rütter+partner
concertgroup

FACHHOCHSCHULE
ZENTRALSCHWEIZ

HSW

ITW INSTITUT FÜR
TOURISMUSWIRTSCHAFT LUZERN


Heinz Rütter
Jürg Stettler

Marc Amstutz
Antoine de Bary
Daniela Grozea-Helmenstein


# Economic impact of the UEFA EURO2008™ in Switzerland

Study on behalf of the
UEFA and Swiss Football Association

in teamwork with the Institute for Advanced Studies (IHS), Vienna


Rüschlikon / Lucerne, November 2004

# Economic impact of the UEFA EURO 2008™ in Switzerland

## Client

UEFA

Swiss Football Association (SFV-ASF)

## Prepared by

Rütter + Partner, concertgroup, Rüschlikon

Institute of Tourism (ITW), Lucerne School of Business

## Project management

Dr. Heinz Rütter, Rütter + Partner

Prof. Dr. Jürg Stettler, Institute of Tourism (ITW)

## Authors

Heinz Rütter, Rütter + Partner

Jürg Stettler, ITW

Marc Amstutz, ITW

Antoine de Bary, Rütter + Partner

*Partner Institution Institute for Advanced Studies IHS* (author of chapter 4.4, 4.5 and 6)*:*

Daniela Grozea-Helmenstein

## Project support

Mark O'Keefe, UEFA

Christian Mutschler, director UEFA EURO 2008™ Schweiz

Patrick Jost, management UEFA EURO 2008™ Schweiz

## Translation

Peter Grimshaw

IHS (chapter 4.4, 4.5 and 6)

## Contact

Rütter + Partner
concertgroup
Weingartenstrasse 5
8803 Rüschlikon

Tel. +41 (0)43 724 27 70
E-mail: info@ruetter.ch

www.ruetter.ch

Institute of Tourism (ITW)
Lucerne School of Business (University of Applied Sciences)
Zentralstrasse 18
6002 Luzern

Tel. +41 (0)41 228 41 45
E-mail: itw@hsw.fhz.ch

www.itw.ch

# Content

# Executive Summary

## I. Study basis, goals and method of procedure

The *Austria/Switzerland candidature* will be hosting the European football championships in 2008. For the Swiss part of the UEFA EURO 2008™ there is a lack of fundamental data and information on the economic impacts both for Switzerland as whole and for the individual stadium localities. The *UEFA* and the *Swiss Football Association (SFV)* therefore requested the consortium Rütter + Partner and Institute of Tourism (ITW) to analyze the economic impacts of the UEFA EURO 2008™. Some aspects were analyzed in cooperation with the IHS, which had already carried out a similar study for Austria. The *primary goals* of this study are as follows:

- To provide the UEFA and the Swiss tournament organization with fundamental information for negotiations with the local, cantonal and federal authorities and for publicity purposes.
- To identify and register, analyze and assess the wide-ranging economic impacts of the UEFA EURO 2008™.
- To quantify the key factors of importance for the Swiss economy, and regionally differentiate the stadium investment consequences and tourism impacts of the UEFA EURO 2008™ in Basle, Berne, Geneva and Zurich.

Among other economic factors this study mainly focuses on *turnover* generation both *direct and indirect* (via intermediate consumption demand and income effects), and the resultant *value added* and *employment* created. Apart from primary quantitative data on economic impacts, this study also defines some intangible effects qualitatively.

The study was carried out in three phases. Firstly the information required was procured and analyzed, the relevant impact factors were evaluated, the necessary limits set and various assumptions made. Secondly the economic impacts were quantified using a 2-stage value-added model, and in the final phase conclusions were drawn from the assessment results.

## II. Economic impacts of the UEFA EURO 2008™

#### a) Overall economic impacts of the UEFA EURO 2008™ in Switzerland

The overall economic impacts of the UEFA EURO 2008™ include those of the *stadium extension* in Basle, the UEFA EURO 2008™ *operational budget, tourism, the media and advertising activities, and the telecommunications sector*. Also examined are the role of *the state* and effects on the *balance of payments*. Except for stadium construction and part of the operational budget, the economic impacts are assessed for the UEFA EURO 2008™ *time period*, applying a *maximum* and a *minimum* scenario. Figure a shows the figures for each impact investigated and the sum total of all impacts.

- *Overall*, the various economic impacts assessed generate *direct turnovers* totalling about CHF 360 million (maximum) or 310 million (minimum). This directly results in *gross value added* of almost CHF 210 million or about CHF 180 million, and creates *employment* equivalent to 2640 or 2255 full time jobs. Only some of this actually creates new jobs, however, since peak labour requirements during the UEFA EURO 2008™ will partially be covered by existing employees.

- *Via intermediate consumption* and the *income effect*, *indirect turnovers* totalling about CHF 190 million or 160 million will also be induced. This results in *gross value added* amounting to CHF 110 million or 97 million, and *employment* creation equivalent to 1150 or 985 full time jobs.
- *In total* (directly and indirectly), the UEFA EURO 2008™ generates *turnovers* around *CHF 545 million or 470 million* in Switzerland. This results in *gross value added around CHF 315 million or 280 million*, and *employment* creation equivalent to *3790 or 3240* full time jobs.

**Figure a:** Total economic impact (direct and indirect) of the UEFA EURO 2008™ in Switzerland by various component effects

| | | | Turnover CHF million | | Value added CHF million | | Employment (FTE)* | |
|---|---|---|---|---|---|---|---|---|
| **Stadia** | | | | | | | | |
| *Total investment, CHF million* | *23* | | | | | | | |
| Economic Impacts | | | 35 | | 18 | | 190 | |
| **Budget** | | | | | | | | |
| *Total expenditure, CHF million* | *96* | | | | | | | |
| Economic Impacts | | | 142 | | 107 | | 920 | |
| | Min | Max | Min | Max | Min | Max | Min | Max |
| **Tourism** | | | | | | | | |
| *Total overnight and day-stays, in million* | *0.83* | *1.03* | | | | | | |
| *Total overnight stays, in million* | *0.69* | *0.86* | | | | | | |
| *Total expenditure, CHF million* | *165* | *206* | | | | | | |
| Economic Impacts | | | 250 | 313 | 130 | 161 | 1,890 | 2,360 |
| **Media and advertisment activities** | | | | | | | | |
| Economic Impacts | | | 31 | 41 | 18 | 24 | 210 | 280 |
| **Telecommunications sector** | | | | | | | | |
| Economic Impacts | | | 11 | 14 | 5 | 6 | 30 | 40 |
| **Total** | | | **468** | **544** | **278** | **316** | **3,240** | **3,790** |

*FTE = Full-Time Equivalent; * Employment volume, only partially equivalent to new job creation*
*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

Each effect is examined separately below.

### b) Effects of stadium construction/extension

Matches in Switzerland will be played at the four stadia in Basle, Berne, Geneva and Zurich. Still pending are the Zurich stadium, which may not be completed in time for the UEFA EURO 2008™ due to objections, and extension of the St. Jakob Stadium in Basle. These assessments focus on stadium construction (building investments), and do not include for maintenance and operating costs.

*Extension of the Basle stadium*

With regard to stadium construction, this assessment of the economic impacts of the UEFA EURO 2008™ *only takes into account the Basle stadium extension*, since that investment is directly attributable to the UEFA EURO 2008™.

- After deducting performance outsourced abroad, the *investment* of CHF 23 million for extending the Basle stadium directly *generates turnovers* of CHF 21.4 million.

- Together with the indirect effects, extension of the Basle stadium brings *turnovers in Switzerland* totalling around *CHF 35 million*, resulting in *gross value added* of *CHF 18 million* and *employment* equivalent to about *190* full time jobs.

*Overall effects of stadium construction*

This study also examines *the overall economic impacts of constructing these four stadia in Switzerland*, although (except for the Basle stadium extension) they are not attributable to the UEFA EURO 2008™.

- Construction of the four stadia generates *turnovers in Switzerland* totalling around *CHF 680 million* and *gross value added* of *CHF 354 million*, creating *employment* equivalent to *3900* full time jobs.

*Regional turnovers* generated by these investments range from CHF 116 million (Geneva) to 145 million (Zurich), with *gross value added* from CHF 60 to 75 million and *employment* equivalent to 680 – 830 full time jobs.

### c) Effects of the UEFA EURO 2008™ operational budget

Analysis of the *operational budget effects* is based on the approximate budget handed in with the candidature dossier, since no detailed budget was yet available. The economic impacts of the UEFA EURO 2008™ budget assessed in this study can therefore *be estimated as an order of magnitude*.

- Estimates show that Switzerland accounts for 58% of the total budget, or about CHF 96 million. After deducting assignments outsourced abroad from the Swiss budget, the *remaining turnover* generated in Switzerland totals around CHF 93 million.
- *Overall*, the Swiss share of the UEFA EURO 2008™ budget generates *turnovers* totalling *CHF 142 million*, *gross value added* of *CHF 107 million* and *employment* equivalent to *920* full time jobs.

### d) Tourism impacts

These are the impacts of *expenditures by tourists* attending the UEFA EURO 2008™. Local people are not included, because they are not defined as tourists (the expenditures for tickets and food during the matches are taken into account over the impact of the budget). Impacts are assessed based on the number of matches, stadium capacities, estimated number of people, length of stay and average daily expenditures.

- Persons attending the UEFA EURO 2008™ comprise *footballers and escorts* (including referees), *UEFA officials, media personnel, sponsors and VIPs, and spectators* (without local inhabitants).
- The assessment of tourism impacts is based on a *maximum (96%)* and a *minimum (85%)* occupation scenario for the Swiss stadia.
- The overall *visitor frequencies* attributable to the UEFA EURO 2008™ (number of same-day visitors plus number of overnight stays) total around one million (1.03 million) in the maximum scenario and 0.83 million in the minimum scenario. The estimated *number of overnight stays* in hotels is between 860,000 and 690,000. The relatively few spectators staying in parahotels or with friends and relatives are regarded as same-day visitors (with corresponding expenditures).
- The *crowding out* effect due to limited hotel capacities (particularly in Basle and Berne) is estimated at 50,000 overnight stays (about 6 to 7% of total hotel stays).

*Direct impacts of tourism*

- After deducting crowding out effects, *total expenditures by visitors* to the UEFA EURO 2008™ are estimated at CHF 206 million (maximum) or 165 million (minimum).
- Analysis of overall expenditures by category shows that 60% are for hotel accommodation, followed by food and beverages (19%), shopping (11%) and transport (6%).

*Overall impacts of tourism*

- *Turnovers* generated directly and indirectly *by visitors* to the UEFA EURO 2008™ total around CHF *313 million* (maximum) *to 250 million* (minimum), with *gross value added* of *CHF 161 to 130 million CHF*. This will create *employment* equivalent to *2360 or 1890* full time jobs, which is however not the same as job creation because as mentioned, the relatively short peaking requirements will largely be covered by existing personnel.
- The tourism impacts of the UEFA EURO 2008™ are at least twice as much as the total budget effects.

**e) Media and advertising impact**

- The UEFA European Football Championship™ has a *high image value* and reaches a very large audience world-wide. Such a big sporting event is an opportunity for Switzerland, to use the presence of the international media to send out various messages to the rest of the world. The marketing of the event takes place via so-called classical advertising in electronic and print media, as well as outdoor and sports field advertising. Television plays an outstanding role in marketing the event, with significant growth of its advertising turnover, but also the other media are expected to record an increase in advertising revenue. Broadcasting the UEFA EURO 2008™ will lead to a considerable rise of TV coverage, which in consequence will strengthen the connections between the broadcasting company (for example SRG SSR) and its viewers and as well as the advertising customers.
- The additional advertising revenue for *television* can be therefore be estimated at CHF 1.6 million (maximum) and CHF 1.4 million (minimum). Additional revenues are estimated at CHF 1.9 million or CHF 1.7 million for the *electronic mass media*, CHF 5.4 million or CHF 4.7 million for *the print media*, CHF 0.9 million or CHF 0.8 million for *outdoor advertising*, and CHF 20.2 million or CHF 14.0 million for *sponsors' advertising in all media*. To sum up, estimated revenues from advertising in the classical media amount to about CHF 28 million or CHF 21 million.
- The *direct and indirect turnover impact of media and advertising activities* amounts to about *CHF 41 million* (maximum) *and CHF 31 million (*minimum), the *induced value-added* totals around *CHF 24 million or CHF 18 million*, and *employment* equivalent to *280 or 210* full time jobs may be created.

**f) Telecommunications sector**

- Telecom sector turnover attributable to the UEFA EURO 2008™ will largely be derived from participants' use of mobile telephones and from the media (line charges, etc.). Due to the rapidly changing market and the dependance of prices on endogenous factors, only estimations of the telecommunications revenues for the year 2008 are currently possible. The media representatives present in Switzerland over the 23 days of the UEFA EURO 2008™ will *use telephone/fax communications* for about *45,600 hours* and the *Internet* for about *30,400 hours,* resulting in revenues of CHF 3.6 or CHF 2.9 million. Total revenues resulting from telecommunications services of the football-interested audience were estimated at CHF 4.5 (maximum) and at CHF 3.5 (minimum) million. It is to be expected that telecommunications revenues induced by the UEFA EURO 2008™ in 2008 will amount in total to about CHF 8 million maximum and CHF 6 million minimum.
- The *direct and indirect turnover* impact of *additional telecommunications services* amounts to about CHF 14 million (maximum) and to CHF 11 million (minimum). The total direct *and indirect value-added* impact amounts to CHF 6 million (maximum) and CHF 5 millions (minimum). The total *employment effects* of telecommunications may amount to 40 persons in the maximum variant and 30 persons in the minimum variant. However, due to the temporarily limited additional burden on the telecommunications industry and the fact that this is not a labour intensive sector of telecommunications, the additional personnel effecitvely hired during the event will be much smaller.

### g) Role of the state and impact on the balance of payments

- The state will profit through the direct effects of tourism, the budget and stadium extension from *tax receipts* totalling around CHF 24 or 22 million (income tax and VAT), plus additional tax income from the indirect effects. Furthermore, the induced salary income will generate *social security contributions* estimated at CHF 30 million.
- UEFA EURO 2008™ visitors from abroad will bring substantial *funds* into Switzerland. After deducting purchases of goods and services abroad, the result will be a very *positive contribution* of CHF 175 or 134 million to the *balance of payments*.
- The state contributes very little to the UEFA EURO 2008™ as direct subsidies, but carries prime responsibility and high outlay for ensuring *safety and security* in this area.

### h) Overall economic impacts of the UEFA EURO 2008™ in Switzerland and Austria

As far as possible the *overall impacts* of the UEFA EURO 2008™ in *Austria and Switzerland together* are shown, but only for the maximum scenario (figures in EURO).

- Most of the *stadium construction impacts* apply to *Austria*. The *Swiss share* of the 143 million EURO total investments is only 10%. *Gross value added* is generated to the amount of 100 million EURO and *employment* equivalent to 2200 full time jobs.
- The *tourism impacts* comprise about 2.0 million *overnight stays* and *expenditures* to the amount of 340 million EURO. *Direct and indirect gross value added* totals 326 million EURO and *employment* equivalent to about 8600 full time jobs is created. Overall, about three times more than the impacts of stadium construction.
- The *media and advertising* will *generate turnovers* amounting to 60 million EURO, with *direct and indirect gross value added* of 35 million EURO and induced *employment* equivalent to 670 full time jobs.

### i) Regional impacts of the UEFA EURO 2008™ in Switzerland

*Tourism impacts* in the four *stadium locations Basle, Berne, Geneva and Zurich* are examined per region in this study, as well as the impacts of the Basle stadium extension. The figure below gives an overview of the respective direct and indirect impacts of the UEFA EURO 2008™ in total.

**Figure b:** Overall regional economic impacts of the UEFA EURO 2008™ in the regions (tourism effects and stadium extension in Basle)

| | Basle* | | Berne | | Geneve | | Zurich | |
|---|---|---|---|---|---|---|---|---|
| | Min | Max | Min | Max | Min | Max | Min | Max |
| Turnover, CHF million | 51 | 67 | 14 | 28 | 14 | 25 | 22 | 39 |
| Value added, CHF million | 31 | 34 | 10 | 14 | 10 | 13 | 16 | 20 |
| Employment (FTE) | 400 | 450 | 140 | 210 | 150 | 200 | 240 | 300 |
| Net overnight-stays (1,000)** | 60.9 | 74.0 | 53.6 | 67.9 | 47.4 | 62.2 | 82.4 | 104.6 |

** incl. stadium enlargement*
*** less crowding out*
*FTE = Full-Time Equivalent*

Source: Rütter + Partner / ITW estimates

- The *Basle region* clearly profits the most from the UEFA EURO 2008™, on one hand from *the stadium extension* and on the other hand from the three *additional matches* (quarter and semi-finals). *Value added and employment creation* amount in the maximum scenario to CHF 34 million and

450 equivalent full time jobs respectively – more than twice as high as in the Berne region and canton Geneva (each about CHF 14 million and 200 FTE).

- In *canton Zurich value added* is generated to the amount of CHF 20 million, and *employment* equivalent to 300 full time jobs (maximum scenario).

## III. Intangible effects of the UEFA EURO 2008™

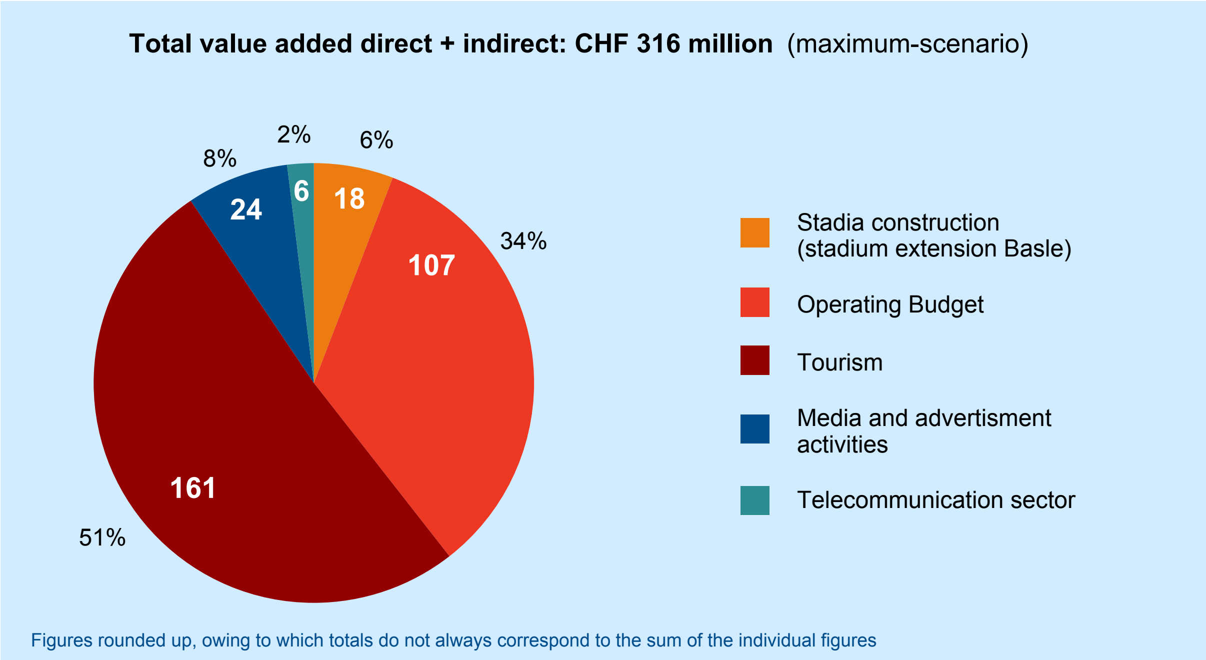
Apart from the economic impacts of the UEFA EURO 2008™ there are *numerous non-financial effects*. As mentioned, this study draws qualitative conclusions with regard to various intangible effects, in particular the following:

- The *awareness and image* enhancing effects of the UEFA European Championship™ have great significance for a city, a region, or a country. Increased awareness can be one argument *for potential tourists* to visit Switzerland and its regions for holidays, or a reason for companies to choose an investment location. The benefits associated with increased awareness are very difficult to quantify.
- The UEFA EURO 2008™ can have positive effects on the *development of football and sport behaviour*, and thus indirectly on the *health of the population*.
- In the stadium regions the UEFA EURO 2008™ increases *identification of the people with their city*, canton and country, and by optimizing the urban transport systems helps to improve public transport.
- The extensive collaboration of *volunteers* leads to an *increased social cohesion* and corporate feeling. The volunteer experience gives many participants the possibility to enhance their skills and to use this acquired knowledge later on for personal development.
- *Coordinated marketing efforts* of the national, regional and local tourist organisations as well as of the organising committee are of crucial importance in order to *attract domestic and foreign tourists* to the tournament venues.

## IV. Conclusions on the economic impacts of the UEFA EURO 2008™

- The UEFA EURO 2008™ will be the *biggest sports event ever held* in Switzerland. The overall direct and indirect economic impacts are substantial*: turnovers totalling around CHF 550 million and gross value added of about CHF 320 million.* The turnover generated is equivalent to that of a bigger size Swiss corporation. Notable however is that these impacts largely take place in a time period of only three weeks, during the UEFA EURO 2008™. As shown by the study results*, not only the hotel and restaurant trades but also many other sectors will profit directly or indirectly from the UEFA EURO 2008™*.
- The *enormous importance of the UEFA EURO 2008™ as a large sporting event* is clearly shown by comparing with other events of this kind the turnover of about CHF 300 million directly generated by the budget and tourism effects. Comparable turnover from the Engadine Marathon is about CHF 11 million, for example, about CHF 8.5 million from the Rowing Championship 2001 at Rotsee, and CHF 7 million from the International Lauberhorn Ski Races.
- Among the *individual economic effects* of the UEFA EURO 2008™, *tourism* has the biggest impact (value added CHF 161 million or 51% of overall impact; cf. Fig. c). One third of the overall impact is attributable to the *operating budget* (CHF 107 million). The *media and advertising activities* contributes 8% (CHF 24 million) and the *Stadium construction* (extension of the Basle stadium) only 6%. Value added impact in the *telecommunications sector* is also comparatively low at 2%.

**Figure c:** Significance and distribution of economic impacts of the UEFA EURO 2008™ in Switzerland (value added resulting from direct and indirect effects)




Source. Rütter + Partner / ITW estimates

- The *four stadium regions* profit to widely differing extents from impacts of the UEFA EURO 2008™. The Basle region reaps the greatest benefit thanks to the effects of stadium extension, the supplementary effects resulting from greater stadium capacity, and the additional quarter and semi-final matches. Furthermore, the Basle region will also profit in future from the larger stadium capacity.
- The *impact of regional tourism effects* depends decisively on the number of matches, stadium capacity, the origin of visitors and their length of stay, and on the available hotel capacities. Limited hotel capacities result in *crowding out effects* ranging from 4% of normal overnight stays in Zurich to 42% in the Basle region. On average, about 50,000 overnight stays will be crowded out by the UEFA EURO 2008™. Compared with the total number of overnight stays generated by the UEFA EURO 2008™ (about 860,000), this crowding out effect is tolerable.
- It must be emphasized that in most cases large sports events *primarily have short-term positive economic impacts* (in particular due to tourism) and *create relatively few new jobs*. The longer-term impacts of the UEFA EURO 2008™ (stadium construction and budget) are relatively small. Hotel capacities are hardly likely to be expanded because of the 3-week event, but some hotels will take the opportunity of carrying out *renovations* more cost-effective in the longer term.
- TV and radio broadcasts of the UEFA 2008™ will certainly have *a markedly positive image and advertising impact* on public awareness of the two countries involved. The overall impact is very difficult to quantify, however, and in many cases is overestimated. Based on an ex-ante study of *long-term effects* of the Olympia candidature Berne 2010 (Rütter, H., Stettler, J. et al. 2002b), for the UEFA 2008™ a bandwidth of 40,000 to 180,000 *additional overnight stays* is estimated for a ten-year time period.
- Much more important and decisive is the end effect of *contented visitors* recommending Swiss vacations to their friends.
- What makes the UEFA EURO 2008™ so valuable for tourism is that it attracts so many spectators *from abroad*. The UEFA EURO 2008™ therefore offers considerable potential for the Swiss tourist industry to win *new guests*, who ideally will spend regular vacations in Switzerland. Furthermore, thanks to the tourism impacts of the UEFA EURO 2008™ the expenditures of foreign spectators make a *welcome contribution to the Swiss economy and balance of payments*.

- To fully exploit this *tourism potential* of the UEFA EURO 2008™, *close teamwork is required at an early date with the responsible tourism organizations* (for Switzerland as a whole and the four stadium regions). Suitable offerings must be jointly prepared for visitors, as well as attractive packages designed to induce longer stays. This will increase value added in the regions and in Switzerland as a whole. As shown by experience with other large-scale events, however, that is no easy undertaking. This was particularly clear with the Expo.02 in the Three Lakes region, where hardly any visitors were tempted to stay on irrespective of the exhibition itself. Also the long-term effects on overnight stays after the Expo.02 were disappointing, as shown by the latest hotel occupancy statistics in Biel and the Lake of Biel region. The Engadine Ski Marathon, on the other hand, is an excellent example of how well the tourism impacts of a sports event can be exploited. Despite its comparatively low budget, this event generates substantial economic impacts because on average, participants in the Engadine Ski Marathon spend more than seven days in the region.
- Limited hotel capacities in the stadium localities can be partially alleviated for some visitor categories by the *systematic integration of substitute hotels, and other measures such as using the Rhine ships in Basle for accommodation*. This requires a suitably broadened package offering, and clear information to forthcoming UEFA EURO 2008™ visitors about the accommodation possibilities.
- Due to the limited stadium capacities, the most attractive packages are those which also appeal to *accompanying persons* who are not so interested in football. However, the restricted hotel accommodation particularly in the Basle and Berne regions limits this additional guest potential.
- It is therefore all the more important to ensure a *good quality and price/performance ratio of tourism offerings*, so that UEFA EURO 2008™ visitors are contented and respond to targeted offerings inducing them to extend their stay or return after the UEFA EURO 2008™.
- The UEFA EURO 2008™ event *promotes cooperation* not only at cantonal and regional level in the tourism sector, but also with other sectors and the state.
- The UEFA EURO 2008™ is a large-scale event *demanding precise risk analysis*. In contrast to the Winter Olympics, this event is not particularly prone to weather risks. At most there is a minimal and limited risk of stadiums not being filled to capacity, with a corresponding reduction of UEFA earnings and tourism impacts. This could happen for example if fans find the team makeup not attractive enough. In the study this risk is taken into account for tourism impacts with a corresponding minimum (stadium 85% full) and maximum scenario (96% full).
- In contrast to other sports events of comparable size (in particular the Olympic Games), the UEFA EURO 2008™ will *not bring unnecessarily large and unprofitable football stadia*, because the related investments in Switzerland are very modest. The economic impacts are correspondingly low by comparison – but the risk of loss-making infrastructures afterwards is also low.
- A *potential safety risk* is posed by *violent fans* (hooligans) of various national teams (in particular British). These organized fan groups (depending on the match results) regularly cause damage to persons and property including public transport.
- Not to be underestimated are also the risks threatening *guaranteed safety*. In view of the uncertain international security situation and the safety demands of the UEFA, the state will likely have to take *over substantial additional costs which are however difficult to quantify*, whereby the safety and security costs will be split between Austria and Switzerland. Portugal’s overall estimate of safety and security costs for the entire tournament was 40 million Euros. 16.5 million Euros of this were directly invested by the Ministry of the Interior in specific new material and equipment for the two Police Forces, and the remaining amount was spent in personnel and administrative/logistic areas, including international police co-operation.

