelated considerations.”

In qualitative research, the research design encompasses the overall framework, strategies, and methods employed to explore and understand the complexity of a particular phenomenon or issue (Cresswell, 2013). Qualitative research has a focus on understanding the research problem from a holistic perspective (Morse and Chung, 2003). It is often used to understand cultural phenomena, social processes, and complex human experiences that are difficult to quantify as numeric data points. The intention behind qualitative research design is typically exploratory, aiming to understand experiences and patterns within a specific context. Research questions are open-ended and flexible, facilitating an in-depth exploration of the topic. Data collection methods often include

interviews, focus groups, observations, and document analysis. These are chosen for their capacity to provide detailed information about the phenomenon under study (Hassan, 2024). Sampling usually involves non-probability methods, such as purposive sampling, where participants are selected based on specific characteristics or knowledge relevant to the research topic. Data analysis focusses on identifying patterns and themes through processes such as thematic analysis. Ethical considerations are paramount, including ensuring the confidentiality and anonymity of participants, obtaining informed consent, and being sensitive to power dynamics in researcher-participant relationships (Jain, 2023).

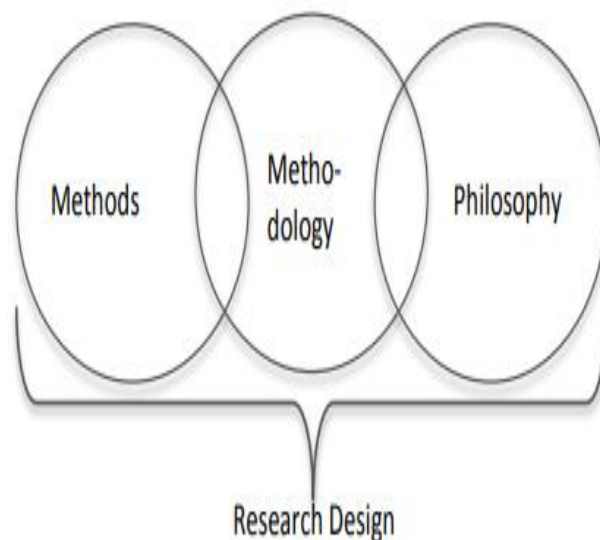


Figure 3.1 Components of research design

Source: Birks and Mills (2010, p. 4)

3.5.1 Interpretivist paradigm

According to research conducted by Myers (2019), interpretivism emphasises qualitative research methodologies that prioritise the perspectives, motivations, and rationale of subjects over quantitative data, aiming for a deeper comprehension of social interactions. According to (Klein and Myers, 1999, p. 69), “interpretivism is the way we access reality through social constructs like

language, consciousness, shared meanings, and tools.” To comprehend and define economic theories and how they relate to the South African economy, this study will use the interpretivism paradigm. An exploratory research methodology along with a qualitative analysis will be adopted for this study. The formulation of a research problem stands as a pivotal stage in any scholarly investigation. Exploratory research endeavours are embarked upon, particularly when the motivations, incentives, triggers, and other pertinent factors influencing the individuals involved in a given situation remain elusive, as elucidated by Adams et al. (2007). This approach entails engaging with stakeholders to glean initial insights into the subject matter, serving as an introductory step towards acquiring a fresh perspective. Often characterised by deliberate immersion in the field, exploratory research, as delineated by Stebbins (2001), facilitates the preliminary acquisition of insights by researchers. Stevens and Wren (2013, p. 54) states, “Exploratory research is needed whenever the decision-maker has the following objectives:

1. More precisely defining an ambiguous problem or opportunity
2. Increasing the decision makers understanding of an issue
3. Generating ideas
4. Providing insights
5. Establishing priorities for future research”.

3.5.2 Descriptive Qualitative Design

According to Merriam and Tisdell (2015), qualitative research provides a process for the investigation and understanding of the meanings that people give to human situations. Qualitative studies, in which the phenomena of interest are not artificially manipulated, focus on understanding phenomena that naturally occur in particular circumstances (Patton, 2002). Qualitative research is concerned with recording what people say and do as well as their perceptions of the world and feelings about specific events in their lives (Bryman and Bell, 2011). This would enable the researcher to get different points of view regarding South Africa’s potential to host Formula One and the impact that international sporting events have on a host nation. The qualitative research approach will enable the researcher to obtain an understanding and perspectives of the South African government and the private sector and how they can affect whether such a significant event is successful or unsuccessful.

3.5.3 Sampling techniques

In qualitative research, sampling techniques aim to select individuals or groups that provide rich, detailed, and diverse perspectives on the phenomenon being studied. Unlike quantitative research, where the goal is often to generalise findings to a larger population, qualitative research focusses on exploring and understanding the depth and complexity of a particular issue or phenomenon (Khan, 2014). Sampling techniques are usually divided into two types: probability sampling and non-probability sampling. Probability sampling, often regarded as the gold standard in sampling methodology, encompasses techniques wherein every unit within the population has a calculable, non-zero chance of being selected for inclusion in the sample. Central to probability sampling methods is the principle of random selection, whereby each element in the population possesses an equal probability of being chosen (Robinson, 2014). In probability sampling, the target population is identifiable, ensuring a statistically probable opportunity to address research enquiries and accomplish study objectives. Conversely, non-probability samples lack a discernible target population, thereby diminishing the statistical likelihood of addressing research questions, achieving study objectives, and drawing valid inferences (Saunders, Lewis and Thornhill, 2016).

Purposive sampling is frequently used in qualitative research because of its objectives and logic. Purposive sampling is a strategy used to better understand the experiences of particular people or groups in order to generate theories and concepts (Devers and Frankel, 2000). It involves purposefully selecting participants who have the information or experiences relevant to the research question. The selection may be based on specific criteria such as expertise, knowledge, experience, or unique perspectives. Purposeful sampling allows researchers to gather in-depth insights from individuals who are most likely to provide valuable data for the study.

3.5.4 Participants in the study

Participants in this purposive sampling study were chosen based on:

- The research aims, questions, and objectives of the study.
- Their expert knowledge of the given topic.
- Their current and prior experience relating to Formula One.

Connelly (2016) postulated that the conclusion of the sampling technique known as "purposive sampling" is that the sample reasonably represents the population. Purposive sampling is "used to select respondents that are most likely to yield appropriate and useful information" (Kelly, 2010, p. 317). Hence the decision to use purposive sampling for this study. Etikan and Bala (2017, p. 149) suggested that "in order to achieve the study's main aims, the researcher will assess and conclude the most suitable participants who will then become part of the sample, which will allow the researcher to collect vital data from participants who share similar viewpoints and who are willing to share said data."

Nine purposeful interviewees have been selected to yield information and results relating to the research question. The study attempted to enrol fifteen interviewees, although saturation was achieved before the total number of interviewees were enrolled.

Previous promoters who bid to host Formula One in South Africa will provide professional and credible advice relating to their bid. Their companies would have conducted research into the impact the event would have on the host nation and other host nations when submitting their proposal. Thus, the interviewees would be speaking from an expert point of view. Government officials have been interviewed to provide guidance on their region's stance on the subject matter as well as decipher the complex regulations that surround such a large event.

Table 3.1 Recruitment of participants for the study

Interviewee:	Description:
1. Interviewee One	Member of the FIA (International Automobile Federation)
2. Interviewee Two	Sporting Services Manager
3. Interviewee Three	Member of the Sport, Arts and Culture committee of the South African Government
4. Interviewee Four	Member of the Western Cape Provincial Government
5. Interviewee Five	Former owner of a prominent racetrack in South Africa and a key individual in a previous South African bid
6. Interviewee Six	Founder of a privately owned motor sport company

7. Interviewee Seven	Member of a motor sport company in South Africa
8. Interviewee Eight	Director of a motor sport and entertainment company
9. Interviewee Nine	Member of the Department of Sport, Arts and Culture

Source: Author compiled the above table via purposive sampling of the participants.

3.5.5 Interviews

“An interview entails face-to-face interaction with a participant who is questioned about the research problem” (Bless and Higson-Smith 2000, p. 104). The researcher will conduct nine semi-structured interviews with participants who have been recruited. These parties are knowledgeable of prior bids and the prerequisites for a nation to host Formula One. These interviews will provide much-needed insight into the requirements of hosting Formula One in SA and where South Africa may be lacking, whilst providing information on the economic impact of Formula One.

3.5.6 Constructing the interview schedule

The interviewees were asked the following questions which have been aligned with the objectives of the study:

1. What is your perspective on the current economic climate of South Africa?
2. Does South Africa have the potential to host Formula One?
3. What impact will Formula One have on the current economic climate of South Africa?
4. What advantages can be deduced from South Africa hosting Formula One racing?
5. What are the current challenges that are preventing Africa from hosting Formula One?
6. How can these challenges be addressed?
7. In light of Formula One's established practice of entering into multiyear contractual agreements, what strategies can be implemented to ensure that South Africa effectively leverages such a deal to stimulate multiplier effects, such as heightened demand, increased inbound tourism expenditure, and other related economic benefits?
8. Can you offer advice on how decision-makers in government and business can move forward with a winning bid based on what has been learned from previous host countries?

9. In your opinion and expertise, is Kyalami the best-suited track to host Formula One in South Africa or is it feasible to locate a track in a different location in South Africa?
10. Could you share your thoughts on the paucity of research on this subject given that the chance to be listed as a host nation in the future has arisen?

3.5.7 Conducting the interview

To conduct the interview at their convenience, candidates were provided with the option to choose the day, time, and had the option of a physical or virtual interview. Each participant received an introduction and the study's justification, which set the tone for the approach. After that, the interview was conducted question by question. Those interviewees who gave their permission for the interview to be recorded were recorded. If no permission was granted, the interviewer documented notes. Every interview was conducted online. Semi-structured interviews entail the formulation of open-ended questions accompanied by follow-up probes meticulously crafted to elicit a comprehensive understanding of participants' experiences, perceptions, opinions, emotions, and knowledge. This methodological approach is geared towards facilitating an exhaustive exploration of the intricacies inherent in the subject matter under investigation. This method entails the utilisation of predetermined questions as a foundational framework, allowing interviewers the flexibility to pose additional inquiries for clarification as deemed necessary. The primary guide for such interviews typically comprises a set of standardised questions, with the sequence often adapted based on contextual relevance and the preferences of interviewees (Ragab and Arisha, 2018).

Furthermore, the interviewer possesses the autonomy to adapt the wording, sequence, and exploration paths of questions to align with the research objectives. Consequently, this method affords researchers the opportunity to gather nuanced and comprehensive data, fostering the emergence of novel concepts during the interview process. However, the successful execution of semi-structured interviews necessitates skilled facilitators capable of adeptly navigating the interview dynamics, promptly adjusting questioning strategies as required, and meticulously capturing all pertinent data without omission, as highlighted by Doody (2013) and DiCicco-Bloom (2006).

3.5.8 Data recording

All participants were informed that the interviews will be audio and video recorded, whilst written notes will be taken as a back-up for the researcher. Refer to Appendix B for the consent form.

3.6 Data analysis in qualitative research

Flick (2013) defines qualitative data analysis as the process in which claims are made about implicit and explicit dimensions and processes of meaning-making in the material and what is represented in it by categorising and interpreting data.

The researcher initially envisioned using NVivo for the purpose of analysing themes for the study. Although this was opted against due to the small data set that is being dealt with. Sanusi (2019, p. 41) states, “Not really effective, NVivo shows its effectiveness when facing large data. But the effectiveness decreases when organising or managing a small data. Some users or researchers prefer to use manual workings if the respondents are less than 5 persons, or the recording is less than 15 minutes. Some of them argue that forty-two small data sets would be analysed faster manually because the transcript is not much and can easily code by hand”.

The goal of data analysis in qualitative research is to describe a phenomenon in-depth. The study may also concentrate on contrasting several situations and highlighting their similarities or contrasts. Thereafter, a theory may be formed (Flick, 2013). The data analysis component provided basic insights into the issues presented in the problem statement.

The steps for data analysis are further described below:

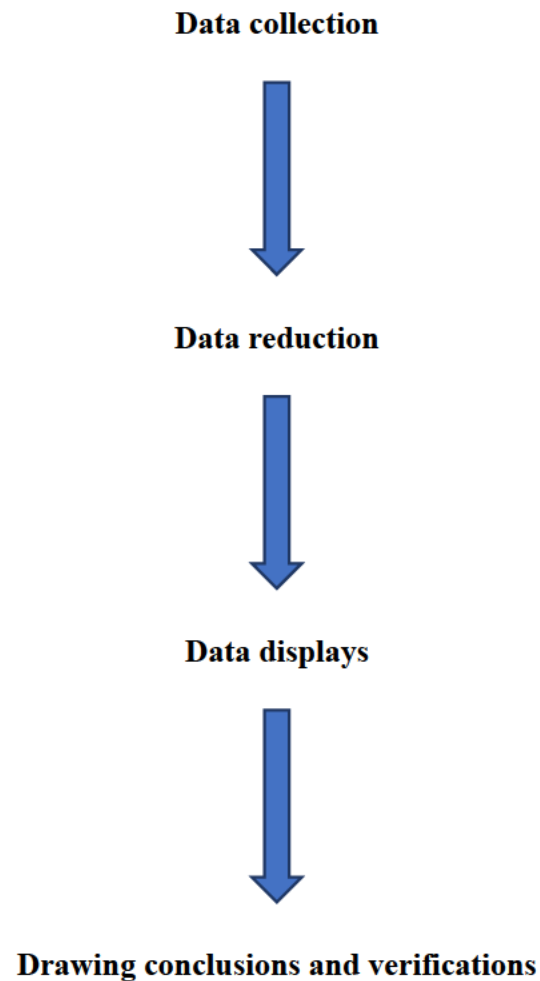


Figure 3.2 Steps of data analysis in qualitative research

Source: The author compiled the above figure from Bryman and Bell (2011).

