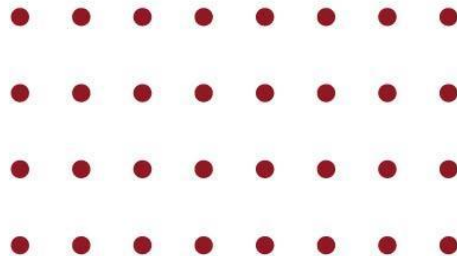


MIM115 Global Sports Business and Industry





Class 7: Sports Finance and Economics

- International Sports Economy
- National Environment
- Macroeconomic and Microeconomics of Sport
- Long-term and short-term Benefits of Sport for Economy



International Sports Economy

- Major events like the Olympics or the FIFA World Cup contribute massively to the host country's economy through tourism and infrastructure development.
- Sports influence job creation, both directly within the industry and indirectly through related sectors like hospitality and media.
- Sports have a cultural and social impact, unifying people globally, which indirectly supports international economic relations and development.

Study on the Contribution of Sport to Economic Growth and Employment in the EU



- The Sports Industry represents 2.98% (294.36 bn Euro) of overall gross value added in the EU.
- The contribution of sport-related employment to total employment is 2.12% (equal to 4.46M employees).
- The highest multipliers are found in the construction branch and in sectors related to tourism (hotels, air transport).
- Education is an important sector in the whole network of value creation in sports.
- Three sectors are considered to play a special role food
 - products and beverages
 - construction
 - supporting transport services including travel agency services

Study on the Economic Impact of Sport Through Sport Satellite Accounts

Table 1: Main sport-related indicators of the EU-wide model

Member State	Sport-related GDP in m Euros	Share of sport-related GDP	Sport-related employment in heads	Share of sport-related employment
European Union	279,697	2.12%	5,666,195	2.72%
AT – Austria	13,066	4.12%	226,129	5.63%
BE – Belgium	4,494	1.16%	71,440	1.59%
BG – Bulgaria	338	0.80%	44,756	1.55%
CY – Cyprus	361	1.85%	7,813	2.08%
CZ – Czech Republic	2,055	1.27%	84,803	1.76%
DE – Germany	104,707	3.90%	1,761,369	4.60%
DK – Denmark	3,973	1.55%	64,082	2.45%
EE – Estonia	159	0.88%	13,656	2.31%
EL – Greece	1,784	0.93%	47,486	1.31%
ES – Spain	14,984	1.44%	261,839	1.50%
FI – Finland	3,264	1.63%	50,634	2.09%
FR – France	39,923	1.91%	582,709	2.29%
HR – Croatia	676	1.54%	27,908	1.83%
HU – Hungary	1,252	1.26%	75,771	2.00%
IE – Ireland	1,804	1.03%	30,008	1.68%
IT – Italy	21,217	1.32%	389,120	1.76%
LT – Lithuania	283	0.85%	20,043	1.62%
LU – Luxembourg	630	1.43%	4,336	1.89%
LV – Latvia	142	0.64%	12,611	1.48%
MT – Malta	129	1.81%	3,306	1.98%
NL – The Netherlands	7,973	1.24%	150,687	2.04%
PL – Poland	8,952	2.30%	332,939	2.17%
PT – Portugal	1,879	1.12%	59,330	1.39%
RO – Romania	1,389	1.04%	100,279	1.22%
SE – Sweden	5,949	1.41%	109,191	2.43%
SI – Slovenia	609	1.69%	21,916	2.43%
SK – Slovakia	956	1.31%	47,095	2.03%
UK – United Kingdom	36,750	2.18% ⁴	1,064,939	3.75%

Source: Own calculations

The largest sport-related sectors are:

- Education (51.2 bn Euros, nearly 1,111,000 employees)
- Sport services (42.1 bn Euros, 749,000 employees)
- Public administration (32.2 bn Euros, 503,000 employees)
- Accommodation and restaurant services (23.2 bn Euros, nearly 586,000 employees)
- Retail (19.9 bn Euros, nearly 587,000 employees)
- Just these five sectors add up to 1.29% of the EU's GDP and 1.70% of its employment.

Group Activity (15 minutes)

- 1) Search for a case study on sports impacting national economies on a micro to macro level**
- 2) Also, include analysis of both tangible (infrastructure, employment) and intangible (brand value, cultural impact) elements.**

Discussion

What are the long-term and short-term benefits of sports for the economy?

Discussion

Name recent sports events and their economic impact (tourism, local businesses, employment)

Tangible / Intangible Assets and Benefits



Tangible	Intangible
<ul style="list-style-type: none">• Property, plant and equipment• Stadia• Connected Infrastructure• Technology (hardware & software)• Sports Competition• Licenses• License to operate as a club• License to commercialize food and Beverage	<ul style="list-style-type: none">• Players (“Sports Intangible Assets”)• Federative and Economic Rights• Receivables• Rights (I.P.)• Image Rights• Brands• Immaterial Properties• Broadcasting• Marketing• Merchandising• Endorsements

The relationship between tangible and intangible assets are essential for the sports organization operational success. It is possible to analyze many different designs when it comes to the asset management of clubs, leagues and other properties by evaluating the financial reports.

Macroeconomic and Microeconomics of Sport



To analyze the macroeconomics of sport, we can refer to the study commissioned by the European Commission, wherein macroeconomic factors were examined in terms of:

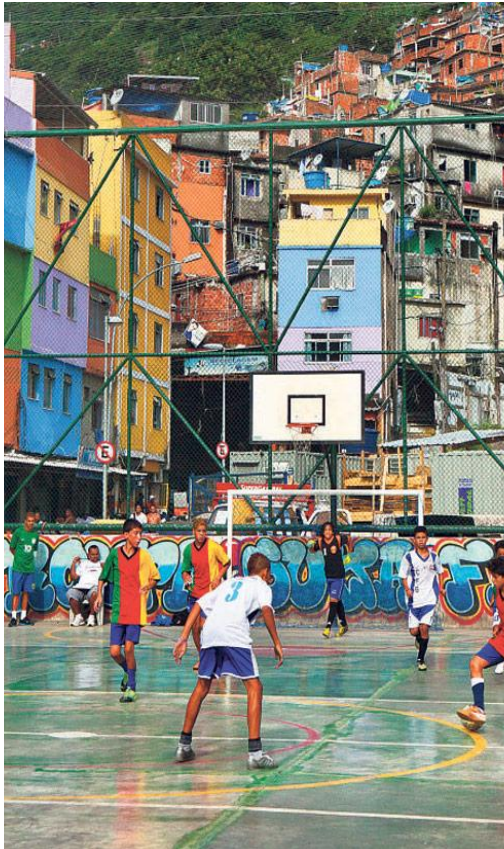
- Gross value added
- Employment
- Sector-specific multipliers

On the microeconomic level, the focus is on scrutinizing business decisions made within the sports industry. This involves examining:

- Transfer Operations
- Valuation
- Equity

This dual approach provides a comprehensive understanding of both the broader economic impact and the specific business dynamics within the sports sector.

Long-term and short-term Benefits of Sport for Economy



Properties

Services

Goods

Entertainment

Leisure & Tourism

Performance

Platforms

Infrastructure

Community, People and Organizations

Employment

GDP

Sports Participation

Legal Environment



Thank You