# 1. Introduction

## 1.1 Objectives and study areas

The *Austria/Switzerland candidature* will be hosting the European football championships in 2008. For the Swiss part of the UEFA EURO 2008™ there is a lack of fundamental data and information on the economic impacts both for Switzerland as whole and for the individual stadium localities. The UEFA and the Swiss Football Association (SFV) therefore requested the consortium Rütter + Partner and Institute of Tourism (ITW) to analyze the economic impacts of the UEFA EURO 2008™. The primary goals of this study are as follows:

- To provide the UEFA and the Swiss tournament organization with fundamental information for negotiations with the local, cantonal and federal authorities and for publicity purposes.
- To identify and register, analyze, assess and quantify the main economic impacts of the UEFA EURO 2008™.
- To regionally differentiate the stadium investment consequences and tourism impacts of the UEFA EURO 2008™ in Basle, Berne, Geneva and Zurich.

This study examines the following *specific areas*:

- Analysis of *direct* economic effect by the *operational budget* of UEFA EURO 2008™ and related *stadium investments*[1] on turnover figures, value added, employment and tax revenues.
- Economic effects by *Swiss and cross-border visitors* (both daily and overnight stays) on *tourism* and on the sectors profiting from tourism (retail trade, transport, culture, etc.) during the UEFA EURO 2008™ (by spectators, football teams, officials, media people), and expected effects beyond 2008. Also taking into account "crowding-out" (displacement) and resultant effects.
- *Regional analysis* of investment and tourism effects.
- Effects of UEFA EURO 2008™ on *public authorities* (tax revenues, outlay for public safety, for labour, etc.).
- Assessment of contribution to the national *balance of payments*
- Effects of *media and advertising activities*
- Effects on the telecommunications market.

Among other economic factors this study mainly focuses on *turnover* generation both *direct* and *indirect* (via intermediate consumption demand and income effects), and the resultant *value added* and *employment* created. Tax impacts are also assessed.

For Austria a study was already carried out in 2003 by *the Institute for Advanced Studies* (IHS) in Vienna on economic impacts of the UEFA EURO 2008™ (Berrer,

[1] In Switzerland only the Basle stadium extension is attributable to the UEFA EURO 2008TM; these impacts are therefore shown separately.

H., Grozea-Helmenstein, D., et al. 2003). To ensure best possible comparability between the two studies and to optimally utilize synergies, the present study has been carried our in *cooperation with the IHS*, which analyzed the impacts of the media and advertising activities (section 4.4), impacts on the telecommunications sector (4.5), and the intangible aspects (chapter 6) for Switzerland.

## 1.2 Limitations and definitions

Due to the size and complexity of the UEFA EURO 2008$^{TM}$, limitations have to be set with regard to the numerous interactive effects, direct and indirect effects, geographical (regional), chronological and other effects. Some terminology also has to be defined.

*Chronological limitation: event duration and time frame*

In this study the direct and indirect economic effects of the UEFA EURO 2008$^{TM}$ are analyzed with main focus on the *event duration and time frame*. This particularly applies to the *tourism impacts, media, and advertising activities*, and impacts on the *telecommunications* sector. The effects of the *operating budget* cover the *preparatory phase 2004 to 2008* and *stadium investments* for the *entire construction phase*.

*Geographical and regional limitations*

In view of the multiplicity of interactive and interchange processes involved, geographical limitation is decisively important for assigning the various economic effects. In this study the analysis of economic impacts is differentiated according to *regional economics of the four Swiss match locations* and for Switzerland as a whole. Account is taken thereby both of investment effects and of tourism impacts attributable to participants (spectators, footballers, trainers/coaches/officials, the media). The sum of impacts in the four regions is not identical to impacts for Switzerland as a whole, which also include effects in other regions.

The *Zurich* and *Geneva regions* are defined as the entire respective canton, while for the *Berne region* as defined in this study the Bernese Oberland is excluded, and the *Basle region* includes the two cantons Basle City and Basle Land.

*Limitations to study content*

This study focuses on analyzing the *economic impact quantification* of the UEFA EURO 2008$^{TM}$. Assessments are also made of *intangible effects* such as image, sports ranking, and health. Environmental impacts are not included in this study.

*Crowding out*

The UEFA EURO 2008$^{TM}$ will displace other tourism activities to some extent, in particular overnight stays in hotels. This may be due to accommodation bookings in connection with the event, higher prices, or negative reaction of potential guests to such large events. These effects are summarized as *crowding out*. In the study they are estimated based on the available bed capacities, occupation rates and the expected number of visitors. Accordingly, only the net impacts of tourism demand attributable to the UEFA EURO 2008$^{TM}$ are shown, i.e. those impacts effectively generated by the UEFA EURO 2008$^{TM}$.

*Prices*

The assessments in this study are based on *current prices*.

*Employment (full time equivalent FTE)*

*Employment or number of employees* are defined in this study as full time equivalent (FTE), meaning not the actual number of persons employed but the work volume divided into *equivalent full time employment*. This is important, because particularly in the tourism sector numerous employees are only temporary and/or part-time, and conversion to a comparable basis is therefore required.

In actual fact these employment impacts *only partially create additional jobs*, or often *only temporarily*. The reason is above all that the direct economic impacts of the event (tourism impacts, media and advertising activities, impacts on the telecommunications sector) are concentrated on a very short time period so that companies try to cover the extra workload at least partially with existing personnel. It is essential to bear this in mind when interpreting results. However, the long-term impacts of stadium construction investments and of the UEFA EURO 2008™ budget actually do create new jobs.

*Visitor frequencies*

Visitor frequencies are defined as the *number of days* spent by all visitors in each respective region. They comprise the number of *same-day visitors* and the number of *overnight stays* by visitors. A further breakdown is made in section 4.3.1.

*Value added*

Value added is defined as that created by a company over a specific time period. This is the most appropriate measure of company or sector performance in terms of economic impact. *Gross value added* is calculated by deducting intermediate consumption (goods and services supplied by third parties) from gross output (roughly equivalent to turnover). Value added is distributed among the employees, (salaries), the state (taxes), investors (interest), shareholders (dividends) and the company itself (retained earnings).

## 1.3 Methodological procedure

The latest input-output table for Switzerland refers to 1990 and is not available broken down by economy branches as required for this study. Nor are there any regional input output tables for the regions relevant to the UEFA EURO 2008™. As a result, a different procedure had to be used for the Swiss share of the UEFA EURO 2008™ than the method used in Austria. The various economic impacts were quantified by using a *two-stage value added model* to calculate the direct and indirect impacts (2nd value-added level). This has already been used successfully for various impact analyses (Rütter, H., et al. 1995, 2001, 2004). This methodological approach did not include the media and advertising activities and telecommunications sector impacts, which were assessed by the IHS using the input-output table 2000 of Austria.

The model calculations were based above all on the following *data sources:*

- Operational budget handed in with the UEFA EURO 2008™ candidature dossier, and data/estimates by the UEFA or the Swiss tournament organization.

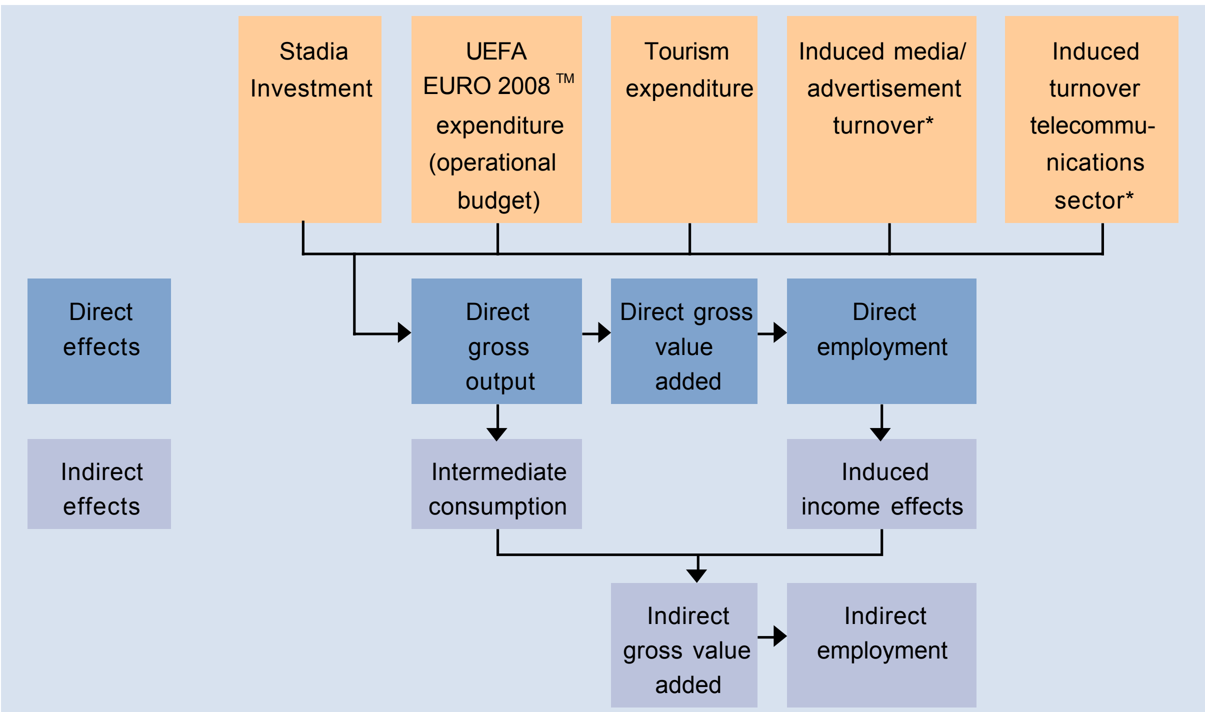
- Tourism statistics (regional accommodation capacities and occupation rates), production accounts, production and value-added statistics and salary structure survey by the FSO, and value added tax statistics.
- Regional tourism value added studies and case studies of large sports events in Switzerland (data on same-day and overnight visitors, indicators for calculating indirect multiplication effects).

As explained in section 1.1, *five different economic impacts* are taken into account. Basically the *turnovers* created, *gross value added* and *employment volume*, the *induced income* and the *tax effects* are calculated. With respect to the budget, not only value added for the event organizer is defined as a direct impact, but also that of the various companies receiving direct orders from the UEFA or the Swiss tournament organization (delivery of goods and services). For tourism impacts a *maximum* and a *minimum* are calculated (low and high impact, cf. section 4.3.1).

*Figure 1* shows the 2-stage procedure used for calculating the direct and indirect impacts. The stadium investments, the operational budget, visitors to the UEFA EURO 2008™, the media and advertising activities, and the telecommunications sector generate turnovers *directly attributable* to the UEFA EURO 2008™. These turnovers correspond to *gross output*. After deducting intermediate consumption the result is directly generated gross value added, which induces a corresponding employment volume.

In the *2nd stage*, *indirect* demand and gross output as well as indirect gross value added and employment are generated on the one hand by intermediate consumption and on the other hand via *induced salary* income.

**Figure 1:** 2-stage value added model for calculating direct and indirect impacts of the UEFA EURO 2008™




* Assessments for this sector were carried out by IHS based on the input-output table 2002 for Austria.
Source: Rütter + Partner

Procedurally the direct impacts were allocated to the respective expenditures and as far as possible to the *individual sectors* (hotels/restaurants, construction, retail trade, transport, etc.) and *regionally delineated*. *Value added* was calculated on the basis of specific intermediate consumption shares per sector. *Employment impacts* were determined from *the productivity* of the respective sector (based on the Swiss production account). The calculation of tax effects covered in particular value added tax and induced income tax.

The *indirect impacts* of intermediate consumption were calculated using *multipliers*. The estimation of indirect impacts was based on multipliers taken from regional value-added studies (Rütter et al. 1995, 2001, 2004). Additionally, the income effect was calculated based among other factors on the salary component of gross output social security contributions and the national savings quota.

## 1.4 Structure of report

In accordance with the investigation areas delineated in section 1.1, this report is structured as follows: After a brief overview of the *Swiss economy* (chapter 2), the impacts of *stadium investments* are analyzed (chapter 3). It must be emphasized here that – except for the Basle stadium extension – these economic impacts are not attributable to the UEFA EURO 2008™, upon which stadium construction did not depend.

Chapter 4 deals with the *various economic impacts* of the UEFA EURO 2008™: stadium extension in Basle (4.1), operational budget of the UEFA EURO 2008™ (4.2), tourism effects (4.3), media and advertisement activities (4.4), impact on the telecommunications sector (4.5), the role of public authorities, and effects on balance of payments (4.6.2). Section 4.6.1 sums up the various economic impacts of the UEFA EURO 2008™ and section 4.7 shows the overall impact of the UEFA EURO 2008™ both in Austria and Switzerland.

The impacts of tourism and of the stadium extension attributable to the UEFA EURO 2008™ are *regionalized* in chapter 5 for each stadium location: Basle, Berne, Geneva and Zurich. Chapter 6 investigates the various *intangible effects* emanating from the UEFA EURO 2008™. The report ends by drawing conclusions in chapter 7.

# 2. Overview of the Swiss Economy

Before analyzing in the next two chapters impacts of the UEFA EURO 2008™ on the Swiss economy, a brief overview is given here of its various aspects including tourism and the role of football.

### Population

Permanent residents in Switzerland per *end of 2003 totalled 7.368 million.* The percentage of *non-Swiss residents* is relatively high at about *20.3%* (FSO, annual population statistics). Since the beginning of the twentieth century (1900: 3.3 million), the population of Switzerland has more than doubled. For some time now the trend has been similar to that in many other countries, i.e. a declining growth rate resulting in an *ageing population*. *Between 1990 and 2002,* however, the population of Switzerland rose more strongly again by 0.6% per annum although mainly due to immigrants. The EU-15 population only grew about half as much (0.3%) in the same time period (Eurostat, European Commission, 2004).

With an *area* of only *41,280 $km^2$* and a *population density* of *178 per square kilometre,* Switzerland is more densely populated than the 15 EU countries whose average population density is just under 120 per $km^2$. Moreover the population density is even higher in the housing and business zones surrounding the largest agglomerations of Zurich, Geneva, Lausanne, Berne and Basle as well as various smaller agglomerations.

### Employment

Full and part time employees in Switzerland for the first quarter 2004 totalled *3.822 million*. Figure 2 shows their distribution by sector. The *processing and industrial* sector accounts for the largest number of employees at 655 thousand or 17.1%. *Trading and the automobile sector* (including garages and filling stations) employs 594 thousand people (15.5%), and equally important is the heterogeneous service-oriented sector comprising *real estate, property rentals, information technology, and research and development (R&D)* with an employment quota of 11.4%. The strongly tourism oriented *hotel and restaurant* sector accounts for 5.8%, while the directly and indirectly tourism-linked *building trade*, *transport* and *communications* sectors show employment quotas of 7.3% and 6.7% respectively.

**Figure 2:** Employment by sector for the first quarter 2004 (full and part time) and in % of total employment.

| | in thousand | in % |
|---|---|---|
| Agriculture and forestry, hunting, fishing and fisheries* | 197 | 5.2 |
| Mining | 5 | 0.1 |
| Processing and industry | 655 | 17.1 |
| Power and water utilities | 25 | 0.6 |
| Building trades | 277 | 7.3 |
| Trading; automobile repairs and consumer articles | 594 | 15.5 |
| Hotels and restaurants | 220 | 5.8 |
| Transport and communications | 255 | 6.7 |
| Financing and insurance services | 202 | 5.3 |
| Real estate; rentals; IT, R&D | 434 | 11.4 |
| Public administration | 154 | 4.0 |
| Teaching | 238 | 6.2 |
| Health care and social services | 417 | 10.9 |
| Other public and personal services | 151 | 3.9 |
| **Total** | **3,822** | **100.0** |

** for 2002*

Source: FSO employment statistics BESTA 2004

With unemployment at only 1.7% or about 67,200 jobless, Switzerland reached its lowest level in 2001 since the early nineties (sec). Since then unemployment has steadily risen again, and by January 2004 it reached a maximum of 4.3%[2]. Unemployment in Switzerland is now at about the same level as when it reached the highest point in 1997. In the 15 EU countries average unemployment in spring 2004 was considerably higher than in Switzerland at 8.0%[3]. Since January 2004 the Swiss labour market has shown the first signs of improvement again, so that unemployment adjusted for season effects is no longer increasing.

### GDP and economic growth

Switzerland's gross domestic product (GDP) of *CHF 427,790 million* in 2002 is equivalent to CHF 58,000 per head. Figure 3 gives an overview of the GDP make-up by utilization type for the two years 1992 and 2002, and also shows the respective annual change rate at current prices between 1992 and 2002.

GDP *growth* at current prices during that time period was about 2.0% p.a. The growth of *exports* (4.2%) and imports (3.7%) considerably exceeded overall economic growth, while *consumer expenditure* by private households and the state roughly followed the GDP development at 2.1%. *Gross investments* only rose slightly, with average growth per annum of 0.2%.

[2] http://www.seco.admin.ch

[3] http://europa.eu.int/comm/eurostat (6.4.2004)

**Figure 3:** Gross domestic product (GDP) for Switzerland by type of utilization at current prices for 1992 and 2002

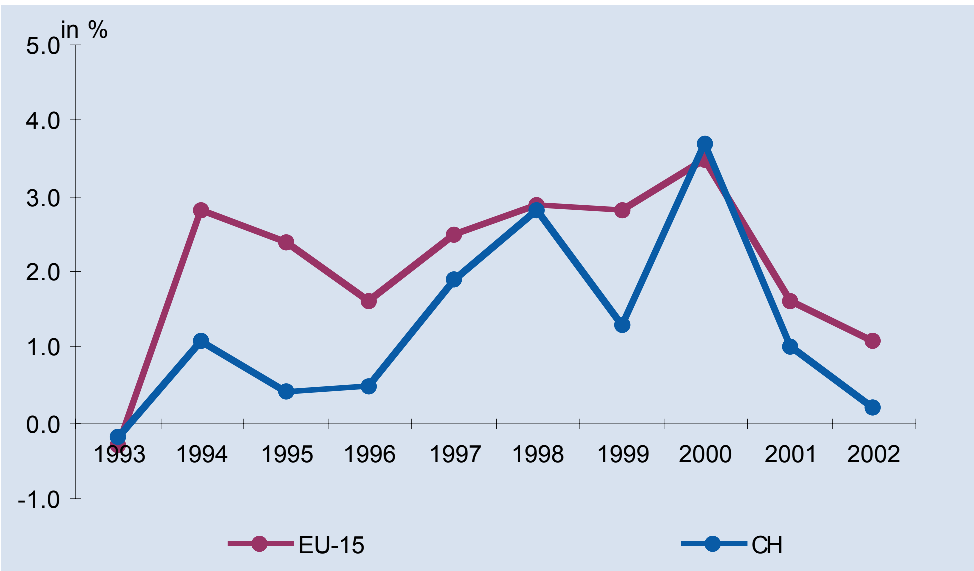
| | Total 1992 million CHF | Total 2002 million CHF | Change 1992-2002 in % | Ø Growth-rate per annum in % |
|---|---|---|---|---|
| Consumer expenditures | 251,778 | 310,781 | 123.4 | 2.1 |
| Private households/POoE | 209,360 | 260,631 | 124.5 | 2.2 |
| State | 42,418 | 50,150 | 118.2 | 1.7 |
| Gross investments | 83,747 | 85,735 | 102.4 | 0.2 |
| Plant and equipment investments | 42,335 | 47,077 | 111.2 | 1.1 |
| Building investments | 44,225 | 40,922 | 92.5 | -0.8 |
| Inventory changes* | -2,813 | -2,264 | 80.5 | -2.1 |
| Exports | 124,992 | 188,957 | 151.2 | 4.2 |
| Goods exports | 93,129 | 138,028 | 148.2 | 4.0 |
| Services exports | 31,863 | 50,929 | 159.8 | 4.8 |
| Imports | 109,710 | 157,686 | 143.7 | 3.7 |
| Goods imports | 94,535 | 132,866 | 140.5 | 3.5 |
| Services imports | 15,176 | 24,819 | 163.5 | 5.0 |
| **Gross domestic product** | **350,807** | **427,787** | **121.9** | **2.0** |

** incl. net investments in assets*

Source: FSO. Key data for Switzerland. www.statistik.admin.ch (06.04.2004)

With ongoing globalisation, market opening and technological advances, competition between the economic centres is becoming tougher. Measured by standard of living, Switzerland is still one of the most prosperous countries in the world, but economic development in Switzerland can be described as "high level stagnation". During the eighties, Switzerland was still able to keep pace with the European Union countries.

**Figure 4:** Real economic growth of GDP in Switzerland compared with the EU-15 zone, 1993-2002 in %




Source: own analysis, www.statistik.admin.ch / http://europa.eu.int

*The growth lag between Switzerland and the European Union* has *accentuated since the early nineties*. While *real economic growth in the EU-15 zone averaged 4.3% p.a. between 1994 and 2004*, *Swiss economic growth* was much lower at *1.8%* p.a (cf. Fig. 5). Only in 1998 (2.8%) and 2000 (3.7%) did Swiss economic growth reach the growth rate of the EU-15 zone (cf. Fig. 4).

**Exports/imports and balance of payment**

At CHF 189 billion (Fig. 3) exports make up 44% of Switzerland's GDP, showing the *great importance* to the Swiss economy *of exports*. Swiss exports and imports have both risen steadily since the early nineties. The net result for goods exports/imports in 2003 was a slightly positive balance of CHF 4.6 billion. For services and for labour and capital income the balance was much higher at CHF 23.2 billion and 21.6 billion respectively. Switzerland's *balance of payments* therefore shows a clear *surplus*.

**Investments**

Due to the low annual growth of gross investments between 1992 and 2002, the *share of gross investments in the GDP declined* from 23.9% in 1992 to 20.0% in 2002. While plant and machinery investments grew by 1.1% p.a. on average, construction investments during the same period declined by about 0.8% p.a.. Meanwhile the latest recessive trends in Switzerland also show a significant decline in plant and machinery investments of about 11.3% in 2002. Construction investments stagnated at a relatively low level.

**Comparison between Switzerland and the EU**

Figure 5 compares some selected key figures between Switzerland and the EU. The population of the European Union is about 50 times more than that of Switzerland, but the age structure is very similar. The employment quota, weekly working hours and GDP per head are higher in Switzerland than in the European Union (EU 15). Adjusted for purchasing power, the GDP of about 31,000 US$ per head in Switzerland is considerably higher than in the EU-15 zone at 24,320 US$. There are also significant differences in public debt as a percentage of GDP. However, inflation rates are at a similarly low level.

**Figure 5:** Comparison between Switzerland and the European Union (EU 15) based on selected criteria

| | Year | Switzerland | EU 15 |
|---|---|---|---|
| Population in 1000 (mean of year) | CH03/EU02 | 7,410 | 376,500 |
| Number of persons below 15 (in %) | 1999 | 17.4 | 16.9 |
| Number of persons over 64 (in %) | 1999 | 15.3 | 14.3 |
| Energy-related CO2 emissions (in t per head of population) | 2000 | 5.8 | 8.3 |
| Employment quota for women | 2001 | 58.8 | 47.0 |
| Employment quota for men | 2001 | 77.4 | 65.5 |
| Unemployment quota in % | 2001 | 2.5 | 7.6 |
| Weekly working hours | 2001 | 41.7 | 40.1 |
| GDP per head (in US$), adjusted for purchasing power | 2001 | 31,005 | 24,320 |
| Average real growth of GDP (in %) | 1994-2004 | 1.8 | 4.3 |
| Inflation rate (in %) | 2001 | 2.6 | 2.5 |
| Public debt (in % of GDP) | 2001 | 49.6 | 69.1 |

Source: Federal Office for Statistics FSO (2004): International statistics. Comparison Switzerland – Europe. www.statistik.admin.ch (06.04.2004), Eurostat, European Commission (2004); Living conditions in Europe – Statistical Pocketbook, Data 1998-2002. Luxembourg: Office for Official Publications of the European Communities.

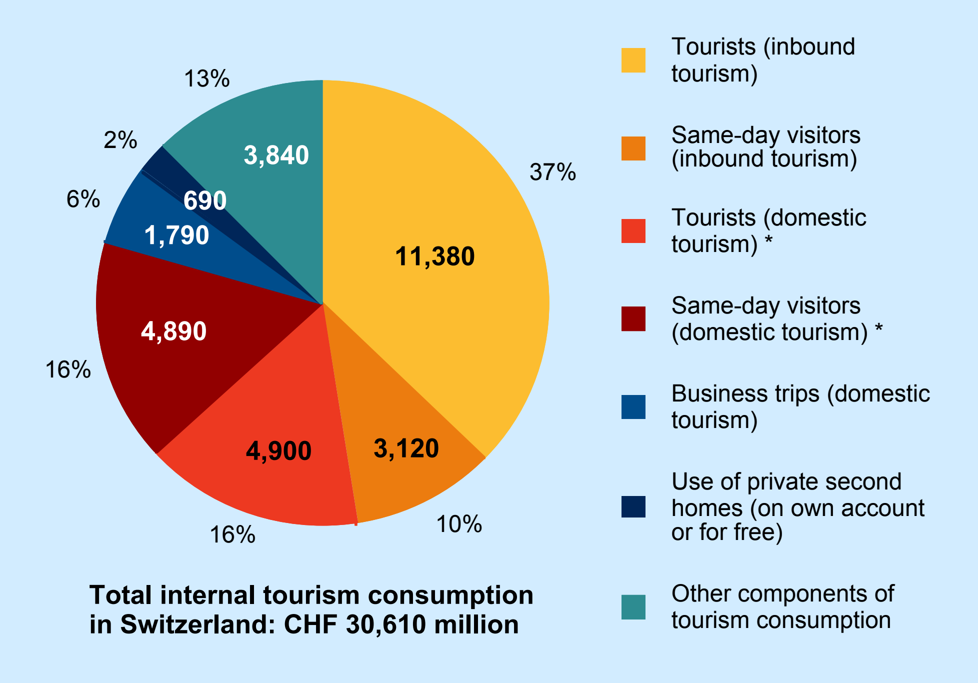
### Tourism

Big international sports events like the UEFA Euro 2008™ have a powerful impact on the tourist industry due to the large numbers of foreign visitors. Tourism is one of the most important sectors of the Swiss economy. Apart from being a major source of *employment and value added*, tourism is significant from the point of view of its *traditional international economic links*, which have made a considerable contribution towards the economic development of mountain areas. Furthermore, tourism is an important *pillar of the economy* in various *regions*.

