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00:05am 15TH DECEMBER 2020

NEWS RELEASE

THE ECONOMIC AND ENVIRONMENTAL IMPACT OF THE HISTORIC AND CLASSIC MOTOR INDUSTRY IN THE UK

Revealed: an £18.3 billion turnover growth industry, a surprise boost to the UK economy

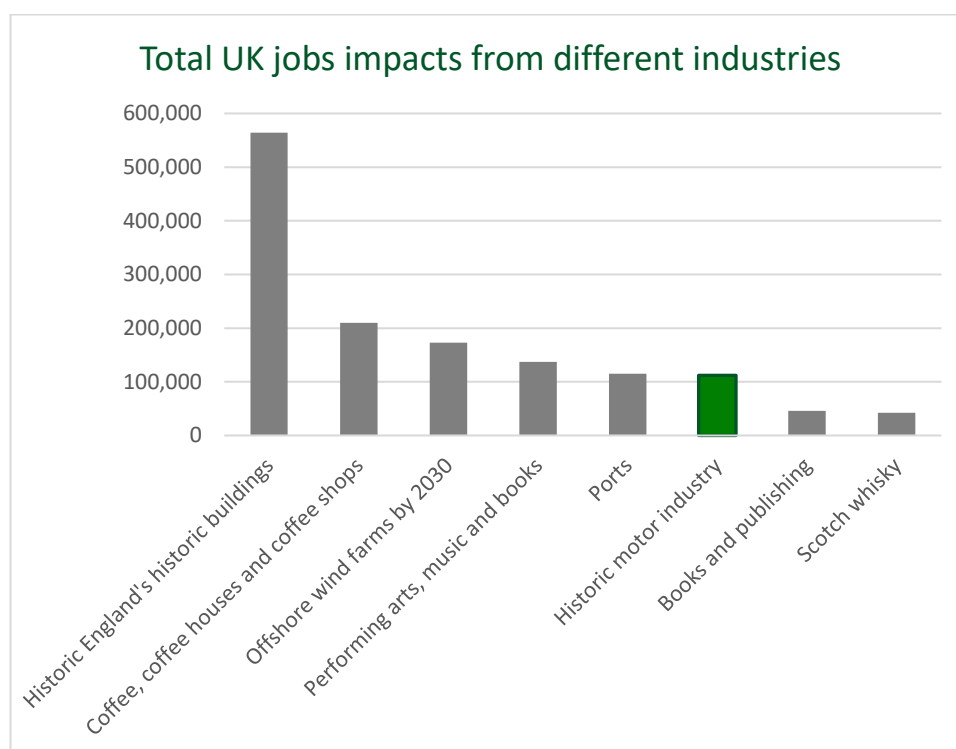
***Heritage Motor industry has same economic impact as all UK's ports, all performing arts sectors. A fifth of size of huge UK built heritage sector of historic buildings. Double the size of Scotch whisky industry.**

***Contrary to perception, industry emits miniscule carbon by comparison with other ways of spending – a green surprise!**

***Growth industry sector providing 113,000 jobs through the chain spread across the UK**

It's a well preserved secret, just like the historic and classic vehicles the industry services, that this heritage motor sector turns over £18.3 billion employing 113,000 people across the supply chain. A surprise boost to the UK economy just when it is needed.

A new report released today by world leading economics agency Cebr, commissioned by HERO-ERA, shows that the sector is comparable in the scale of its economic impact to all of the UK's ports, to the arts sector including theatre, publishing and music and is a fifth of the size of the huge UK built heritage sector of historic buildings. It is around half the size of the projected offshore wind industry or the whole industry of coffee and coffee shops. It is approximately twice the size of the whisky, literary, publishing and bookselling industry.



