



Sport in focus

The contribution of sport

to the Dutch economy

in 2006, 2008 and 2010

Summary



Statistics
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English summary of the Dutch report 'Sport in focus; the contribution of sport to the Dutch economy in 2006, 2008 and 2010'

Sport and economy are linked. Athletes and spectators spend money on participating in and watching sports. Companies and organisations produce goods and services to facilitate this, thereby generating money, and 'value added' to the economy. All flows of goods, services and money related to sports are referred to as the 'sports economy'.

The Dutch Ministry of Health, Welfare and Sport (VWS) commissioned Statistics Netherlands (CBS) to estimate the size of the contribution of sports to the Dutch economy in 2006, 2008 and 2010. The sports economy is outlined by an international definition of sport (the Vilnius definition) and estimations were made by use of so-called 'sports satellite accounts' embedded in the national accounts of the Dutch economy. These estimations are presented in this report, which itself is a follow-up of the earlier report 'The contribution of sport to the Dutch economy' (published in 2012) describing the sports satellite account for the Netherlands in 2006.

Nearly 1 percent of the Dutch production is sports-related

In 2010, the total value of domestically produced sports-related goods and services amounted to approximately 10.5 billion euros. The Dutch production of sports-related products corresponds to 0.9 percent of the production value of the entire Dutch economy. The industry in which most sports-related production is generated, is the 'sports sector' in economic terms, which includes providers of sports, recreation and fitness services. The sports-related production value of these organisations, generated by revenue from membership fees, entrance fees, training fees and catering services, amounted to more than 2.8 billion euros in 2010. Sports-related education accounted for almost 2 billion euros. Expenditure, both public and private, related to physical education in schools accounts for an important part of this sum. Governmental involvement in sports is not limited to education. Central and local government spent another 1.4 billion euros to construct, maintain and operate municipal sports facilities such as swimming pools and local sports halls and fields.

Two other sectors with relatively high economic sport involvement are the retail and wholesale trade sector, collectively generating 1.3 billion euros worth of sports-related production, primarily consisting of profits from sales of sportswear, sports shoes, sports bikes and other sports-related commodities.

Sports economy still reasonably intact

In 2010, sports-related gross value added amounted to 5.4 billion euros. This value represents 1.0 percent of the Dutch gross domestic product (GDP). This proportion remained stable between 2006 and 2010. The sports economy predominately consists of services industries, more so than the Dutch economy as a whole. In 2010, services accounted

for almost 95 percent of the value added in the sports-related economy, compared to 75 percent within the Dutch economy as a whole. The relatively large share of government expenditure, education and the sports sector itself contribute to this high service value in the sports economy.

By increasing membership fees, entrance fees and training fees, sports organisations managed to increase their value added between 2006 and 2010 slightly more than the entire sports economy managed in the same period. A few economic sectors did experience a decline in sports-related value added. Particularly between 2008 and 2010, there was a clear drop in the contribution of the trade sector and the hotel and catering industry to sports-related GDP.

Households spend an average of one thousand euros annually on sports

In 2010, total expenditure on sports-related goods and services amounted to nearly 13 billion euros or 1.3 percent of all expenditure in the Dutch economy. Sports-related expenditure increased by 10 percent between 2006 and 2010. The period between 2006 and 2008 showed the strongest growth. Subsequently, the increase slowed down; mirroring developments in the Dutch economy as a whole.

Dutch consumers account for the majority of expenditure related to sports. In 2010, Dutch households spent 7.5 billion euros on sports-related goods and services, with the purpose of active sports participation or viewing sports. This corresponds to more than one thousand euros per household. In the same year, government expenditure on sports accounted for nearly 3.5 billion euros. The role of exports in the sports economy is smaller (1.5 billion euros expenditure in 2010) than it is in the entire economy.

An important part of the sports-related economy involves household expenditure on participation in sports activities and watching sports. This includes, for example, subscriptions to sports clubs, membership fees for fitness centres and admission fees to sports events. The total value of such expenditure increased by 15 percent between 2006 and 2010 to more than 2.5 billion euros. Government sports-related expenditure also increased in this four-year period (by 21 percent). This concerns for example sports promotion and municipal spending on the day-to-day running and maintenance of swimming pools and other sports facilities.

Rising employment in the sports economy

In 2010, 150 thousand people were employed in the sports economy. This represents 1.7 percent of the Dutch labour force. Most people were employed in the sports, recreation and fitness sector, the education sector and the trade sector. Despite the downturn in employment in the Netherlands between 2008 and 2010, employment in the sports economy still grew. This increase was particularly noticeable among the self-employed, such as sports instructors. More than 20 percent of all people working in the sports economy are self-employed. Another characteristic of employment in the sports economy is the high labour intensity, which means that the employment costs are relatively high compared to the value of capital involved.

Re-exports account for most of the sports-related international trade

In 2010, imports of sports-related goods and services to the Netherlands amounted to 1.7 billion euros. In the same year, the value of sport-related exports equalled 1.5 billion euros. International trade in the Dutch sports economy consists largely of sports items. Approximately half of the sports-related export value is generated by re-exports: goods manufactured outside the Netherlands are imported and subsequently exported again without undergoing any processing. Since it is usually not known whether internationally traded goods and services are actually used for the purposes of sport, it is impossible to give a complete picture of the relevance of sports to international trade. However, the high level of detail in the description of goods and services in international trade statistics makes it possible to estimate the international trade in sports items, sports shoes and boats. Approximately half of the imports of sports items originate from Asia, particularly from China, Taiwan, Thailand and Singapore. One-third of all fitness equipment, for example, is imported from China and Taiwan. The other half of imported sports items almost all originate from Western Europe and the United States. Exports of sports items generally stay closer to home; more than a quarter end up in Germany, mainly re-exported products such as tennis rackets, tennis balls and golf clubs. International trade in sports boats involves a wide range of countries across the world. Lastly, sports shoes are mostly imported from Asia, and re-exported within Europe.

Sports satellite account in an international perspective

Besides the Netherlands, other countries such as Austria, Cyprus, Germany, Poland and United Kingdom have constructed sports satellite accounts, using guidelines set out by the 'EU Working Group on Sport and Economics'. Lithuania is currently setting up a satellite account and Hungary, Portugal and Slovakia have plans to set up a one.

Despite efforts of the European working group, it is still unclear to what extent existing national sports satellite accounts are comparable. As yet, there is no definitive methodological manual that can be used as a starting point for all members. Moreover, a few members have chosen not only to estimate the 'direct economic impact' of sports-related expenditure, but also the 'indirect impact'. This indirect impact involves production of semi-manufactured products used in the final production of sports-related products. Another reason for caution is that not all sports satellites contain exactly the same package of goods and services. One reason for this is that the European guidelines allows countries to deviate from the Vilnius definition of sports, if necessary to ensure adequate quantification of their own national sports economy.

Even though international comparisons are therefore complicated, comparing national satellite accounts can be useful to gain insight in similarities and differences between countries. For example, it is immediately obvious that the relative size of national sport economies varies substantially from one country to another: for instance, in 2006 the contribution of sports to national GDP varied between 1 percent in the Netherlands to almost 5 percent in Austria. Moreover, there are clear differences in the composition of various national sports sectors: while in Austria, the hotel and catering services sector (winter sports) accounts for half of sports-generated GDP, the sports economy of the United Kingdom is predominantly centred around the sports themselves (partly due to significant income from sports betting), and the Dutch sports economy is characterised by a relatively

high degree of governmental involvement. While existing statistics offer interesting insights, further alignment will be necessary to achieve the ultimate goal of a harmonised European sports satellite account.