The researcher used the above figure as a guideline to familiarise herself with the data before analysing it. Thereafter the researcher manually analysed the data via thematic analysis and documented themes that arose from the data collected. South Africa's current stance in mega sporting events, specifically Formula One, was the subject of data analysis which was further categorised into themes. Chapter four will present these themes along with further details and explanations of the findings. The collected data will be presented and analyzed concurrently, ensuring that the findings are contextualized and interpreted as they are introduced. This approach

allows for a more integrated understanding of the data, where the presentation of themes is immediately followed by their analysis, facilitating a seamless and comprehensive exploration of the study's results.

Table 3.2 Phases of data analysis in qualitative studies

Phase 1	Organising the data for analysis: “The preparation and organisation of the material for thematic analysis are one of the initial tasks in qualitative analysis. This often entails consolidating all audio- or video-recorded interview files in one place, converting observational notes to digital format such as MS Word, and scanning documents that were retrieved in paper form. The researcher will utilise the transcription function on MS Teams and Zoom to transcribe the interviews; thereafter, downloading the transcribed notes in MS Word, which will be analysed by the researcher using thematic analysis” (Lester, Cho and Lochmiller, 2020, p. 98).
Phase 2	Transcription of data: Verbatim transcripts, “which strive to accurately capture every word said by the participant and serve as a record of the conversation, are frequently used for thematic analysis. Transcription provides a chance to get to know a set of data. This familiarity enhances a researcher's comprehension of the perspectives of the participants and helps them interpret the data set in a way that expedites analysis later” (Lester, Cho and Lochmiller, 2020, p. 98).
Phase 3	“Familiarizing oneself with the data - it is critical to be aware of and thoroughly document these initial responses to the data. A researcher should be aware of the constraints or gaps in the data that have been gathered, so it is beneficial to become familiar with the corpus of data. This could prompt additional data gathering or the identification of these gaps as potential areas for additional research” (Lester, Cho and Lochmiller, 2020, p. 99).
Phase 4	“Coding the data - A code is just a few words or phrases that provide the data pertaining to the researcher's analytic purposes meaning. Although coding is frequently carried out in an unstructured fashion, it is crucial to see coding as taking place in various

	<p>stages for a theme analysis. This layer of coding is used to highlight significant claims, incidents, and reflections. As a result, the first layer of coding mostly focuses on priming the data set and attempting to minimise the size of the data corpus by designating those claims, experiences, and reflections that are crucial for analysis” (Lester, Cho and Lochmiller, 2020, p. 100).</p>
Phase 5	<p>“Converting codes to categories and categories to themes – Once coding the data has been completed, it can be further encapsulated by categories that capture the relationships and contrasts. Researchers aim to produce themes after classifications have been developed.</p> <p>Step 1: The researcher must first group numerous relevant categories together. Recognising the connections between categories' similarities, differences, and similarities.</p> <p>Step 2: The researcher then allocates a statement to these categories after acknowledging these parallels, differences, and relationships.</p> <p>Themes are aligned with the aims of the study and therefore are conceptualized in response to the study’s research questions” (Lester, Cho and Lochmiller, 2020, p. 100-101).</p>
Phase 6	<p>“Interpreting the data – This phase entails interpreting the results of the data that was analysed” (Lester, Cho and Lochmiller, 2020, p. 101).</p>

Source: Author compiled the above table from Lester, Cho and Lochmiller (2020); and Bryman and Bell (2011).

3.6.1 Thematic analysis

Earlier research by Braun and Clarke (2012, p. 57) suggests that “thematic analysis systematically identifies and provides insight into patterns of meaning across a data set which allows the researcher to see and make sense of collective or shared meanings and experiences.”

Thematic analysis has been utilised for the purpose of this research. The researcher will analyse qualitative data, which will allow the researcher to distinguish emerging themes in the dataset (Schurink, 2010). For this study, the researcher will conduct a thematic analysis of the interviews. For semi-structured interview scripts, the researcher will use Zoom and Microsoft Teams for interviews. This will allow the researcher to record the interviews between the researcher and the participant as well as utilise the transcription function on both platforms to reduce the time consumption of manually transcribing data. These transcripts will then be analysed via thematic analysis to determine emerging themes. “It has been suggested that thematic analysis, as a flexible and useful research tool, provides a rich and detailed, yet complex, account of the data” (Braun and Clarke, 2006).

3.6.2 Content analysis

Content analysis refers to a broad set of methodologies employed to analyse text (Powers and Knapp, 2006). It involves a systematic process of coding and categorisation, facilitating the exploration of extensive textual data in a non-intrusive manner. This method aims to uncover trends and patterns in the use of words, their frequency, and relationships, as well as the underlying structures and discourses of communication (Mayring, 2015; Pope et al., 2006; Gbrich, 2007). Both content analysis and thematic analysis aim to analytically examine narrative materials, such as life stories, by breaking down the text into smaller units of content. These units are then subjected to descriptive treatment, allowing for a detailed exploration of the underlying themes present within the narratives (Sparker, 2005). Content analysis is a versatile method applicable to both qualitative and quantitative data, and it can be employed in either an inductive or deductive manner, depending on the study's objectives. The choice between these approaches is guided by the research purpose. When there is insufficient prior knowledge or if existing knowledge is fragmented, the inductive approach is typically recommended (Lauri and Kyngäs, 2005). When opting for inductive content analysis, the subsequent phase involves organising qualitative data.

This entails open coding, the formation of categories, and abstraction. Open coding involves annotating notes and headings directly within the text during the reading process. Subsequently, the material is revisited, and relevant headings are recorded in the margins to comprehensively describe all content aspects (Burnard, 2004; Hsieh and Shannon, 2005).

3.6.3 Document analysis

This study will make use of document analysis, which will allow the researcher to leverage insights from earlier documents to compose an acceptable body of literature. According to Bowen (2009), the assessment question is given voice and relevance by the researcher's interpretation of the documents. This study will make use of public records, articles, and documents on the economic benefits, costs, advantages, and disadvantages of hosting Formula One in various locations and their limitations. Additionally, previous research papers and bid proposals will also be analysed.

3.6.4 Data saturation

Data saturation, a concept commonly employed in qualitative research methodology, refers to the point at which no new information or themes emerge from the data gathered during the research process. It signifies that the researcher has comprehensively explored the topic under investigation and that further data collection is unlikely to yield additional insights or perspectives (Braun and Clarke, 2021). Data saturation occurs when enough information is available to replicate the study, as noted by O'Reilly and Parker (2012) and Walker (2012). It also indicates that obtaining additional new information becomes difficult, as observed by Guest, Bunce and Johnson (2006), and when further coding becomes impractical, according to Guest, Bunce and Johnson (2006). The present investigation initially aimed to recruit a cohort of fifteen participants, reflective of the researcher's preliminary conceptualisation. However, the actual enrolment yielded nine indispensable participants pertinent to the subject domain. It is noteworthy that data saturation was achieved after seven interviews were conducted and rigorous data analysis, indicating a full coverage of the pertinent themes and concepts within the study framework. In academic research, achieving data saturation is often considered a key criterion for ensuring the rigour and depth of qualitative studies, as it indicates that the sample size is sufficient to capture the breadth and diversity of experiences or perspectives relevant to the research question. Researchers typically

strive to reach data saturation to enhance the credibility and trustworthiness of their findings, thereby contributing to the overall validity of their study (Nelson, 2017).

3.7 Validity, reliability, and trustworthiness

Creswell (2014, p. 201) succinctly defines these terms of qualitative validity and reliability as: "Qualitative reliability indicates that the researcher's approach is consistent across different researchers and different projects, whereas qualitative validity means that the researcher checks for the accuracy of the findings by employing certain procedures." In a qualitative research study, reliability refers to the validity of the research, particularly with respect to the suitable methodologies selected and the ways in which they were applied and performed. According to Miles, Huberman, and Saldana (2014), reliability calls into question whether the methodology is consistent throughout time, between researchers, and across approaches used.

According to Johnson and Parry (2015) and Lincoln and Guba (1985), the term "trustworthiness" in qualitative research relates to the methodological rigour of the research design, the credibility of the researcher, the plausibility of the findings, and the applicability of the research methodology. To enhance the trustworthiness of this study, the interviewees responses were directly quoted and refined where needed to make it readable. By prioritising the voice of the participants through the inclusion of their direct quotes, the study underscores a commitment to capturing and conveying the authentic perspectives and experiences articulated by the individuals involved. This methodological approach not only amplifies the credibility of the findings but also fosters transparency and rigour in the research process, thereby bolstering the overall trustworthiness of the study outcomes.

Chase and Mandle (2001, p. 530) state that "authenticity is closely linked to credibility in validity and involves the portrayal of research that reflects the meanings and experiences that are lived and perceived by the participants." To enhance the credibility of this study, participants were purposively selected through a meticulous process, focussing on criteria such as their extensive experience, specialised expertise, and capacity to engage meaningfully with contemporary developments within the domain of sports management, with a specific emphasis on Formula One. This methodological approach aimed to ensure that the participants possessed the requisite

knowledge and insights relevant to the subject matter under investigation, thereby enriching the quality and depth of the research findings.

3.8 Research limitations

Participants' geographic locations provided a platform for the researcher to conduct interviews via MS Teams and Zoom, allowing for audio recording and transcription of the interviews. Relevant personnel for the study may not have been able to participate in the study due to unavailability; such examples will include the Minister of Sport and Tourism of South Africa. Relevant personnel within the field were identified and interviewed accordingly. This study is qualitative and exploratory in nature, which provides space for a quantitative study to be conducted in the future that would gauge the risk and return of hosting an event of this magnitude in South Africa. Further limitations may encompass temporal constraints, particularly in instances where prospective respondents occupy positions of prominence, leading to constrained availability for study participation. Additionally, individuals in high-profile employments may encounter gatekeeping barriers, impeding their involvement in research endeavours owing to concerns regarding the confidentiality of proprietary information associated with their professional engagements. Future studies could benefit from the inclusion of additional personnel unavailable for participation in the current study. Given the dynamic nature of bidding landscapes, the composition of relevant personnel for studies of this nature is subject to evolution over time. Therefore, future research endeavours should adapt to these fluctuations by continually reassessing and incorporating pertinent stakeholders as the years progress.

3.9 Ethical considerations

“Exploring, analysing, and describing individuals and their natural settings are the main study goals of qualitative researchers. The ideas of relationships and power between researchers and participants are central to qualitative research. The willingness of a participant to share his or her experience is what determines if they want to participate in part in a research project” (Resnik, 2015, p. 3). He further states that “respecting human dignity, privacy, and autonomy; taking extra measures with vulnerable groups; and working to divide the rewards and responsibilities of research evenly are all important considerations when conducting research on human subjects. It

is imperative to protect human participants by utilising the appropriate ethical guidelines in a research project” (Resnik, 2015, p. 4).

For the purpose of this study, the researcher will abide by the ethical guidelines set forth by the University of KwaZulu Natal. The process to follow prior to data collection would be to confirm consent and participation in the study by said subjects. Consent is obtained through the following steps: consent should be voluntarily provided, individuals should understand what is being requested of them, and competency must be established prior to consent being approved or rejected (Arifin, 2018). The potential participants were provided with an information sheet that clearly outlined the purpose of the study and the data collection process. Potential participants were made fully aware of their freedom to withdraw from the study at any time, even after signing the informed consent form. Participants were given the option to consent or reject the audio recording of the interview. Participants’ views were respected throughout the process. The purpose of the interview is to determine the participant's stance on Formula One in South Africa from their expert point of view.

For the purpose of this study, a gatekeepers' letter was requested from the following organisation: Cape Town Grand Prix SA (Pty) Ltd. Due to many of the participants being in senior positions or speaking in their personal capacity, gatekeeper letters will not be required from them, although all participants will sign a consent form (see Appendix B). “Thereafter, an ethical clearance application was submitted to the Humanities and Social Sciences Research Ethics Committee at the University of Kwa-Zulu Natal for approval before proceeding with data collection. The ethical clearance approval certificate can be viewed in Appendix C” (Postgraduate Guide UKZN, 2019, p. 14).

3.10 Conclusion

This chapter’s purpose was to define and explain the qualitative research approach and design that was used for this study. The main aims and objectives are discussed, which enabled the researcher to determine the methodology process. The qualitative research paradigm has been discussed, and further clarification on the methodology for qualitative research has been explained. The selection of the participants was determined via purposive sampling, and their roles in the recruitment process served as justification for their participation in the study. Semi-structured interviews were

conducted with nine targeted participants from various industries within sports management. Validity, reliability, credibility, authenticity, and trustworthiness were examined, followed by the research limitations and the ethical considerations associated with this study. The data gathered from the interviews are presented in chapter four, which further explains the study's outcomes.

CHAPTER FOUR

PRESENTATION AND DATA ANALYSIS

4.1 Introduction

The purpose of this chapter is to present the findings of this study. The research methodology used in this study was discussed in chapter three. It then follows on to the way the research was conducted by outlining each step of the process and concluding with the study's limitations. The information gathered from the methodology outlined in chapter three is presented and analysed in this chapter. The purpose of this study is to ascertain South Africa's ability to host Formula One and the potential effects such an event would have on the host country. For this purpose, this chapter is structured as follows: Section 4.2 discusses the presentation and analysis of the interview responses. Following the presentation of interviewee responses, a rigorous analysis of these responses is systematically conducted. This analytical process is situated below the presentation of the responses and is designed to elucidate the underlying themes, patterns, and nuances inherent in the data. Through this analysis, the study endeavours to derive meaningful insights, identify recurrent motifs, and contextualise the participants' perspectives within the broader framework of the research inquiry. This methodological approach underscores the scholarly rigour and depth inherent in the data analysis process, thereby enhancing the credibility and validity of the study outcomes.

Table 4.1 Identified themes through primary data collection

The table highlights the main themes of the study and indicates how many interviewees identified each theme. This provides an overview of the key areas of focus and their prevalence among the participants.