Tourism is *defined by demand* in that *tourist consumption by same-day visitors* from Switzerland itself and from abroad, as well as by those who *stay overnight* (tourists) provides income for *various* sectors of the economy. Tourism is therefore not a sector which can be directly defined from the supply side in the statistical sense like agriculture or the machine industry, but rather the goods and services which tourism offers are produced by various sectors. Apart from the traditional suppliers which are closely linked to the tourist sector and which are of considerable importance for the *tourist mix* (e.g. the hotel and catering sector, mountain railways and cable-cars, travel agents, etc.) part of the manufacturing process linked with tourism is carried out by many other sectors of the economy (public passenger transport, retail trade, cultural activities, sport, entertainment, etc.).

The *"Tourism Satellite Account for Switzerland"* (TSA Switzerland), published in 2003, shows for the first time the economic impacts of tourism on a basis compatible with national accounts (NA), (Antille Gaillard, Rütter, Berwert 2003). Although the basis year was 1998, this analysis gives a good insight into the *structure of Swiss tourism*, in particular on the demand side as well.

**Figure 6:** Visitor consumption by forms of tourism in Switzerland, in CH million (based on 1998 prices)

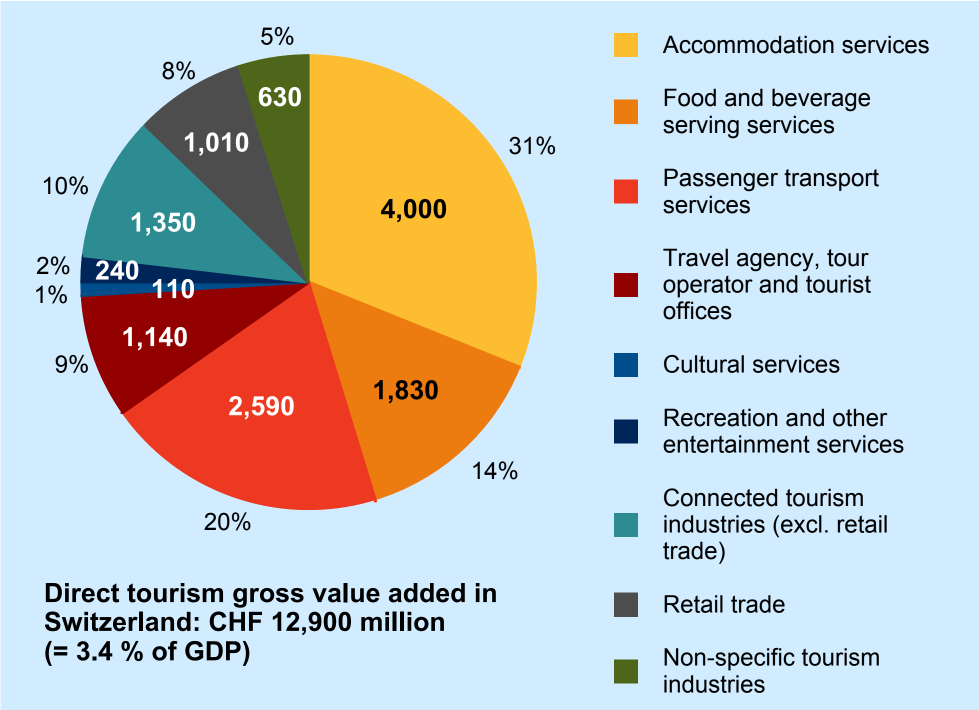



Source: Tourism Satellite Account Switzerland 1998 (Antille, Rütter, Berwert 2003)
* excl. business trips
Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures

According to the demand side for tourism of the TSA Switzerland, Swiss and foreign tourists spent a total of around CHF 30,610 million in 1998 (cf. Fig. 6). Overall roughly *half of that amount (47% of all tourist expenditure in Switzerland)* can be attributed to *foreign visitors* (including those on business trips). The expenditures of foreign visitors are included in the tourism balance of payments as exports. According to the figures for 2002, tourism accounts for about 9% of overall export revenues and takes third place after the metalworking/machine industry and the chemical/pharmaceutical industry. Swiss tourism has shown a healthy balance for years, amounting to CHF 1.9 billion in 2002. This means that foreign visitors spend more money in Switzerland than Swiss tourists spend abroad (FSO 2003).

*32% of tourist expenditures are attributable* to *Swiss visitors* (excluding those on business trips). Further categories of tourist consumption include *business trips* made by *Swiss residents (6%), use of private second homes (on own account or for free) (2%)* and *various miscellaneous elements of tourist demand (13%).* The latter include payments made by all visitors to travel agencies, payments made by Swiss residents to Swiss airline companies and expenditure on tourism single-purpose consumer durables before, during or after a trip. These three categories of expenditure also include payments made within Switzerland for trips abroad.

**Figure 7:** Breakdown by industry of gross value added directly generated by tourism in Switzerland, in CHF million (based on 1998 prices)




Source: Tourism Satellite Account Switzerland 1998 (Antille, Rütter, Berwert 2003)
Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures

In Switzerland in *1998*, overall gross value added directly generated by tourist consumption amounted to *CHF 12,900 million*. This corresponded to *3.4% of Switzerland's gross domestic product (cf. Fig. 7).* Tourism is thus *comparatively important to the Swiss economy*, generating clearly more value added than the manufacture of medications / optical apparatus and watches (2.0%) and slightly more value added than the chemical and pharmaceutical industry and insurance (2.9%) as well as communication (3.1%).

Out of the total gross value added generated directly by tourism CHF 9,910 million (77%) were attributable to the *characteristic tourism industries*. *Accommodation* was particularly important, generating CHF 4,000 million per year (31% of total); within this sector *use (on own account or for free) and rent of second homes* owned by private households represented CHF 770 million (6%). The hotel industry as the most important element of the accommodation sector forms the backbone of the tourist trade in Switzerland. Per end of 2002 the offering comprised about 5,660 hotels with 218,500 beds. In the same year the hotel industry recorded 32 million overnight stays, 57% of which by foreigners. Although the parahotel sector (vacation homes and apartments, camp sites, mass accommodation and youth hostels) with about 807,000 beds or equivalent has about four times the capacity, its economic importance is less.

Gross value added generated directly in the *food and beverages services* amounted to CHF 1830 million (14%) while the comparable figure for *travel agencies, tour operators and tourist offices* was CHF 1140 million (9%).

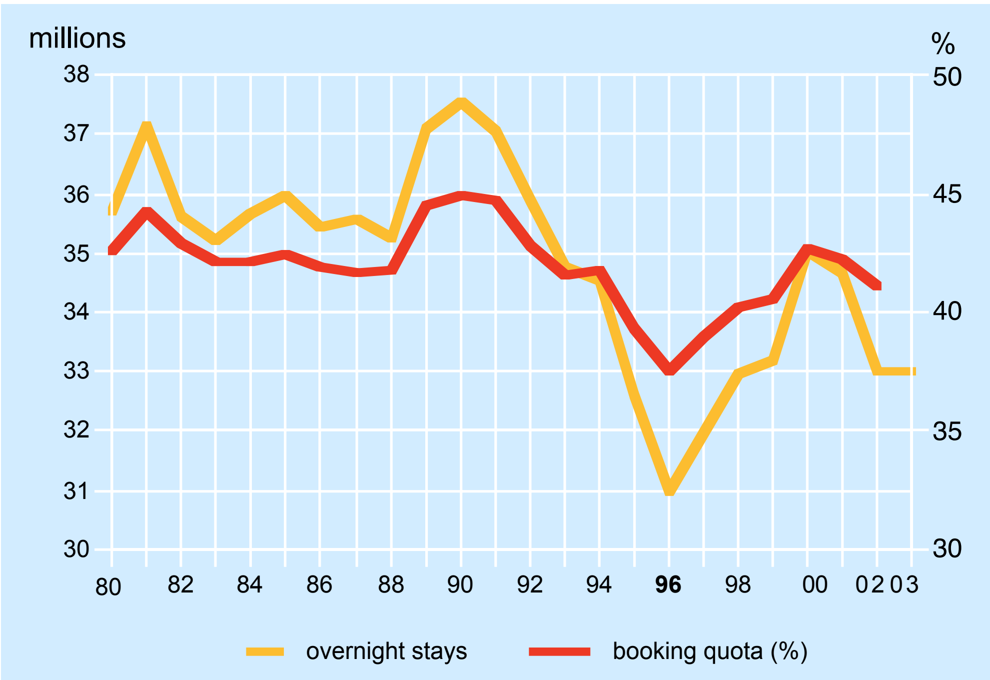
*Passenger transport* represented around one fifth (20%) of tourism value added with a figure of CHF 2590 million. Of this, *air transport and auxiliary transport services* contributed CHF 1070 million (8%), *railway transport* CHF 700 million (5%) and *special and mountain railways* CHF 380 million (3%).

As a proportion of total gross value added from tourism, *cultural services* represented 1% (CHF 110 million) and *recreation and other entertainment services* 2% (CHF 240 million). The proportion of value added generated by *connected tourism industries* amounted to CHF 2360 million (18%), whereby the retail trade, health care and social services were of particular importance with a total of CHF 1010 million (8%) and CHF 650 million (5%) respectively.

As in the case of value added, tourist consumption also directly generates jobs. In this connection, the *concept of full-time equivalence (FTE, cf. section 1.2)* is used for the TSA, as it is for the national accounts (NA), in order to take into account part-time employment. In 1998 the number of full-time (or equivalent) *jobs directly generated by tourism amounted to 165,500*, which *corresponds to 5.2% of the number of full-time-equivalent jobs in Switzerland* . The fact that this percentage is considerably higher than the corresponding figure for value added can be explained by the relatively lower level of labour productivity in the industries included in the TSA Switzerland (CHF 76,000), "labour productivity" being defined as gross value added per full-time equivalent employee (FTE). Overall, the production accounts of the NA for 1998 showed a labour productivity of CHF 120,000 (based on 1998 prices).

As shown in figure 8, there has been a general decline of *overnight stays* in recent years, as well as *occupation quotas*. This also indicates a slight decline since 1998 in the economic role played by tourism. Swiss tourism has a number of problems such as lack of competitiveness due in particular to the exchange rate (strong Swiss franc as a secure currency), high price and cost levels, considerable need for infrastructure renovations, as well as inadequate occupancy and value-added. To combat this development, various measures have been initiated both privately and by the state.

**Figure 8:** Overnight stays and booking quota in Switzerland, 1980-2003




Source: OFS

**Role of football in Switzerland**[4]

With more than 220,000 active players and 440,000 members of the Swiss Football Association (SFV), football plays an important role in Switzerland. Every weekend about 5000 matches played throughout the country are followed by hundreds of thousands of fans live in the various stadia and at home on television.

As Switzerland's largest and most popular sports association, the SFV upholds the interests of Swiss football in sporting, political, economic and social circles both at national and international levels. The Swiss Football Association was founded in 1895 as a financially independent body, and does not depend on public funding. It promotes football both as a popular and an elite sport, and attaches particular importance to working with young people.

Showpiece, of the SFV is the Swiss national football team, which following the 1994 World Cup in the USA and the 1996 European cup in England, has now reached the UEFA EURO 2004™ finals for the first time. This represents a big triumph for the Swiss Football Association and for Swiss football as a whole.

These latest successes of the SFV have only been possible thanks to excellent cooperation between the various clubs and the association, between the main and honorary functionaries, and between trainers and referees. Furthermore, the succession promotion concept introduced by the SFV in 1995 is now bearing fruit. Not only the Swiss A team has been successful recently, but also the junior teams and women's teams. With the U-21, the U-19 and the U-19 girls' team, three junior teams have simultaneously reached the European Cup finals for the first time. These successes strengthen the SFV's determination to promote its juniors even more intensively in future. To this purpose new training centres will be built, and additional training courses will be held for individual player positions.

Apart from the UEFA EURO 2004™ in Portugal and qualification for the 2006 World Cup in Germany, the UEFA EURO 2008™ naturally represents an ambitious goal for Switzerland. The SFV is therefore building up a national team which by then will be able to challenge the leaders in European football. And the chances of reaching this goal are good – the Swiss national team is young, and the various junior teams include some exceptionally talented players who if optimally developed will be able to take over key roles in the national team by 2008.

[4] Source: Pierre Benoit, SFV Communications Officer (May 2004), slightly modified by the authors

# 3. Economic impact of stadium construction

## 3.1 Stadium investments

The 15 UEFA EURO 2008™ matches in Switzerland will be played at four new stadia in *Basle, Berne, Geneva and Zurich* (cf. Fig. 9). Their peripheries including shopping centres, office and conference facilities, hotels and cultural centres. Two of them already exist – "Stade de Genève" in Geneva, opened in March 2003, and St. Jakob stadium in Basle, opened in March 2001. The new stadium „Stade de Suisse Wankdorf" in Berne is currently under construction (to open in 2005), and work will start on the new Zurich stadium (opening in 2008) as soon as construction is approved.

**Figure 9:** Location of stadia for the UEFA EURO 2008™


None of these stadia are specifically intended for the UEFA EURO 2008™, which does however accelerate the new Zurich stadium although the investors are going ahead irrespective of the UEFA EURO 2008™. In mid-2003 the Swiss Football Association decided to extend the Basle stadium for the opening match and the quarter and semi-finals rather than the Stade de Suisse Wankdorf in Berne as foreseen in the candidature dossier. The estimated economic effects of UEFA EURO 2008™ (cf. sections 4.1 and 5.1) only *take into account the Basle stadium extension*, because this is the only investment *immediately attributable* to *UEFA EURO 2008™*. This situation contrasts strongly with stadia in other countries such as Austria and Portugal, which in some cases could only be constructed thanks to the UEFA EURO 2008™ and 2004™ respectively and whose effects have therefore been directly included in the corresponding impact analysis.

It is nevertheless interesting to examine in this chapter the *overall economic effects of building these four new stadia in Switzerland*.

**Figure 10:** Capacity and cost of stadia

| | Capacity | | Cost (CHF million) | |
|---|---|---|---|---|
| | Gross | Net | Total | Stadium only |
| St. Jakob-Stadion Basel | 42,500 | 40,000 | 253 1) | 120.1 1) |
| Wankdorfstadion Bern | 32,000 | 31,000 | 350 | 110.8 |
| Stade de Genève | 31,228 | 30,502 | 280 | 95.0 |
| Stadion Zürich | 37,012 | 30,016 | 375 | 117.8 |
| **Total** | **142,740** | **131,518** | **1,258** | **443.7** |

*1) Including stadium extension*

Source: Interviews with investors and management of stadium

The *gross capacity* of all four stadia after completion will be 142,740 spectators (cf. FIg. 10). The construction of the four new stadia, including the multifunctional outlet utilization, generates *total cost* of *CHF 1,258 million*, of which about *CHF 444 million* for stadia-construction (core-utilization) only.

In contrast to other countries, these stadia are *financed mainly by private investors*, who in return have the right of multifunctional outlet utilization and can thus refinance their investments. Credit Suisse, which also sponsors the Swiss national football team, is an important investor.

Apart from a CHF 4 million grant by the NASAK fund[5] the *Basle* stadium is mainly financed privately (by the Winterthur life, Swiss Accident Institute SUVA and a pension fund). Not however the planned extension, which is to be primarily financed by contributions from the Swiss Football Association and the two Basle cantons (Basle City and Basle Land).

The *Berne* stadium is largely financed by private investors (Winterthur life, Coop, Swiss Accident Institute SUVA), plus grants from the NASAK fund (CHF 10 million) and the cantonal sport funds.

Two thirds of the *Geneva* stadium financing is by private investors (Credit Suisse and Jelmoli) and one third by public funding (canton Geneva, Geneva city and the municipality of Lully, the cantonal sport fund, and a grant of CHF 5 million from the NASAK fund).

The new *Zurich* stadium is also to be financed by private investors. It is planned that the current landowners, Credit Suisse and the City of Zurich, will make the land available free of charge.

The economic impact of stadia construction is assessed on the following basis:

- Only the *actual stadium* construction with associated premises (core utlization) is taken into account, not the peripheral structures.
- Investment figures for the stadium are based on data provided by investors.
- The *share of investments* from the respective region is 79% in Basle, 80% in Zurich and Berne, and 85% in Geneva (based on investor data).
- The share of regional intermediate consumption in Swiss intermediate consumption as a whole is estimated at 70% each for Basle and Geneva, and 75% for Zurich and Berne.

[5] National sport facilities concept

## 3.2 Economic impact

Figure 11 shows the overall results of economic impact assessment. On the one hand these are broken down for each of the four stadium regions, and on the other hand they are shown for Switzerland as a whole. The regional delineation is explained in section 1.2, whereby the sum of regional impacts is smaller than the overall values shown for Switzerland because the latter also takes account of economic impacts outside the four stadium regions.

### Direct Effects

The overall *investment volume* for constructing all four stadia (including the Basle stadium extension) totals CHF 444 million (Fig. 11). Investments in Basle and Zurich are almost CHF 120 million each, CHF 110 million in Berne, and CHF 95 million in Geneva.

**Figure 11:** Economic impact of stadium construction

| | Basle 1) | Berne | Geneva | Zurich | Total Switzerland ** |
|---|---|---|---|---|---|
| **Investment total, CHF million** | 120.0 | 110.8 | 95.0 | 117.8 | 443.6 |
| from abroad | 8.4 | 4.4 | 6.7 | 4.7 | 24.2 |
| from other regions | 16.8 | 17.7 | 10.5 | 18.8 | - |
| **Direct impacts** | | | | | |
| Turnover, CHF million | 94.8 | 88.6 | 77.9 | 94.2 | 419.4 |
| Value added, CHF million | 47.2 | 44.1 | 38.8 | 46.9 | 208.8 |
| Employment (FTE) | 590 | 560 | 490 | 590 | 2,630 |
| Income, CHF million | 38.1 | 35.6 | 31.3 | 37.9 | 168.7 |
| Social security contributions | 10.0 | 9.4 | 8.2 | 10.0 | 44.4 |
| Tax effect of income | 5.4 | 5.1 | 4.3 | 5.5 | 20.2 |
| VAT | | | | | 12.0 |
| **Indirect impacts*** | | | | | |
| Turnover, CHF million | 46.6 | 47.3 | 38.3 | 50.3 | 261.2 |
| Value added, CHF million | 25.9 | 26.3 | 21.3 | 28.0 | 144.8 |
| Employment (FTE) | 230 | 230 | 190 | 240 | 1,260 |
| **Total impacts** | | | | | |
| **Turnover, CHF million** | **141.4** | **135.9** | **116.2** | **144.5** | **680.6** |
| **Value added, CHF million** | **73.1** | **70.5** | **60.1** | **74.9** | **353.6** |
| **Employment (FTE)** | **820** | **790** | **680** | **830** | **3,890** |

*1) Including stadium enlargement*
** Intermediate consumption and impact of income*
*** Includes the four regions plus additional impacts outside the four regions*
*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures.*
*FTE = Full-Time Equivalent*

Source: Rütter + Partner / ITW estimates

This investment volume also affects turnover partly outside the region, partly in other cantons, and partly abroad. Remaining turnover impact in the four stadium regions is thus between CHF 78 million (Geneva) and CHF 95 million (Basle*). Turnover generated in Switzerland as a whole totals around CHF 420 million.*

The *direct effect* of turnover for Switzerland as a whole is *gross value added* totalling *CHF 209 million* and *employment generation equivalent to 2630 full-time jobs*. Gross value added in the regions is between CHF 39 million (Geneva) and 47 million (Basle and Zurich), and the respective employment generation is between CHF 490 equivalent full-time jobs in Geneva and 590 in Basle and Zurich.

*Chronologically*, these direct impacts as well the indirect effects shown below are *distributed over several years*. In other words, the *annual* value added and employment impacts are lower according to the construction time. Primarily *the construction industry* and *construction-related sectors* (architects, structural engineers, etc.) profit from the direct effects of stadium investments.

The direct employment impact generates *earnings* of nearly CHF 170 million. These in turn generate Swiss *social security contributions* around CHF 44 million and *income tax* around CHF 20 million. The state also profits from *value added tax* to the amount of about CHF 12 million.

**Indirect effects**

Due to intermediate consumption demand and the income impact (cf. section 1.3) these investments generate *indirect turnover* in Switzerland amounting to *CHF 261 million*. Multiplication effects in the two regions Zurich and Berne are rather higher at 1.41 due to the larger areas than in Geneva and Basle (1.38). Indirectly induced regional turnover varies from CHF 50 million in Zurich to CHF 38 million in Geneva.

For Switzerland as a whole these indirect turnovers generate additional *gross value added of CHF 145 million and employment equivalent to around 1260 full time jobs*. In the individual stadium regions the value-added effect varies from CHF 21 million in Geneva to CHF 28 million in Zurich. The respective employment effect varies between the equivalent of 190 and 240 full time jobs.

In contrast to the direct effects, *numerous different branches* of the economy profit from the indirect effects.

**Total effects**

The total effects of constructing the four new stadia in Switzerland, taking account of direct and indirect impacts, are *turnover* generation to the amount *of CHF 680 million* and *gross value added totalling CHF 354 million*. This creates employment totalling nearly 3900 equivalent full time jobs, distributed over several years as seen above. Regional turnover generated by stadium construction varies between CHF 116 million (Geneva) and CHF 145 million (Zurich); gross value added varies between CHF 60 million and 75 million, and employment creation between 680 and 830 equivalent full time jobs.

In summary, these assessments show that the stadium investments generate *substantial economic growth* over several years, not only in the construction industry but also in many other sectors. The four stadium regions enjoy a relatively large share of this, as well as *almost 80%* of the gross value added induced in Switzerland. As explained at the outset, only a small part of the total impact (stadium extension in Basle) is directly attributable to the UEFA EURO 2008™. These effects are shown in sections 4.1 and 5.1.

# 4. Economic impact of the UEFA EURO 2008™

This chapter examines the various *economic impacts of the UEFA EURO 2008™ on Switzerland as a whole* in the following areas:

- Impact of stadium extension in Basle (4.1)
- Impact of the UEFA EURO 2008™ operational budget (4.2)
- Impact of tourism effects (4.3)
- Impact of media and advertising activities (4.4)
- impact on the telecommunications sector (4.5)
- The role of public authorities and effects on balance of payments (4.6.2)

Section 4.6.1 sums up the various economic impacts of the UEFA EURO 2008™ and section 4.7 shows the overall impact of the UEFA EURO 2008™ both in Austria and Switzerland. Furthermore, *chapter 5* shows a *regional breakdown* for the four locations Basle, Berne, Geneva and Zurich of *tourism impacts* and the *stadium extension* in Basle.

## 4.1 Impact of stadium extension in Basle

As explained in chapter 3, out of the four football stadium investments, only the *Basle stadium extension is immediately attributable to the UEFA EURO 2008™.* The resultant economic impacts are shown above in chapter 3 under overall effects of the St. Jakob Stadium construction in Basle. In this section they are explained *separately* and for Switzerland as a whole, as part of the economic impact of the UEFA EURO 2008™.

### Direct impacts

*Investments* in the Basle stadium extension amount to *CHF 23 million (cf. Fig. 12).* As mentioned, this extension is to be financed by the Swiss Football Association and the two cantons Basle City and Basle Land. After deducting consumption from abroad, *turnover directly generated* by the investments in Switzerland amounts to *CHF 21.4 million,* resulting in directly generated gross value-added of CHF 10.6 million and employment equivalent to around 130 full time jobs (cf. explanations in section 1.2). This generates salary income around CHF 8.6 million, social security contributions of CHF 2.3 million and tax income of CHF 1.6 million

### Indirect impacts

Via intermediate consumption and income effects, *the indirect* impacts of these investments will generate additional turnover amounting to about CHF 13.3 million and gross value added of CHF 7.4 million, also creating employment equivalent to at least 60 full time jobs.

### Total impacts of stadium extension

*Overall* (directly and indirectly), the Basle stadium extension is expected to generate *turnover* around *CHF 35 million* in Switzerland and *gross value added* of *CHF 18 million*. The *employment* created will be equivalent to about *190 full time jobs* (per year).

**Figure 12:** Economic impact of stadium extension in Basle

| | Total impact in Switzerland |
|---|---|
| **Investment, CHF million** | 23.0 |
| **Direct impacts** | |
| Turnover, CHF million | 21.4 |
| Value added, CHF million | 10.6 |
| Employment (FTE) | 130 |
| Income, CHF million | 8.6 |
| *Social security contributions, CHF million* | 2.3 |
| *Tax effect of income, CHF million* | 1.6 |
| **Indirect impacts*** | |
| Turnover, CHF million | 13.3 |
| Value added, CHF million | 7.4 |
| Employment (FTE) | 60 |
| **Total impacts** | |
| Turnover, CHF million | **34.7** |
| Value added, CHF million | **18.0** |
| Employment (FTE) | **190** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

Source: Rütter + Partner / ITW estimates

## 4.2 UEFA EURO 2008$^{TM}$ operational budget impacts

### Direct impacts

The UEFA EURO 2008$^{TM}$ will be executed by a UEFA company specifically founded for this purpose, as was done for the first time for the UEFA EURO 2004$^{TM}$ in Portugal. The basis for determining the economic impacts emanating from this company is the *operational budget* submitted with the *candidature* (Official application dossier Austria-Switzerland for the UEFA EURO 2008$^{TM}$, 2002). The total operational budget amounts to EURO 111 million or about *CHF 167 million.*

It should be pointed out here that the basic data are still rather unreliable, since the overall budget has not yet been finalized and the operational task sharing between Austria and Switzerland is not clear as yet. This section therefore focuses on estimating the *magnitude of economic impacts of the UEFA EURO 2008$^{TM}$*. This is important because - apart from the other effects (stadium construction, tourism, media and advertising, telecommunications) - a substantial part of the overall economic impact of the UEFA EURO 2008$^{TM}$ is generated by the management organization and the operational budget.

