

# Business Session 7

## Racing and Breeding in China

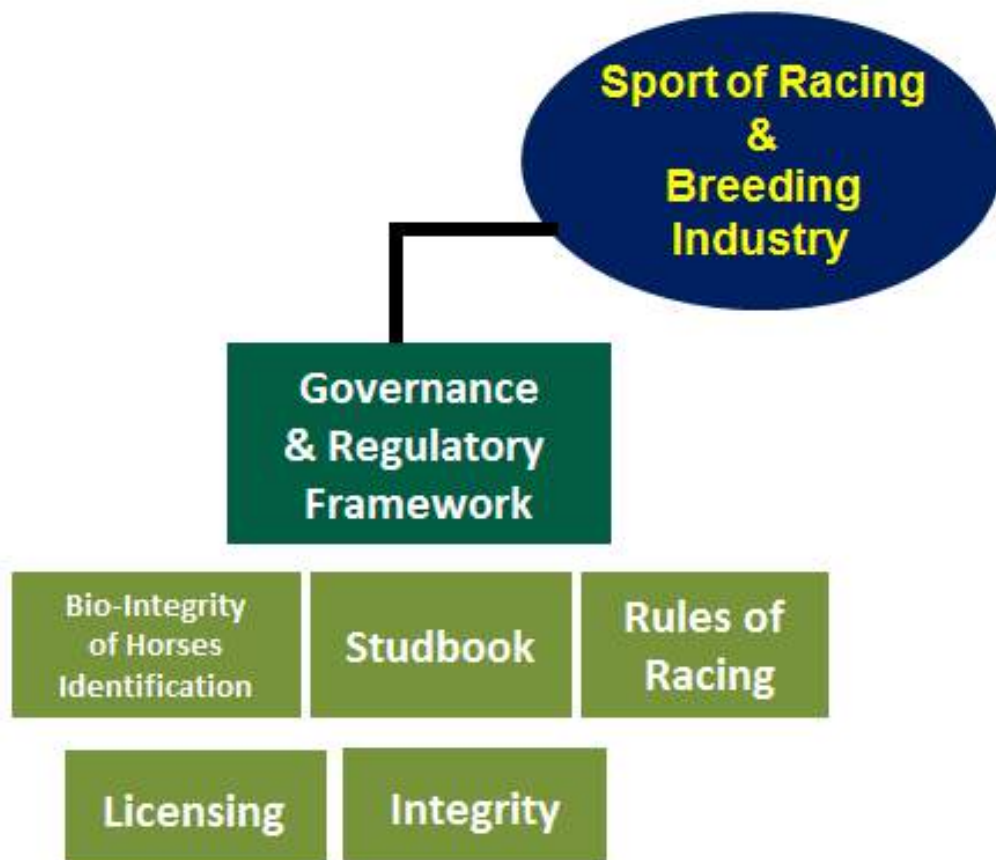


### **Winfried Engelbrecht-Bresges**

Chairman, Asian Racing Federation  
Vice Chairman, IFHA  
CEO, The Hong Kong Jockey Club