Focus of themes	Number of interviewees identifying themes
Effect on tourism	7
South Africa's challenging economic climate	7
Destination branding	8
Barriers to the event	8
Kyalami as a suitable racetrack	5
Lack of research	3
Financial challenges	6
Positive impact on the economy	9

4.2 Analysis and discussion of the interviewees' responses to the questions from the interview schedule

There were ten questions on the interview schedule, each of which was organised to meet the study's goals and objectives. Appendix A displays tables that list the interviewee on the left, while the interviewee's answer to the question is shown on the right side of the table. Every table is displayed on a separate page. This format systematically organises the information gathered during the interviews and allows the researcher to effectively analyse the material. The eminent themes that emerged out of the responses provided by each interviewee are explored independently.

Below is an outlined discussion section of underlying themes emerging from the responses and an analysis of individual responses.

4.2.1 Themes identified in response to question one

Interviewees were asked to provide their opinions on the current economy of South Africa. The aim of this question was to determine the interviewees' views on the economic climate that South Africa currently faces.

4.2.1.1 Challenging economic climate of South Africa and budget constraints

The perspectives provided by various interviewees in the South African sports and economic sectors bring to light a prevailing consensus on the challenging economic situation in the country. The interviewees expressed concern about high unemployment rates. Interviewee Six stated, "*The unemployment rate is at its highest,*" and Interviewee One stated, "*We have got incredibly high unemployment rates.*" The collapse of state-owned enterprises and the impact of corruption on the economy were underscored by Interviewee Five: "*I think corruption has gone from maybe one or two levels to practically every level of governance,*" and Interviewee One stated, "*...this is exacerbated by low action or traction to deal with corruption.*" They also emphasised the need for a stable power supply and economic policies that promote job creation to address the economic challenges that South Africa faces. Interviewee Five stated, "*Unless there are some fundamental rectifications put in place with regard to the power supply, the prognosis of whether load shedding will be with us for two years or five years changes daily.*" Furthermore, the impact of social policy on economic development has been explored, reflecting the interviewees' emphasis on the need for stable economic growth. Plagerson et al., (2019) further substantiate the claims made by interviewees regarding the importance of a stable policy environment. The authors suggest that in such an environment, utilising pluralistic private/public sector implementation models could enhance both equity and efficiency in service delivery and drive economic growth. The interviewees also highlight the impact of external factors such as the COVID-19 pandemic on the country's economic outlook. This aligns with research that has examined the effects of the pandemic on employment and economic activities (Mseleku, 2022). The challenges faced by businesses in seeking sponsorship and funding post-COVID-19 outbreak resonate with studies on the constraints faced by organisations in engaging with sponsors and raising funds during challenging economic periods (Maluleke et al., 2022). Moreover, the concerns raised about the energy supply system, corruption, and policy failures are consistent with research on the impact of

these factors on economic performance (Modipa, 2022). The interviewees' emphasis on the need for fundamental rectifications in power supply and governance aligns with studies that have evaluated the impact of these factors on the economic outlook and business operations (Choi et al., 2021).

The upcoming elections are seen as a period of significant promise with potential for change. There is hope that these promises will translate into tangible improvements for the country's economic conditions. Interviewee Two stated, “...with the upcoming elections next year, there is a lot of electioneering going on.” The concerns raised by the interviewees align with existing research on South Africa's economic challenges. Such studies have highlighted the impact of unemployment on the country's economy (Joshua, Adedoyin. and Sarkodie, 2020). Additionally, the role of fiscal policy in addressing unemployment has been a subject of research, emphasising the importance of effective economic policies (Murwirapachena et al., 2013; Loewald, Faulkner, and Makrelov, 2020). In conclusion, the perspectives provided by the interviewees reflect the complex economic challenges facing South Africa, including high unemployment rates, governance issues, and the impact of external factors such as the COVID-19 pandemic. These perspectives are supported by existing research on South Africa's economic landscape, highlighting the need for effective policies, stable economic growth, and strategic interventions to address the country's economic challenges.

4.2.2 Themes identified in response to Question Two

The interviewees were asked for their opinion on whether South Africa has the potential to host a Formula One Grand Prix. This question was asked to gather expert opinions regarding South Africa's readiness to host this global event and to identify potential setbacks and challenges that hosting such a mega-event might entail.

4.2.2.1 Financial challenges

Six out of the nine interviewees emphasised South Africa's existing infrastructure and the potential to host a Formula One event without requiring government funding. Interviewee One stated, “*We have got the facilities in the country*” and that we “...do not need any funding from the government.” These interviewees suggested that the private sector could potentially provide the

necessary financial support for hosting the event, as confirmed by Interviewee Five, who stated, *“The private sector has the capability and the financial capacity.”* This is supported by Müller (2015), as he asserts that host cities must engage the private sector in assuming risks to ensure the commercial feasibility of facilities and mitigate the public sector's exposure. It is advocated that cities and governments refrain from offering comprehensive guarantees to cover all expenses indiscriminately. Six out of the nine interviewees highlighted the need for private sector financial backing due to the substantial financial requirements of hosting a mega event, as suggested by Lee and Taylor (2005) in their study of the economic impact assessment of a mega event, specifically the 2002 FIFA World Cup. One interviewee, Interviewee Three, expressed confidence in South Africa's ability to host the event but raised concerns about the government's experience in dealing with events of this magnitude: *“...I think the democratic stage and government have not been tested in terms of experience.”* Interviewee Four stressed the need for a unique financial arrangement with Formula One due to budget constraints: *“We cannot justify the big budgets that are associated with Formula One, so it would have to be a specially agreed package, at least for the first three years. Formula One must also be more of a partner in delivering this from an investment point of view for the host country.”* Interviewee Six highlighted the potential for a street race to be more economically viable than a purpose-built circuit, stating that *“A street circuit, for one, would become a tourist attraction; it would turn into an annual event that would become a money spinner.”* The notion regarding the feasibility of street tracks, as proposed, finds support in Chamberlain et al.'s (2019) examination of Formula One literature. Their analysis contrasts the viability of street circuits with purpose-built circuits, further reinforcing the idea under consideration. These themes align with existing literature on hosting major sporting events. Studies have shown that hosting such events requires substantial financial backing and can have significant economic impacts on the host region (Ramasamy et al., 2021). The involvement of both the public and private sectors is crucial in ensuring the success of such events, as highlighted by the stakeholders' perspectives (Ibem et al., 2018). Additionally, the potential economic benefits and the need for careful financial planning and government involvement are consistent with the challenges and opportunities associated with hosting major sporting events.

In conclusion, the interviews and the existing literature underscore the importance of infrastructure, financial backing, government involvement, and private sector capacity in determining South Africa's potential to host a Formula One event. These factors are crucial in

ensuring the successful hosting of such a major sporting event and maximising its economic impact on the country.

4.2.3 Themes identified in response to Question Three

The interviewees were asked for their thoughts regarding the impact of Formula One on the current economic climate of South Africa. The aim of this question was to highlight the range of anticipated economic benefits.

4.2.3.1 Impact on tourism

Interviewee One highlighted the potential for a significant influx of visitors, with an estimated 60% of attendees coming from outside the host country, stating that *“The major benefactors are not the Department of Sports, Arts, and Culture, but the tourism section within South Africa.”*

Interviewee Two emphasised the positive impact on the tourism industry, suggesting that economic impact studies would be necessary to quantify the potential billions of dollars in spending; they stated, *“The tourism industry is given a massive boost, with Formula One coming to a particular country.”* This is underscored by Maennig (2019) in his study, which examined the need for economic impact studies on mega events. Interviewee Three echoed the sentiment, emphasising the importance of hosting international events and the positive economic impact on tourism and related services: *“The construction of a brand-new stadium and track not only creates jobs directly but stimulates the growth of spinoff industries such as hospitality and transport. The successful hosting of Formula One would attract events from the wider motor racing industry.”*

Interviewee Four stated, *“This is a catalyst event,”* and emphasised the potential for a major capital injection and the need for long-term planning to maximise the benefits beyond the event itself. This is reinforced by Greenwell, Danzey-Bussel and Shonk (2024) in their book on event management with a special focus on the Australian GP.

Interviewee Six highlighted the potential positive impact on the economy, tourism sector, and employment, as well as the transfer of skills, while Interviewee Seven emphasised the potential for investment interest, highlighting the tourism industry and showcasing South Africa as a motor manufacturing hub. In their study titled "Hosting annual international sporting events and tourism: Formula 1, golf, or tennis?" published in *Tourism Economics* (Ramasamy, Wu and Yeung, 2022),

the authors investigate the relationship between hosting major international sporting events, such as Formula One races, golf tournaments, and tennis competitions, and their impact on tourism. The research examines how these events contribute to tourist arrivals, spending patterns, and overall tourism development. This study provides valuable insights into the specific role of Formula One events in attracting tourists and stimulating economic activity in host regions.

Five of the nine interviewees indicated that Formula One aids in job creation within the host nation. Interviewee Three stated, *“The construction of a brand-new stadium and track not only creates jobs directly but stimulates the growth of spinoff industries such as hospitality and transport.”* Interviewee Five stated, *“For example, if a new track were to be built, and that in itself would generate employment via construction jobs, many people would have permanent jobs created for them.”* Interviewee Six stated, *“I believe our employment sector would benefit as well,”* and Interviewee Nine stated, *“There is a major economic impact on the country. From a tourism perspective, from a job creation perspective, the services industry to services that are required, the generation of income through customs and exports, there is a whole host of benefits to the country. The legacy it leaves behind as well.”* This was confirmed by Storm, Jakobsen and Nielsen (2020), where the authors investigate the influence of Formula One events on regional economies in Europe. Through empirical analysis, the research examines various economic indicators such as job creation, income generation, and infrastructure development associated with hosting Formula One races. The findings shed light on how Formula One contributes to regional economic growth and development, including the creation of employment opportunities within host regions. Specifically, the study provides insights into how Formula One events stimulate job creation across sectors such as hospitality, tourism, event management, and related industries, thereby bolstering local economies.

Eight of the nine interviewees indicated that Formula One aids in the global and destination branding of a host nation. Interviewee Eight stated, *“Some of it is strictly knowing that you have a big motorsport following and that hosting such an event can bring some sort of national pride or image branding, et cetera.* Interviewee Five reinforced, *“To promote South Africa as a destination is a very good thing to do, and we certainly do have areas of excellence.”* This is confirmed by Puente-Díaz (2018), who explores the utilisation of international sports events within a destination branding strategy, specifically focussing on Mexico's case. Applying these insights to Formula

One host nations suggests that leveraging the global visibility and excitement surrounding Formula One races can significantly enhance a host nation's destination brand. Through effective marketing and strategic positioning, Formula One events can serve as pivotal moments for showcasing a nation's culture, attractions, and capabilities on a global stage, ultimately bolstering its image as a desirable destination for tourists and investors alike.

4.2.4 Themes identified in response to Question Four

Question four asks the interviewees about the advantages that can be deduced from South Africa hosting a Formula One race. This question was aimed at highlighting the various potential benefits that are associated with hosting a mega-event such as Formula One.

4.2.4.1 Impact on the economy

The themes from the provided statements revolve around the potential economic impact, job opportunities, technological advancements, and global positioning associated with hosting a Formula One event in South Africa. Greenwell, Danzey-Bussel and Shonk (2024) highlights the potential for high spending and increased tax income, as well as positive impacts on various sectors such as hotels, accommodations, rentals, and restaurants. This is reinforced by Interviewees One's comment: *"The tourism sector within South Africa will benefit the most, as will broadcast revenue and public relations exposure."* Likewise, Interviewees Two's response was, *"I think that spending will be massively high, so there will be a lot of tax income for the country, and there will be a lot of income for hotels, accommodations, rental incomes, press incomes, and restaurants."* Interviewee Four emphasises the immediate and secondary job opportunities, investment opportunities, economic growth, and global brand positioning associated with hosting the event: *"There will be immediate job opportunities that are linked to it. Then, of course, the secondary impact would be the extra value added by job opportunities, investment opportunities, economic growth, and, of course, the brand positioning of the country globally."*

Interviewee Six emphasises South Africa's world-class facilities and successful hosting of major sporting events, positioning the country favourably for hosting Formula One, while Interviewee Seven emphasises the opportunity for promoting South Africa and distinguishing it from other African countries due to its superior systems and infrastructure; specifically, they state, *"South*

Africa is seen as a third-world country, and part of that is true, but we are different than our African counterparts. We do have a better system in place. We have a better banking system, and we have a better export and import system.”

4.2.5 Themes identified in response to Question Five.

Question five asks the interviewees to identify the current challenges that are preventing South Africa from hosting Formula One. This question was asked to illuminate the barriers and concerns that might prevent South Africa from hosting Formula One.

4.2.5.1 Positive impact on the economy

Interviewee Two raises concerns about the sustainability of job creation and questions whether the country can afford such an event given its current economic situation:

“The only negative could be a political one. Is it necessary for the country to host Formula One? Is the money better spent on higher-priority items that the government should have on its agenda, i.e., Eskom, tax income, and job creation? Corruption rates: The reality is that corruption, or the alleged corruption within South Africa, is highly problematic. The issue is that it creates a lot of scepticism from international companies, like Formula One, who are publicly listed companies, to get involved in a South African situation.”

Interviewee Six stated, *“Eventually, it was found to have to do with the Russian issue and the cargo ship that docked in Simonstown, with the accusation of South Africa giving arms.”*

Interviewee Six was referring to the challenges that South Africa faces in its bid to host Formula One, specifically in relation to South Africa’s stance on the Russia/Ukraine War.