As a first step, in teamwork with the *Swiss management of UEFA EURO 2008™*. the percentage expenditure of Switzerland/Austria for each budget item was estimated. Many budget items are distributed on a 50/50% basis, but with some of them the distribution is very different. For example, some expenditures for the major media operation centre are higher in Austria. The Swiss share of administrative expenditures (above all human resources and office costs) for the UEFA EURO 2008™ organization company may well be higher, however, because its headquarters are likely to be in Switzerland. Based on these estimates, Switzerland will carry about *58% of the overall budget or about CHF 96 million*. After deducting the Swiss budget items outsourced abroad, *turnover generated in Switzerland* amounts to *CHF 93 million.*

**Figure 13:** Direct and indirect turnovers, gross value added and employment generated by the UEFA EURO 2008™ budget

| | Switzerland |
|---|---|
| **Expenditure, CHF million** | 96.0 |
| **Direct impacts** | |
| Turnover, CHF million | 93.1 |
| Value added, CHF million | 69.2 |
| Employment (FTE) | 640 |
| Income, CHF million | 55.6 |
| *Social security contributions, CHF million* | 14.6 |
| *Tax effect of income, CHF million* | 8.4 |
| **Indirect impacts*** | |
| Turnover, CHF million | 48.4 |
| Value added, CHF million | 37.4 |
| Employment (FTE) | 280 |
| **Total impacts** | |
| Turnover, CHF million | **141.5** |
| Value added, CHF million | **106.5** |
| Employment (FTE) | **920** |

* *Intermediate consumption and impact of income*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

*FTE = Full-Time Equivalent*

Source: Rütter + Partner / ITW estimates

The next step is to estimate per budget item *the share of human resources costs for the organization company*. These amount to *CHF 37 million* or about *39%* of the Swiss share of overall budget costs. In terms of salary outlay this corresponds to an *employment volume* equivalent to about *340 full time jobs*. The effective number of employees is much higher since many of them will be working part-time. Chronologically, the employment volume between now and the UEFA EURO 2008™ will at first increase slowly, and then rapidly in the year prior to the event. Since the taxes and dues payable by the organization company can be neglected, and neither capital interest charges nor earnings will apply, the human resources costs of CHF 37 million correspond to the gross value added attained by the company. Furthermore, the *other budget items* amounting to CHF 56 million (all items except human resources costs) generate gross value added of CHF 32 million and about 300 equivalent full time jobs.

*In total* the *gross value-added directly generated by the* UEFA EURO 2008™ *budget* amounts to *CHF 69 million,* as shown in figure 13. This creates an *em-*

*ployment volume* equivalent to about *640 full time jobs*, corresponding to *salary income* of *CHF 55.6 million*. The resultant social security contributions total CHF 14.6 million, with income taxes of CHF 8.4 million.

**Indirect impacts**

The indirect economic impacts of the UEFA EURO 2008™ operational budget comprise on the one hand *intermediate consumption effects*, and on the other hand *consumer demand due to the income effect* of employment generated by the UEFA EURO 2008™ (cf. section 1.3).

*Intermediate consumption demand* emanating from the UEFA EURO 2008™ organization company and the other companies directly profiting therefrom comprises goods and services supplied by third parties, totalling about CHF 30 million. This turnover generates gross value added around CHF 23 million and employment equivalent to 180 full time jobs.

Out of *salary income* only the available earnings (after deducting social insurance contributions and taxes) spent in Switzerland generate consumer demand. This amount, totalling around CHF 18 million, induces additional gross value added of CHF 14 million and employment equivalent to about 100 full time jobs among the companies domiciled in Switzerland.

The *total turnover and gross value added indirectly generated* by intermediate consumption and income effects amount to CHF 48 and 37 million respectively (cf. Fig. 13), while employment creation amounts to 280 equivalent full time jobs.

**Total impacts of operational budget**

Overall, the Swiss share of the UEFA EURO 2008™ operational budget is expected to generate *turnover* around *CHF 142 million*, gross value added of *CHF 107 million, and employment equivalent to 920 full time jobs*.

## 4.3 Impact of tourism effects (Switzerland as a whole)

This section deals with impacts by *UEFA EURO 2008™ visitors* on the Swiss economy as a whole. In contrast to the two previous sections (stadium extension, operational budget) these impacts are limited to the *time period when the UEFA EURO 2008™ takes place*. Since the teams, officials and media representatives arrive before the opening match, these impacts are assessed over a maximum time period (for media representatives) of three and a half weeks.

### 4.3.1 Assumptions

Visitors to the *UEFA EURO 2008™* can be divided into various *groups*, mainly differentiated according to *number of persons*, *length of stay, origin* and *average daily expenditures*. This differentiation is necessary for calculating the economic impacts. Details of the respective assumptions are shown in figure 14. Also shown in the annex are the effects by region for Basle, Berne, Geneva and Zurich. The assumptions for *number of persons* are based on UEFA information and empirical data from former matches, as well as on ticket distributions partly determined by the UEFA. The *average daily expenditures* are those *outside the football stadium*, because ticket purchases and expenditures inside the stadium are already included in the UEFA EURO 2008$^{TM}$ budget impact figures. The *estimated daily expenditures* and their distribution among individual categories *are based on data* from various *regional value-added studies* in the tourism sector with extensive guest surveys (Rütter H., et. al. 1995, 1996, 2001, 2002, 2004). The fact is taken into account that thanks to the UEFA EURO 2008$^{TM}$, *rather higher hotel tariffs can be charged* than in a normal year (when only 75 – 80% of the official tariff is charged on average due to special arrangements, group travel, discounts, etc.). *Current price levels* are taken as a basis, assuming thereby that inflation by 2008 will be negligible.

Visitors are divided into the following *groups*:

- *Athletes and escorts (including referees):* Eight teams will be lodging in Switzerland. Assuming about 50 persons per team, a total of 400 people will be staying here, mainly in 5-star hotels. A good many of these hotels will not be in the immediate vicinity of the respective stadium locations. An average stay of 20.8 days is assumed, with average expenditure per person of CHF 340 per day.
- *UEFA officials:* This group comprises UEFA personnel and officials together with representatives of the UEFA EURO 2008$^{TM}$ participant countries and other countries. The total number of persons in this group staying in Switzerland is estimated in agreement with the UEFA at about 800. Here again, most of them will be staying in 5-star hotels. An average stay of 15 days is assumed, with average expenditure per person of CHF 410 per day.
- *Media:* Since the International Broadcasting Centre is located in Vienna, fewer media personnel will be staying in Switzerland than in Austria. It is assumed that about 3,300 media persons will be staying for 25 days on average, mainly in 3 and 4-star hotels, with average expenditure per person of CHF 290 per day.
- *Sponsors and VIPs:* This group also includes purchasers of special business packages. The total number of people in this group is estimated at 4,000, with an average stay of 3.5 days and average expenditure per person of CHF 410 per day, since most of them will be staying in 4 and 5-star hotels.
- *Spectators:* This is clearly the largest group, the total number of persons being derived from stadium capacities (total capacity after deducting occupancy by the other groups such as UEFA officials, media personnel, etc.). In contrast to the other groups, the figures here are differentiated according to a *maximum* and a *minimum scenario.* The *maximum scenario* assumes on average *96%* stadium occupancy for all 15 matches in Switzerland and 3.1 days stay in Switzerland by spectators from abroad. The *minimum scenario* assumes on average *85%* stadium occupancy and 2.7 days stay in Switzerland. The *maximum number of spectators is thus 471,000* and the *minimum number 415,000*.
- The spectators group has to be *further subdivided* according to their widely differing economic impact behaviour:
  - *Natives:* these comprise spectators resident in Switzerland, who are not classified as tourists according to the official definition (OMT 1994) because they remain in their *accustomed surroundings*. Overall, about 14% of spectators are assumed to be natives. Since they are not defined as tourists, no UEFA EURO 2008$^{TM}$ impacts are attributed to this group. As mentioned, their expenditures within the stadium for each match are included under UEFA EURO 2008$^{TM}$ budget impacts.

- *Swiss same-day visitors:* this group, about 15% of spectators, comprises people resident in Switzerland who leave their accustomed surroundings to see a match but do not stay overnight. The average expenditure per person in this group is taken as CHF 45 for travel, meals and retail purchases outside the stadium.
- *Foreign same-day visitors:* Switzerland is a comparatively small country, furthermore the Geneva and Basle stadia are located right on the frontier, and the Zurich stadium is quickly reached from Germany and France. For these reasons foreign same-day visitors are more numerous in Switzerland than in Austria or Portugal, making up 20% of spectators. Average daily expenditures of CHF 60 are assumed for this group.
- *Swiss tourists:* Apart from the three aforementioned groups of same-day visitors, most important for tourism are those who stay overnight. Only very few Swiss spectators, estimated at less than 1%, stay overnight. Their daily expenditure is taken as CHF 185 with one overnight stay per person.
- *Foreign tourists:* The spectator group with the greatest economic impact comprises foreign tourists who stay overnight, estimated at about 50% of all spectators. As mentioned, their average stay is taken as 3.1 days (maximum) or 2.7 days (minimum), with average daily expenditure CHF 230 each.

**Figure 14:** Groups attending the UEFA EURO 2008™: Number of persons, average stay, daily expenditure

| Switzerland | Maximum | | | | Minimum | | |
|---|---|---|---|---|---|---|---|
| | Number for 15 Matches | | ø os* | Total expenditure | Number for 15 Matches | ø os* | Total expenditure |
| Athletes and escorte (incl. Jury) | 400 | | 20.8 | 340 | same as maximum | | |
| UEFA Officals | 800 | | 15.0 | 410 | | | |
| Media | 3,300 | | 25.0 | 290 | | | |
| Sponsors and VIP | 4,000 | | 3.5 | 410 | | | |
| Match Spectators | 470,540 | 100% | | | 414,630 | | |
| *Natives* | 65,820 | 14% | - | - | 57,960 | | |
| *Swiss same-day visitors* | 69,270 | 15% | - | 45 | 61,000 | | |
| *foreign same-day visitors* | 94,450 | 20% | - | 60 | 83,190 | | |
| *Swiss tourists* | 1,800 | 0.4% | 1.0 | 185 | 1,820 | | |
| *foreign tourists* | 239,200 | 51% | 3.1 | 230 | 210,660 | 2.7 | |

* *mean overnight stays*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

## 4.3.2 Frequencies and overnight stays of visitors

Based on the estimates in the previous section, the *frequencies of tourist visits* can be derived from the number of *visitors per day* and the number of *overnight stays of visitors.* As mentioned, this does not include the native spectator group.

The *overall frequencies* of tourist visits attributable to the UEFA EURO 2008™ amount to 1.03 million in the *maximum* scenario and 0.83 million in the *minimum* scenario (cf. Fig. 15), of which 88% (maximum) and 85% (minimum) are match spectators. Due to their longer stays, the weighting of foreign visitors with overnight lodging is greater than their frequencies (72% max. and 68% min.). Overall, the UEFA EURO 2008™ will generate *about 860,000 (maximum) or 690,000 (minimum) overnight stays* (Fig. 16).

**Figure 15:** Total frequencies of visitors in Switzerland

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 8,300 | 1% | 8,300 | 1% |
| UEFA Officals | 12,000 | 1% | 12,000 | 2% |
| Media | 82,500 | 8% | 82,500 | 10% |
| Sponsors and VIP | 14,000 | 1% | 14,000 | 2% |
| Match Spectators:* | 910,830 | 88% | 717,880 | 85% |
| *Same-day visitors ** | 163,720 | 16% | 144,190 | 17% |
| Swiss same-day visitors | 69,270 | 7% | 61,000 | 7% |
| foreign same-day visitors | 94,450 | 9% | 83,190 | 10% |
| *Tourists (overnight):* | 747,110 | 72% | 573,690 | 68% |
| Swiss tourists | 5,580 | 1% | 4,920 | 1% |
| foreign tourists | 741,530 | 72% | 568,770 | 68% |
| **Total frequencies of visitors** | **1,027,630** | **100%** | **834,680** | **100%** |

** without natives*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

**Figure 16:** Total overnight stays, same-day visits and crowding out in Switzerland

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Total days of same-day visitors | 163,720 | 16% | 144,190 | 17% |
| Total overnight stays | 863,910 | 84% | 690,490 | 83% |
| **Total overnight stays and same-day visits** | **1,027,630** | **100%** | **834,680** | **100%** |
| **Crowding out** | | | | |
| Total overnight stays crowded out | 49,980 | | 49,980 | |
| *share to total EURO-overnight stays* | 6% | | 7% | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

Due to *limited overnight accommodation* in the match locations, particularly in Basle and Berne, other guests normally staying at this time will be *crowded out*. Some of them will postpone their stay (time displacement), while others will stay in another region instead (geographical displacement). Relevant for determining the impact of the UEFA EURO 2008™ is however the definitive *crowding out of overnight guests* in Switzerland as a whole. Based on the expected number of overnight guests, available local capacities, and weekday and weekend bookings in June for each region and for Switzerland as a whole, this crowding out effect is estimated at about *50,000 overnight stays* (Fig.16) or 6 to 7%. To calculate the effective tourism impacts, this figure has to be deducted from the total number of overnight stays attributable to the UEFA EURO 2008™.

### 4.3.3 Economic impact

**Direct impacts**

Figure 17 shows the *expenditures of UEFA EURO 2008$^{TM}$ visitors.* After deduction of crowding out effects, they total around *CHF 206 million (maximum scenario)* or 165 *million (minimum scenario)*. About four fifths (CHF 170 or 130 million) are attributable to *match spectators* and *one fifth* to other visitor categories, of which the second most important is the *media* at 13 or 11%. The highest expenditures are attributable to *overnight visitors (96 or 95 %),* whose proportion significantly exceeds that of visitor frequencies due to the high average daily expenditures (accommodation costs). Just as high is the *share of foreign visitors* (98%) in total expenditures, thus showing that the UEFA EURO 2008$^{TM}$ will bring Switzerland very substantial earnings from abroad (cf. section 4.6.2).

**Figure 17:** Total expenditures by visitors in Switzerland (in CHf million)

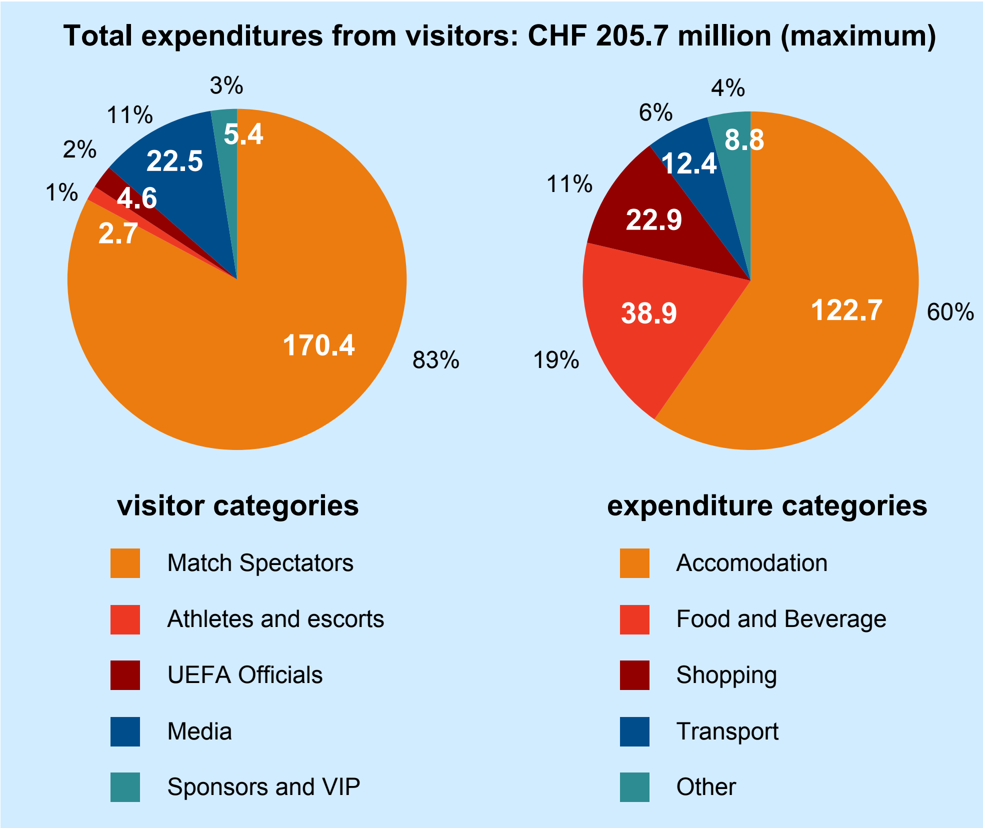
| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Total expenditure** | | | | |
| Total direct expenditure | 217.8 | | 176.9 | |
| *minus crowding out effect* | -12.1 | | -12.2 | |
| **Corrected direct expenditure** | **205.7** | | **164.6** | |
| **Expenditure by visitor categories** | | | | |
| Athletes and escorts (incl. Jury) | 2.7 | 1% | 2.6 | 2% |
| UEFA Officals | 4.6 | 2% | 4.6 | 3% |
| Media | 22.5 | 11% | 22.2 | 13% |
| Sponsors and VIP | 5.4 | 3% | 5.3 | 3% |
| Match Spectators | 170.4 | 83% | 129.9 | 79% |
| **Total** | **205.7** | **100%** | **164.6** | **100%** |
| **Expenditure by tourism categories** | | | | |
| Same-day visitors | 8.8 | 4% | 7.7 | 5% |
| Tourists (overnight) | 196.9 | 96% | 156.9 | 95% |
| **Total** | **205.7** | **100%** | **164.6** | **100%** |
| Swiss visitors | 4.1 | 2% | 3.6 | 2% |
| Foreign visitors | 201.6 | 98% | 161.0 | 98% |
| **Total** | **205.7** | **100%** | **164.6** | **100%** |
| **By expenditure categories** | | | | |
| Accomodation | 122.7 | 60% | 98.3 | 60% |
| Food and Beverage | 38.9 | 19% | 31.1 | 19% |
| Shopping | 22.9 | 11% | 18.2 | 11% |
| Transport | 12.4 | 6% | 10.0 | 6% |
| Other | 8.8 | 4% | 7.0 | 4% |
| **Total** | **205.7** | **100%** | **164.6** | **100%** |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

The analysis of *total expenditures by category* (Fig. 17 and 18) shows that the biggest outlay (60%) is for overnight accommodation. The second biggest expenditure category is for food and beverages (19%), followed by shopping (11%) and transport (6%).

**Figure 18:** Total expenditures by visitor and expenditure categories




Source: Rütter + Partner / ITW estimates

Visitor expenditures directly generate *turnover* of the same magnitude for the companies involved. This creates *gross value added* around CHF *105 million (maximum) or 84 million (minimum)* and *equivalent full time employment of 1640 or 1310* jobs respectively (cf. Fig. 19). The resultant *salary income* totals around *CHF 53 or 48 million respectively,* generating social insurance contributions to the amount of CHF 14 or 12.6 million and income tax of CHF 11.2 or 10.1 million.

**Indirect impacts**

At secondary value-added level – similarly to the impacts of the stadium extension and the operational budget – the expenditures of tourists visiting the UEFA EURO 2008$^{TM}$ cause *indirect impacts* on the one hand through *intermediate consumption* (purchase of goods and services), and on the other hand through *consumer demand* induced by the salary income of employees with the companies directly profiting from these expenditures *(income effect).*

The *indirect impacts* of intermediate consumption and income generate *turnovers* totalling around *CHF 107 million (maximum) or 86 million (minimum), gross value added* of *CHF 57 or 45 million* (cf. Fig. 19) and additional *employment* equivalent to *720 or 580* full time jobs.

**Figure 19:** Economic Impact of the UEFA EURO 2008™ visitors in Switzerland

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| **Direct impacts** | | |
| Turnover, CHF million | 205.7 | 164.6 |
| Value added, CHF million | 104.8 | 83.9 |
| Employment (FTE) | 1,640 | 1,310 |
| Income, CHF million | 53.1 | 48.1 |
| *Social security contributions, CHF million* | 14.0 | 12.6 |
| *Tax effect of income, CHF million* | 11.2 | 10.1 |
| **Indirect impacts*** | | |
| Turnover, CHF million | 107.0 | 85.6 |
| Value added, CHF million | 56.6 | 45.3 |
| Employment (FTE) | 720 | 580 |
| **Total impacts** | | |
| Turnover, CHF million | **312.6** | **250.2** |
| Value added, CHF million | **161.4** | **129.2** |
| Employment (FTE) | **2,360** | **1,890** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

### Total impacts of tourism

Overall, tourists visiting the UEFA EURO 2008™ will *directly and indirectly* generate *turnover* around *CHF 313 million (maximum scenario) or 250 million (minimum)* and *gross value added* of *CHF 161 or 130 million*. This creates *employment* equivalent to *2360 or 1890 full time jobs*. Compared with the overall impact of the UEFA EURO 2008™ budget, the *tourism impacts are at least twice as big*.

### Impacts on Tourism after the UEFA EURO 2008™

TV and radio broadcasts of the UEFA EURO 2008™ will certainly have *a markedly positive image and advertising impact* on public awareness of the two countries involved. The overall impact is very difficult to quantify, however, and in many cases is overestimated. It can nevertheless be assumed that tourism will continue to profit from the image and advertising benefits after the UEFA EURO 2008™ is over – although the extent of those benefits can only be roughly estimated. Important for successfully linking such large sports events with effective tourism marketing is good cooperation between the UEFA EURO 2008™ and regional tourism marketing organizations in the stadium localities or the Swiss national marketing organization. Based on an ex-ante study of long-term effects of the Olympia candidature Berne 2010, a bandwidth of 60,000 to 360,000 additional overnight stays was estimated for a ten-year time period, corresponding to about *0.2% or 1% respectively of overnight stays in Swiss hotels as a whole* (Rütter, H., Stettler, J. et al. 2002b).

The number of overnight stays generated during the UEFA EURO 2008™ is similar to that estimated for the Winter Olympics 2010 in Berne, which last about the same time and attract a similar media presence. The long-term impacts on tourism will however be less with the UEFA EURO 2008™ than for Berne in 2010. The Winter

Olympics are world famous and offer more individual events attracting correspondingly more people. Furthermore, resorts will be advertised which offer winter sports such as skiing, snowboarding, etc. attractive for vacationers. Furthermore, no specific tourist infrastructures will be created for the UEFA EURO 2008$^{TM}$ which would make the stadium localities more attractive. For the *ten years after* the UEFA EURO 2008$^{TM}$ the bandwidth of additional overnight stays generated is estimated as between *40,000 and 180,000*, most of which attributable to guests from abroad. This corresponds to tourist expenditure turnover around CHF 10 to 40 million and gross value added of CHF 5 to 20 million. There will also be *a minimal increase* in same-day tourism, which cannot be quantified.

## 4.4 Impact of media and advertising activities

This chapter focuses on the analysis of the economic impact of the UEFA EURO 2008™ on the Swiss media and advertising activities. Since advertising depends on the dissemination medium, and media enterprises finance themselves fully and/or to a large extent from advertising, there is a strong connection between these two markets. According to the dissemination mode, media can be differentiated into print media and electronic media, and according to their territorial range into regional, national, or international media. When choosing an advertising medium for a certain campaign the speed of dissemination is decisive. Therefore, this analysis focuses on the *national electronic mass media* (television, radio, and Internet) and on the most important *national print media* (daily newspapers and specialised periodicals), due to their importance for the marketing of the UEFA EURO 2008™.

Such a big sporting event is certainly an attractive and especially effective *opportunity for the host country, Switzerland*, to *use the presence of the international media* to send out various messages to the rest of the world. It gives Switzerland the opportunity to show abroad the natural beauties and attractions of the whole country or of the venues where the tournament takes place, the existing or newly created infrastructures, and to distinguish itself as an organizer of big events. The UEFA European Championship™ has a high image value and reaches a very large audience world-wide (for example the 2002 UEFA Champions League™ Final between Real Madrid and Bayern Leverkusen was seen by more than 200 million people).

Due to the big financial and spatial dimensions of the event, significant economic impacts are expected from the UEFA EURO 2008™. However, their extent depends on uncertainty factors such as the success of the organisation efforts, the success of the own team in tournament, and the success of the other participating teams, etc. This is particularly important for media and advertising, as there is an evident connection between the organisational success of an event and its economic success. This connection is mirrored in the multiplying effect of media coverage and advertising. If the UEFA EURO 2008™ is an organisational success, then media coverage and advertising will strengthen this impression; if organisation efforts are not so successful, this impression is also spread at home and abroad.

### 4.4.1 Classical advertising in Switzerland

Media companies may earn considerable *revenues from advertising in the background of big sporting events*. These revenues are obtained through commercials on TV and radio, ads in newspapers and magazines, or outdoor advertising. The medium commanding the greatest public interest is television, due to the speed of dissemination. Radio, Internet and print media play a supplementary role. Therefore, we expect that the strongest turnover increases as a result of the UEFA EURO 2008™ will be via the *national terrestrial TV broadcaster SRG SS*R. The willingness to pay for advertising screened in the background of the UEFA EURO 2008™ transmission depends on the following factors:

- Availability of advertising time and the advertising rates
- Number of viewers reached and their purchasing power

SRG SSR idée suisse, known in English as the Swiss Broadcasting Corporation, is the largest provider of electronic media in Switzerland. Its services include seven TV channels and 18 radio stations, complemented by websites and teletext.

- Three German-language channels from Schweizer Fernsehen DRS (SF DRS)
- Two French-language channels from Télévision Suisse Romande (RSR)
- Two Italian-language channels from Televisione svizzera di lingua italiana (RTSI)
- Programming on SF1 in Romansch from Televisiun Rumantscha (TvR)

SRG SSR media offer news, narrative and background reports on politics, culture, society and sports. SRG SSR is a non-profit organisation which is financed from a variety of sources, primarily licence fees, followed in importance by sponsorship and advertising revenues and other commercial income.

The turnover of the Corporation in the TV and radio areas amounted in 2001 to about CHF 1.5 billion; 70 % of this income was derived from licence fees, 20 % from television advertising and radio and TV sponsorship, and 10 % from other sources, such as the sale of programming to other radio and TV broadcasters. The revenues from TV advertising amounted in 2001 to about CHF 267 million.

The Swiss media sector is currently undergoing changes. A new Law on Radio and Television (RTVG) was adopted in March 2004 by the National Council and will come into force in 2006. The new law includes provisions regarding the duration of advertising spots as well as measures limiting media concentration.

According to the new law, advertising spots without selling offers may last no longer than 15 % of the daily transmission time, those with selling offers may last 20 % of the daily transmission time, at the most. Also, complete programmes which last less than 90 minutes may be interrupted only once by advertising. Commercials may be also inserted in so-called "natural breaks" (for example, at half time during the transmission of a football match).

