

2010 revenue estimates to increase by R21b

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Will contribute R51.1 billion To GDP says Grant Thornton

The 2010 soccer World Cup will contribute at least R51.1 billion to gross domestic product (GDP) between 2006 and 2010, R21 billion more than the estimates published during the bidding phase of the World Cup in 2003. Of this revised amount, R15.6 billion will be created by foreign tourists. The revised estimates are from the World Cup's economic impact assessment study by Grant Thornton's tourism, hospitality and leisure consulting division. Gillian Saunders, the principal of this division, said the amount had more than doubled because of the changes since the bid was submitted four years ago. "A huge chunk of it comes from infrastructure, particularly the transport infrastructure, because government is now spending five to six times more than what they had initially planned to spend," said Saunders.

"We also have more stadiums because the number has increased," she said. "The seating at Port Elizabeth, Cape Town and FNB stadiums has changed from what it was, so that means more tickets would be sold." The revised estimates of the impact of the World Cup on the economy include direct expenditure of R30.4 billion, up from R12.7 billion initially. The gross contribution includes the expected multiplier effect of the total indirect impact on the rest of the South African economy. This additional GDP contribution will sustain the equivalent of 196 400 annual jobs, some of which already exist. Others are yet to be created. Grant Thornton said the economic impact was based on 289 000 overseas visitors watching three to four matches each and 48 000 African visitors watching three matches each. About 115 000 domestic tourists will watch two matches each.