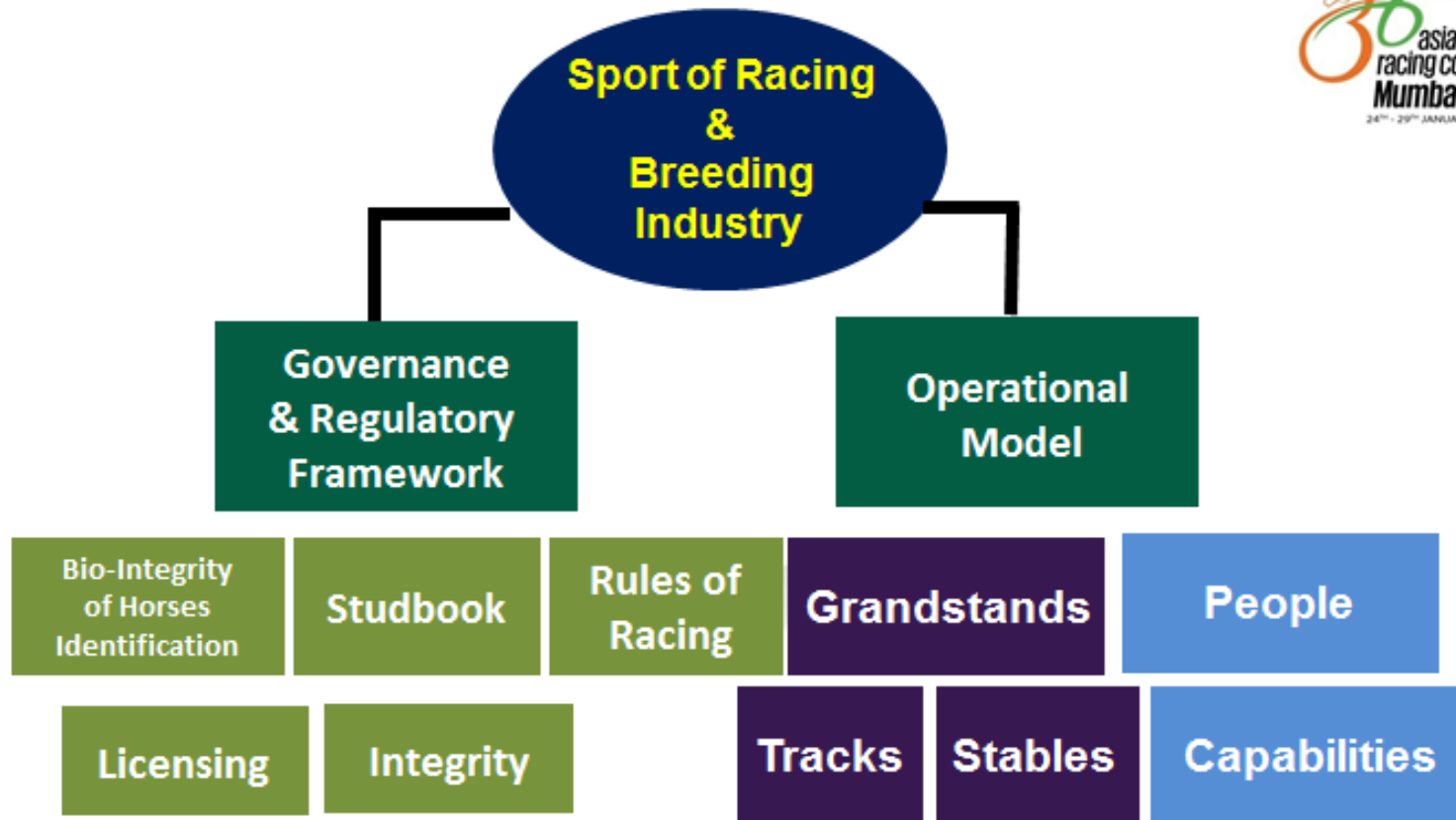
- **Welcome back to the session on Racing and Breeding in China.**
- **I would like to particularly thank Professor Jia Youling, President of the China Horse Industry Association (CHIA) for joining us today.**
- **In the last Conference, we heard that the Chinese authorities were very positive in developing the sport of horse racing and we discussed what would be needed to make that happen.**



# **1. Governance and Regulatory framework**

- **We said that it is a pre-requisite to establish a proper Governance and Regulatory framework to ensure the sport is conducted on the basis of integrity, fair competition, animal welfare and prohibitive-substance-free.**
- **We looked at the Racing Regulatory part, but one should widen the discussion to look at the breeding side too to have a more holistic view.**

- **This covers the important areas like :**
  - **Bio-integrity of horses identification**
  - **Studbook**
  - **Rules of Racing**
  - **Licensing of Racing Operators and Racecourses**
  - **Licensing of Trainers and Jockeys**
  - **Integrity from Doping Control to Disciplinary Measures against breaches of Rules of Racing.**



## **2. Operational Model**

- **Then we need to build a successful racing and training operational model from hardware to software given nearly everything has to be built from scratch in China.**