Interviewee Three points out the broader economic challenges faced by countries globally, such as the impact of events like the COVID-19 pandemic and financial instability: *“...many countries have not recovered to their former glory. It is about self-governance and whether we have the financial ability.”* These perspectives underscore the complex web of economic considerations associated with hosting a Formula One Grand Prix. Moreover, the interviewees also discuss the political implications of hosting such a major international event. Interviewee Four suggests that South Africa's position on certain geopolitical issues, such as its alignment with Russia, could deter

potential partnerships with Formula One: *“Our position on Russia has been a deterrent. I think the amount of money requested from Formula One, from a licensing and investment point of view, is a big issue for us. In the quantum, because of the rand-to-dollar exchange rate, which becomes very costly.”* Interviewee Seven stated, *“I think funding is one, and our political climate is number two.”*

Corruption within the country is also highlighted as a concern, potentially impacting the willingness of international companies like Formula One to engage in business in South Africa, as stated by Interviewee Two: *“Corruption rates: The reality is that corruption, or the alleged corruption within South Africa, is highly problematic. The issue is that it creates a lot of scepticism from international companies, like Formula One, who are publicly listed companies, to get involved in a South African situation.”* The themes that emerge from the interview with various stakeholders regarding the potential hosting of a Formula One Grand Prix in South Africa revolve around the economic, political, and social impacts of such an event. The process of bidding and hosting major events is also addressed, with Interviewee Nine emphasising the regulatory and endorsement requirements from the government and relevant sports federations. Interviewee Nine stated, *“There is a process to follow. There is regulation surrounding the bidding and hosting of major events.”* This highlights the bureaucratic and procedural aspects involved in bringing an event of this scale to fruition. The potential economic impact of hosting major sporting events and the associated challenges and considerations is a recurring theme throughout the interviews. The stakeholders' perspectives collectively underscore the multifaceted nature of hosting a Formula One Grand Prix in South Africa, encompassing economic, political, and regulatory dimensions.

4.2.6 Themes identified in response to Question Six

Question Six prompts the interviewees to consider the challenges that are faced by South Africa in hosting Formula One and provide answers to said challenges. The aim of this question was to explore the various challenges that South Africa faces in playing host to this mega sporting event whilst allowing the interviewees to expand on any solutions to these challenges.

4.2.6.1 Financial challenges

Interviewees share a similar sentiment regarding the financial aspect of staging Formula One in South Africa. The feasibility of hosting a Formula One event in South Africa hinges on several key challenges, primarily financial constraints. Interviewee Two stated, *“The bottleneck is definitely financial,”* and Interviewee Three reinforced this by stating, *“The government will not be able to do it given its financial status.”* The need for long-term sustainability is reiterated by Interviewee Two: *“...the second one would be the sustainability of the event.”* While the country boasts expertise and intellectual property, securing adequate funding is a significant bottleneck, exacerbated by currency exchange rates and limited local resources (Gale, 2023). Collaboration between the private sector and government is deemed essential, with the private sector expected to lead in securing financing and providing guarantees. However, government involvement is crucial, necessitating a collaborative effort akin to previous large-scale sporting events like the Rugby and Soccer World Cups, respectively. Interviewee Three states, *“The private sector would need to give the guarantees, but it cannot happen without the government.”* Despite practical challenges and looming political uncertainties, the interviewees emphasise the potential benefits, including job creation and infrastructure development. Accountability is highlighted as a crucial aspect, calling for resource allocation transparency and ensuring a tangible return on investment. Interviewee Nine states, *“A return on investment is required because the country must benefit from the investment it is making in any major event.”* Any request for government funding would necessitate a compelling case and clear demonstration of the event's economic benefits, as confirmed by Interviewee Nine: *“If government funding is required, then it will have to come from the organisers to indicate that they require funding, but they would need to make a very convincing argument,”* with the onus on the organisers to secure necessary financial support. Ultimately, successful execution would require strong leadership, collective commitment, and a strategic approach to addressing both logistical and political hurdles (Gezici and Er, 2014).

4.2.7 Themes identified in response to Question Seven.

Question Seven asks the interviewees to provide potential strategies that can be implemented to ensure that South Africa effectively leverages the multi-year nature of the Formula One deal to stimulate multiplier effects, such as heightened demand, increased inbound tourism expenditure,

and other related economic benefits. The aim of this question is to explore how South Africa can use to our advantage the multi-year deals that Formula One signs and what impact can be deduced from these deals.

4.2.7.1 Positive impact on the economy and a boost in tourism

The interviewees emphasised the long-term nature of agreements with host countries, typically spanning three, five, seven, or ten years. Interviewee One stated, *“Formula One will never be a one-year event, so any host country will sign an agreement, in all probability, for five years with the option to renew for another five.”* The initial year often incurs excessive costs, with subsequent years potentially yielding profits. Interviewee Two provides context: *“The reality is that your first year will always be your highest-cost year because you are getting the facility approved by the FIA from a safety perspective.”*

The interviewees highlight the potential economic benefits, such as tourism boosts. Interviewee Four stated, *“It would be a massive boost to tourism because we know that Formula One has a massive global following and many international guests arrive in each of the cities that host it.”* In terms of job creation, Interviewee Four states: *“The internal job opportunities it might create and the ability to leverage the event are paramount to its success.”* In terms of international exposure, Interviewee Four stated, *“It has a massive outreach to a global viewership, so it is good for brand offerings,”* in association with hosting Formula One events. Furthermore, the discussion touches upon the attraction of tourists through Formula One events. Interviewee Four stated, *“It would be a massive boost to tourism because we know that Formula One has a massive global following and many international guests arrive in each of the cities that host it. They would also have huge local tourism numbers, as well as massive international tourism numbers.”* This indicates a potential increase in tourist numbers due to hosting such events (Ramasamy et al., 2022). The interviewees' insights collectively underscore the significance of long-term investment and economic considerations when evaluating the feasibility and impact of hosting Formula One events. They highlight the potential for economic growth, job creation, and international exposure while also acknowledging the initial financial commitments and the need for long-term agreements to realise the benefits (Ramasamy, Wu, and Yeung, 2022). Overall, the interviews provide a comprehensive understanding of the economic and investment themes associated with hosting

Formula One events, offering valuable insights into the potential impacts and considerations for South Africa.

4.2.8 Themes identified in response to Question Eight.

Question Eight asks the interviewees to offer advice to decision-makers in the public and/or the private sector on how to move forward with a winning bid based on what has been learnt from previous host countries. The aim of this question was to determine if previous learnings can be applied to and or require modification in a South African specific context when applying for the bid to host Formula One.

4.2.8.1 Lack of confidence in the South African government

Four of the nine interviewees provided responses that highlight the need for the South African government to put consistent policies in place that would aid in investor confidence. Interviewee One stated, *“I think the first thing is that you need consistent policies by the government, and that does not only apply to sporting events. As soon as you have consistent rules, regulations, and legislation in the country to deal with and host these events, then it is possible to attract more events, more sponsors, and more business.”* The plummeting confidence in South Africa can be readily attributed to a combination of detrimental policies, deficient governance practices, and a noticeable absence of effective leadership (Bernstein, 2023). This contrasts with Public Works and Infrastructure Minister Sihle Zikalala, who has provided reassurance to investors by affirming that South Africa has implemented systems, structures, and policies conducive to investment, thereby facilitating smoother business operations within the country (de Klerk, 2023). Duncan Wanblad, the chief executive of Anglo-American Plc, contradicted this by stating: *“The economic downturn in South Africa has been exacerbated by the simultaneous decline of key state-owned enterprises, Eskom and Transnet. This downward trajectory commenced notably towards the conclusion of 2014 and has steadily intensified since 2018, contributing to a notable deterioration in the country's economic stability”* (de Klerk, 2023, p. 1).

4.2.9 Themes identified in response to Question Nine.

Question Nine asks the interviewees if Kyalami Grand Prix Circuit is the best-suited track to host Formula One in South Africa or if it is feasible to find a track in a different location in South

Africa. The aim of this question was to determine from the current and previous bidders and government officials that have dealt with the bids, which are the suitable venues to host the event.

4.2.9.1 Suitable racetrack for the event

Five of the nine interviewees indicated that the Kyalami racetrack is the most suitable track if the event is to be held in the near future. Interviewee One stated: *“The only place where it can be hosted in South Africa is Kyalami.”* Interviewee Two stated: *“So a Grand Prix at Kyalami will imminently be much more cost-effective than setting up a street facility.”* Interviewee Four stated: *“As of today, if it had to be within a year, it must be Kyalami. So, Formula One in Kyalami would be the easiest and quickest.”* This is due to the track occupying an FIA Grade 2 certification, which has been noted to be feasible enough to upgrade it to an FIA Grade 1 certification in comparison to building a track from the ground up (Ndlovu, 2022).

Two interviewees stated the amenities that are required for Formula One are not positioned within proximity to Kyalami. Specifically, Interviewee Seven stated: *“Kyalami is not feasible. Kyalami is located in the middle of an urban area. The traffic surrounding the entire area is already chaotic, and there are no ways to expand without major costs involved. Hospitals and hotels are all not close enough to form part of what FOM [Formula One Management] sets as the norm. If you have a Formula One track, you have to, by the rules, have a minimum of three hospitals within a five-to-ten-kilometre radius. Interviewee Five stated, “...the other required facilities, such as hotels, et cetera, are just non-existent or would not meet the required capacity,”* which contradicts the statements indicated by the five interviewees that it is the only track that can host the event if it were to occur in the near future. These insights underscore the necessity of addressing complex logistical considerations and infrastructure requirements before Kyalami can be deemed a suitable venue for Formula One races, especially if it remains the sole viable option. It is imperative to note that while certain venues may exhibit potential for hosting Formula One events, their actual suitability hinges upon approval from the Fédération Internationale de l'Automobile (FIA) prior to the commencement of any race at said venue.

4.2.10 Themes identified in response to Question Ten.

Question Ten asks the interviewees to share their thoughts on the paucity of research on this subject given that the chance to be listed as a host nation in the future has arisen. This question aims to investigate interviewees' perspectives on the absence of research despite ongoing speculation about hosting Formula One events for several years.

4.2.10.1 Lack of research

Three of the interviewees were asked what their thoughts were on the paucity of research in relation to the subject matter at hand. All three interviewees indicated the lack of public data is of concern. Interviewee Six stated, *“The biggest problem we have is that people are not doing enough research, especially in governments,”* and Interviewee Seven reiterated that, *“There has been extraordinarily little work done, and it is one of the reasons why we want Formula One. That is why we need the funding to make sure that the research and the studies are done correctly,”* but also highlighted the need for confidentiality in relation to private sector impact analysis as private sectors do not want the public privy to this information or findings of these studies. Interviewee One confirmed this by stating, *“All I can say to you is that just the VAT that would have been paid by the teams is larger than the (financial) guarantee that was required.”* Interviewee One discusses the financial assurances mandated by Formula One, which the host nation must furnish during the bidding process. There are some questions that have answers that are linked to Question Ten. That is, Interviewee Two stated in his response to question eight that *“South Africa will have to engage with their counterparts from the successful races. That would make perfect sense because you are doing a due diligence study to understand how it worked for these countries. You also must take into cognisance that these are first-world countries with first-world problems, and to try and use that and adapt it to a third-world situation is difficult.”* The paucity of research on Formula One in South Africa highlights an intriguing gap in academia, as confirmed by Interviewee Seven: *“We have the data that we receive from our international stakeholders, and as I highlighted earlier, it is not easy to get information about Formula One. It is not easy to get annual reports and all those things that are very scarce and very hidden.”*

Formula One has a rich history in South Africa, marked notably by the hosting of the South African Grand Prix. However, the country's political isolation during the apartheid era may have limited

international scholarly engagement and documentation of Formula One events and their impact on South African society (Paula, 2022). South Africa has a vibrant motorsport culture that extends beyond Formula One, including events like local circuit racing, and off-road competitions. Research may have focused more broadly on motorsport culture rather than specifically on Formula One (Mpyane, 2023; Motorsport SA, 2023). As noted by a few interviewees and the researcher, historical and current bids are considered confidential information and are not readily shared with the public. Thus, this could impede a researcher's ability to conduct comprehensive studies on the subject matter. Addressing this gap in research could provide valuable insights into various aspects, including the socio-cultural impact of Formula One in South Africa, the evolution of motorsport in the country, the role of Formula One in shaping destination branding, and the economic implications of hosting international mega sporting events. Additionally, such research could help preserve and celebrate South Africa's rich motorsport heritage while contributing to broader discussions on sports culture, globalisation, and national identity.

4.3 Conclusion

This chapter presented a comprehensive analysis of the data gathered through the interviews conducted for this study. The responses were systematically examined, leading to the identification and documentation of key themes. These themes, derived from the interview data, offer valuable insights into the core aspects of the study, particularly regarding the potential advantages and challenges associated with hosting an international event, with a specific focus on South Africa. An analysis of interviews conducted regarding the impact of hosting a major event in South Africa revealed a consensus regarding the positive economic effects associated with such events. Interviewees unanimously reported that hosting could significantly benefit the host nation's economy through enhanced tourism, increased global recognition, and stimulation of the regional economy. Despite these benefits, eight out of nine interviewees highlighted notable barriers, including financial and political challenges specific to South Africa. The interviewee's perspectives on the suitability of the Kyalami racetrack as a venue for the event were notably divided. Of the nine interviewees, five endorsed Kyalami as a viable short-term option for hosting the event. However, two interviewees expressed conflicting views, and two interviewees did not respond to the question as it was outside their areas of expertise, indicating a divergence of opinion regarding the suitability of Kyalami for the event. Additionally, the interviewees pointed out a

significant gap in South African-specific studies related to the context of hosting major events, indicating a need for further research in this area. The primary data underscore South Africa's current potential to successfully host Formula One, reflecting the nation's capacity and readiness in this context. The subsequent chapter will provide a summary of the main findings of the study, drawing conclusions based on the analysed data, and offering recommendations for future consideration.

CHAPTER FIVE CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study asks the question: Does South Africa have the potential to host Formula One and what impact will it have on the economy?