Despite competition from the broadcasters from neighbouring countries which share one of Switzerland's languages, the Swiss Broadcasting Corporation's television channels remain the most successful, as they achieve the *highest market shares with values ranging between 30 % and 35%* in the three main language regions. The figures rise to between 36 % and 44 % during primetime between 6 pm and 11 pm. Among more than 44 available television channels including the channels belonging to the Swiss Broadcasting Corporation, Schweizer Fernsehen DRS (SF DRS) is the market leader.

According to SRG SSR, three-quarters of Switzerland's 7 million population watch television every day. However, their total consumption differs among the language regions: In the German and Romansch-speaking parts of the country, people watch an average of 141 minutes of television per day. The viewing time rises to 167 minutes in Suisse romande and 177 minutes in Svizzera italiana.

Between 1998 and 2003 the TV advertising rates on the German language TV in Switzerland fell by 10.3 %, while the price of advertising in the other media rose between 52.5 % for outdoor advertising and 17 % for the print media.

The *number of viewers reached by commercials* is expressed by the so-called *market share*[6] of individual transmissions and varies significantly even within the same tournament. For example at the last UEFA EURO 2000™ the market share varied depending upon the attractiveness of the teams and the qualification attained during the Championship, and achieved the highest value of 63.2 % at the final match between France and Italy on the SF 2 channel. UEFA European Football Championships™ target the group of young, purchase-powerful, predominantly male viewers. Usually, not only the advertising is designed for UEFA European Football Championships™ in special blocks, but also the price structuring for advertising spots is adapted to the event. A certain share of the commercials screened in the background of the UEFA EURO™ transmission are booked by big *international companies*, the other share by *domestic enterprises* active in sports or in related fields. The mix of international and national advertising spots is in principle independent of where the UEFA EURO™ takes place. An UEFA European Championship™ taking place in Switzerland would imply a higher market share of the tournament transmissions on the Swiss TV broadcaster. The reason is that the *Swiss national team will automatically qualify* and play and the *media presence* in the country during the event *will be stronger*. In addition, it is to be expected that the enterprises which are actively involved in the organisation and marketing of the event will increase their advertising efforts.

In this analysis we assume that in the year 2008 the relative purchasing power of the Swiss population remains constant compared with the year 2004.

**Market share of classical media**

During 2003 the *expenditures for advertising* in the classical media (television, radio, print media, outdoor advertising, cinema, Internet, and teletext) declined in relation to the previous year by about 2.5 % to *CHF 3.64 billion*. Advertising expenditures for this time period were distributed as follows among the classical media (see Fig. 20).

6 The market share refers to the relative viewing or listening time of a broadcast or programme as a percentage of the whole viewing or listening time of all broadcasts during the same time frame (day, month etc.). It refers to the percentage time share allocated to a broadcast when considering all the broadcasts which can be viewed during the same day. The market share can be computed for every time interval (broadcast, day, month etc.).

**Figure 20:** Market share of classical media, in Switzerland, 2003

| | in % |
|---|---|
| Daily newspapers | 40.2 |
| Popular magazines | 18.5 |
| TV | 18.4 |
| Outdoor Advertising | 11.0 |
| Professional journals | 5.6 |
| Radio | 4.0 |
| Cinema | 1.1 |
| Internet | 0.5 |
| Teletext | 0.5 |
| **Total** | **100.0** |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Media Focus, December 2003.

### 4.4.2 Economic impact

**Uncertainty factors**

In the context of the UEFA EURO 2008™, 31 football matches are combined into a tournament taking place in June and July 2008 in Austria and Switzerland. Switzerland will be hosting *15 football matches* (the opening match, two quarterfinal matches, one semi-final match and eleven group matches), and Austria 16.

One uncertainty factor for the quantification lies in the lack of historical data on media and advertising in connection with football championships in Switzerland.

A further factor is given by the *attractiveness of the tournament for football enthusiasts*. This affects the economic success of the medium TV, which finances the costs of the TV broadcasting rights through revenues from advertising. There are mainly two factors which can influence the media market and consequently also the advertising market. On the one hand, audience interest depends on the number of big events in the year. If there are too many, the interest of the public and thus the viewer levels decline, which can negatively impact upon the media's revenue from advertising (see Moorhouse, H.F, 1998). The second consideration is directly connected with the expectations and their probability. The higher the probability that a certain team will win the championship, the lower are the viewer levels and the advertising revenues of the media enterprises (see, E.; Weigand, J., 1997). The attractiveness of the individual matches can be seen also in terms of the image value of the individual national teams. The most attractive matches are always those in which the *own national team participates*. If the own national team does not qualify further, the viewer levels and consequently the revenue of the TV media usually decline.

The organisation of the tournament plays an important role in guaranteeing the economic success for the host country. Good functioning of the tournament and of all supporting activities, e.g. accommodation and transportation of the UEFA officials, football players and their escorts, etc. as well as technical equipment for the international press or security concepts, etc. will reflect in a bright image for the host country and for a number of Swiss industries, not least for the media and advertising sector.

Uncertainty also exists regarding the *costs of the television broadcasting rights* to the UEFA EURO 2008™ for the official broadcaster. As no information from the SRG SSR regarding the costs of the TV broadcasting rights for the past UEFA Championships is available, we estimate those costs in this study from past data available for the Austrian broadcaster ORF, taking into account the available market analysis studies.

The *Internet and new media* provide efficient means of communication for big sporting events such as the UEFA European Championships™. New media offer the possibility of communicating world-wide a large quantity of information at very low cost. Owing to these characteristics it may be expected that the new media will find broad application with the forthcoming UEFA European Football Championships™. The Internet can be used by the UEFA in order to maximize promotion of the match broadcasts. The greatest moments of the UEFA EURO™ can be made available at the same time as on-line pictures.

There are also endeavours to broadcast for example the Olympic Winter Games on the Internet. Final agreements with UEFA for the TV broadcasting rights range until 2006 inclusive. There are, however, no special contractual conditions concerning the Internet broadcasting rights. A serious obstacle for the broadcasting of big sporting events on the Internet is the impossibility of limiting the broadcast to a region, the latter being the basis of TV broadcasting rights contracts. The availability of Internet broadcasting will allow viewers to choose between Internet broadcast and telecast. It is to be expected that the competition between Internet and television will reduce the prices for TV broadcasting rights, for sponsoring, and TV advertising rates. At the same time, there may be fierce competition between networks for advertisers. Currently, it is not yet clear how these problems will be solved. It may be assumed, however, that the Internet will play an important role in the UEFA EURO 2008™.

**Assumptions**

This analysis is based on the assumption that the further development of inflation is stable, that no significant changes in the money market and in consumer behaviour will occur, and that estimates can be based on current prices. Beyond that, quantification of the intangible benefits is not possible. Therefore, even though the positive effects of the intangible values are discussed in the study, they do not directly flow into the evaluation.

Figure 20 serves as a basis for estimating the income induced by the UEFA EURO 2008™ from advertising in the classical media. During the UEFA EURO 2008™ all advertising media will be used. However, the type and the extent of advertising will depend on the speed of different media and the advertising rates. Television is surely the most valuable media, as it can broadcast the event live, and together with radio and Internet it can transmit the information very quickly. The print media and outdoor advertising will only play a complementary role in the marketing of the event.

Classical and sponsor advertising represent an important financing source for the media. As past experience shows, TV advertising increases during the broadcast of popular sporting events such as the Football Championships. Therefore, it is to be expected that TV advertising turnover in the background of screening the UEFA EURO 2008™ will be significant. An additional impulse is to be expected due to the holding of the UEFA EURO 2008™ in Switzerland, particularly since the Swiss national team will be a fixed starter in the matches and the marketing efforts in Switzerland will be strengthened.

As no historical data regarding the TV advertising revenue generated in the background of screening big sporting events on the SRG SSR channels are available, we used for our analysis the estimated data on additional advertising revenues generated by ORF in Austria in the background of the World Cup 2002 and the share of TV advertising in total advertising in Switzerland (cf. Fig. 20).

Further it was also assumed:

- that the organisation of the UEFA European Championship™ runs optimally;
- that· the Swiss national team plays well;
- that the SRG SSR acquires the TV broadcasting rights;
- that the costs of the broadcasting rights lie within our estimates;
- that the similarity between the TV advertising markets in Switzerland and Austria still applies (the Austrians view 152 minutes/day TV, the Swiss view 155 minutes/day TV; the share of TV advertising in total advertising revenue amounts to 18,4 % in Switzerland and about 23 % in Austria);
- that any transmission of the UEFA EURO 2008™ on the Internet will not have any significant impact on the price of the TV broadcasting rights and on the TV advertising rates;
- that the expenditures for classical advertising in Switzerland will rise annually on average by 1.5 up to 4 per cent;
- that inflation and consumer behaviour do not change substantially;
- that the percentage allocation of the market shares of classical media on the advertising revenue does not change considerably;
- that the tax rates do not change.

**Estimation of additional advertising revenues**

Total additional advertising revenues for SRG SSR in the background of the World Cup 2002 were estimated at about CHF 1.2 million. Considering an annual increase of the revenues from TV advertising in Switzerland between 1.5 and 4 % on average, we estimated the additional revenues expected from classical advertising in the background of broadcasting the UEFA EURO 2008™ in Switzerland.

As a result of holding the UEFA EURO 2008™ in Switzerland, we expect between CHF 1.7 million and CHF 1.9 million revenues for the *electronic mass media*, of which CHF 1.4 million to CHF 1.5 million attributable to *additional classical TV advertising* revenues for the national broadcaster, *SRG SSR* as assumed, in 2008 (see Fig. 21). According to the market share of the *other media*, we expect additional advertising revenues between CHF 4.7 million and CHF 5.4 million for the *print media* and CHF 0.8 million to CHF 0.9 million *for outdoor advertising*. Additionally, as sponsorship will be compensated by the UEFA through the right to be called “official partner for the UEFA EURO 2008™”, *sponsors* may market this right through classical advertising. Sponsors’ advertising in all media may amount to CHF 14.0 million to CHF 20.2 million. To sum up*, total revenues from advertising* in the classical media are estimated at *CHF 21.1 million* to *CHF 28.4 million.*

Besides the revenues from advertising in the classical media, co-operations, patronships etc. represent an additional financing source at the disposal of the electronic mass media. Due to the lack of data their impact cannot be quantified, but revenue volume may exceed that resulting from classical advertising.

**Figure 21:** Estimated additional advertising revenues in Switzerland (in CHF million)

| | Total revenues | |
|---|---|---|
| | Maximum | Minimum |
| Electronic mass media | 1.9 | 1.7 |
| *of which: TV, classical and sponsor advertising* | *1.6* | *1.4* |
| Print media, total | 5.4 | 4.7 |
| Outdoor advertising | 0.9 | 0.8 |
| Additional advertising | 20.2 | 14.0 |
| **Total** | **28.4** | **21.1** |

Source: IHS estimates

### Estimation of sponsorship revenues

Successful sponsorship involves leveraging the power of a brand combined with the sponsored event or property to impact the brand owners' target audience in an expedient and measurable way. Sponsors choose sport to promote and enhance their corporate image and reputation, to build up brands and to increase sales. The term sponsorship describes an *investment in cash or in kind*, in return for access to the exploitable commercial potential associated with that activity (yielding a commercial return for the sponsor). Sports sponsorship is generally either sponsorship of an event, a league, a governing body, a particular team or individual, or the broadcasting of an event (SportBusiness Group 2001).

Besides the well-known official UEFA sponsors, there will also be local sponsors of the UEFA EURO 2008™. These sponsors operate in the field of catering, equipment, maintenance, accommodation, transport, telecommunications, and financing. As mentioned Sponsors' contributions may be in cash or in kind. Generally, sponsorship represents a source of revenue for the UEFA and may be, to a certain extent, redistributed to the countries organizing big events in the framework of the operational budget. The economic effects arrising from the Swiss operational budget were already presented in chapter 4.2.

Some of the goods and services delivered under sponsorship in kind may be produced in Switzerland and generate thus economic effects for the Swiss economy. These additional economic effects were not quantified in the framework of this project, due to the lack of data.

### Turnover and value-added

According to figure 21 it is to be expected that the UEFA EURO 2008™ will induce *advertising revenues* in 2008 amounting to *CHF 21.1 million* in a minimum variant and *CHF 28.4 million* in a maximum variant. As a result of the use of multipliers, *indirect impacts* on the other sectors of the economy are estimated at CHF 9.6 million to CHF 12.9 million. Altogether *the direct and indirect turnover impact* of additional advertising amounts to about *CHF 30.7 million to CHF 41.2 million* (see Fig. 22).

In order to get a complete picture of value-added creation in the advertising sector through the UEFA EURO 2008™ we based our computations on the input-output Table 2000 for the Austrian economy. We used this due to its detailed structure and the similarity between the economies of Switzerland and Austria.

**Figure 22:** Direct and indirect turnover impact on advertising (in CHF million)

| | Direct impact | | Indirect impact | | Total | |
|---|---|---|---|---|---|---|
| | Maximum | Minimum | Maximum | Minimum | Maximum | Minimum |
| Advertising | 28.4 | 21.1 | 12.9 | 9.6 | 41.2 | 30.7 |

Source: IHS estimates

This concept reflects the links between different production sectors in the overall economy. The additional demand in the advertising industry created by the UEFA European Championship™ causes additional production in some other economic sectors. A demand rise initiates a multiplier process, which directly and also indirectly creates additional production and therefore additional income as well as additional employment. The *induced value-added creation* as a result of additional advertising and sponsorship amounts to *CHF 18.0 million to CHF 24.2 million* (see Fig. 23).

**Figure 23:** Direct and indirect value-added impact on advertising (in CHF million)

| | Direct impact | | Indirect impact | | Total | |
|---|---|---|---|---|---|---|
| | Maximum | Minimum | Maximum | Minimum | Maximum | Minimum |
| Advertising | 17.7 | 13.2 | 6.5 | 4.8 | 24.2 | 18.0 |

Source: IHS estimates

**Employment**

A big event such as the UEFA European Championship™ basically leads to job-creating effects. However, due to the temporarily limited additional burden on the media and the advertising sector, the job-creating effect will be rather marginal. Within the media the impulses for job-creating effects can be derived from the higher number of locally necessary media representatives, from the additional burden which results from technical transmission of the matches, or from the higher demand for advertising spots. According to our computations on the basis of the input-output table, the entire (direct and indirect) job-creating effects of the UEFA EURO 2008™ within the media may amount to 210 persons in the minimum variant and 280 persons in the maximum variant. The direct job-creating effects amount to 160 persons in the minimum variant and 210 persons in the maximum variant. However, the higher personnel demand will be most likely covered through overtime work and volunteers' work. According to inquiries in the media, a personnel rise will not persist beyond the period when the event takes place.

**Figure 24:** Direct and indirect employment (FTE) impact on advertising

| | Direct impact | | Indirect impact | | Total | |
|---|---|---|---|---|---|---|
| | Maximum | Minimum | Maximum | Minimum | Maximum | Minimum |
| Advertising | 210 | 160 | 70 | 50 | 280 | 210 |

Source: IHS estimates

**Taxes**

As a consequence of income creation through advertising, additional tax receipts result from the *value-added* tax of 7.6 % in Switzerland. The value-added tax charge on the additional advertising income results in tax receipts of CHF 1.6 million to CHF 2.2 million for the Swiss national budget.

### 4.4.3 Broadcasting rights for the UEFA EURO 2008™

TV broadcasting rights are the focus of financial interest at big sporting events. They are the basis of financing, from which the sport world benefits: players and their clubs or agents, event organizers, broadcasters and their audience, sponsors and the advertising industry. The *UEFA is the exclusive owner* of all commercial as well as TV and radio broadcasting rights for the 31 matches of the UEFA European Football Championship™ and it decides alone on the marketing of TV rights. The broadcasting rights for the UEFA EURO 2008™ have not yet been acquired. The football federation organizing the UEFA EURO™ receives (as contribution to the operational budget) at present 10 % from the total UEFA revenue obtained through the commercialization of broadcasting rights. It may also receive additional revenue from the contracts with local sponsors.

Broadcasting, new media and sponsorship rights are sold by the UEFA to public and private broadcasters. For the tournaments from 2003 to 2006 (UEFA Champions League), for example, free-to-air TV rights in Switzerland have been acquired by SRG SSR, and the pay-TV rights have been bought by Premiere. Consumers pay for the TV rights usually indirectly and in different ways (not always assessable in cash): They pay taxes, which flow to public television, they spend time in front of the TV set watching advertising screened before and between the matches, they pay additional fees for the reception of cable and satellite channels, or they pay directly for pay-per-view (PPV), or pay-TV channels.

During recent years, license costs for TV rights have become increasingly expensive in all areas, from culture to film to the sports sector.

Thus, the ORF TV broadcasting rights for the Winter Olympics in Salt Lake City in 2002 were 24 times more expensive than those for the Winter Olympics in Calgary in 1988. For the UEFA European Football Championship™ the TV broadcasting rights charge has risen 35 times over the past twelve years (ORF, 2001).

Mainly the satellite and digital broadcasting revolution is responsible for the exponential rise in live TV rights fees for the most popular sports. After the live TV rights market peaked in the first half of 2002, slow short-term growth is now expected. Many markets will be unable to sustain medium-term growth rates resembling the growth rates of the past decade. There will, however, be some infrequent exceptions by product/event/country, where athletes from countries without a tradition in a particular sport will break into the scene and new interest will be generated where little or none existed previously, or where a domestic/national team wins a prestigious international competition. Lower TV audiences for many elite sporting events compared with levels years ago will influence the broadcasting rights fees. These rights will become comparatively less important for broadcasters, and fees will level out or even drop (SportBusiness Group, 2002). Widespread financial problems in the European TV industry and mergers between rival pay-TV platforms will also *impact negatively on rights fees.*

As no historical data regarding the fees for the UEFA European Football Championship™ broadcasting rights are available for the Swiss broadcaster SRG SSR, we can only estimate these costs based on the data available for the Austrian broadcaster ORF and the fee paid by SRG SSR for broadcasting the 2002 Winter Olympics in Salt Lake City (CHF 11 million).

Thus, we *estimate* a price of about *CHF 7.4 million for the UEFA EURO 2004™ broadcasting rights*. We assume that SRG SSR will acquire the broadcasting rights of the UEFA EURO 2008™ in Switzerland, as this event is among the events of special national importance on the list of DETEC (Federal Department of Environment, Transport, Energy and Communications)[7].

Based on the estimated costs of UEFA EURO 2004™ broadcasting rights for SRG SSR, we assessed the costs for 2008 at about CHF 8.1 million. The broadcasting rights costs should be covered by advertising and local sponsorship. The SRG SSR is authorized to award sublicences to regional broadcasters in Switzerland. For international radio and TV broadcasts the SRG SSR may need additional investments and workforce, and may also obtain additional revenues.

## 4.5 Impact of the UEFA EURO 2008™ on the telecommunications sector

### 4.5.1 The role of telecommunications

While the impact of the UEFA EURO 2008™ on tourism depends on the audience viewing the tournament live, respectively on the fact that the football world comes to the venue in order to view the matches, the telecommunications sector can take advantage of the fact that the majority of the interested public cannot be physically present at the venue. Economic effects on the telecommunications sector arise not only from *communications between the tourists at the tournament venues* and relatives, friends etc. in their home countries and from communications by the accredited guests (players, care personnel etc.), but also from *the reporting of numerous journalists to their media* in the whole world. At the UEFA EURO 2000™ a large number of media representatives were locally present (see Fig. 25):

**Figure 25:** Number of media representatives at the UEFA EURO 2000™

| | |
|---|---|
| Journalists | 1,700 |
| Radio and TV Reporters | 4,500 |
| Photographers | 630 |
| **Total** | **6,830** |

Source: UEFA

[7] http://www.bakom.ch/de/medieninfo/medienmitteilungen/uvek/artikel/00443/index.html

On the one hand reporting over the UEFA EURO 2008™ requires an appropriate IT infrastructure at the respective venues, while on the other hand there are costs associated with usage of the IT infrastructure. The IT infrastructure refers to the equipment of the press facilities with connections via data networks and terminals (telephone, fax, computer). When information is sent through these data lines the network carriers charge user fees.

Within the effects of the IT infrastructure investments one can differentiate between acquisition effects and capacity effects. *Acquisition effects* refer to the creation of value added and employment through investment in the IT infrastructure in Switzerland. *Capacity effects* describe those economic effects which are determined by durable expansion of the telecommunications infrastructure. Since a part of the IT infrastructure will be dismantled after the UEFA EURO 2008™ is over, only a share of the investments contributes to the capacity extension. Capacity effects of the IT infrastructure are not mentioned in older studies of similar projects. It can therefore be assumed that those studies presumed that no substantial capacity effects develop during such events. That assumption will be further investigated in this analysis.

### 4.5.2 The Swiss information and telecommunications sector

**Definition**

Due to the increasing convergence between data processing and telecommunications, not only the telecommunications sector is relevant for our analysis, but the entire information and communication technology sector (ICT sector). According to the OECD definition (OECD 2000)[8] the ICT sector covers a range of production and service sectors, where each can be further divided into an IT area and a telecommunications area, such as:

- The ICT industry, which covers the producers of component parts, of telecommunications equipment, hardware and terminals.
- Trading with hardware and software of international ICT enterprises.
- The data processing and telecommunications (communications services) areas

**Growth, investments, and employment**

In 1998 the Swiss telecommunications sector was opened up to competition. Since then, the sector is characterised by strong growth and price reductions. This positive development is also reflected in the sector’s growing share in GDP and the rising number of employees, from about 22,900 employees at the end of 1998 to approximately 24,800 at the end of 2001. Between 2000 and 2001 the telecommunications sector’s turnover increased by 5 % and communications traffic rose by 3 %. Since 2002 growth has stabilised, however, a trend which is expected to continue in the coming years, so that for the years up to 2008 an annual increase in sales of 2 to 3 % is to be expected.

Between 1998 and 2000, ICT investments accounted for 27 % of total enterprises’ investments in Switzerland, whereby this share was higher in the services sector (30 %) than in the building industry (24 %) and in the manufacturing industry (23 %).

[8] OECD defines the ICT sector according to the ISIC classification, including seven fields of the manufacturing sector and four fields of the services sector.

**Figure 26:** Share of the ITC investments in total investments

| | Share of ITC investments in total investments (in %) | Change of the share of ITC investments in total investments between 1995-1997 and 1998-2000 (share of companies in %) | | |
|---|---|---|---|---|
| | | Decrease | Unchanged | Increase |
| Industry | 23.3 | 3.1 | 24.4 | 72.6 |
| Building industry | 23.7 | 2.6 | 29.3 | 68.1 |
| Services | 30.4 | 4.4 | 25.3 | 70.4 |
| **Total** | **27.3** | **3.8** | **24.9** | **71.3** |

Source: KOF

In 2001 about *50 % of total turnover* in the telecommunications sector was achieved in the *fixed network services* sector (including wholesale and internet access services), accounting for sales of approximately CHF 6.8 billion. With the introduction of carrier selection, competition in this sector has taken off.

At the same time, the market for *mobile telephone services* has developed rapidly during the last ten-year period. Since the opening-up to competition on 1 January 1998 this sector has experienced dramatic growth. Between the end of 1992 and the end of 2002 the penetration rate increased from 3 to 77 % of the population. Nowadays, there are more users with mobile connections than fixed network connections, and in 2001 sales in this segment topped CHF 3.9 billion, representing *30 % of the total sales in the telecommunications sector*. The data transmission services give a foretaste of the new mobile services. Since 1998, enthusiasm for short message system (SMS) services ensured a three-digit growth rate. In 2001 alone, approximately 3 billion SMS messages were sent.

The spread of broadband communications is expected to be one of the most important growth factors for telecommunications and for the development of the information society. The trend towards using many different services over an integrated infrastructure of core networks instead of a specific one is expected to increase. However, convergence in the production and dissemination of broadcasting and traditional telecommunications services seems to be progressing more slowly than was previously envisaged, especially from the consumer point of view. The Internet Protocol (IP) is acknowledged to be the most suitable transmission protocol for future networks. Over the last few years, the *volume of data traffic* has overtaken telephone traffic; the broad dissemination of internet services has made a major contribution to this development. IP telephony is a technology which offers real-time transmission and which is therefore being aimed at a very wide market. Initially, the offering is expected to concentrate on specific services with good economic prospects – long-distance calls and intranet and extranet services, in which market players see a means of opening up new sales markets.

### European comparisons[9]

International organisations like the European Commission or the OECD use telecommunications or IT infrastructure indicators as proxy for economic dynamics and innovation ability of a country. A well developed IT infrastructure is a condition for productivity gains.

---

[9] http://www.bakom.ch/imperia/md/content/english/telecomdienste/marketanalysis/4.pdf

In 2002 the *Swiss telecommunications market* accounted for a *volume of CHF 13.3 billion*. This ranks the Swiss market in seventh place among the EU countries, at a level comparable with that of Sweden, Belgium/Luxemburg, and Austria.

Considering the number of network operators and the number of providers of voice telephony services, Switzerland ranks in the top third by European comparison. In respect to the European price levels, *Swiss interconnection charges are high* (based on the exchange rate conversions). This applies to all segments of the wholesale market. Also the Swiss termination charges for calls from the fixed network to the mobile telephone network are among the highest in Europe.

In terms of the *mobile telephone penetration rate*, Switzerland is above the EU average. A penetration rate of *77 %* was achieved in August 2002. This corresponds to a growth rate of 10% compared to the previous year. The competitive conditions in the Swiss mobile telephone market differ in various aspects from those in other mobile telephony markets in Europe.

First, there is only a single mobile telephony service provider in addition to the three network operators in the 2G mobile telephony market in Switzerland. Secondly, the market share of the mobile subsidiary of the fixed network incumbent, Swisscom Mobile, is the highest compared with the market share of the mobile telephony subsidiaries of other incumbents across Europe. In terms of subscriber numbers, Swisscom Mobile has a market share of 62.7 % whereas the average in the EU is 47 %.

Thirdly, the use of a mobile telephone is very expensive in Switzerland, compared to the rest of Europe, for both private and business customers. The charges surpass the European average significantly. In European terms, prices for Internet use in Switzerland are also relatively high.

The charges for the setup and the usage-based tariff components both position Switzerland in the upper third in Europe. If the conversion method based on purchasing power parities is applied, the position of Switzerland improves in international comparison: Switzerland is then listed in the middle range. With regard to the monthly connection charge, especially for private customers, Switzerland is one of the most expensive countries in Europe. The charges for local calls are also relatively high in Switzerland. However, this is attributable to the fact that the distinction between local and national calls is no longer made.

In comparison with the countries of the EU, Switzerland is one of the *most favourable countries in the market segment of international calls*. Regardless of the region of the world to which calls are made, Switzerland is always one of the cheapest countries and frequently is even the cheapest.