*RESEARCH FROM 2019

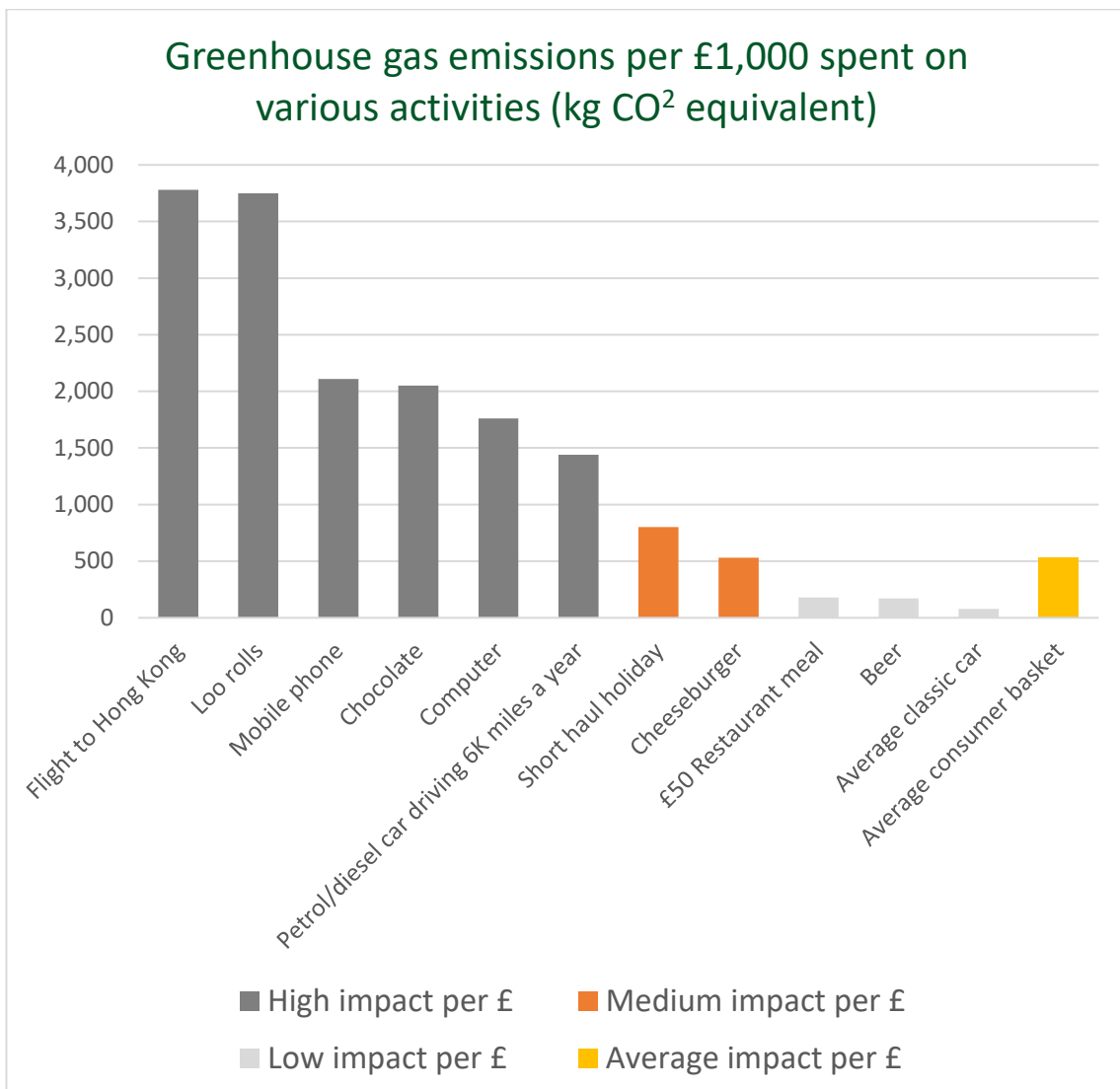
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Employment is spread across the UK, helping in areas of low economic growth. London represents just 5% of its activity with the Midlands and East Anglia both double that. Craftspeople and conservation specialists prevail with a healthy line of apprentices in training to help keep the future of industry safe.

Contrary to perception, the industry emits miniscule carbon by comparison to the weight of other industry emissions. Heritage vehicles cover very low mileages through limited use whilst the industry as a whole generates 53% less emissions than compared to spending the same money on a typical basket of goods.

Classic cars are only driven an average of 1,200 miles a year. The average user of a classic car produces 563 kg of CO₂ equivalent emissions in a year. This is still too much, and the industry is working to bring it down. But it needs to be seen in context. It is around half the emissions from using a computer, a mobile phone, going on a week's holiday in the Mediterranean, and it is a sixth of the impact of using a modern ICE car regularly or taking a return flight to the Far East.



The average £1,000 spent on using classic cars and related industries creates 80 kg of CO₂ equivalent emissions, after taking all the inputs into account. This compares with 537 kg of CO₂ emissions that would result from an average £1,000 of consumer expenditure, measured the same way.

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If you spend on classic cars rather than spending the same money going to the pub, or eating restaurant meals, you halve your environmental emissions. If you spend on classic cars rather than spending a similar amount on short haul holidays, you cut your emissions by 90% and compared with flying to the Far East you cut your emissions by as much as 98%.

Another reason the industry is more environmentally friendly than most consumer expenditure is that the sector is essentially based on the use and repair of existing materials, rather than the fabrication of new items. This means a high labour and skills content and low materials and energy content.

The UK's stock of historic vehicles is estimated to be worth £12.6 billion, a major contributor to UK's heritage compared with the 400 historic buildings and sites looked after by English Heritage which are worth an estimated £30 billion to the economy.