Accordingly, the overall aim of the study is to explore the potential of South Africa to host a Formula One Grand Prix. The objectives of the study are:

1. To explore the potential economic benefits of hosting Formula One in South Africa.
2. To explore the potential economic challenges of hosting Formula One.
3. To explore the potential of South Africa hosting Formula One.

The purpose of this chapter is to illustrate the link between the study's objectives and key findings. This chapter also provides recommendations and areas for future research.

This study began by establishing the definition of a major sporting event, with an emphasis on Formula One. The collected data underwent thorough evaluation, and the ensuing findings were deliberated upon to furnish an insightful understanding of Formula One and the consequential economic ramifications on the nation. This is the source from which the study's motivation was originated. Consequently, the study made substantive contributions towards achieving its outlined objectives.

Chapter Two reviewed the existing literature on the subject matter. Chapter Three discussed the research methodology used in this study, which went in-depth behind the reasoning and selection of the methodology. Chapter Four presented the data collected, the analysis of the data, and discussed it in conjunction with the literature reviewed in Chapter Two. Chapter Five aims to provide conclusions and recommendations.

This chapter is structured as follows: Section 5.2 provides the overview and summary of the findings for each objective. Section 5.4 discusses the contribution of the study. Section 5.5 provides the recommendations and areas for future research.

5.2 Summary of the study

The overall aim of this study was to investigate the potential for South Africa to host a Formula One Grand Prix and the impact the event would have on the economy. In alignment with this overarching goal, three specific objectives were delineated to guide the research process. The first objective was to explore the potential economic benefits of hosting Formula One in South Africa. The second objective was to explore the potential economic challenges of hosting Formula One. The third objective explored the potential for South Africa to host Formula One. The study examined the current economic climate of South Africa, the potential to host Formula One in South Africa, and the impact it might have on the host nation. The synthesis of perspectives from interviewees and the alignment with existing literature on hosting major sporting events presents a comprehensive understanding of the themes influencing South Africa's potential to host a Formula One event. The following subsections discuss the objectives, findings, and conclusions of the study.

5.2.1 Objective one: To explore the potential economic benefits of hosting Formula One

The purpose of this objective was to explore the prospective economic advantages arising from the prospective hosting of Formula One events in South Africa. This endeavour involved a comprehensive review of past host nation races and their resultant economic impacts. The researcher endeavoured to delve into multifarious dimensions, including the host country's regional economy, the dynamics within its tourism sector, and the potential for job generation.

5.2.1.1 Potential positive economic impact of hosting Formula One and its effect on tourism

The responses from the interviewees painted a positive picture of the potential economic impact of hosting a Formula One event in South Africa. Interviewee One (a Member of the FIA) stated the economic impact assessment performed privately concluded that the Value Added Tax that would be generated be in excess of the financial guarantee that is required to host the event. The interviewees highlight the positive implications for tourism, the economy, and associated industries. This assertion is supported by research conducted by Huang et al. (2014), wherein the authors contend that the net economic impact of hosting such an event is positive. Expenditure attributed to tourists constitutes a substantial proportion of the influx of revenue into a region or

nation, thereby triggering the generation of employment opportunities and income (Mitchell and Stewart, 2015; Crompton et al., 2001).

Interviewee Three and Interviewee Four stress the importance of recognising the long-term benefits beyond the event itself. This includes establishing South Africa as an attractive destination for international events, leading to sustained economic growth and development. Within the host nation's context, the implementation of branding strategies confers value on them. While scholars may categorise this phenomenon under various terminologies such as reputation management, public diplomacy, or national identity, Merckelsen and Rasmussen (2019) propose that these endeavours can be effectively categorised by the term nation branding. In addition to the anticipated economic advantages associated with hosting mega-events, there is also the concurrent risk of unanticipated reputational challenges coupled with potential soft disempowerment. Considerable scrutiny may be directed towards the host entity by international media outlets, labour unions, and various non-profit organisations, catching them unprepared (Chalip, 2006). For instance, the Bahrain Grand Prix held in 2012 served as a poignant illustration wherein the host nation encountered severe criticism due to the event spotlighting the undemocratic governance practices amidst ongoing protests (Mee, 2023).

Interviewee One's optimism concerning the economic benefits and job creation potential of hosting the event stands in contrast with Interviewee Two's concerns about sustainability amidst economic challenges. This is underscored by a previous study that suggested the net benefits and sustainability implications of the Australian Formula One Grand Prix have undergone substantial scrutiny, particularly by diverse community groups such as the advocacy organisation Save Albert Park. In evaluating the event's viability, the state's Auditor-General, entrusted with overseeing transparent fiscal management of public funds, advocated for the implementation of a comprehensive cost-benefit analysis. This analysis, conducted through a triple-bottom-line framework, entails an examination of the event's economic, social, and environmental impacts to provide a holistic understanding of its ramifications (Fairley, et al., 2011). The researchers delve into the complexities of hosting such a major sporting event and analyse its effects beyond mere economic gains. They explore how the Grand Prix affects social aspects such as community engagement, cultural significance, and public involvement. Additionally, the study examines the event's environmental footprint, considering factors like carbon emissions, waste management,

and ecological preservation efforts. In terms of the economic dimension, the researchers scrutinize the financial implications for both the host region and the broader economy, including revenue generation, job creation, and tourism influx. South Africa could utilize studies of this nature that will employ the triple bottom line approach, shedding light on its multifaceted impacts and offering insights into how such events can be managed to achieve sustainable outcomes across social, environmental, and economic domains.

5.2.1.2 Potential for foreign direct investment into the country through destination branding

The insights gathered from various interviewees paint a nuanced picture of South Africa's potential to host a Formula One Grand Prix, encompassing economic, political, and regulatory considerations. The complexity of these themes suggests that successful execution requires a comprehensive understanding of the challenges and opportunities involved. Respondents see the event as an opportunity to attract investment interest, particularly in the tourism industry, and as a means of showcasing South Africa as a potential hub for motor manufacturing. This highlights the possibility for broader economic development and diversification. To capitalise on the investment potential highlighted by Interviewee Seven, research can delve into effective strategies for promoting South Africa as an investment destination. Vertakova and Plotnikov (2017, p.1) researched a methodology to "evaluate the host region's image and validated an adapted Hidreth's scale-based approach for regional image assessment, utilising the Krasnodar Territory as a case study." The findings underscore the significance of large-scale sports projects in catalysing socio-economic regional development and enhancing the image of the region, both at the national and global levels. Major sporting events, especially international ones, can enhance public relations initiatives aimed at promoting regional development objectives. These sports projects and events yield positive outcomes, as evidenced by the amelioration of the host region's image and the augmentation of regional economic growth rates (Vertakova and Plotnikov, 2017).

5.2.1.3 Employment opportunities and skills transfer

The majority of the interviewees emphasised the positive impact on employment and skills transfer, indicating that hosting a Formula One event could not only generate jobs but also contribute to the development of specialised skills within the local workforce. The preparation and execution of a Formula One Grand Prix necessitates a diverse array of skills and talents, thereby

engendering job creation across multiple sectors. This encompasses roles in event management, hospitality services, security, and logistics, among others, resulting in the generation of temporary employment opportunities. Moreover, the heightened economic activity accompanying the event, coupled with the bolstering of infrastructure, has the potential to catalyse long-term job expansion, thereby imparting enduring benefits to local communities even following the conclusion of the race weekend (Luzich, 2023). Therefore, there is the potential to reduce unemployment within the host nation.

5.2.2 Objective two: To explore the potential economic challenges of hosting Formula One

The purpose of this objective was to identify potential challenges that South Africa might encounter if it were to host a Formula One event. This involved a thorough examination of possible obstacles and hurdles that could arise in various aspects such as infrastructure, logistics, economic viability, and regulatory requirements.

5.2.2.1 Financial backing challenges and budget constraints

Interviewees highlight South Africa's existing infrastructure as a key strength, suggesting that the nation may be well-equipped to host a Formula One event without heavy reliance on government funding. This emphasises the importance of leveraging current facilities to enhance cost-effectiveness. Interviewee Two and Interviewee Four draw attention to the financial challenges associated with hosting Formula One. The consensus among the respondents suggests that the private sector could play a pivotal role in providing financial support. The fiscal constraints faced by the South African government are underscored by Interviewee Nine, a government official, as corroborated by a body of research within the South African context (Emery, 2002; Phiri, 2019; Motala, 2020). This assertion suggests that the financial resources available to the government are limited, which has been further substantiated by various academic investigations conducted within the country. Finance Minister Enoch Godongwana stated, “There are concerns over the constriction of fiscal space. Key issues contributing to this constraint include sluggish economic growth, escalating public sector wage bills, and diminished revenue streams stemming from underperformance at state-owned enterprises such as Eskom and Transnet” (Parker, 2023, p.1). Amidst the prevailing economic climate, prudent fiscal management necessitates a recalibration of government expenditures to prioritise immediate necessities. This imperative arises from the need to allocate finite financial resources judiciously in accordance with the most pressing societal

needs and exigencies, which has been confirmed by South African Finance Minister Enoch Godongwana (Moneyweb, 2023). A strategic realignment of government funds is imperative to ensure optimal resource allocation and mitigate the adverse effects of economic volatility, thereby safeguarding the overall economic stability and welfare of the populace (Mauro, 2022).

Interviewee Six's advocacy for the potential economic viability of street races introduces a novel dimension, suggesting the exploration of innovative approaches to address financial requirements. This assertion finds support in diverse academic studies conducted across a multitude of countries (Mourão, 2017; Gogishvili, 2023; Chamberlain, 2019). These studies collectively highlight the relevance of considering alternative strategies to ensure the financial sustainability of street racing initiatives.

5.2.2.2 Barriers to the event: Political Implications and Bureaucratic Challenges

Interviewee Four's insights into the political implications, including South Africa's geopolitical stance and concerns regarding corruption, shed light on the potential barriers to partnerships with Formula One. These considerations highlight the importance of aligning political strategies with international expectations and standards. The interviewees' responses place an emphasis on regulatory and endorsement requirements, which serve to underscore the bureaucratic complexities associated with bidding and hosting major events. Navigating these procedural hurdles becomes crucial, requiring efficient coordination between government bodies and sports federations.

Interviewee Three expresses concern about the South African government's experience dealing with major sporting events. This raises a critical issue regarding the role and competency of the government in managing the complexities associated with Formula One hosting. The organisational framework of mega-sporting events entails an intricate network of contracts and subcontracts spanning national and international domains. However, the existing contract management systems often exhibit inefficiencies, thereby fostering an environment conducive to corrupt practices (Maennig, 2015; Olmos, Bellido and Román-Aso, 2020). These studies illuminate the need for improved governance mechanisms to mitigate the risks of corruption inherent in the contractual landscape of mega sporting events (Koenigstorfer, 2024).

5.2.3 Objective three: To explore the potential of South Africa hosting Formula One

The objective of the study was to explore whether South Africa could viably host a Formula One event. This involved examining the feasibility of hosting such an event and determining if a partnership between the public and private sector would be necessary to address the financial constraints. The study relied on insights from interviews with experts from both the public and private sectors to gather comprehensive perspectives.

5.2.2.3 Adopting best practices in hosting Formula One: Insights from host nations

Conducting a comparative analysis between countries that have successfully hosted Formula One events can provide valuable insights for South Africa. South Africa possesses substantial potential to host a successful Formula One event, contingent upon fostering a robust private-public partnership framework. While often associated with financial collaboration, a private-public partnership in this context extends beyond mere monetary contributions to encompass a synergistic alliance aimed at leveraging collective strengths and resources from both sectors for comprehensive event management. This collaborative approach not only enhances the country's capacity to meet Formula One's rigorous demands but also maximises socio-economic benefits and ensures enduring success and global recognition for South Africa as a premier host of international sporting events. South Africa possesses infrastructure capable of supporting large-scale international events. Major cities like Johannesburg and Cape Town have modern airports, hotels, and transportation networks that can accommodate the influx of visitors and teams associated with F1 races.

South Africa can learn from countries such as Singapore and Bahrain, who have strategically selected venues that work to alleviate technical challenges while still appealing to spectators and possessing logistical feasibility (The Official F1 Website, 2023). South Africa could assess potential circuits like Kyalami for upgrades to meet FIA standards while considering the venue's historical significance and local support. South Africa can draw lessons from the UK and Monaco in building strong community relationships for hosting Formula One events. This includes initiating outreach programs, offering volunteer opportunities, and providing economic advantages to local businesses (The Official F1 Website, 2023). Engaging with local stakeholders early in the planning stages is crucial to address community concerns effectively and ensure enduring benefits

that extend beyond the event itself. South Africa can emulate Monaco and Singapore by leveraging effective marketing campaigns, media partnerships, and digital engagement to promote its Formula One event on a global scale. Emphasising South Africa's distinct cultural heritage and stunning landscapes will capture international spectators' and media's interest.

5.2.3.2 Suitable racetrack for the event

Interviewees assert that Kyalami stands out as the optimal venue to host Formula One events in South Africa in the near future, as it would require minimal upgrades to bring it to FIA Grade 1 status as opposed to other racetracks. This assertion is underpinned by several compelling factors. Firstly, Kyalami's rich history and prestigious legacy in motorsport make it a natural choice for such a prestigious event. The track has a long-standing association with Formula One, having hosted Grand Prix races in the past, thus imbuing it with a sense of tradition and heritage that resonates with motorsport enthusiasts globally. The track currently holds a FIA Grade 2 license (Rencken, 2022). Moreover, Kyalami's strategic location and state-of-the-art facilities enhance its suitability as a Formula One host venue. Situated in close proximity to Johannesburg, South Africa's economic hub, the track's modern infrastructure, including world-class circuit amenities, spectator facilities, and hospitality services, ensures a seamless and memorable experience for all involved; it is imperative that Kyalami undergoes necessary upgrades to meet the stringent requirements for an FIA Grade 1 racetrack (Saunders, 2023). These upgrades are essential for aligning Kyalami with the standards mandated by the Federation Internationale de l'Automobile (FIA), the governing body for motorsport worldwide. Upgrading to an FIA Grade 1 track entails meeting specific criteria related to track layout, safety features, facilities, and infrastructure. For instance, the track layout must adhere to precise specifications regarding track width, corner radii, run-off areas, and pit lane design to accommodate Formula One cars safely and efficiently. Safety measures, such as barrier systems, fencing, and marshal posts, must also meet rigorous standards to mitigate risks and ensure the well-being of drivers, spectators, and personnel (van der Schyf, 2022). The consensus among interviewees is that Kyalami epitomises the ideal setting to host Formula One events in South Africa. Its esteemed legacy, strategic location, modern facilities, and captivating ambience collectively position it as a standout destination for motorsport's most prestigious series, reaffirming its status as a cherished gem in the global motorsport calendar although this is subject to FIA approval.