**Foreign trade**

The major sector of the Swiss economy is manufacturing, which accounts for 96 % of the total value of merchandise exports, one third of real GDP, and 18 % of total employment in Switzerland - producing mostly high-technology goods - and services, chiefly financial services. The European Union remains the largest trading partner, with 78 % of total merchandise imports supplied and 60 % of Switzerland's exports absorbed. Switzerland has traditionally run current account surpluses, largely attributable to surpluses in investment income and in trade in services. The trade account surpluses reflect increasing exploitation by Switzerland of its comparative advantages and the resultant rise in exports of high-technology products.

### 4.5.3 Economic impact

Concerning the effects of the UEFA EURO 2008™ on the telecommunications sector there are three dimensions to be analysed:

- *General infrastructure*: This covers the construction and wiring of the press facilities. These investments are part of the investments in the stadia infrastructure, whose impact has already been analysed. Therefore, the effects of these investment expenditures are not separately computed here.
- *Telecommunications infrastructure*: Here are meant the net capacities and the prescribed endowment of the press facilities and stadia with IT hardware.
- *Telecommunications fees*: The connecting fees for use of the stationary and mobile telecommunications infrastructure.

**Telecommunications infrastructure**

UEFA stipulates in its schedule of conditions (*UEFA Guidelines for Media Facilities in New Stadiums*, 1 December 2000) a minimum of telecommunications infrastructure for the media representatives. Since the schedule of conditions for the UEFA EURO 2008™ is not yet available, we use for our computations the guidelines of the requirements specification for the UEFA EURO 2004™.

**Figure 27:** Telecommunications Infrastructure for the UEFA EURO™ final matches: Guidelines from the UEFA schedule of conditions

| | Group matches | Oppening match, quarter and semifinal matches | Final match |
|---|---|---|---|
| *Media Facilities* | | | |
| Seats for the writing press | 400 | 800 | 1000 |
| Seats in the stadium for the writing press with telephone connection at the desk | 60 | 100 | 200 |
| *Equipment of the press facilities* | | | |
| Public Telephones | 10 | 10 | 10 |
| Telex | 3 | 3 | 3 |
| Telefax | 10 | 10 | 10 |
| Telephoto | 4 | 6 | 8 |

Quelle: UEFA

The requirements of the UEFA schedule of conditions shows clearly, that the organizer is responsible only for providing the spatial infrastructure for the local and foreign media representatives, not however the hardware. The devices stated in Figure 27 can be understood only as a kind of emergency minimum endowment. Considering today's possibilities of telecommunications and above all the possibilities which can be expected in the year 2008, this minimum endowment already looks obsolete. The requirements specification reflects the fact that it is the press representatives' custom for everyone to provide their own telecommunications equipment. With the increasing convergence of phone communication and data transmission, through the so-called third mobile generation, both the sending of e-mails and files and the use of the Internet become *possible via mobile telephones.* Thus, the use of telecommunications becomes *increasingly independent of connection to a power network*. The IT equipment at the press workstations consists therefore of two plug sockets per workstation; one for electricity and one for access to the data network.

As long as the requirements specification for the UEFA EURO 2008™ is not substantially changed from those for the UEFA EURO 2004™, the hardware investments will be limited to altogether 40 telephones and fax devices as well as printers. Thus, the costs connected with this investment will amount to CHF 17,050 to CHF 23,250. The costs connected with the laying of the appropriate line adapters and sockets were already included in the establishment or refurbishing costs of the stadia. No additional improvement of telecommunication networks efficiency due solely to the UEFA EURO 2008™ can be expected, since the stadia lie in the Swiss urban centres were it can be assumed that a sufficiently efficient telecommunications network is available. Therefore, *additional growth effects due to investments* in the telecommunications infrastructure are *not to be expected*.

**Telecommunications fees**

Competition as well as technical progress make the telecommunications market one of the most dynamic markets with regard to prices and products. Therefore computation of the telecommunications revenues for the UEFA EURO 2008™ based on present prices should be regarded with caution. More important is the estimation of *expected network usage time*.

According to the UEFA, we assume that at the semi-final and quarterfinal matches about 800 journalists will be present per match (see Fig. 27). The group matches will be attended by about 400 journalists per match. According to the bid documentation, 15 matches will take place overall in Switzerland: one semi-final, two quarterfinals, one opening group match and eleven group matches. We assume further that the media coverage of each match lasts two days, resulting in 15,200 journalist days, and that the journalists will use their mobile phones for ongoing reporting. Considering an accepted daily usage intensity of telephone/fax of 3 hours and of Internet of 2 hours (the most probable variant), there results *a total of 45,600 hours of telephone/fax usage* and *30,400 hours of Internet usage*. We assume further that about 90 % of the telephone connections will be allocated to another European country and 10 % will take place within Switzerland. Applying today's fees[10] these services will *cost between CHF 2.9 and CHF 3.6 million*, depending on the network carrier providing them.

While network usage is limited by the number of journalists, the price ranges of mobile communication are much higher. They are determined both by the provider and by the technology used. However, it is to be expected that in the next four years technology progress and fierce competition on the telecommunications market will *allow further price reductions*. In view of such a development, by the year 2008 our present estimation may correspond to a *maximum variant*.

The provision of *line-bound communications* will be competitively acquired by the organizer within the framework of a tender. This will lead to lower tariffs than those estimated above, also dependent on whether there are image spillovers for the provider of the telecommunications services. Possible would even be a flat rate per day, independently of actual use.

Our estimations referred exclusively to the *telecommunications needs of the media representatives*. However, another important component is also the additional de-

[10] Average business fees of the most important mobile network operators in Switzerland: Swisscom, Sunrise, Orange, and TDC.

mand for telecommunications services by the *football-interested audience*. Considering tourists' daily expenditures for roaming in Switzerland in the year 2001 and taking into account the characteristic profile of the football-interested tourist and the rising trend of roaming revenues in the past years, we estimated *roaming costs for foreign tourists* amounting to CHF 5.0 per day per person and for Swiss tourists CHF 4.0 per day per person during the UEFA EURO 2008™ in Switzerland. These telecommunications expenditures by visitors are *not considered in the impacts of tourism effects* analysed before.

Applying these costs to the estimated number of 690,000 days of stay for foreign tourists in the minimum variant and 864,000 days in the maximum variant, the resultant revenues amount to about CHF 3.3 million to CHF 4.2 million. To this sum were added the revenues which result from the phone calls of Swiss tourists, amounting to about CHF 0.26 million in the minimum scenario and CHF 0.30 million in the maximum scenario. The *total revenues* resulting from telecommunications services *for the football-interested audience* were estimated at *CHF 3.5 million to CHF 4.5 million*.

**Figure 28:** Telecommunications revenues induced by the UEFA EURO 2008™ (million CHF)

| | Maximum | Minimum |
|---|---|---|
| Journalists | 3.6 | 2.9 |
| Tourists | 4.5 | 3.5 |
| **Total** | **8.1** | **6.4** |

Source: IHS estimates

In autumn 2003, the European Football Federation UEFA assigned for the first time *mobile phone broadcasting rights for the matches* of the Champions League in addition to the TV and radio broadcasting rights. Fans thus have the possibility to view the matches live on their mobile or video phones. Moreover, soccer fans are to be supplied in this way with an abundance of additional information (e.g. statistics). In addition, customers will also have the possibility to relive unforgettable moments of the past eleven years by using the UEFA Videoarchive. The rights were awarded to Vodafone on an exclusive basis in Spain, Italy, Greece, Hungary, Malta, and Egypt as well as on a non-exclusive basis in Great Britain, Germany, France, the Netherlands, Portugal, Ireland, and Switzerland.

A *rising demand for Internet access by mobile phone* may be expected for the year 2008. However, to what extent the telephone and Internet as media substitutes for television and radio reporting will increase turnover for Swisscom and other providers, depends not only on the availability of attractive products and prices, but also on the degree of general enthusiasm for football.

### Turnover and value-added impact on telecommunications

According to Figure 28 it is to be expected that *telecommunications revenues* induced by the UEFA EURO 2008™ in 2008 will amount to CHF 6.4 million in a minimum variant and CHF 8.1 million in a maximum variant. As a result of the use of multipliers, indirect effects on the other sectors of the economy amount to CHF 4.3 to CHF 5.5 million. Altogether, the *direct and indirect turnover impact* of additional telecommunications services amounts to about *CHF 10.8 to CHF 13.6 million*.

**Figure 29:** Direct and indirect turnover and value-added impact on telecommunications services (in million CHF)

| | Direct impact | | Indirect impact | | **Total** | |
|---|---|---|---|---|---|---|
| | Minimum | Maximum | Minimum | Maximum | Minimum | Maximum |
| Turnover | 6.4 | 8.1 | 4.3 | 5.5 | **10.8** | **13.6** |
| Value-added | 2.6 | 3.4 | 2.1 | 2.6 | **4.7** | **6.0** |
| **Total** | **9.0** | **11.5** | **6.4** | **8.1** | **15.5** | **19.6** |

Source: IHS estimates

The *value-added of* the direct impact is expected to be about CHF 2.6 million in a minimum scenario and CHF 3.4 million in a maximum scenario. The value-added of the indirect impact is expected to be between CHF 2.1 million and CHF 2.6 million. This results in a *total value-added impact of CHF 4.7 million* (minimum) and *CHF 6.0 million* (maximum).

#### Employment impact

The total employment effects of telecommunications may amount to 40 persons in the maximum variant and 30 persons in the minimum variant. However, due to the temporarily limited additional burden on the telecommunications industry and the fact that this is not a labour intensive sector of telecommunications, the additional personnel effecitvely hired during the event will be much smaller.

#### Taxes

As a consequence of income creation through telecommunications, additional tax receipts result from the value-added tax of 7.6 % in Switzerland. *The value-added tax* charge on the additional telecommunications income results in tax receipts of CHF 0.5 million to CHF 0.6 million for the Swiss national budget.

## 4.6 Overall economic impact of the UEFA EURO 2008™

### 1.1.1 Overall direct and indirect impact on value added and employment

This section sums up the various economic impacts of the UEFA EURO 2008™ identified in the previous sections, namely the impacts of:

- stadium extension in Basle
- operational budget of the UEFA EURO 2008™
- tourism effects (whole of Switzerland)
- media and advertising activities
- telecommunications activities

Here again, values are shown for the *maximum and minimum scenarios*. As explained in section 4.5.3, impacts on the telecommunications sector do not create any additional employment. Furthermore, *some impacts* (i.e. of the stadium extension and the budget) *already take effect prior to 2008*.

**Figure 30:** Overall economic impact of the UEFA EURO 2008™ in Switzerland[1)]

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| **Direct impacts** | | |
| Turnover, CHF million | 357 | 307 |
| Value added, CHF million | 206 | 179 |
| Employment (FTE) | 2'640 | 2,255 |
| **Indirect impacts*** | | |
| Turnover, CHF million | 187 | 161 |
| Value added, CHF million | 110 | 97 |
| Employment (FTE) | 1,150 | 985 |
| **Total impacts** | | |
| Turnover, CHF million | **544** | **468** |
| Value added, CHF million | **316** | **276** |
| Employment (FTE) | **3,790** | **3,240** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

1) Impact of stadium extension, UEFA EURO 2008™ budget, tourism effects, effects of advertising and media activities and effects on the telecommunications sector.
Source: Rütter + Partner / ITW estimates

Overall, the various economic impacts identified *directly* generate turnover to the amount of around CHF 360 or 310 million (cf. Fig. 30). This creates direct value-added around CHF 200 or 180 million, and employment equivalent to 2640 or 2255 full time employees although only partially in terms of new jobs.

The intermediate consumption and income effects additionally induce *indirect* turnover amounting to CHF 190 or 160 million. The resultant gross value added totals CHF 110 or 100 million, and work is created for 1150 or 985 equivalent full time employees.

In total (i.e. directly and indirectly) the UEFA EURO 2008™ generates *turnover* in Switzerland around *CHF 545 million (maximum) or 470 million (minimum).* The respective *gross value added totals around CHF 315 or 275 million*, and equivalent full time *employment for 3790 or 3240 people* is created.

### 4.6.2 The role of public authorities and effects on balance of payments.

The public authorities play a very special role in the UEFA EURO 2008™. Firstly, public funds profit through the direct effects of tourism, the budget and stadium extension from *tax income* totalling about CHF 24 million (maximum scenario) or 22 million (minimum scenario) comprising income tax and VAT (cf. Fig. 31), plus additional tax income from the indirect effects. Furthermore the *induced salary* income generates social security contributions around CHF 30 million.

In addition, foreign visitors to the UEFA EURO 2008™ will bring funds to Switzerland totalling about CHF 200 or 160 million, as shown below in figure 31 (tourism receipts). Deducting the goods and services purchased abroad within the framework of stadium extension and the budget, the *positive contribution to the balance of payments* is *CHF 175 or 134 million.*

**Figure 31:** Fiscal and balance of payments effects[1)] (in CHF million)

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| **Direct fiscal effects** | | |
| Social security contributions. CHF million | 30.8 | 29.5 |
| Direct Tax effect of income and VAT*, CHF million | 24.0 | 22.2 |
| **Total** | **54.9** | **51.7** |
| **Direct Balance of payment effects** | | |
| Receipts tourism | 201.6 | 161.0 |
| Expenses | 27.1 | 27.1 |
| *stadium* | 24.2 | 24.2 |
| *budget* | 2.9 | 2.9 |
| **Saldo** | **174.5** | **134.0** |

** Include VAT of advertisment, media and spons. acitvities and of the telecomunications sector*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

1) Impact of stadium extension, UEFA EURO 2008TM budget and tourism effects
Source: Rütter + Partner / ITW estimates

Furthermore, not only the four stadium locations but also the whole of Switzerland will benefit from *very positive image effects*. Worldwide interest in the UEFA EURO 2008™ will have a publicity impact sustainably boosting tourism as well as attractiveness both from the residential and business points of view. The financial implications of these impacts are difficult to assess, since they very much depend on the support measures and activities undertaken locally and by the national and regional tourism organizations.

The public authorities must however take *responsibility*. This not only includes various aspects of *public transport*, but above all responsibility for *security* measures in addition to those taken by the stadium operators during the event. The federal, cantonal and municipal authorities all share this responsibility. Security measures can cost the public authorities *large sums*, which are however so uncertain as yet that no estimates can be made at this time. The public funding required for the UEFA EURO 2008™ is subject to negotiations with the organizing company. The following section deals in more detail with security aspects.

### Security concept for Switzerland[11]

*Current situation regarding safety*

Terrorist attacks over the last few years (e.g. in New York, Turkey, Madrid) have imparted a new dimension to safety measures and the associated costs. This particularly applies to large-scale events such as the Olympic Games, World Cup and European championships, which are prime potential terrorist targets due to their media impact and big audiences.

Portugal's overall estimate of safety and security costs for the entire tournament was 40 million Euros. 16.5 million Euros of this were directly invested by the Ministry of the Interior in specific new material and equipment for the two Police

[11] The detailed data given in this chapter was provided to the authors on 12.3.04 by the Federal Police Department.

Forces, and the remaining amount was spent in personnel and administrative/logistic areas, including international police co-operation. Development of the global political situation by 2008 is regarded with considerable uncertainty, and will decisively affect future decisions in this context.

*Framework and basis*

Ensuring safety at the UEFA football championships, which as a binational event involves additional coordination outlay, plays an important role in smooth execution.

*Safety measures* are taken within the framework of international treaties as well as *agreements with Austria*. Early in 2002 the Swiss federal council and parliament issued the "Resolution on Federal Contributions to the European Football Championships 2008".

According to the federal resolution of 2002 the *maximum federal credit* granted for the UEFA EURO 2008TM is CHF 3.5 million. The conditions for granting this credit are established in two articles, whereby the overall sum is divided up as follows:

- CHF 1 million for structural measures to improve media and security efficiency at the four stadiums Basle, Geneva, Berne and Zurich.
- CHF 500,000 for financing a national campaign at matches in the four stadiums to promote health and social integration through sport.
- Noninvoiced contributions up to CHF 2 million, to be compensated internally by the Federal Department of Defence, Civil Protection and Sports (DDPS).

The release of this credit is subject to the following conditions defined in Art. 2 of the federal resolution:

- that the UEFA decides for the Austria-Switzerland candidature;
- that the Swiss Football Association (SFV) contributes CHF 500,000 to financing the campaign according to Art. 1 b;
- that the cantons and communities involved in the UEFA EURO 2008TM make a joint contribution of at least CHF 7 million to financing these championships.

The amoount spent by Portugal for safety and security (40 million Euros) is higher than the CHF 10.5 million offered by the Swiss authorities. In view of the unforeseeable international security situation and the UEFA safety requirements, a considerably higher contribution will be necessary, although this is difficult to quantify at the present time.

*International security working group (SiAG) for the EURO’08 CH-A*

On February 17, 2003 the then head of the Federal Department of Justice and Police (DJP) and the Austrian Minister of the Interior signed a ministerial declaration in Vienna for more intensive security cooperation with a view to the UEFA EURO 2008TM.

Based on this declaration and the trilateral police cooperation treaty between Austria, Switzerland and Liechtenstein of April 27, 1999 the Austrian and Swiss security partners were designated. On March 3 and 4, 2004 in Berne they then constituted the security working group (SiAG EURO’08). This is made up of representatives of the Austrian Federal Ministry of the Interior and the Federal Office for Police Matters (Fedpol) together with any experts called in.

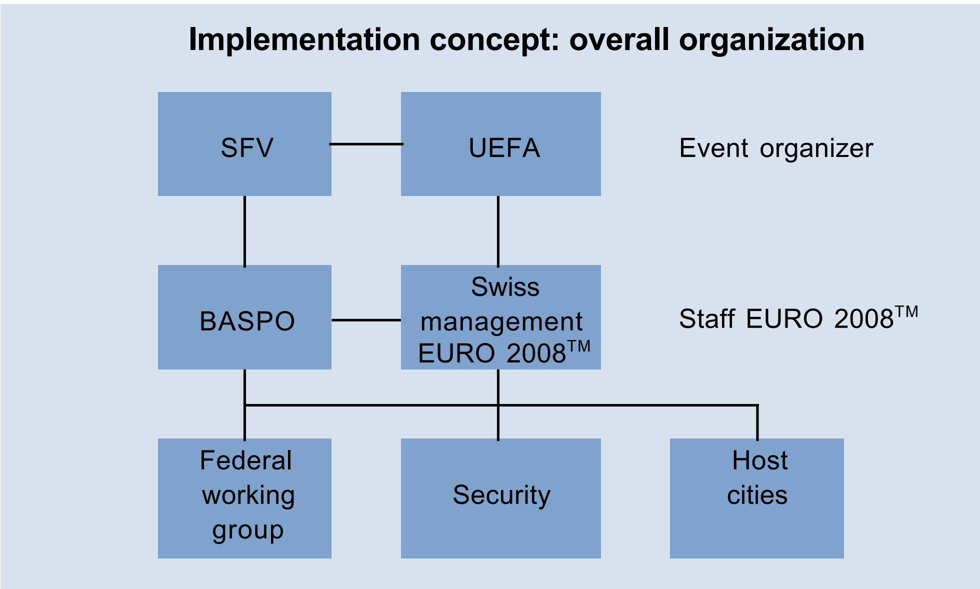
*Security concept for Switzerland*

Switzerland and Austria each have to work out a *national concept*. The representatives of the various working groups (for situation assessment, hooliganism, operative measures, etc.) will closely cooperate bilaterally to reach mutual agreement on the respective concepts. These results will then be coordinated and assessed by the SiAG EURO'08 CH-A.

It is decisively important that the security concept for Switzerland takes full account of all the respective organizations and involved parties at all levels, as far as possible working within the existing structures (federal and cantonal). The normal security organizations can be expanded and strengthened as required. The extent of military reinforcement required for the police forces must also be determined within the framework of this concept.

The UEFA figures as UEFA EURO 2008™ event organizer, while the Swiss Football Association (SFV, similar to the ÖFB) is responsible for implementation. The Swiss management of the UEFA EURO 2008™ negotiates between the UEFA and SFV, and is also direct contact partner for the security authorities. For all other aspects of the UEFA EURO 2008™ the Federal Office for Sport (BASPO) is responsible. The Swiss security concept management is to be organized by a national security coordination office (NAKOS). The graphic below shows the overall organization.

**Figure 32:** Overall organization of the security concept for Switzerland




Source: Federal Office for Police Matters (Fedpol) information dated 23.3.2004.

*Further action*

The SiAG EURO'08 will prepare the international standards basis and framework by mid-July 2004. The national groups can then start work. Until June/July 2004 the primary goal is to prepare and consolidate the security concept for Switzerland together with all national partners (federal, cantonal and municipal authorities, associations, stadium operators, etc.) and recruit the additional human resources required.

## 4.7 Total economic impact of the UEFA EURO 2008™ in Switzerland and Austria

This section assesses as far as possible *the overall impact of the UEFA EURO 2008™ both in Austria and Switzerland*. Budget impacts and effects on the telecommunications sector are not included for both countries, since they have only been analyzed in this study for Switzerland. In the following commentary and in figure 33 only the maximum scenario impacts are identified.

The *impacts of stadium construction* mainly apply to Austria. Only about 10% of the *EURO 143 million investments* for the UEFA EURO 2008™ apply to Switzerland, where new stadium construction is largely independent of this event. Overall, these investments will generate gross value added around EURO 100 million and create *employment* equivalent to almost *2,200* full time jobs.

Most important in both countries are the *tourism impacts by visitors* to the UEFA EURO 2008™. In total about two million overnight stays will result, with rather fewer stays in Switzerland where one match less will be played (the final will take place in Vienna). *Tourist expenditures* in connection with the UEFA EURO 2008™ are assessed at *EURO 343 million* for both countries together. Taking account both of direct and indirect impacts, the resultant gross value added totals EURO 326 million, with *employment* equivalent to *8,600* full time jobs. Here again, only some of this will actually create new jobs, since the new employment impacts of tourism during the UEFA EURO 2008™ are likely to be rather low. The reason is that peak workloads for these three weeks can be covered in part by existing personnel, and tourist expenditures will be distributed among numerous different sectors (restaurants, retail stores, etc.).

The tourism impacts are significantly higher in Austria than in Switzerland. There are several reasons for this. Firstly, as mentioned, one match less will be played in Switzerland than in Austria. Secondly, since a major media operation centre will belocated in Vienna more media people will be staying in Austria. Another reason lies in the relative sizes of the two countries. In Switzerland the frontiers are never far away, so that more visitors from abroad can come for the day and overnight stays are therefore fewer. There are also differences in the assumptions made in each country (daily expenditures in individual categories, such as UEFA officials, sponsors and media representatives) and with regard to tourist definitions. In Switzerland no economic impacts are attributed to local spectators (natives) because they are not classified as tourists according to the WTO definition. On the other hand, the study for Austria reckons with an additional 200,000 overnight stays or 300,000 days spent particularly by persons vacationing in Austria after attending a match in Switzerland.

By comparison with stadium construction, the value-added impacts of tourists visiting the UEFA EURO 2008™ are about three times higher.

*Media and advertising activities* will generate turnovers totalling around EURO 60 million. The overall gross value added resulting from direct and indirect impacts will be about EURO 35 million.

**Figure 33:** Total economic impact of the UEFA EURO 2008™ in Switzerland and Austria

| | Switzerland Maximum Scenarium | Austria Maximum Scenarium | Total EURO 2008 Max. Scenarium |
|---|---|---|---|
| **Stadia** | | | |
| Total Investment, EURO million | 15 | 128 | **143** |
| *Total impacts* | | | |
| Turnover, EURO million | 22 | * | - |
| Value added, EURO million | 12 | 89 1) | **101** |
| Employment | 190 | 1,988 | **2,178** |
| **Budget** | | | |
| Total expenditure, EURO million | 62 | * | - |
| *Total impacts* | | | - |
| Turnover, EURO million | 91 | * | - |
| Value added, EURO million | 69 | * | - |
| Employment | 920 | * | |
| **Tourism** | | | |
| Total overnight and day-stays | 1,027,630 | 1,523,420 | **2,551,050** |
| Total overnight-stays | 863,910 | 1,129,210 | **1,993,120** |
| Total direct expenditure from EURO 2008 visitors, EURO million | 133 | 210 | **343** |
| *Total impacts* | | | |
| Turnover, EURO million | 202 | * | - |
| Value added, EURO million | 104 | 222 | **326** |
| Employment | 2,360 | 6,254 | **8,614** |
| **Media and advertisment activities** | | | |
| *Total impacts* | | | |
| Turnover, EURO million | 27 | 33 | **60** |
| Value added, EURO million | 16 | 19 | **35** |
| Employment | 280 | 396 | **676** |
| **Telecommunications sector** | | | |
| *Total impacts* | | | |
| Turnover, EURO million | 8.8 | * | - |
| Value added, EURO million | 3.9 | * | - |
| Employment | 40 | * | - |

*1) Not completely comparable with Switzerland*
** not calculated/not comparable*
*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures.*

Source: Rütter + Partner / ITW and IHS estimates

# 5. Regional impacts of UEFA EURO 2008™

This section analyzes the tourism impacts regionally for the four match locations Basle, Berne, Geneva and Zurich. For Basle the impacts of the stadium extension are also taken into account because Basle is the only location where stadium investments are directly attributable to the UEFA EURO 2008™.

## 5.1 Basle

**Figure 34:** Key data for the Basle region (Basle City and Basle Land)


| Key data | |
|---|---|
| Area in km² | 554 |
| Population in thousands | 451 |
| Employment in thousands (FTE) | 270 |
| Income per head* in CHF thousands (2001) | 57 |
| **Tourism** | |
| Overnight stays in thousands (2003) | 274 |
| Number of hotels (June 2003) | 109 |
| Number of rooms available (June 2003) | 3,991 |
| Number of beds available (June 2003) | 6,404 |
| Room occupancy in % (June 2003) | 53 |
| Bed occupance in % (June 2003) | 39 |

** Weighted averages or totals for cantons Basle City and Basle Land*

Source: FSO

As explained in section 1.2, the Basle region comprises the two cantons Basle City and Basle Land, with a total population of 451,000. Income per head in this region is above the average for Switzerland, and significantly higher in Basle City than in Basle Land due to the chemical industry. This region is located on the German and French borders, so that compared with Zurich and Berne more UEFA EURO

2008TM spectators will come for the day and spend the night outside Switzerland in Germany or France, either at home or in hotels.

Hotel capacities in this region are rather modest compared with other stadium locations. The 109 hotels in various categories have a total capacity of about 6400 beds in 4000 rooms. In June 2003 bed occupancy was 39% and room occupancy 53%.

## A. Effects of stadium construction (stadium extension)

As mentioned in chapter 3, the Basle stadium extension is immediately attributable to the UEFA EURO 2008TM. The resultant economic impacts for Switzerland as a whole are shown in section 4.1 above. In the Basle region itself, the impacts of stadium extension are rather less because some goods and services (to the amount of approx. CHF 3 million) are procured in other parts of Switzerland. This section therefore deals with economic impacts in the Basle region only, whereby the relevant figures are only slightly lower than those for Switzerland as a whole.