### **Hardware**

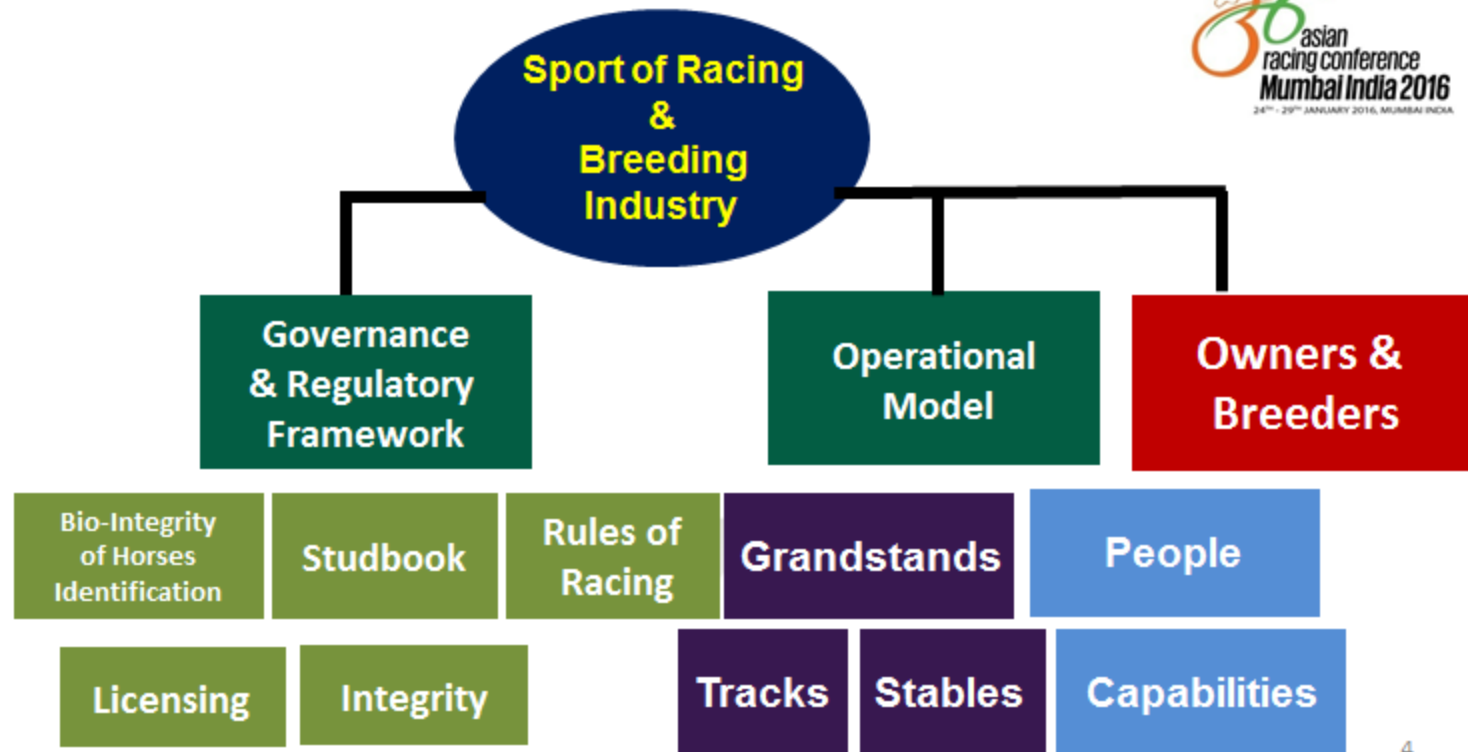
- **The Hardware will cover significant projects like building the grandstands, tracks and stables**

# Software

- **The Software is about building capabilities like Trainers, Jockeys, Work Riders, Mafoos, and tracks management.**
- **We need to develop expertise in Racing Control, Handicapping and officials, like Racing Stewards and Judges, to guarantee fair competition.**



- **We also need competency in Veterinary Care and Farriers to ensure Horse Welfare is taken care of.**
- **Furthermore we have the raceday operations where many other skills have to come in to play**



### **3. Owners & Breeders**

- **Finally for the development of the sport, it is also key to attract and build up a Horse Ownership base and to invest into breeding.**

# Strong Regulatory Framework a pre-requisite



Licensing



Rules and Regulations



Ownership Control



Racing Control



Bio-integrity of Horses

- **What I would like to re-emphasize is that for a healthy and sustainable development of racing and breeding in China, the No.1 priority is to establish a proper Governance and Regulatory framework.**
- **For the breeding side, the studbook and registration of thoroughbreds has to be in place to ensure the integrity of horses.**

- **For the racing side, we need a good regulatory framework for the Horse Racing Authority in licensing ownership, rules and regulations, racing control, doping control etc..**
- **We are very grateful to have Professor Jia here today as CHIA is the governing body in China in these matters.**

## 2014 China Horse Racing development



**State Council Opinion issued in 2014 to promote sports development with equestrian sports as one of the key focuses**

**Chengdu – Dubai International Cup**

**2<sup>nd</sup> China Equine Cultural Festival at Zhejiang**

**China Jockey Club reported to have been established to promote racing lottery; but this was denied by the relevant government departments**

