

# Sports' Contribution to Economics and Employment

## Introduction to Research Results of 2018

25 October 2018

# Introduction

- EU is strongly involved into sports. Treaty on the Functioning of the European Union: “*The Union shall contribute to the promotion of European sporting issues*”.
- Working Group “Sport and Economics” set up in 2006 by DG EAC:
  - elaborated the Vilnius Definition of Sport,
  - launched national Sport Satellite Accounts (SSAs) to foster evidence based policy making.

# The First Study

- The first pan-EU SSA was published in 2012 based on 2005 data.
- First-time calculation of economic impact of sport on EU's economy:
  - Gross Value Added (GVA): 1.76%
  - Employment: 2.12%
- The order of magnitude was unexpectedly high.

# The Need for an Update

- Croatia joined the EU in 2013.
- The economic crisis may have altered some fundamental relations.
- The Vilnius Definition of sport had to be revised.
- The base year (2005) was long ago.
- Therefore, an update was necessary: “*Study on the Economic Impact of Sport through Sport Satellite Accounts*” for 2012 data.

# National IOTs

- **Multiregional Input-Output Table for Sport (MR-IOT:S):** used calculate direct and indirect effects of sport industry.
- Eight SSAs were already available: AT, CY, DE, LT, NL, PL, PT, and UK.
- Substantial data were available for: BG, ES, FR, LU, and SK.
- SSAs of other countries were approximated.

# Additional Data

- Foreign trade data from UN-comtrade and OECD data-bases.
- Allow identification of sport-related foreign trade.
- Eurostat provided substantial data on sport-related employment.
- Other EU-wide data bases (Eurydice report) and institutions.

# GDP

- Sport related GDP was found to be 279.7 bn Euro.
- This equals 2.12% of total GDP.
- Thus, around every 47<sup>th</sup> Euro is generated by the sport sector.

Rank	CPA	Goods and Services	GDP in m Euro	Share of to- tal GDP
1	P	Education services	51,237	0.39%
2	R93_1	Sport services	43,075	0.33%
3	O	Public administration and defence services; compulsory so- cial security services	32,244	0.24%
4	I	Accommodation and food services	23,217	0.18%
5	G47	Retail trade services, except of motor vehicles and motor- cycles	19,868	0.15%