The historic and classic motor industry sector which generates 113,000 jobs, is a fifth of the size of the entire UK heritage business in terms of jobs. We estimate that the historic buildings sector generates 564,000 jobs measured using the same techniques. A similar calculation for the coffee industry and coffee bars is that the sector generates 210,000 jobs. The offshore wind sector in the UK is projected to generate 174,000 jobs by 2030. The arts sector comprising music, publishing, and theatre generates 137,000. By comparison, the entire UK Ports industry generates employment for 115,000 people. On the other side the books and related sectors generate 46,000 jobs, while the Scotch whisky sector generates 42,000 jobs.

As well as the normal expenditure of 700,000 historic and classic vehicle owners, a host of associated industries also contribute. Historic Racing contributes £371 million a year, Owner Clubs £111 million and Historic Rallying, where HERO-ERA the commissioners of this report are the leading global company, contributes £253 million. Vehicle museums £62 million and historic vehicle magazines contribute £59 million. In total these businesses contribute £502 million in Gross Value Added to the economy.

Historic and classic motorsports events are highly popular at two levels, as great spectator events and for participants who chase a prized entry. The UK company HERO-ERA's headline event, the historic Peking to Paris Motor Challenge which first ran in 1907, attracts competitors from around the globe. The 2022 event is eight times over subscribed. Historic rallying is a growing sport with an estimated 200 -250 classic car rallies held in the UK alone in a non COVID year.

At Bicester Heritage, historic buildings and historic vehicles coincide in an innovative and highly successful development of the Bicester WW2 RAF bomber station into a site restored and updated for modern purpose creating a thriving hub of industry supporting the wider motoring community. The economics of the cluster of diverse specialist businesses operating from Bicester Heritage means there is the ability to minimise costs. Obtaining and ferrying specialist parts is a major cost driver for those restoring or maintaining classic and historic vehicles. The co-location of so many different specialists on the same site greatly reduces these costs and boosts productivity.

Bicester Heritage is a component of Bicester Motion, a more extensive development which plans to create the UK's principal destination for anyone who wants to experience motor cars and historic aircraft from all eras. They plan to provide an important visitor experience in the future in four key areas; Innovation, Heritage, Experience and Wilderness.

In total the historic and classic vehicle industry contributes £8.6 billion to the UK economy in Gross Value Added (GVA). The sector and its supply chain comprises; historic vehicles, preparation, repair, parts, events, insurance, clubs, accessories, classic vehicle rental, media and magazines plus transport, hospitality, computer programming and consultancy.

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It continues to provide jobs, skills, heritage preservation, pride and job satisfaction which also contributes to well-being. Most importantly for continuity, it provides training with 665 apprentices employed in 2019 and many schemes in place to bring more into the skilled trade where technicians in the sector typically earn a premium of 70% to the average wage. Conservation practice creates more skilled jobs.

In summary, the economic and environmental impact of the historic and classic motor industry in 2019 has proved to be a larger than expected, 'well preserved' secret, with a tiny carbon emission in comparison with general motoring and consumer item spending. That is contrary to perception.

The UK Heritage Motor Industry is a European market leader and now seeks recognition and protection in order to nurture the future of UK's motoring heritage in all its forms to cherish and preserve for future generations. The industry also seeks further assistance from government and industry to bring more apprentices into the business so that vital skills can be passed on.

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For more information:

Tony Jardine Tony@hero-era.com mobile: +447989408736

Doug McWilliams dmcwilliams@cebr.com mobile: +447710083652

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Notes to editors

This is a press release covering the report 'The Economic and Environmental Impact of the Historic and Classic Motor Industry in the UK'. The 60 page report has been commissioned by HERO-ERA from the economics consultancy Cebr.

The report covers the impact of the Historic and Classic Motor Industry on the economy, jobs, skills, the heritage and the environment. A full embargoed copy of the report is available from Tony Jardine Tony@hero-era.com

HERO-ERA is the world's leader in historic and classic rallying and runs the epic Peking to Paris Motor Challenge as well as many other leading events. Based at the heart of the UK's historic motor sector in Bicester Heritage, HERO-ERA is delighted to be sponsoring this crucial report and wish to acknowledge the assistance of many contributions from the industry but in particular; The Royal Automobile Club, The Federation of British Historic Vehicle Clubs, Bicester Heritage and Bicester Motion.

Cebr is one of the world's leading economics consultancies. Based in London, Cebr specialises in economic impact studies, forecasting and other forms of economic analysis. Douglas McWilliams, Cebr's founder and Deputy Chairman is a motoring enthusiast who completed the 2019 Peking to Paris Motor Challenge (described in the book 'Driving the Silk Road') and was the prime author of the report.

HERO-ERA

HERO Events Ltd, 138 Southern Avenue, Bicester Heritage, Bicester, OX27 8FY, United Kingdom
t. +44 (0) 1869 254979 . enquiries@hero-era.com . www.hero-era.com

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