5.3 Contribution of the Study

The study contributes to the academic discourse surrounding sports economics, event management, and the socio-economic impacts of hosting major sporting events in emerging nations like South Africa. Drawing upon both secondary data derived from previous scholarly works and primary data gleaned from interview analyses, this research presents compelling evidence affirming the feasibility and potential of South Africa as a Formula One host nation. By investigating the feasibility and potential ramifications of hosting Formula One in South Africa, the study may contribute to theoretical frameworks in sports management, economic development, and tourism studies. The practical contributions of the study could inform policymakers and stakeholders about the potential benefits and challenges associated with hosting Formula One in South Africa. This could guide the formulation of policies related to sports infrastructure development, tourism promotion, and economic growth strategies. The study may assist potential investors and event organisers in assessing the viability of hosting Formula One in South Africa. It could provide valuable insights into market demand and revenue generation potential, helping stakeholders make informed investment decisions. Hosting Formula One has the potential to enhance South Africa's global reputation and attract international attention. The study may offer insights into branding strategies and marketing opportunities that can leverage the event to promote South Africa as a desirable destination for sports, tourism, and investment.

By adopting a holistic approach, policymakers and organisers can ensure that hosting F1 events contributes positively to the development and sustainability of South Africa's economy and society. The present study aligns with the findings drawn by Bessit (2008), who noted the SA F1 Bid Company's dependence on indicative data sourced from industry norms and the experiences of other Formula One Grand Prix event host countries. The current study resonates with the conclusion highlighted by Bessit (2008), emphasising the absence of a thorough economic impact assessment. This deficiency poses a significant barrier to definitively assessing whether the event will ultimately yield positive or negative outcomes for South Africa. Bessit (2008) concluded there is a shared recognition of the necessity for more robust evaluations in this domain, either by governmental bodies or event proponents, to enhance the effectiveness of the economic impact assessment process. This collective effort aims to produce more dependable results capable of withstanding rigorous scrutiny from independent review mechanisms. The study's conclusion

suggests that while the private sector may undertake economic, social, and environmental assessments, it advocates for collaborative efforts between the government and the private sector. This cooperative approach aims to mitigate individual scrutiny and ensure a comprehensive evaluation process. In alignment with this perspective, the current study posits that hosting the event at Kyalami presents a more viable alternative, as it obviates the need for extensive funding to construct a track from the ground up.

This study on the potential to host Formula One in South Africa holds promise for both advancing theoretical knowledge and providing practical guidance for policymakers, investors, and communities involved in the decision-making process.

5.4 Recommendations and areas for future research

Leveraging insights from interviewees, it is evident that taking into consideration global economic issues underscores the need for a quantifiable assessment of the economic feasibility of hosting such a major international event. There is a need to conduct an economic impact assessment to evaluate the potential financial gains and losses associated with hosting a Formula One event in South Africa. Within this context, it is evident that the economic impact stemming from hosting diverse sporting events varies significantly, both across different sports and among different countries. This variability is influenced by a multitude of factors, including but not limited to the scale and scope of the event, the level of infrastructure required, the size and characteristics of the host locality, the duration of the event, as well as broader economic conditions and policy frameworks within the hosting nation. Consequently, the economic outcomes of hosting sports events are subject to distinct contextual nuances, rendering each hosting scenario unique in its potential economic implications. The current studies done by the private sector are considered confidential, so there is a need to conduct studies and make them available in the public domain. There is a need to collaborate with reputable research institutions, universities, and experts in the field of motorsports to conduct studies specific to Formula One in the South African context. These partnerships can bring specialised knowledge and credibility to research efforts. In addition, there is a need to explore the social and cultural implications of hosting a Formula One event in South Africa. The assessment should examine how it may affect local communities, traditions, and public sentiment. Understanding and addressing these aspects are essential for building community

support (Fairley, et al., 2011; Cheng and Jarvis, 2010; Prayag and Savalli, 2020). Underlining the increasing emphasis on sustainability in motorsports, in tandem with the assessment of the economic and social ramifications of an event, event planners also conscientiously factor in its environmental repercussions (Hede, 2008). Environmental considerations encompass a spectrum of aspects, including but not limited to air pollution, degradation of natural resources, and noise disturbances, all of which contribute to the comprehensive evaluation of an event's sustainability and ecological footprint.

South Africa's international political alignment and reputation for corruption, highlighted by Interviewee Four, necessitate a comprehensive political risk assessment. Research should explore strategies to mitigate political risks, enhance transparency, and align the event with international expectations.

South Africa can fill the existing gap in Formula One-specific studies. This comprehensive approach will equip decision-makers with the necessary information to make informed choices about the feasibility and potential benefits of hosting a Formula One event in the country. Recognising the challenges of adapting successful models from first-world countries to a third-world context, stakeholders should collaborate to find innovative solutions that suit South Africa's unique circumstances. This may involve tailored approaches to infrastructure development, event management, and economic strategies.

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Appendix A: Captures the questions that were asked and the responses provided by the participants

Question one asked: What is your perspective on the current economic climate of South Africa?

Table A.1 - Responses to Question 1

Interviewee	Response
Interviewee One	It is most probably worse than it has been in seventeen to twenty years. We have got incredibly high unemployment rates. The second issue is the collapse of our state-owned enterprises, and I think this is exacerbated by low action or traction to deal with corruption. I think South Africa trying to remain neutral in the Russia Ukraine war is damaging the country severely.
Interviewee Two	I think the South African economic situation is particularly challenging. I think there are a lot of priorities that the government must try to resolve in the country. A good economic policy, in combination with a stable power supply for the country, quality of life, and jobs. So, I think that the challenges are a lot, and with the upcoming elections next year, there is a lot of electioneering going on, and I guess lots of promises are being made, and hopefully those promises will bear fruit at the end of the day.
Interviewee Three	Our situation is not good. Our growth should be at 3%; it is currently 0.9%, and hopefully 1.11% or 1.2%. We are way below in terms of China's 4.5%; other world markets are in the region of 3%. We should be at 3% to have stable economic growth.
Interviewee Four	Unbelievably bad political leadership and policy have put us in a very difficult environment. We have a failed Transnet. Both our rail system and our port system cost our economy two billion rand every day. We have a failed energy supply system. We cannot keep the lights on, and that in itself is costing our economy about just short of a billion Rand a day. We have runaway debt, which is now costing us about 2.2 billion Rand a day. The economy is slowing, such that SARS is not able to collect even the money that they thought they were going to collect. We have a government

	<p>approving higher than inflation rate wage increases for public servants, but citizens are getting poorer.</p>
<p>Interviewee Five</p>	<p>I think the country is grossly over-borrowed. I think corruption has gone from maybe one or two levels to practically every level of governance. Unless there are some fundamental rectifications put in place with regard to the power supply, the prognosis of whether load shedding will be with us for two years or five years changes daily. I think the fact that Transnet has now also come into the situation complicates the matter even further. I think the economic outlook for the country presently is not very healthy.</p>
<p>Interviewee Six</p>	<p>Unemployment rate is at its highest. I think one of the biggest things that also happened was the COVID pandemic.</p>
<p>Interviewee Seven</p>	<p>It definitely is not good. I think we are losing a lot of momentum that we possibly had before COVID-19, and then after COVID-19, there was a little bit of a sprinkle of hope that we could recover quicker than anyone else. We are very dependent on our minerals, and our minerals are stolen from us at cheap prices. That is why we also see such a weak Rand. We are on a downward spiral, and the government just has not had the money to support businesses that need it, and we all know that the BB [Broad Based Black Economic Empowerment] and triple E [Employment Equity policy] are not working and are not adding the value that they should.</p>
<p>Interviewee Eight</p>	<p>It is particularly difficult, I think, post-COVID-19 because the economy is not really the same. Within the sports marketing space, and especially within the sponsorship space, it is a little bit more difficult in terms of how we are able to engage with sponsors. Their budgets were constrained for a little bit, and within that context, it makes it challenging to seek sponsorship and raise funding.</p>
<p>Interviewee Nine</p>	<p>It is not particularly good. If we are looking at ourselves as government departments, during this year we have had serious budget cuts. The only other time we have actually had to make such cuts was during COVID, where we had to really apply our minds. We had to see where funding was</p>

	<p>required, review our strategy, review our planned projects, and then make money available. Given the fact that in the next three years, we as a government department have already been told that there will be budget cuts, all of us have had to look at our service delivery model so that we can re-align our strategy with the reductions in budget.</p>
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Question 2 asked: Does South Africa have the potential to host Formula One?

Table A.2 - Responses to Question 2

Interviewee	Response
Interviewee One	<p>Absolutely! The reason why South Africa has the potential is because we do not need any funding from the government to do so, and we have got the facilities in the country. So, from that angle alone, we have the infrastructure to deal with the Formula One situation. Where we would need assistance from the government to host a Formula One race is with imports and the clearing of goods in and out of the country. There is some infrastructure support that you need from police, local metro police, and joint operating committees in metros, but there is certainly no reason why South Africa cannot host a Formula One event.</p>
Interviewee Two	<p>Absolutely. It has never been about the ability to host it from a personnel perspective or from an IP (intellectual property) perspective. The limiting factor, or the bottleneck, is the proposal. There has always been a monetary bottleneck or a commercial issue. If you look at Formula One, most of the world over, 'it has always had some sort of government funding behind it. That is purely because of the vast sums of money required, and our exchange rate does not aid our case. So yes, I think people's skills and their abilities, as well as the IP (Intellectual Property), is not a problem. We can pull it off. I think the facility is available, with some required upgrades from a safety perspective, but yes, I think it would be very possible to host it based on finding the commercial backing for it.</p>
Interviewee Three	<p>I think the ability should not be a problem, but I think the democratic stage and government have not been tested in terms of experience.</p>
Interviewee Four	<p>Yes, absolutely. And once we have agreed to that, then secondly, we have got to agree that Formula One is going to be slightly different in South Africa from perhaps a Las Vegas Grand Prix , or a Monaco Grand Prix, or even a Singapore Grand Prix, because on the African continent there must</p>

	<p>be an understanding that there will be a need to spend more money seeding the event. We cannot justify the big budgets that are associated with Formula One, so it would have to be a specially agreed package, at least for the first three years. Formula One must also be more of a partner in delivering this from an investment point of view for the host country.</p>
Interviewee Five	<p>The private sector has the capability and the financial capacity. Although it is an enigma, given the state of the economy, the Stock Exchange has had yet another record day, so there are - companies in this country that are making huge profits.</p>
Interviewee Six	<p>I think we do have the potential. It is not a matter of whether we have the potential. We hosted it in the eighties, and up into the early nineties. We do have the potential, but I think a street race would be more feasible than building a circuit. A street circuit, for one, would become a tourist attraction, it would turn into an annual event that would become a money spinner, and that would be the most economically viable solution to hosting Formula One.</p>
Interviewee Seven	<p>It does have the potential.</p>
Interviewee Eight	<p>I do not think there is any doubt that we can host Formula One, or other major sporting events for that matter. From that perspective, if we think of where global sports are, South Africa can easily host these events. The question is, in the current economic climate in South Africa, if you look at the cost of some of these things and if you think back to the debate that was had around the Commonwealth Games and hosting the Commonwealth Games, does it make sense to spend that much money? To hosts these events in the South African context? And what return can you generate from it?</p>
Interviewee Nine	<p>I cannot give you a straightforward answer to that because it will depend on a few things. Firstly, there are regulations that relate to bidding and hosting of major sporting events. In terms of the regulations, whoever</p>

	<p>wants to bid for any major events has to provide guarantees, and they must commit to the fact that they have funding for it. If at any time they need the government to sign any guarantees or they need the government's financial support, then that means that the Minister of Sport, Arts, and Culture in his portfolio, will actually have to follow that regulation, and consult with other role players like the National Treasury and any other department that has an interest or has a role to play. In staging any major event, once that feasibility is done and once the organisers, or the rights holders have come forward to say that they do have the finances, then they must sign guarantees or provide assurances from sponsors or others. So yes, South Africa can host it, but it is subject to many things, and that starts with the regulatory framework, and the appetite of the country to host this event amidst the fact that they may be financial implications for government. Then the government will have to take that into consideration, in light of any other pressing priorities that they have.</p>
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Question 3 asked: What impact will Formula One have on the current economic climate of South Africa?