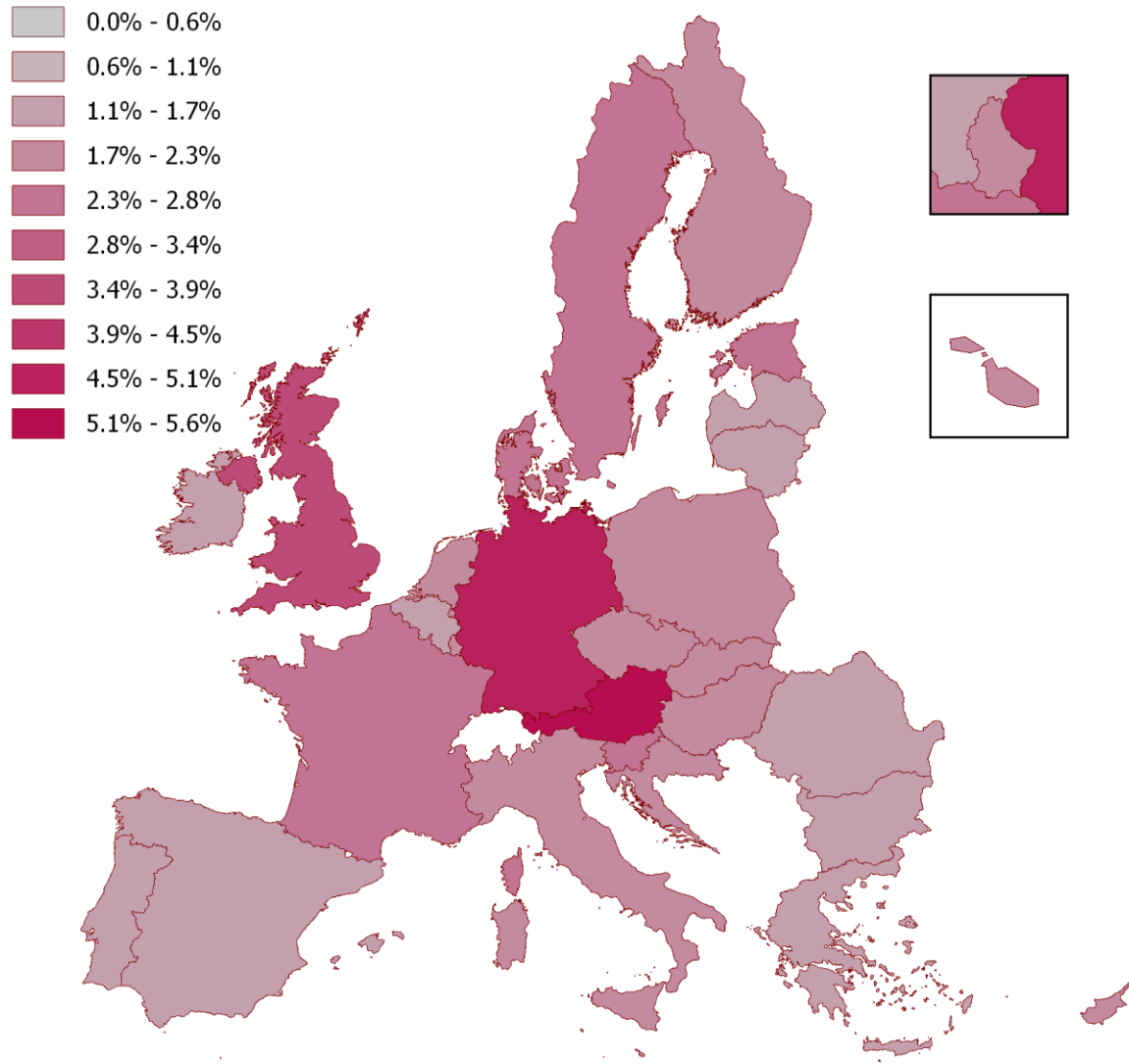
# Employment

- Sport-related employment: 5.67 m persons.
- That equals 2.72% of total employment.
- Every 37<sup>th</sup> employed person works in sport sector.

Rank	CPA	Goods and Services	Empl. in heads	Share of total empl.
1	P	Education services	1,110,882	0.53%
2	R93_1	Sport services	749,291	0.36%
3	G47	Retail trade services, except of motor vehicles and motorcycles	586,516	0.28%
4	I	Accommodation and food services	585,892	0.28%
5	O	Public administration and defence services; compulsory social security services	503,059	0.24%



# Employment on a Glance



# Member States

Member State	Sport-related GDP in m Euro	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	1.56%	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% <sup>5</sup>	1,064,939	3.75%

# Multipliers

- Every company needs intermediate goods (IMGs) from other companies.
- IMG distribute economic effects from sport companies (**direct**) to all companies (**total**).
- Multiplier = total effect / direct effect
- Highest multipliers for food and beverages (2.55), followed by motor vehicles (2.50) and repair- and installation services (2.32).

# Broad, Total Effects

- Direct effects in sport-related companies:
  - GDP equals 279.7 bn Euro or 2.12%,
  - Employment: 5.67 m persons or 2.72%.
- Total effects including supply networks:
  - GDP equals 483.8 bn Euro or 3.67%,
  - Employment equals 8.46 m persons or 4.06%.

# Core and Narrow Definition

- Core definition (Sport services):
  - 43.1 bn Euro or 0.33% of GDP,
  - 749.000 employment or 0.36%.
- Narrow definition (everything you need for sport):
  - 178.0 bn Euro or 1.35% of GDP
  - 3.75 m employment or 1.80%.

(all direct effects only)

# Lessons learned

- Sport is a large sector. Direct employment is similar to the number of Denmark's inhabitants.
- Sport is employment intensive. It generates more employment per GDP than an average sector.
- Sport economy is different in every Member State.
- IOTs for sport are useful tools for policy making.