**A change to the “Negative List” for foreign investment in the China (Shanghai) Pilot Free Trade Zone**

## **Development in 2014**

- In fact since the last ARC in 2014, we have seen a significant increase in relevant activities.
- It first started with the Chinese State Council's Opinion announced in 2014 to promote sport development with equestrian sport.
- The following activities soon happened afterwards :



- 1.The Chengdu – Dubai International Cup, hosted by Wenjiang District Government, Chengdu and Dubai Racing Club, was the first mainland flat race that racehorses shipped from elsewhere may return home.**
- 2.The 2<sup>nd</sup> China Equine Cultural Festival at Zhejiang was hosted by China Horse Club with the support of Longines, Coolmore and Hurun.**

- 3. Then there was the media report in September about the establishment of a China Jockey Club to promote racing lottery and regulatory framework. However, the relevant governments (such as CHIA, CEA, Sports Lottery and Welfare Lottery Departments) quickly denied in October the legality of China Jockey Club and the likelihood of horse racing lottery in China.**
- 4. There was also a change to the 2014 “Negative List” for foreign Investment in the China (Shanghai) Pilot Free Trade Zone where foreign investment in gambling business (including racecourse with betting) is removed from the Negative List.**
- 5. Despite this removal from the “Negative List” does not necessarily mean gambling is permitted, one has to recognise that this change is already a significant one.**

## **2015 China Horse Racing development**



**2<sup>nd</sup> Chengdu Dubai International Cup**

**Establishment of the China Horse Owners Association**

**Rider Horse Group horses sold through the channels provided by Kylin Horse Ltd**

**China Horse Club and Orient Lucky Horse Group jointly conduct the 3<sup>rd</sup> China Equine Cultural Festival at Wuhan for the first time**

**Hong Kong Jockey Club and CHIA signed MOU for cooperation**

**Hong Kong Jockey Club and CEA announced collaboration**

## **Development in 2015**

- 1. In 2015, we saw the running of the 2<sup>nd</sup> Chengdu Dubai International Cup;**
- 2. the establishment of the China Horse Owners Association which was supported by key mainland horse owners;**
- 3. Rider Horse Group horses were sold through the channels provided by Kylin Horse Ltd; in exchange Kylin provided marketing support for Rider Horse Group races**

- 3. China Horse Club and Orient Lucky Horse Group jointly conducted the 3<sup>rd</sup> China Equine Cultural Festival at Wuhan for the first time. Live broadcast of races on the internet and mobile phone were available for the first time in mainland.**
  
- 4. HKJC and CHIA (China Horse Industry Association) signed a MOU in September at the Ministry of Agriculture in Beijing, for cooperation of horse industry development in China. The partnership covers the HKJC's support of modernising the China Stud book, developing an effective doping control programme, and assisting in the ongoing horse care and veterinary training.**

- 5. In that same month, HKJC and CEA (Chinese Equestrian Association) announced collaboration agreement whereby HKJC will assist CEA to build capabilities and processes to further develop and administer the sport with advanced focus on integrity.**

## **2016 onward**



**Rider Horse Group and New Zealand Bloodstock to schedule a 2 year race in Inner Mongolia.**

**Magic Millions and Aquis to sponsor China Horse Owners Association race series from Apr 2016.**

**Inglis reported to sponsor RMB 1M for a race to be conducted at YuLong racecourse in Sep 2016.**

**HKJC to support CEA's final leg of the China Horse Racing Grand Prix at Jinma Racecourse in Wenjiang, Sichuan Province in 2016.**

## 2016 onward

- Many activities are underway in 2016, including :
  1. Rider Horse Group and New Zealand Bloodstock is scheduling a 2 year race in Inner Mongolia (target to be run in July 2016) for thoroughbreds purchased by mainland owners at the Karaka auction sales in November 2015. Prize money around RMB 0.5M.
  2. Magic Millions and Aquis is to sponsor China Horse Owners Association's race series from Apr 2016. The series shall consist 7 stops and the prize money for the series shall amount to RMB 0.9M.



- 3. Inglis reported to sponsor RMB 1M for a race to be conducted at YuLong racecourse in Sep 2016.**
  - 4. HKJC in support of CEA's final leg of the China Horse Racing Grand Prix at Jinma Racecourse in Wenjiang, Sichuan Province in 2016.**
- Perhaps I should pause here as the future is clearly very exciting for the racing and breeding development in China,**
  - and David will introduce the first speaker of today Professor Jia**