Table A.3 - Responses to Question 3

Interviewee	Response
Interviewee One	<p>On average, the attendance at any Formula One event over a weekend is between 300,000 and 400,000 people. There is not a single sporting event in South Africa that can say that it has hosted 200,000 people over a weekend. We were aiming to have 270,000 people over a weekend. The next thing to take into account is the number of visitors that attend Formula One events that are not from the host country, which is in the region of 60%. If you think about the distance that these people would have to travel to visit South Africa, they are not going to come just for the weekend. They will spend a weekend in Mpumalanga, or they might spend some time in the Western Cape. The major benefactors are not the Department of Sports, Arts, and Culture, but the tourism section within South Africa. Consider that Formula One events get broadcast worldwide. In 2022, Formula One events, in total, were watched by 1.57 billion people. Your public relations exposure, as to what you can bring into any country, is enormous.</p>
Interviewee Two	<p>I think the reality of the situation is that it has been shown to have a very positive impact, in the sense that you have a lot of visitors to the country from a fan perspective, from teams, et cetera. The tourism industry is given a massive boost, with Formula One coming to a particular country. Economic impact studies would have to be done to figure out what the quantum of that impact would be.</p>
Interviewee Three	<p>It would put us back on the international stage in terms of our ability to host international events, which we are good at. The importance of world viewers seeing our country's tourism comes afterwards. The positive economic impact, like any international event, would be a major boost to our economy, and our country, as a tourist attraction. The economic boost</p>

	<p>across multiple industries, as well as the Formula One industry itself, and all its related services, would enhance our economic position. The construction of a brand-new stadium and track not only creates jobs directly but stimulates the growth of spinoff industries such as hospitality and transport. The successful hosting of Formula One would attract events from the wider motor racing industry.</p>
<p>Interviewee Four</p>	<p>It is already a massive global event that attracts hundreds of thousands of visitors or spectators to the physical event, so that would be a major capital injection. This is a catalyst event. I have no doubt it will be good for the economy, not only where it is being held but for the whole country. But of course, you must also make sure that you are getting all the other knock-on investment opportunities. Channelling for future skills development, whether it be in design, in technology, or whatever else, can be linked to it because you cannot just have it as a one-day event or a few days' event in a calendar year. It has got to be part of an overall plan that links to the event. It has got to be seen as a long-term project with a whole lot of subcategories that bring benefit year-round to the region.</p>
<p>Interviewee Five</p>	<p>The event could be seen as a national event where everybody gets involved. For example, if a new track were to be built, and that in itself would generate employment via construction jobs, many people would have permanent jobs created for them. Without the threat that it is not gobbled up by corrupt people, I think that there could be a direct benefit, but I do not subscribe to the theory that the country will benefit economically because X number of tourists will come to the country to watch the Formula One event. No matter what numbers people put forward, they never quite seemed to materialise in terms of the foreign visitors that come to the country. In fact, spending money at this particular time on attracting tourists must be taken with a pinch of salt, because the infrastructure of so many tourist destinations is not what it was five years ago. To promote South Africa as a destination is a very good thing to do and we certainly do have areas of excellence.</p>

Interviewee Six	<p>From an economic perspective, in any country where foreign currency flows into the country, it strengthens the economy of the country. Formula One is purely based in dollars, pounds, and euros. I think it would have a positive impact on our economy so that we could generate income within our tourism sector. I believe our employment sector would benefit as well. There will be a transfer of skills as well. There is a huge vehicle following in Cape Town, whether motorsport or any other sport, because whenever we have a motorsport event, people attend, whether they are followers or whether they are with others just to attend the event. So, I think it will have a positive impact and that it will generate money not only the city but, in the province, as well.</p>
Interviewee Seven	<p>It will have to be an investment by interested parties. It could highlight the tourism industry at the highest level, and it will also showcase South Africa's motor manufacturing industry.</p>
Interviewee Eight	<p>From hosting such an endeavour, some of those benefits provide an economic impact, and some of them make a social impact. Some of it is the development of local motorsports or sports in general. Some of it is strictly knowing that you have a big motorsport following and that hosting such an event can bring some sort of national pride or image branding, et cetera. I think the benefits would be immense.</p>
Interviewee Nine	<p>Like any other major events, that we host in the country, there is a major economic impact on the country. From a tourism perspective, from a job creation perspective, the services industry to services that are required, the generation of income through customs and exports, there is a whole host of benefits to the country. The legacy it leaves behind as well.</p>

Question 4 asked: What advantages can be deduced from South Africa hosting Formula One racing? **Table A.4 - Responses to Question 4**

Interviewee	Response
Interviewee One	The tourism sector within South Africa will benefit the most, as will broadcast revenue and public relations exposure.
Interviewee Two	I think that spending will be massively high, so there will be a lot of tax income for the country, and there will be a lot of income for hotels, accommodations, rental incomes, press incomes, and restaurants. I think it will have a positive economic impact on the country.
Interviewee Four	There will be immediate job opportunities that are linked to it. Then, of course, the secondary impact would be the extra value added by job opportunities, investment opportunities, economic growth, and, of course, the brand positioning of the country globally.
Interviewee Five	I think it is the ownership of Formula One. The American owners clearly have their own business model that they are pursuing. The owners are very capitalistic, as they are looking to maximise profit. In the last few years, they have moved away from physical tracks such as Monza or Imola. They are growing their series specifically in America and in rich Arab states on road circuits, which the purest motor racing fans do not particularly like because the possibilities of competitive racing on circuits of that nature are reduced.
Interviewee Six	As a country on the whole, even though we are seen as a third-world country, we do have first-world facilities. If you look at the events that South Africa has successfully hosted, those would be the Cricket World Cup, the Soccer World Cup, and the Rugby World Cup. So, I think if you look at those three sports, the only other sport that we have not hosted, besides Formula One that was hosted in the nineties, is the Olympic Games.
Interviewee Seven	The advantages again would be us promoting ourselves. South Africa is seen as a third-world country, and part of that is true, but we are different than our African counterparts. We do have a better system in place. We

	have a better banking system, and we have a better export and import system.
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Question 5 asked: What are the current challenges that are preventing South Africa from hosting Formula One?

Table A.5 - Responses to Question 5

Interviewee	Response
Interviewee One	<p>I think the disadvantage at this moment in time is the perception in people's minds that this is an elitist sport. Our biggest problem in this country is unemployment. I can share with you that when we hosted the last nine-hour race on the 28th of February, we brought in an extra 1800 people for the day. That was 1800 extra employment opportunities that we created in one weekend.</p> <p>The biggest challenge is Formula One's own success. The issue right now is that you have the whole of the United States of America starting to follow Formula One. So, what you have is countries all around the world bidding or trying to get onto the calendar. We can get it, but we cannot have statements or incidents, for example, like what we had when a Russian military ship docked at Simonstown. We are sympathetic towards, or we do not necessarily want to take a stance against, the Russian invasion in Ukraine, and you have Formula One, which is an American-owned business owned by Liberty. So, from their point of view, they are going to go where they are going to pick up the least reputational issues. We have got load shedding, but that is something that we can resolve, although it might be expensive, and you may have to bring in massive generators or whatever. The issue is that, from the Formula One organisation's point of view, they are going to go where they feel the most welcome, where it is going to be the most financially beneficial, and where they are going to increase their television viewership. So, the moment you begin to have a little bit of controversy as to where to pick a new venue, they are going to go to the one that is the least controversial.</p>

Interviewee Two	<p>The only negative could be a political one. Is it necessary for the country to host Formula One? Is the money better spent on higher-priority items that the government should have on its agenda, i.e., Eskom, tax income, and job creation? There is probably a core team of people who are organising this thing as a full-time job, but you will only get ad hoc job creation for the event. Maybe a month or two months before that, so it will be questionable as to whether there is a sustainable job creation associated with hosting a Formula One Grand Prix in totality. You would expect that there would be some government funding, and then the problem with that comes in: is it in the country's interest at this stage? If you look at America, they have three Grand Prix; you look at the Middle East, those are booming economies. We are a third-world country, and I think the reality comes in: are we able to afford this in our current situation?</p> <p>Corruption rates: The reality is that corruption, or the alleged corruption within South Africa, is highly problematic. The issue is that it creates a lot of scepticism from international companies, like Formula One, who are publicly listed companies, to get involved in a South African situation.</p>
Interviewee Three	<p>I think COVID-19 has had a substantial impact recently. Going back to 2008 and the collapse of the international financial industry, many countries have not recovered to their former glory. It is about self-governance and whether we have the financial ability.</p>
Interviewee Four	<p>I am privy to some inside information that Formula One was very excited about South Africa, and quite frankly, our position on Russia has been a deterrent. I think the amount of money requested from Formula One, from a licencing and investment point of view, is a big issue for us. In the quantum, because of the rand-to-dollar exchange rate, which becomes very costly.</p>
Interviewee Six	<p>Eventually, it was found to have to do with the Russian issue and the cargo ship that docked in Simonstown, with the accusation of South Africa giving arms.</p>

Interviewee Seven	I think funding is one, and our political climate is number two. It is our brand as a country, which is not very well known.
Interviewee Eight	I think a large part of it is a commercial one: what it takes to host a Formula One Grand Prix and justifying it within the South African context. Finding the funding is really a tough challenge. I think it is mainly a funding one.
Interviewee Nine	<p>There is a process to follow. There is regulation surrounding the bidding and hosting of major events. So, the first step is that Formula One belongs to motorsport, so Motorsport SA is the recognised sports federation in the country. Motorsport SA, with the promoter, would have to make the first endorsement. Motorsport SA would then have to say they endorse the event coming to South Africa, etc. They would then, on behalf of the promoter, write to the Minister and request the submission of their file with all the compliance documents. They would have to have done their own economic impact assessment, because it is very clear that it has an impact on the environment. So, all those environmental impact assessments will have to be done because you have cars that are being used on the track, and there is a carbon footprint surrounding that. There are things that will prevent it if we do not do our due diligence. If there is no funding available because it is an international event, you cannot go to a municipality and appeal to the mayor, or you cannot go to a province and appeal to the Premier. The funding must come to the minister. If it has an impact on transport, the Minister of Transport must be consulted, and the Minister of Health will also have to be consulted. Customs, because there is major equipment coming into the country. Tourism, economic development, and the DTIC [Department of Trade, Industry, and Competition] because there is a whole lot of intellectual property involved in the provinces. If it is going to be hosted in a particular province, then that province must also provide letters of support, and the municipality has to provide letters of support as well. There is a whole ecosystem that goes around hosting any major event, and it is no different for Formula One.</p>

Question 6 asked: How can these challenges be addressed?

Table A.6 - Responses to Question 6

Interviewee	Response
Interviewee Two	<p>I would think the reality of the situation is that, in terms of people, expertise, and IP, we can do the job. The bottleneck is definitely financial. The second one would be the sustainability of the event, because normally Formula One, as the rights holders, will probably want to sign a three-, five- or ten-year deal, not just a one-year deal. Fans will probably just suck it up and buy the tickets for year one. Year two and year three are always the challenging years because the novelty of the event has worn off and you end up with situations where it becomes an affordability criterion for the spectators. I think the last challenge would be getting the cars in and out of the country, because the ports are quite problematic. The reality is that in South African companies, you are dealing in a rand-to-dollar economy, so everything has got to be multiplied by that factor of eighteen to twenty, and it becomes quite challenging for South African companies to provide the money for this. So, you will have to look at international sponsors such as Heineken and Rolex. These sorts of companies will have to bring dollars into the country.</p>
Interviewee Three	<p>The private sector would have to come to the table and assist the government. The private sector would need to give the guarantees, but it cannot happen without the government. It means putting a heavy weight on the private sector to be the frontrunner for hosting a Formula One race. The government will not be able to do it given its financial status.</p>
Interviewee Four	<p>I would say that nationally, provincially, and alongside the private sector, you must put a team together that says we are going to land this project, similarly to the teams that were put together to land the [Football] World Cup.</p>
Interviewee Five	<p>It has to be along the lines of a World Cup rugby tournament or a World Cup soccer tournament that engages and involves the entire country. Unless</p>

	<p>it is that kind of initiative, I think it is going to be exceptionally difficult. I do not think anything is impossible in this country. I just think it would be very difficult. I think it would be much better if the country stepped up and said, we as a country would like to host this, and these are going to be, as mentioned earlier, the absolute tangible and direct benefits that are going to present.</p> <p>We all know the problems, and we all know the requirements. By hosting an event of this magnitude and stature, you can physically address those needs, which are mainly job creation, but it is going to take someone with a huge amount of foresight to do so. There are many practical challenges that the country faces right now, not least of which is the election next year [the South African national election in 2024]. Maybe after the election next year, it is really going to impact everything I have said, because at the end of the day, if we end up with no political party having the majority, then that may put Formula One quite far on the back burner. It must be a collective effort by the country because it is going to need some strong leadership to step up and say: This is what we are going to do because it is going to create 50,000 jobs plus all the other benefits that flow.</p>
Interviewee Seven	<p>Accountability. We do not hold people accountable in this country when the leaders are doing stuff that they should not do. They should be accountable. If the money is found, it is quite easy to do things. When things happen, with that comes investment.</p>
Interviewee Nine	<p>If government funding is required, then it will have to come from the organisers to indicate that they require funding, but they would need to make a very convincing argument. A return on investment is required because the country must benefit from the investment it is making in any major event. So, if government funding is required, we will need to go to the National Treasury. From our own experience, we have previously been approached by promoters to host the event. When we took it to the National Treasury, it was very clear that there is no new money or additional money sitting somewhere that they can make available.</p>

Question 7 asked: In light of Formula One's established practice of entering into multiyear contractual agreements, what strategies can be implemented to ensure that South Africa effectively leverages such a deal to stimulate multiplier effects, such as heightened demand, increased inbound tourism expenditure, and other related economic benefits?