In the Basle region the stadium extension investments *directly* generate turnovers totalling around CHF 18 million. This directly results in gross value added of CHF 9 million and employment equivalent to about 110 full time jobs.

**Figure 35:** Impact of stadium enlargement in the Basle region

| | **Basel** |
|---|---|
| **Investment, CHF million** | 23.0 |
| **Direct impacts** | |
| Turnover, CHF million | 18.2 |
| Value added, CHF million | 9.0 |
| Employment (FTE) | 110 |
| Income, CHF million | |
| *Social security contributions, CHF million* | 2.3 |
| *Tax effect of income, CHF million* | 1.0 |
| **Indirect impacts*** | |
| Turnover, CHF million | 8.9 |
| Value added, CHF million | 5.0 |
| Employment (FTE) | 40 |
| **Total impacts** | |
| Turnover, CHF million | **27.1** |
| Value added, CHF million | **14.0** |
| Employment (FTE) | **150** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

Source: Rütter + Partner / ITW estimates

*Indirect impacts* via intermediate consumption and the *income effect* generate additional turnover to the amount of approx. CHF 9 million, gross value added of CHF 5 million, and employment equivalent to about 40 full time jobs.

*Overall* (directly and indirectly) the Basle stadium extension will generate regional *turnover* around *CHF 27 million, gross value added* around *CHF 14 million,* and *employment equivalent to* about *150 full time jobs*. These impacts will be distributed over the construction period.

## B. Tourism effects

### Number of persons attending matches

With a *net capacity* of about 40,000 spectators after extension, the St. Jakob stadium in Basle will be the largest of all the UEFA EURO 2008TM stadia in Switzerland. For this reason, six of the fifteen matches in Switzerland will probably be played here: three group matches (one of which the opening match), two quarter-finals and one semi-final.

The following assessments are based on this assumption of *six matches* in Basle. As with all the other stadia, the maximum scenario is based on 96% occupancy and the minimum scenario on 85% occupancy.

Correspondingly, the total *number of persons attending matches* will be between *230,000* maximum and 204,000 minimum (cf. Fig. 36). These figures include nearly *8000 participants* (players/trainers/coaches, jury, UEFA officials, sponsors/VIPs and media representatives), the others being *spectators.*

**Figure 36:** Stadium capacity and persons attending matches in Basle

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Stadium** | | | | |
| Gross capacity | 42,500 | | 42,500 | |
| Net capacity | 40,000 | | 40,000 | |
| Number of matches | 6 | | 6 | |
| **Persons attending matches** | | | | |
| Used capacity (all matches) | 230,400 | | 204,000 | |
| Officials, Media, Sponsors/VIP | 7,860 | | 7,860 | |
| Total spectators | 222,540 | 100% | 196,140 | 100% |
| *Native* | 28,930 | 13% | 25,500 | 13% |
| *Same-day visitors* | 173,580 | 78% | 152,990 | 78% |
| *Tourists (overnight)* | 20,030 | 9% | 17,650 | 9% |
| *Swiss spectators* | 60,090 | 27% | 52,960 | 27% |
| *Foreign spectators* | 162,450 | 73% | 143,180 | 73% |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

It is estimated that out of the approx. *222,500 (or 196,000) spectators,* 13% will be local people and 78% same-day visitors, while 9% will spend the night in the region. This estimate is based in particular on the geographical location of Basle (Swiss/German/French frontier) and the bed and room capacities of regional hotels. The low percentage of overnight visitors is because due to the *limited hotel accommodation* in the Basle region, those spending the night elsewhere are only regarded as same-day tourists.

The percentage of *same-day visitors from other regions in Switzerland* is estimated as 13% of spectators, with 24% *same-day foreign visitors* and 41% *foreign tourists spending the night outside the Basle region* (cf. annexed table of assumptions for Basle). Most visitors spending the night in Basle are from abroad.

Overall, 27% of spectators are from Switzerland and 73% from abroad (Fig. 36).

**Frequencies and overnight stays of visitors**

*Visitor frequencies* (number of same-day visitors plus number of overnight stays, not including natives) and expenditures (cf. next section) are based on the assumptions in section 4.3.1 for each group of persons (length of stay, average daily expenditures). The specific figures for Basle are shown in the annexed table of assumptions.

In particular, it is assumed that the players only spend the night before each match in Basle and that none of the teams will have its training camp in the Basle region. The *number of overnight stays by teams* in the Basle region is therefore equal to the number of matches there. With 50 persons per team and 6 matches in Basle, the total number of overnight stays is 600.

Here again, the expenditures of visitors from abroad in *other regions of Switzerland* e.g. for overnight stays are not taken into account, but are included in tourism impacts for Switzerland as a whole (cf. section 4.3). And as mentioned in section 4.3.1, expenditures inside the stadium are not included because they are already taken into account in the UEFA EURO 2008™ budget.

As shown in figure 37, the UEFA EURO 2008™ will generate *overall visitor frequencies around 271,000 in the maximum scenario* and 237,000 in the minimum scenario, about 85% of which attributable to match spectators (not including natives). Due to their longer stay, the weighting of visitors from abroad spending the night (20% or 18%) is significantly greater than the group composition weighting (cf. Fig. 36). In total, the UEFA EURO 2008™ will generate about *97,000 or 84,000 overnight stays in the* Basle region (cf. Fig. 38).

**Figure 37:** Total frequencies of visitors in the Basle region

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 600 | 0% | 600 | 0% |
| UEFA Officals | 4'680 | 2% | 4'680 | 2% |
| Media | 28'880 | 11% | 28'880 | 12% |
| Sponsors and VIP | 5'460 | 2% | 5'460 | 2% |
| Match Spectators:* | 231'000 | 85% | 197'320 | 83% |
| *Same-day visitors* * | 173'580 | 64% | 152'990 | 65% |
| Swiss from other places in CH | 28'930 | 11% | 25'500 | 11% |
| foreign same-day visitors | 53'410 | 20% | 47'070 | 20% |
| foreigners with overn. stay outside region | 91'240 | 34% | 80'420 | 34% |
| *Tourists (overnight):* | 57'420 | 21% | 44'330 | 19% |
| Swiss tourists | 2'230 | 1% | 1'960 | 1% |
| foreign tourists | 55'190 | 20% | 42'370 | 18% |
| **Total frequencies of visitors** | **270,620** | **100%** | **236,940** | **100%** |

** without natives*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

Since the Basle stadium will have the *biggest seating capacity* and *six matches* will be played there, this region will *attract the most spectators*. In view of the limited overnight accommodation capacities in this region, bottlenecks and crowding out of other guests must therefore be expected. Furthermore, the *ArtBasle Exhibition* will be held at the same time and no change of date seems possible. *Crowding out* is estimated at *42%* of overnight stays in a normal year, or *23,000 overnight stays*. To calculate the effective tourism impact, this figure has to be deducted from the total number of overnight stays generated (cf. Fig. 38).

**Figure 38:** Total overnight stays and crowding out in the Basle region

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Total days of same-day visitors | 173,580 | 64% | 152,990 | 65% |
| Total overnight stays | 97,040 | 36% | 83,950 | 35% |
| **Total overnight stays and same-day visits** | **270,620** | **100%** | **236,940** | **100%** |
| **Crowding out** | | | | |
| Average overnight stays (without EURO2008) | 54,950 | | 54,950 | |
| *Overnight stays crowded out* | 42% | | 42% | |
| Total overnight stays crowded out | 23,080 | | 23,080 | |
| *share to total EURO-overnight stays* | 24% | | 27% | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

**Direct impacts**

After deducting crowding-out effects, expenditures by the *UEFA EURO 2008™ visitors in the Basle region are estimated at CHF 27 million* (maximum) *or 23 million* (minimum) (cf. Fig. 39). *Almost two thirds* of these expenditures are attributable to *match spectators* and *one third* to other visitor categories, most important of which are the *media* with a share of about one quarter (Figs. 39 and 40). About 70% of total expenditures are attributable to *overnight visitors*. Here again, due to their high average daily expenditures (overnight costs) this share is markedly higher than according to visitor frequencies. Nevertheless it is significantly lower than in Zurich or Switzerland as a whole, since due to limited accommodation capacities comparatively fewer overnight stays are generated. The *share of foreign visitors in total expenditures is very high at* 95%. This is because no expenditures by local people outside the stadium are included (by definition), most of the overnight stayers are foreigners, and visitors staying for several days spend more than same-day visitors, particularly those from Switzerland.

With regard to *expenditure categories*, overnight expenditures at less than 50% are lower in the Basle region than in other match locations or in Switzerland as a whole (cf. Figs. 39 and 40). Above-average profit is however generated for the restaurant sector (28% expenditure on food and beverages) and retail trade (14% on shopping). Transport accounts for 7% of expenditures, and 5% are in other categories.

**Figure 39:** Total expenditures by visitors in the Basle region, in CHF million

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Total expenditure** | | | | |
| Total direct expenditure | 32.7 | | 28.9 | |
| *minus crowding out effect* | -5.9 | | -6.0 | |
| **Corrected direct expenditure** | **26.8** | | **22.9** | |
| **Expenditure by visitor categories** | | | | |
| Athletes and escorts (incl. Jury) | 0.2 | 1% | 0.1 | 1% |
| UEFA Officals | 1.4 | 5% | 1.4 | 6% |
| Media | 6.2 | 23% | 5.9 | 26% |
| Sponsors and VIP | 1.7 | 6% | 1.6 | 7% |
| Match Spectators | 17.4 | 65% | 13.9 | 61% |
| **Total** | **26.8** | **100%** | **22.9** | **100%** |
| **Expenditure by tourism categories** | | | | |
| Same-day visitors | 7.9 | 29% | 6.9 | 30% |
| Tourists (overnight) | 19.0 | 71% | 16.0 | 70% |
| **Total** | **26.8** | **100%** | **22.9** | **100%** |
| Swiss visitors | 1.2 | 5% | 1.1 | 5% |
| Foreign visitors | 25.6 | 95% | 21.8 | 95% |
| **Total** | **26.8** | **100%** | **22.9** | **100%** |
| **By expenditure categories** | | | | |
| Accomodation | 12.7 | 48% | 10.8 | 47% |
| Food and Beverage | 7.4 | 28% | 6.4 | 28% |
| Shopping | 3.7 | 14% | 3.1 | 14% |
| Transport | 1.8 | 7% | 1.6 | 7% |
| Other | 1.2 | 5% | 1.0 | 4% |
| **Total** | **26.8** | **100%** | **22.9** | **100%** |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

Visitor expenditures directly generate *turnover* for the various companies involved. In turn this directly generates *gross value added* of *CHF 13.5 million (maximum) or 11.5 million (minimum)* and creates *employment* equivalent to *210 or 180* full time jobs (cf. Fig. 41). The *salary income* thus generated is about *CHF 7.7 or 6.8 million*, resulting in social security contributions totalling around CHF 2 million and income tax revenue of almost CHF one million.

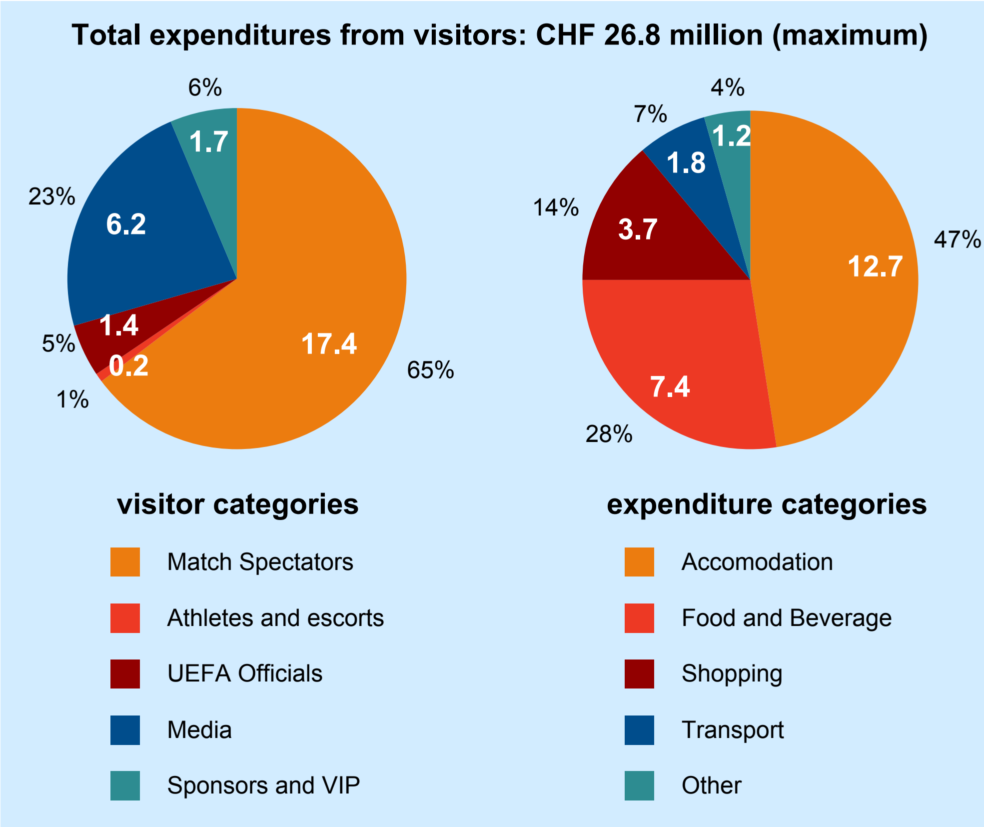
**Indirect impacts**

*Indirect impacts* via intermediate consumption and the income effect generate *turnovers* totalling *CHF 12.8 or 11.0 million, gross value added* of *CHF 6.7 or 5.7 million* (cf. Fig. 41) and additional *employment* equivalent to *90 or 70* full time jobs.

**Total impacts of tourism**

Overall, tourists attending UEFA EURO 2008TM matches at the St. Jakob stadium generate *direct and indirect turnovers* in the Basle region totalling *nearly CHF 40 or 34 million, gross value added* of at least *CHF 20 or 17 million,* and *employment* equivalent to *300 or 250* full time jobs. Here again, *this is not the same as creating new jobs*, because the UEFA EURO 2008TM only lasts about three weeks and the respective companies will try to cover the extra workload with existing personnel.

**Figure 40:** Total expenditures by visitor and expenditure categories in the Basle region




Source: Rütter + Partner / ITW estimates

**Figure 41:** Economic impact in the Basle region of visitors to the UEFA EURO 2008TM

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| **Direct impacts** | | |
| Turnover, CHF million | 26.8 | 22.9 |
| Value added, CHF million | 13.5 | 11.5 |
| Employment (FTE) | 210 | 180 |
| Income, CHF miilion | 7.7 | 6.8 |
| *Social security contributions, CHF million* | 2.0 | 1.8 |
| *Tax effect of income, CHF million* | 0.9 | 0.8 |
| **Indirect impacts*** | | |
| Turnover, CHF million | 12.8 | 11.0 |
| Value added, CHF million | 6.7 | 5.7 |
| Employment (FTE) | 90 | 70 |
| **Total impacts** | | |
| **Turnover, CHF million** | **39.7** | **33.8** |
| **Value added, CHF million** | **20.2** | **17.3** |
| **Employment (FTE)** | **300** | **250** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

**Total impact of stadium extension and tourism effects in the Basle region**

Figure 42 shows the aggregated impacts of stadium extension and tourism effects attributable to the UEFA EURO 2008™. Overall, depending on scenario, the regional economic impacts (stadium extension and tourism effects) of the UEFA EURO 2008™ generate in the Basle region *turnovers* of *nearly CHF 67 or 51 million*, *gross value added* of at least *CHF 34 or 31 million*, and *employment* equivalent to *450 or 400* full time jobs.

**Figure 42:** Overall economic impact of the UEFA EURO 2008™ in the Basle region (stadium extension and tourism effects)

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| Turnover, CHF million | 66.8 | 51.0 |
| Value added, CHF million | 34.3 | 31.3 |
| Employment (FTE) | 450 | 400 |

*FTE = Full-Time Equivalent*

Source: Rütter + Partner / ITW estimates

## 5.2 Berne

**Figure 43:** Key data for canton Berne


| **Key data*** | |
|---|---|
| Area in km$^2$ | 5,959 |
| Population in thousands | 959 |
| Employment in thousands (full time equivalent) | 473 |
| Income per head in CHF thousands (2001) | 41 |
| **Tourism**** | |
| Overnight stays in thousands (2003) | 1,257 |
| Number of hotels (June 2003) | 290 |
| Number of rooms available (June 2003) | 5,436 |
| Number of beds available (June 2003) | 9,716 |
| Room occupancy in % (June 2003) | 45 |
| Bed occupance in % (June 2003) | 34 |

** including Bernese Oberland*

*** without Bernese Oberland*

Source: FSO

Canton Berne has the second highest population in Switzerland at 960,000. The income per head here is slightly higher than the Swiss average. This canton is divided into the regions Berne City, Bernese Middleland, Bernese Jura and Bernese Oberland. The *Bernese Oberland* region was *not included* in this analysis of UEFA EURO 2008$^{TM}$ impacts on tourism because transport connections to the stadium in Berne City are often longer and more complex than to the neighbouring cantons. In the following, *Canton Berne without the Bernese Oberland* is designated as the *"Berne region".* Defined accordingly, this region had a hotel capacity of at least 5,400 rooms or 9,700 beds as of June 2003. Room occupancy in June 2003 was 45%. The city of Berne is further away from the Swiss borders than the two stadium locations Basle and Geneva, so that fewer same-day visitors from abroad are expected.

### Number of persons attending matches

The Stade de Suisse Wankdorf in Berne has a *net capacity* of about 31,000 spectators. The following assessments are based on the assumption of *three matches* in Berne. As with all the other stadia, the maximum scenario is based on 96% occupancy and the minimum scenario on 85% occupancy.

Correspondingly, the total *number of persons attending matches* will be between about *89,300* maximum and *79,000* minimum (cf. Fig. 44). These figures include nearly *4,000 participants* (players/trainers/coaches, jury, UEFA officials, sponsors/VIPs and media representatives), the others being *spectators.*

**Figure 44:** Stadium capacity and persons attending matches in Berne

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Stadium** | | | | |
| Gross capacity | 32,000 | | 32,000 | |
| Net capacity | 31,000 | | 31,000 | |
| Number of matches | 3 | | 3 | |
| **Persons attending matches** | | | | |
| Used capacity (all matches) | 89,280 | | 79,050 | |
| Officials, Media, Sponsors/VIP | 3,930 | | 3,930 | |
| Total spectators | 85,350 | 100% | 75,120 | 100% |
| *Native* | 12,800 | 15% | 11,270 | 15% |
| *Same-day visitors* | 52,070 | 61% | 45,820 | 61% |
| *Tourists (overnight)* | 20,480 | 24% | 18,030 | 24% |
| *Swiss spectators* | 28,170 | 33% | 24,790 | 33% |
| *Foreign spectators* | 57,180 | 67% | 50,330 | 67% |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

It is estimated that out of the approx. *85,400 (or 75,100) spectators,* 15% will be local people and 61% same-day visitors, while 24% will spend the night in the region. This estimate is based in particular on the bed and room capacities of regional hotels and the geographical location of canton Berne in Switzerland.

Out of the 61% *same-say visitors,* 17% of spectators will be *same-day visitors from other regions in Switzerland*, 13% *same-day foreign visitors* and 31% *foreign tourists spending the night outside the Berne region* (cf. annexed table of assumptions for Berne). Most visitors *spending the night* in Berne are from abroad.

Overall, 33% of spectators will be from Switzerland and 67% from abroad (Fig. 44).

### Frequencies and overnight stays of visitors

*Visitor frequencies* (number of same-day visitors plus number of overnight stays, not including natives) and expenditures (cf. next section) are based on the assumptions in section 4.3.1 for each group of persons (length of stay, average daily expenditures). The specific figures for Berne are shown in the annexed table of assumptions.

In particular, it is assumed that at least one team will have its training camp in the Berne region and that players in the other teams will only spend the night before each match in the region. The *number of overnight stays by teams* in the Berne region is therefore higher than in Basle or Geneva.

Here again, the expenditures by visitors from abroad in *other regions of Switzerland* e.g. for overnight stays are not taken into account, but are included in tourism impacts for Switzerland as a whole (cf. section 4.3). And as mentioned in section 4.3.1, expenditures inside the stadium are not included because they are already taken into account in the UEFA EURO 2008™ budget.

**Figure 45:** Total frequencies of visitors in the Berne region

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 1'050 | 1% | 1'050 | 1% |
| UEFA Officals | 2'040 | 2% | 2'040 | 2% |
| Media | 12'380 | 9% | 12'380 | 11% |
| Sponsors and VIP | 2'380 | 2% | 2'380 | 2% |
| Match Spectators:* | 113'770 | 86% | 93'224 | 84% |
| *Same-day visitors* * | 52'070 | 40% | 45'820 | 41% |
| Swiss from other places in CH | 14'510 | 11% | 12'770 | 11% |
| foreign same-day visitors | 11'100 | 8% | 9'760 | 9% |
| foreigners with overn. stay outside region | 26'460 | 20% | 23'290 | 21% |
| *Tourists (overnight):* | 61'700 | 47% | 47'400 | 43% |
| Swiss tourists | 850 | 1% | 750 | 1% |
| foreign tourists | 60'850 | 46% | 46'650 | 42% |
| **Total frequencies of visitors** | **131,620** | **100%** | **111,070** | **100%** |

* *without natives*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

As shown in figure 45, the UEFA EURO2008™ will generate *overall visitor frequencies around 132,000 in the maximum scenario* and *111,000* in the minimum scenario, about 86% (or 84% in the minimum scenario) attributable to match spectators (not including natives). Due to their longer stay, the weighting of visitors from abroad spending the night (46% or 42%) is significantly greater than the group composition weighting (cf. Fig. 44). In total, the UEFA EURO2008™ will generate about *79,600 or 65,300 overnight stays in the Berne region (Fig. 46).*

In the same way as the other stadium regions, other tourists in Berne are also likely to be crowded out by the UEFA EURO2008™. Although the tourism infrastructure capacities are large enough for UEFA EURO2008™ visitors as well as other tourists, a good many of the latter may well prefer either to come at another time or to stay away completely. Crowding out (staying away completely) during the UEFA EURO2008™ is estimated at *16%* of overnight stays in a normal year, or *11,700 overnight stays*. To calculate the effective tourism impact, this figure has to be deducted from the total number of overnight stays generated (cf. Fig. 49).

**Figure 46:** Total overnight stays and crowding-out in the Berne region

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Total days of same-day visitors | 52,070 | 40% | 45,820 | 41% |
| Total overnight stays | 79,550 | 60% | 65,250 | 59% |
| **Total overnight stays and same-day visits** | **131,620** | **100%** | **111,070** | **100%** |
| **Crowding out** | | | | |
| Average overnight stays (without EURO2008) | 72,680 | | 72,680 | |
| *Overnight stays crowded out* | 16% | | 16% | |
| Total overnight stays crowded out | 11,630 | | 11,630 | |
| *share to total EURO-overnight stays* | 15% | | 18% | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

**Direct impacts**

After deducting crowding-out effects, expenditures by the *UEFA EURO 2008$^{TM}$ visitors in the Berne region are estimated at CHF 19 million* (maximum) *or 15 million* (minimum) (cf. Fig. 47). About 74% or 70% of these expenditures respectively are attributable to *match spectators.* Most important among the other categories are the *media* with a share of about 16% or 19% (Figs. 47 and 48). About 88% (87% in the minimum scenario) of total expenditures are attributable to *overnight visitors*. Here again, due to their high average daily expenditures (overnight costs) this share is markedly higher than according to visitor frequencies. The *share of foreign visitors in total expenditures is very high* at 97%. This is because no expenditures by local people outside the stadium are included (by definition), most of the overnight stayers are foreigners, and visitors staying for several days spend more than same-day visitors, particularly those from Switzerland.

With regard to *expenditure categories*, overnight expenditures at about 58% are the most important, followed by the restaurant sector (22% expenditure on food and beverages) and retail trade (12% on shopping). Transport accounts for 4% of expenditures, and 4% are in other categories (Figs. 47 and 48).

