

EURO 2008: FOOTBALL AS THE ECONOMY BOOSTER



Six years ago two small countries, Austria and Switzerland, won the title of the Euro 2008 co-host countries. Russia or Bosnia and Herzegovina were among those who lost. Already, back then in 2002 the organizers estimated that the expenses for the final match will reach €110m.

The investments should return to the host countries especially through greater tourism profits not only during the championship but probably even after this world's third most important football event ends. The organizers hope that they will show the best their countries offer especially to the first-time visitors who might then come back for holidays. "It is the best promotion of Austria abroad we can imagine," said Dr. Petra Stolba, head of the Austrian National Tourist Office.

However, there is also the downside for the tourism industry. In June the numbers of traditional business tourists and spa-goers will lower considerably in both Austria and Switzerland. Even the domestic tourism will probably experience a serious drop.

Numerous studies have been done focusing on the economic assets of the championship. Although the specific results vary the studies give a clear message - Austria and Switzerland can't lose. "Euro is the most important European sport event and it will greatly influence the economies of all the sixteen countries that are participating. Thanks to the so called halo-effect Euro will contribute to the European economy more than €1.4 billion," estimated Simon Chadwick, professor of sport business strategy and marketing, in a study for MasterCard. According to the organizers, the Union of European Football Associations (UEFA), the budget for Euro 2008 is €234m.

What more, it is estimated that each game will increase the profits related to tourism, food and drink sales, sponsorships and advertising, telecommunications and media services generating €42m on average. Revenue from the most profitable matches is expected by the MasterCard study to be around €49-56m per match. "For Austria we estimated the profits to reach €321m, half of it coming from Wien," said Norbert Kettner, director of the Vienna Tourist Board, referring to a study by SportEconAustria. This means around 0.15% of Austria's GDP.

Euro 2006 in Germany showed that football fans spend twice as much as an average tourist. This might be caused by the vigorous effort of all service providers to make big money. The Austrian Institute of Economic Research (Wifo) warned that especially prices of food and accommodation may double during the tournament.

What benefits the championship eventually brings will be clearer at the end of summer. However, for a thorough evaluation the economic experts will have to wait for several years.

(In August, Tourism-Review.com is going to focus on Euro 2008 impact for the tourism industry in the Tourism Review Online Magazine.)

Date: 2008-06-10

Article link: <http://www.tourism-review.com/euro-2008-football-as-the-economy-booster-news929>