Table A.7 - Responses to Question 7

Interviewee	Response
Interviewee One	<p>Formula One will never be a one-year event, so any host country will sign an agreement, in all probability, for five years with the option to renew for another five. The Las Vegas agreement is a 10-year one, and the only time we as a country will host an event for less than five years might be if there is a default by one of the parties and, due to necessity, it must be moved. Otherwise, they are always long-term agreements. There are promoters of these events, who will spread their costing over several years. So, you will never get a one-year agreement for us to host the event, unless we have the one scenario that we had, and I am going back to Russia, when we might have to find an alternative venue very quickly for the Russian Formula One event.</p>
Interviewee Two	<p>The reality is that your first year will always be your highest-cost year because you are getting the facility approved by the FIA from a safety perspective. Your year-two, year-three, year-four, year-five, or however long the agreement is, you are essentially, I would not say, copying and pasting, but you have got efficiencies that have come out of the knowledge of hosting the event in the prior years. From that perspective, year one is probably a loss-making year, but thereafter, if you can get year two, three, or four to still sell-out crowds, you as a promoter or organiser would be in a very good position. If you look at the current successful Grand Prix in Abu Dhabi, Bahrain, and Monza, all these places. These are 10-to-20-year type arrangements, and it is obviously working for them, so it can work for South Africa.</p>

Interviewee Four	<p>It would be a massive boost to tourism because we know that Formula One has a massive global following and many international guests arrive in each of the cities that host it. They would also have huge local tourism numbers, as well as massive international tourism numbers. It has a massive outreach to a global viewership, so it is good for brand offerings. I do not know exactly how many people there are; maybe there are a billion people who are getting the opportunity to witness a South African city and brand. The internal job opportunities it might create and the ability to leverage the event are paramount to its success. Can it lever discussions in university degrees that might lead to discussions about the sport? Can it lever mainstream investments into infrastructure and related sectors? I would imagine that a Formula One Grand Prix would also create better opportunities and a better enabling environment for growth.</p>
Interviewee Five	<p>If you look at the history of Silverstone, it used to be an airport, which was converted into a racetrack, and given what I have been saying about city centres, city races, and the proliferation of a Miami Grand Prix or a Saudi Arabia Grand Prix, if you look at the calendar, I do not know off the top of my head right now, but I do not think I am far wrong in thinking that maybe fifty percent of the races taking place are held on street circuits. Another especially important aspect of any kind of motor racing is the health facilities in proximity to the track. You must be relatively close to airports because the amount of freight that a Formula One race now generates is also excessive. So, to answer your question, which is, would we do a single-year or a multi-year? It would all depend on where our chosen location is. I would suggest that the investment to provide all of the necessary infrastructure would require at least a 5-year or multi-year contract to gain any kind of return on investment.</p>
Interviewee Six	<p>As you know, with Formula One, you usually sign a five-to-ten-year or three-to-five-year contract with them. In your first year of hosting, you do not make money. You are basically recouping your costs. In your second year, you start benefiting from that, because that is stuff that you do not</p>

	<p>ren; that is stuff that you buy to use over multiple years. So, in your first year, you will be spending, but the impact that will have on tourism will be huge. We must be mindful that Formula One does have a following of 50,000 people who religiously follow them to every Grand Prix, and they travel with them all over the world. Their spending in our country will have a positive impact if they come and visit us here, and hypothetically speaking, if they spend 5 days here, they spend \$100 on the five days, which is \$500, and that multiplied by the 50,000 gives you a total of something like \$22 million, a direct impact. Then you get the people that are supporters and want to come and watch that will travel specifically to Cape Town, and that will also have a positive impact. We have our locals who will attend as well. So, it would have a positive impact, not only in one sector but in all the sectors. A ripple effect of Formula One can last for much longer than just after the last race has been out of the country.</p>
Interviewee Seven	<p>We are looking at a three-to-five-year plan. That is what we have in mind at the moment. It could put between 2 and 3 billion Rand into the coffers of the tourism industry and motor-racing industry, and it is only going to multiply going forward because it is just going to put more and more emphasis on South Africa and the South African motor-racing industry.</p>
Interviewee Nine	<p>It will be up to Motorsport SA or Formula One to convince us and to commit to whatever is their minimum or their ceiling. This is the minimum that South Africa will benefit from, in monetary values, or what the ceiling is up to: a maximum of so much.</p>

Question 8 asked: Can you offer advice on how decision-makers in the public and/or the private sector, could move forward with a winning bid based on what has been learnt from previous host countries?

Table A.8 - Responses to Question 8

Interviewee	Response
Interviewee One	I think the first thing is that you need consistent policies by the government, and that does not only apply to sporting events. As soon as you have consistent rules, regulations, and legislation in the country to deal with and host these events, then it is possible to attract more events, more sponsors, and more business. When you have a situation where these are being changed on a haphazard basis, a corporate entity would rather look for something where they do have certainty and understand what the policy is in the long term. Nobody or any corporate entity is going to commit to a country to bring an event like Formula One to South Africa for a 10-year period unless there is some consistency in government policies on how they deal with issues.
Interviewee Two	South Africa will have to engage with their counterparts from the successful races. That would make perfect sense because you are doing a due diligence study to understand how it worked for these countries. You also must take into cognisance that these are first-world countries with first-world problems, and to try and use that and adapt it to a third-world situation is difficult. I would think that there are some learnings, but they would need to be adapted for a third-world situation.
Interviewee Three	Yes, there is an opportunity if we as a department and government do our own research.
Interviewee Four	Not really, because I have not analysed bids from host countries.
Interviewee Five	It is a very good question, and it is a very good time that you are asking these questions because the one thing we have seen in the last five days is that this country is sports mad, literally sports mad! It gives you an indication of the passion this country has for sport.

Interviewee Six	<p>The important thing is to have case studies at hand. I think the problem we have currently in our country is the people that are in charge, whether it be from a lower level, such as a city, or from a municipality to the national government. So, Formula One will have a positive impact on a country depending on what the agenda is, because you find that in most cases, for any business that wants to enter into any involvement with the government, there is always somebody that is looking for a kickback, and there is always somebody that is looking out for themselves instead of focusing on trying to achieve the goal.</p>
Interviewee Seven	<p>We have the data that we receive from our international stakeholders, and as I highlighted earlier, it is not easy to get information about Formula One. It is not easy to get annual reports and all those things that are very scarce and very hidden, and it all has to do with the way that they work. Our role would be to advise the government on what to do and how to sustain this form of motorsport.</p>
Interviewee Nine	<p>When we were approached, we were not able to say that we would fund the initiative because of the economic situation and because we were not getting any new money to host a major event. Given the cost to hosting a major event, if we where we were asked to find the money within our own budget, it would not have been feasible because it would have meant that a whole lot of projects and sports development programmes would not take place. Unless we had any extra funding it could be considered.</p>

Question 9 asked: Is Kyalami the best-suited track to host Formula One in South Africa or is it feasible to locate a track in a different location in South Africa?

Table A.9 - Responses to Question 9

Interviewee	Response
Interviewee One	The only place where it can be hosted in South Africa is Kyalami.
Interviewee Two	Formula One has the financial muscle to set it up anywhere they would want to, depending on where it would have the biggest impact. Street circuits are notoriously much more expensive to set up than purpose-built facilities such as Kyalami, so a Grand Prix at Kyalami will imminently be much more cost-effective than setting up a street facility. If Formula One is going to promote a race organiser in South Africa or in Africa, then I guess the sky is the limit. If it is with private individuals, it is a completely different conversation. Then I would think it is only Kyalami. I think for sure that Kyalami is the only facility. It is an absolute world-class facility. It is currently Grade 2 FIA-approved, which essentially means everything besides FIA Grade 1. Any other facility would be almost impossible unless F1 themselves are the investors, and in the end, it is their facility. They would buy the facility and do it from scratch, which they have shown in Las Vegas, can be done.
Interviewee Four	I do believe that if we must enter South Africa into a long-term relationship with Formula One, Cape Town would be able to give you a better long-term offering because it is totally unique and has an extremely specific brand offering. But right now, as of today, if it had to be within a year, it must be Kyalami. So, Formula One in Kyalami would be the easiest and quickest.
Interviewee Five	It is exceptionally good. If you take a track like Killarney in Cape Town, I think it faces the same challenges as Kyalami in terms of restrictive entrances and exits. It could be made to work yet, but the other required facilities, such as hotels, et cetera, are just non-existent or would not meet the required capacity. There is a track in Welkom, Phakisa; you have

	fantastic access roads and exit roads, and it is close to the airport. I think we could come up with a solution that ticks all the boxes.
Interviewee Six	Kyalami has already hosted Formula One successfully, but when it was bought, they chopped and changed it. They would have to upgrade it to meet Formula One specifications. The circuit is too far from the airport, for one; it is too far from hotels, and it is too far from various other amenities.
Interviewee Seven	Kyalami is not feasible. Kyalami is located in the middle of an urban area. The traffic surrounding the entire area is already chaotic, and there are no ways to expand without major costs involved. Hospitals and hotels are all not close enough to form part of what FOM [Formula One Management] sets as the norm. If you have a Formula One track, you have to, by the rules, have a minimum of three hospitals within a five-to ten-kilometre radius. Kyalami does not have that; Lanseria Airport is far away. So again, everything points to us [Cape Town] as the best location, and that is one of the reasons to relocate.
Interviewee Nine	Not an expert

Question 10 asked: Could you share your thoughts on the paucity of research on this subject given that the chance to be listed as a host nation in the future has arisen?

Table A.10 - Responses to Question 10

Interviewee	Response
Interviewee One	All I can say to you is that just the VAT that would have been paid by the teams is larger than the guarantee that was required. We can certainly host a Formula One event, and we do not require financial assistance from the government.
Interviewee Six	The biggest problem we have is that people are not doing enough research, especially in governments. I think whoever wants to bring anything to South Africa or pitch an idea must have all the evidence, all their ducks in a row, and all their facts at hand. I think from my side, it is more from an education perspective and placing the right people in the right positions. What you are doing now, the research that you are doing. I believe research like this should be made public knowledge because, obviously, you are doing it in depth. We are waiting on case studies from countries that are hosting events because that should be our bible to look at and see. For example, one of the races you get is the Brazilian Grand Prix, which is like ours if you look at it from a monetary perspective. The rest are all higher costs. Like the Americas, you cannot compete as South Africa because of the rand to the dollar exchange rate and the amount of support they have.
Interviewee Seven	There has been extraordinarily little work done and it is one of the reasons why we want Formula One. That is why we need the funding to make sure that the research and the studies are done correctly.

Appendix B: Informed consent letter

UNIVERSITY OF KWAZULU-NATAL

MCOM Research Project

Researcher: Yashika Singh ([REDACTED] / 212502933@stu.ukzn.ac.za)

Supervisor: Professor Mihalis Chasomeris (031-260 2575 / chasomerism1@ukzn.ac.za)

Research Office:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus, Govan Mbeki Building, Private Bag X 54001 Durban 4000.

KwaZulu-Natal, SOUTH AFRICA Tel: 27 31 2604557- Fax: 27 31 2604609 Email:

HSSREC@ukzn.ac.za

CONSENT

I, _____ (Full Names and Surname), thus consent to participate in this study, titled “**An exploration of the potential to host Formula One in South Africa**” by Yashika Singh. Through an informed consent letter, the researcher in this study provided me with appropriate information on the nature of the study, and hereby confirm that I understand the contents of this document and the nature of this research project, and I consent to participate in this research project. I declare that my participation in this study is completely voluntary and I have been informed that I may withdraw at any given point of this study without negative consequences.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher or the supervisor on the numbers above.

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact the HSSREC on the details above.

Additional consent, where applicable

Please tick the relevant circle below:

I hereby give permission for my name and the name of my company to be disclosed in the research project. Yes/No

I request anonymity for my name and the name of my company. Yes/No

I give permission to be audio-recorded Yes/No

Signature of Participant

Date

This page is to be retained by researcher

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP
MCOM Research Project

Researcher: Yashika Singh ([REDACTED] / 212502933@stu.ukzn.ac.za)

Supervisor: Professor Mihalis Chasomeris (031-2602575/chasomerism1@ukzn.ac.za)

Research Office:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

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KwaZulu-Natal, SOUTH AFRICA Tel: 27 31 2604557- Fax: 27 31 2604609 Email:

HSSREC@ukzn.ac.za

Dear Respondent:

My name is Yashika Singh, a Master of Commerce student at the Graduate School of Business and Leadership at the University of KwaZulu-Natal. You are being invited to consider participating in a study titled: *An exploration of the potential to host Formula One in South Africa*. The aim of this qualitative study is to:

Explore the potential that South Africa possesses to host Formula One and what impact it may have on the country. The purpose of this study is to shed insight into the previous bids that South Africa has made to host Formula One and determine what advantages and disadvantages may arise from hosting an event of this magnitude.

The study is expected to enrol an estimated fifteen participants in South Africa. It will involve the following procedures: audio recording of the interview from a pre-determined list of questions.

The study will provide no monetary gain to the participants. This study aims to provide insights into South Africa's position in relation to hosting Formula One and is intended to contribute to the current literature, thus possibly allowing for recommendations on the topic.

Participation in this study is voluntary and participants are free to withdraw from the study at any time with no negative consequence. There will be no monetary gain from participating in this study. Interview times are estimated to last 30-45 minutes. By participating in this study, a list of pre-determined questions will be provided and your responses will be audio-recorded for transcription and analysis. Your personal identity will be included in the study unless otherwise requested to remain anonymous. Confidentiality and/or anonymity of records identifying you as a participant will be maintained by the researcher and the Graduate School of Business and Leadership at UKZN.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (**Protocol number: HSSREC/00006228/2023**). In the event of any problems or concerns/questions you may contact the researcher at [REDACTED] or email 212502933@stu.ukzn.ac.za or the UKZN Humanities & Social Sciences Research Ethics Committee on the details listed above.

Sincerely,
Yashika Singh
26th October 2023

Appendix C: Ethical clearance certificate



24 October 2023

Yashika Singh (212502933)
Grad School of Bus & Leadership
Westville Campus

Dear Y Singh,

Protocol reference number: HSSREC/00006228/2023

Project title: An exploration of the potential to host Formula One in South Africa

Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 29 September 2023 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 24 October 2024.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

HSSREC is registered with the South African National Health Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)

/dd

Humanities and Social Sciences Research Ethics Committee

Postal Address: Private Bag X54001, Durban, 4000, South Africa

Telephone: +27 (0)31 260 8350/4557/3587 Email: hssrec@ukzn.ac.za Website: <http://research.ukzn.ac.za/Research-Ethics>

Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

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Appendix D: Turnitin originality report

Appendix E: Letter from the editor