**Figure 47:** Total expenditures by visitors in the Berne region, in CHF million

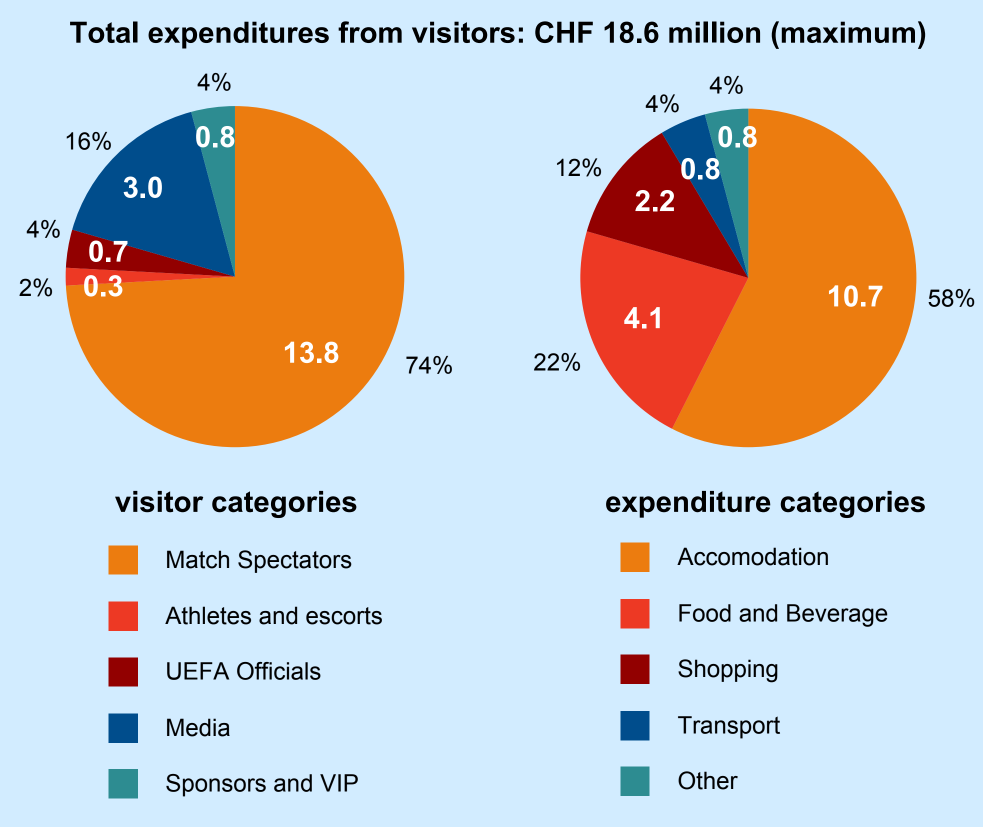
| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Total expenditure** | | | | |
| Total direct expenditure | 21.4 | | 18.0 | |
| *minus crowding out effect* | -2.8 | | -2.8 | |
| **Corrected direct expenditure** | **18.6** | | **15.1** | |
| **Expenditure by visitor categories** | | | | |
| Athletes and escorts (incl. Jury) | 0.3 | 2% | 0.3 | 2% |
| UEFA Officals | 0.7 | 4% | 0.7 | 4% |
| Media | 3.0 | 16% | 2.8 | 19% |
| Sponsors and VIP | 0.8 | 4% | 0.8 | 5% |
| Match Spectators | 13.8 | 74% | 10.5 | 70% |
| **Total** | **18.6** | **100%** | **15.1** | **100%** |
| **Expenditure by tourism categories** | | | | |
| Same-day visitors | 2.3 | 12% | 2.0 | 13% |
| Tourists (overnight) | 16.3 | 88% | 13.1 | 87% |
| **Total** | **18.6** | **100%** | **15.1** | **100%** |
| Swiss visitors | 0.6 | 3% | 0.5 | 3% |
| Foreign visitors | 18.0 | 97% | 14.6 | 97% |
| **Total** | **18.6** | **100%** | **15.1** | **100%** |
| **By expenditure categories** | | | | |
| Accomodation | 10.7 | 58% | 8.7 | 57% |
| Food and Beverage | 4.1 | 22% | 3.3 | 22% |
| Shopping | 2.2 | 12% | 1.8 | 12% |
| Transport | 0.8 | 4% | 0.7 | 4% |
| Other | 0.8 | 4% | 0.7 | 4% |
| **Total** | **18.6** | **100%** | **15.1** | **100%** |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

Visitor expenditures directly generate *turnover* for the various companies involved. In turn this directly generates *gross value added* of *CHF 9.4 million (maximum) or 7.7 million (minimum)* and creates *employment* equivalent to *150 or 120* full time jobs (cf. Fig. 49). The *salary income* thus generated is about *CHF 4.5 or 4.0 million*, resulting in social security contributions totalling around CHF 1.2 million and income tax revenue of almost CHF 0.5 million.

**Figure 48:** Total expenditures by visitor and expenditure categories in the Berne region




Source: Rütter + Partner / ITW estimates

### Indirect impacts

*Indirect impacts* via intermediate consumption and the income effect generate *turnovers* totalling *CHF 8.9 or 7.2 million, gross value added* of *CHF 4.7 or 3.8 million* (cf. Fig. 49) and additional *employment* equivalent to *60 or 50* full time jobs.

### Total impacts of tourism

Overall, tourists attending UEFA EURO 2008$^{TM}$ matches at the Berne stadium generate *direct and indirect turnovers* in the Berne region totalling nearly *CHF 28 or 22 million, gross value added* around *CHF 14 or 12 million*, and *employment* equivalent to *210 or 170* full time jobs (Fig. 49). Here again, *this is not the same as creating new jobs*, because the UEFA EURO 2008$^{TM}$ only lasts about three weeks and the respective companies will try to cover the extra workload with existing personnel.

**Figure 49:** Economic impact in the Berne region of visitors to the UEFA EURO 2008™

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| **Direct impacts** | | |
| Turnover, CHF million | 18.6 | 15.1 |
| Value added, CHF million | 9.4 | 7.7 |
| Employment (FTE) | 150 | 120 |
| Income, CHFmillion | 4.5 | 4.0 |
| *Social security contributions, CHF million* | 1.2 | 1.0 |
| *Tax effect of income, CHF million* | 0.5 | 0.5 |
| **Indirect impacts*** | | |
| Turnover, CHF million | 8.9 | 7.2 |
| Value added, CHF million | 4.7 | 3.8 |
| Employment (FTE) | 60 | 50 |
| **Total impacts** | | |
| **Turnover, CHF million** | **27.5** | **22.4** |
| **Value added, CHF million** | **14.1** | **11.5** |
| **Employment (FTE)** | **210** | **170** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

## 5.3 Geneva

**Figure 50:** Key data for canton Geneva


| Key data | |
|---|---|
| Area in km$^2$ | 282 |
| Population in thousands | 421 |
| Employment in thousands (full time equivalent) | 236 |
| Income per head in CHF thousands (2001) | 50 |
| **Tourism** | |
| Overnight stays in thousands (2003) | 76 |
| Number of hotels (June 2003) | 124 |
| Number of rooms available (June 2003) | 7,902 |
| Number of beds available (June 2003) | 12,795 |
| Room occupancy in % (June 2003) | 72 |
| Bed occupance in % (June 2003) | 56 |

Source: FSO

Geneva is situated at one end of the Lake of Geneva, the biggest in central Europe. A good many international organizations are located in Geneva, including the United Nations. Geneva is a cosmopolitan and multicultural city. Due to its location on the French border, more foreign visitors can be reckoned with than in Berne or Zurich, in particular same-day visitors.

Hotel capacity in the Geneva region totals nearly 13,000 beds in 124 establishments. The occupancy quota in June 2003 was 56%.

### Number of persons attending matches

The stadium in Geneva has a *net capacity* of about 30,500 spectators. Three matches will be played there. As with all the other stadia, the maximum scenario is based on 96% occupancy and the minimum scenario on 85% occupancy.

Correspondingly, the total *number of persons attending matches* will be between about *88,000* maximum and 78,000 minimum (cf. Fig. 51). These figures include nearly *4,000 participants* (players/trainers/coaches, jury, UEFA officials, sponsors/VIPs and media representatives), the others being *spectators.*

**Figure 51:** Stadium capacity and persons attending matches in Geneva

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Stadium** | | | | |
| Gross capacity | 31,228 | | 31,228 | |
| Net capacity | 30,502 | | 30,502 | |
| Number of matches | 3 | | 3 | |
| **Persons attending matches** | | | | |
| Used capacity (all matches) | 87,846 | | 77,780 | |
| Officials, Media, Sponsors/VIP | 3,930 | | 3,930 | |
| Total spectators | 83,920 | 100% | 73,850 | 100% |
| *Native* | 9,230 | 11% | 8,120 | 11% |
| *Same-day visitors* | 52,870 | 63% | 46,530 | 63% |
| *Tourists (overnight)* | 21,820 | 26% | 19,200 | 26% |
| *Swiss spectators* | 26,020 | 31% | 22,890 | 31% |
| *Foreign spectators* | 57,900 | 69% | 50,960 | 69% |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

It is estimated that out of the approx. *84,000 (or 74,000) spectators,* 11% will be local people and 63% same-day visitors, while 26% will spend the night in canton Geneva. This estimate is based in particular on the bed and room capacities of regional hotels and – as mentioned – the geographical location of Geneva.

Out of the 63% *same-say visitors,* 18% of spectators will be *same-day visitors from other regions in Switzerland*, 17% *same-day foreign visitors* and 28% *foreign tourists spending the night outside canton Geneva* (cf. annexed table of assumptions for Geneva). Most visitors *spending the night* in Geneva are from abroad.

Overall, 31% of spectators will be from Switzerland and 69% from abroad (Fig. 51).

### Frequencies and overnight stays of visitors

*Visitor frequencies* (number of same-day visitors plus number of overnight stays, not including natives) and expenditures (cf. next section) are based on the assumptions in section 4.3.1 for each group of persons (length of stay, average daily expenditures). The specific figures for Geneva are shown in the annexed table of assumptions.

In particular, it is assumed that the players only spend the night before each match in Geneva and that none of the teams will have its training camp in canton Geneva. With 50 persons per team and 3 matches in Geneva, the total number of overnight stays will therefore be 300.

Here again, the expenditures of visitors from abroad in *other regions of Switzerland* e.g. for overnight stays are not taken into account, but are included in tourism impacts for Switzerland as a whole (cf. section 4.3). And as mentioned in section 4.3.1, expenditures inside the stadium are not included because they are already taken into account in the UEFA EURO 2008™ budget..

As shown in figure 52, the UEFA EURO2008™ will generate *overall visitor frequencies around 134,000 in the maximum scenario* and 113,000 in the minimum scenario, about 87% of which attributable to match spectators (not including natives). Due to their longer stay, the weighting of visitors from abroad spending the night (47% or 42%) is significantly greater than the group composition weighting (cf. Fig. 51). In total, the UEFA EURO 2008TM will generate about *81,200 or 66,400 overnight stays in canton Geneva* (cf. Fig. 53).

**Figure 52:** Total frequencies of visitors in canton Geneva

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 300 | 0% | 300 | 0% |
| UEFA Officals | 2'040 | 2% | 2'040 | 2% |
| Media | 12'380 | 9% | 12'380 | 11% |
| Sponsors and VIP | 2'380 | 2% | 2'380 | 2% |
| Match Spectators:* | 116'980 | 87% | 95'860 | 85% |
| *Same-day visitors* * | 52'870 | 39% | 46'530 | 41% |
| Swiss from other places in CH | 15'100 | 11% | 13'290 | 12% |
| foreign same-day visitors | 14'270 | 11% | 12'560 | 11% |
| foreigners with overn. stay outside region | 23'500 | 18% | 20'680 | 18% |
| *Tourists (overnight):* | 64'110 | 48% | 49'330 | 44% |
| Swiss tourists | 1'680 | 1% | 1'480 | 1% |
| foreign tourists | 62'430 | 47% | 47'850 | 42% |
| **Total frequencies of visitors** | **134,080** | **100%** | **112,960** | **100%** |

** without natives*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

In the same way as the other stadium regions, bottlenecks and crowding out of other tourists must be expected in canton Geneva. Crowding out (staying away completely) during the UEFA EURO 2008TM is estimated at *12%* of overnight stays in a normal year, or *19,000 overnight stays*. To calculate the effective tourism impact, this figure has to be deducted from the total number of overnight stays generated (cf. Fig. 53).

**Figure 53:** Total overnight stays and crowding-out in canton Geneva

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Total days of same-day visitors | 52,870 | 39% | 46,530 | 41% |
| Total overnight stays | 81,210 | 61% | 66,430 | 59% |
| **Total overnight stays and same-day visits** | **134,080** | **100%** | **112,960** | **100%** |
| **Crowding out** | | | | |
| Average overnight stays (without EURO2008) | 158,480 | | 158,480 | |
| *Overnight stays crowded out* | 12% | | 12% | |
| Total overnight stays crowded out | 19,020 | | 19,020 | |
| *share to total EURO-overnight stays* | 23% | | 29% | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

### Direct impacts

After deducting crowding-out effects, expenditures by the *UEFA EURO 2008TM visitors in canton Geneva are estimated at CHF 17 million* (maximum) *or 14 million* (minimum) (cf. Fig. 54). Almost two thirds of these expenditures are attributable to *match spectators* and *one third* to other visitor categories, by far the most important of which are the *media* with a share of about 15% or 18% (Figs. 54 and 55). About 87% of total expenditures are attributable to *overnight visitors*. Due to their high average daily expenditures (overnight costs), this share is markedly higher than according to visitor frequencies. The *share of foreign visitors in total expenditures is very high* at 96 or 95%. This is because no expenditures by local people outside the stadium are included (by definition), most of the overnight stayers are foreigners, and visitors staying for several days spend more than same-day visitors, particularly those from Switzerland.

With regard to *expenditure categories*, overnight expenditures at about 57% are the most important, followed by the restaurant sector (22% expenditure on food and beverages) and retail trade (12% on shopping). Transport accounts for 4% of expenditures, and 4% are in other categories (Figs. 54 and 55).

**Figure 54:** Total expenditures by visitors in canton Geneva, in CHF million

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Total expenditure** | | | | |
| Total direct expenditure | 21.7 | | 18.1 | |
| *minus crowding out effect* | -4.5 | | -4.6 | |
| **Corrected direct expenditure** | **17.1** | | **13.5** | |
| **Expenditure by visitor categories** | | | | |
| Athletes and escorts (incl. Jury) | 0.1 | 0% | 0.1 | 1% |
| UEFA Officals | 0.6 | 4% | 0.6 | 4% |
| Media | 2.7 | 15% | 2.5 | 18% |
| Sponsors and VIP | 0.7 | 4% | 0.7 | 5% |
| Match Spectators | 13.0 | 76% | 9.7 | 72% |
| **Total** | **17.1** | **100%** | **13.5** | **100%** |
| **Expenditure by tourism categories** | | | | |
| Same-day visitors | 2.3 | 13% | 2.0 | 15% |
| Tourists (overnight) | 14.8 | 87% | 11.5 | 85% |
| **Total** | **17.1** | **100%** | **13.5** | **100%** |
| Swiss visitors | 0.7 | 4% | 0.6 | 5% |
| Foreign visitors | 16.4 | 96% | 12.9 | 95% |
| **Total** | **17.1** | **100%** | **13.5** | **100%** |
| **By expenditure categories** | | | | |
| Accomodation | 9.7 | 57% | 7.6 | 56% |
| Food and Beverage | 3.8 | 22% | 3.1 | 23% |
| Shopping | 2.0 | 12% | 1.6 | 12% |
| Transport | 0.8 | 4% | 0.6 | 5% |
| Other | 0.8 | 4% | 0.6 | 4% |
| **Total** | **17.1** | **100%** | **13.5** | **100%** |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

Visitor expenditures directly generate *turnover* for the various companies involved. In turn this directly generates *gross value added* of *CHF 8.7 million (maximum) or 6.9 million (minimum)* and creates *employment* equivalent to *140 or 110* full time jobs (cf. Fig. 56). The *salary income* thus generated is about *CHF 3.8 or 3.2 mil-*

*lion,* resulting in social security contributions totalling around CHF 1 million and income tax revenue of almost CHF 0.5 million.

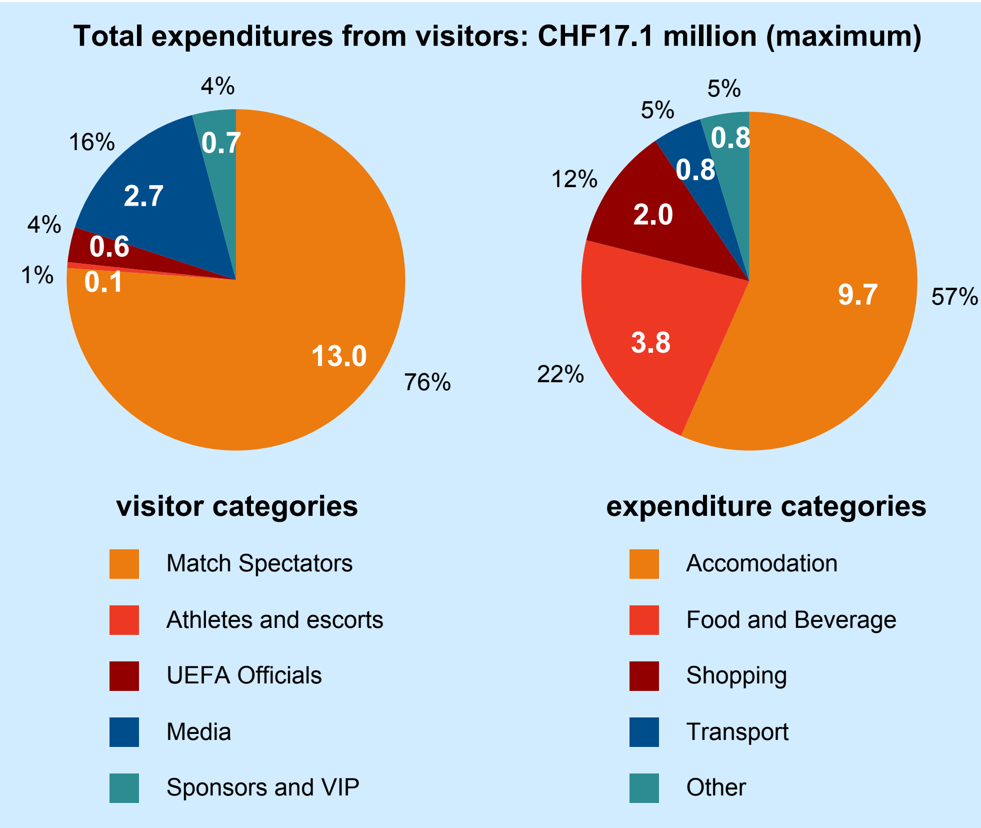
### Indirect impacts

*Indirect impacts* via intermediate consumption and the income effect generate *turnovers* totalling *CHF* 8.2 *or 6.5 million, gross value added* of *CHF 4.3 or 3.4 million* (cf. Fig. 56) and additional *employment* equivalent to *60 or 40* full time jobs.

### Total impacts of tourism

Overall, tourists attending UEFA EURO 2008TM matches at the Geneva stadium generate *direct and indirect turnovers* in canton Geneva totalling *nearly CHF 25 or 20 million*, *gross value added* around *CHF 13 or 10 million*, and *employment* equivalent to *200 or 150* full time jobs. Here again, *this is not the same as creating new jobs*, because the UEFA EURO 2008TM only lasts about three weeks and the respective companies will try to cover the extra workload with existing personnel.

**Figure 55:** Total expenditures by visitor and expenditure categories in canton Geneva




Source: Rütter + Partner / ITW estimates

**Figure 56:** Economic impact of UEFA EURO 2008™ visitors in canton Geneva

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| **Direct impacts** | | |
| Turnover, CHF million | 17.1 | 13.5 |
| Value added, CHF million | 8.7 | 6.9 |
| Employment (FTE) | 140 | 110 |
| Income, CHF million | 3.8 | 3.2 |
| *Social security contributions, CHF million* | 1.0 | 0.8 |
| *Tax effect of income, CHF million* | 0.5 | 0.4 |
| **Indirect impacts*** | | |
| Turnover, CHF million | 8.2 | 6.5 |
| Value added, CHF million | 4.3 | 3.4 |
| Employment (FTE) | 60 | 40 |
| **Total impacts** | | |
| **Turnover, CHF million** | **25.3** | **20.0** |
| **Value added, CHF million** | **13.0** | **10.3** |
| **Employment (FTE)** | **200** | **150** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

## 5.4 Zurich

**Figure 57:** Key data for canton Zurich


| Key data | |
|---|---|
| Area in km$^2$ | 1,279 |
| Population in thousands | 1,261 |
| Employment in thousands (full time equivalent) | 747 |
| Income per head in CHF thousands (2001) | 59 |
| **Tourism** | |
| Overnight stays in thousands (2003) | 4,328 |
| Number of hotels (June 2003) | 293 |
| Number of rooms available (June 2003) | 12,174 |
| Number of beds available (June 2003) | 20,550 |
| Room occupancy in % (June 2003) | 61 |
| Bed occupance in % (June 2003) | 48 |

Source: FSO

Canton Zurich has the highest population in Switzerland at 1.3 million. Income per head in this canton is above the average for Switzerland, in particular due to its great importance as a financial centre. The capital city Zurich is located not far from the German frontier. Furthermore there are excellent rail and road connections not only to Germany, but also to the Ticino and onward to Italy. Due to this good accessibility some UEFA EURO 2008™ spectators will return the same day or spend the night in Germany, as for Basle but to a lesser extent.

Canton Zurich has an outstandingly good tourism infrastructure. There are about 293 hotels with 20,550 beds, the booking quota in June 2003 being 48.4%.

### Number of persons attending matches

Unlike the other three regions, Zurich still does not have a stadium complying with UEFA EURO 2008™ requirements. In 2002 Zurich city voters approved the construction of a new stadium with a net seating capacity of 30,016 and peripheral utilization like the other three Swiss stadia (cf. also section 3.1). The new stadium will replace the existing Hardturm stadium, but due to objections, it is not clear as yet whether it will be finished in time for the UEFA EURO 2008™. If that is not possible, other solutions will have to be found. At any rate, as shown below, failure to complete the new stadium would deprive Zurich of substantial earnings, even if some UEFA EURO 2008™ visitors stay in Zurich anyway due to limited hotel capacities in Basle and Berne.

The following assessments are based on the assumption of *three matches* played in Zurich. As with all the other stadia, the maximum scenario is based on 96% occupancy and the minimum scenario on 85% occupancy.

Correspondingly, the total *number of persons attending matches* will be between about *86,400* maximum and 76,500 minimum (cf. Fig. 58). These figures include nearly *4000 participants* (players/trainers/coaches, jury, UEFA officials, sponsors/VIPs and media representatives), the others being *spectators.*

**Figure 58:** Stadium capacity and persons attending matches in Zurich

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Stadium** | | | | |
| Gross capacity | 31,012 | | 31,012 | |
| Net capacity | 30,016 | | 30,016 | |
| Number of matches | 3 | | 3 | |
| **Persons attending matches** | | | | |
| Used capacity (all matches) | 86,450 | | 76,540 | |
| Officials, Media, Sponsors/VIP | 3,930 | | 3,930 | |
| Total spectators | 82,520 | 100% | 72,610 | 100% |
| *Native* | 14,850 | 18% | 13,070 | 18% |
| *Same-day visitors* | 36,310 | 44% | 31,950 | 44% |
| *Tourists (overnight)* | 31,360 | 38% | 27,590 | 38% |
| *Swiss spectators* | 26,410 | 32% | 23,240 | 32% |
| *Foreign spectators* | 56,110 | 68% | 49,370 | 68% |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

It is estimated that out of the approx. *82,500 (or 72,600) spectators*, 18% will be local people and 44% same-day visitors, while 38% will spend the night in canton Zurich. This estimate is based in particular on the available hotel bed and room capacities in canton Zurich.

The percentage of *same-day visitors from other regions in Switzerland* is estimated as 13% of spectators, with 19% *same-day foreign visitors* and 12% *foreign tourists spending the night outside canton Zurich* (cf. annexed table of assumptions for Zurich). Most visitors spending the night in Zurich are from abroad.

Overall, 32% of spectators are from Switzerland and 68% from abroad (Fig. 58).

### Frequencies and overnight stays of visitors

*Visitor frequencies* (number of same-day visitors plus number of overnight stays, not including natives) and expenditures (cf. next section) are based on the assumptions in section 4.3.1 for each group of persons (length of stay, average daily expenditures). The specific figures for Zurich are shown in the annexed table of assumptions.

In particular, it is assumed that at least one team will have its training camp in canton Zurich and that players in the other teams will only spend the night before each match in Zurich. The *number of overnight stays by teams* in canton Zurich is therefore higher than in Basle or Geneva.

Here again, the expenditures of visitors from abroad in *other regions of Switzerland* e.g. for overnight stays are not taken into account, but are included in tourism impacts for Switzerland as a whole (cf. section 4.3). And as mentioned in section 4.3.1, expenditures inside the stadium are not included because they are already taken into account in the UEFA EURO 2008TM budget.

**Figure 59:** Total frequencies of visitors in canton Zurich

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 1'050 | 1% | 1'050 | 1% |
| UEFA Officals | 2'040 | 1% | 2'040 | 2% |
| Media | 12'380 | 8% | 12'380 | 10% |
| Sponsors and VIP | 2'380 | 2% | 2'380 | 2% |
| Match Spectators:* | 131'790 | 88% | 105'220 | 85% |
| *Same-day visitors* * | 36'310 | 24% | 31'950 | 26% |
| Swiss from other places in CH | 10'730 | 7% | 9'440 | 8% |
| foreign same-day visitors | 15'680 | 10% | 13'800 | 11% |
| foreigners with overn. stay outside region | 9'900 | 7% | 8'710 | 7% |
| *Tourists (overnight):* | 95'480 | 64% | 73'270 | 60% |
| Swiss tourists | 830 | 1% | 730 | 1% |
| foreign tourists | 94'650 | 63% | 72'540 | 59% |
| **Total frequencies of visitors** | **149,640** | **100%** | **123,070** | **100%** |

** without natives*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

As shown in figure 59, the UEFA EURO 2008TM will generate *overall visitor frequencies around 150,000 in the maximum scenario* and 123,000 in the minimum scenario, about 88% (or 85% in the minimum scenario) attributable to match spectators (not including natives). Due to their longer stay, the weighting of visitors from abroad spending the night (63% or 59%) is significantly greater than the group composition weighting (cf. Fig. 58). In total, the UEFA EURO 2008TM will generate about *113,000 or 91,000 overnight stays in canton Zurich (Fig. 60).*

In the same way as Basle, other tourists in Zurich are also likely to be crowded out by the UEFA EURO 2008TM. Although the tourism infrastructure capacities are large enough for UEFA EURO 2008TM visitors as well as other tourists, a good many of the latter may well prefer either to come at another time or to stay away completely. Crowding out (staying away completely) during UEFA EURO 2008TM is estimated at *4%* of overnight stays in a normal year, or around *8,700 overnight stays*. To calculate the effective tourism impact, this figure has to be deducted from the total number of overnight stays generated (cf. Fig. 60).

**Figure 60:** Total overnight stays and crowding-out in canton Zurich

| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| Total days of same-day visitors | 36,310 | 24% | 31,950 | 26% |
| Total overnight stays | 113,330 | 76% | 91,120 | 74% |
| **Total overnight stays and same-day visits** | **149,640** | **100%** | **123,070** | **100%** |
| **Crowding out** | | | | |
| Average overnight stays (without EURO2008) | 218,820 | | 218,820 | |
| *Overnight stays crowded out* | 4% | | 4% | |
| Total overnight stays crowded out | 8,750 | | 8,750 | |
| *share to total EURO-overnight stays* | 8% | | 10% | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

**Direct impacts**

After deducting crowding-out effects, expenditures by the *UEFA EURO 2008™ visitors in canton Zurich are estimated at CHF 26 million* (maximum) *or 21 million* (minimum) (cf. Fig. 61). About 80% or 76% of these expenditures respectively are attributable to *match spectators.* Most important among the other categories are the *media* with a share of about 12% or 15% respectively (Figs. 61 and 62). About 94% (93% in the minimum scenario) of total expenditures are attributable to *overnight visitors*. Here again, due to their high average daily expenditures (overnight costs) this share is markedly higher than according to visitor frequencies. The *share of foreign visitors in total expenditures is very high* at 98%. This is because no expenditures by local people outside the stadium are included (by definition), most of the overnight stayers are foreigners, and visitors staying for several days spend more than same-day visitors, particularly those from Switzerland.

With regard to *expenditure categories*, overnight expenditures at about 60% are the most important, followed by the restaurant sector (20% expenditure on food and beverages) and retail trade (11% on shopping). Transport accounts for 3% of expenditures, 4% are in other categories (Figs. 61 and 62).

**Figure 61:** Total expenditures by visitors in canton Zurich, in CHF million

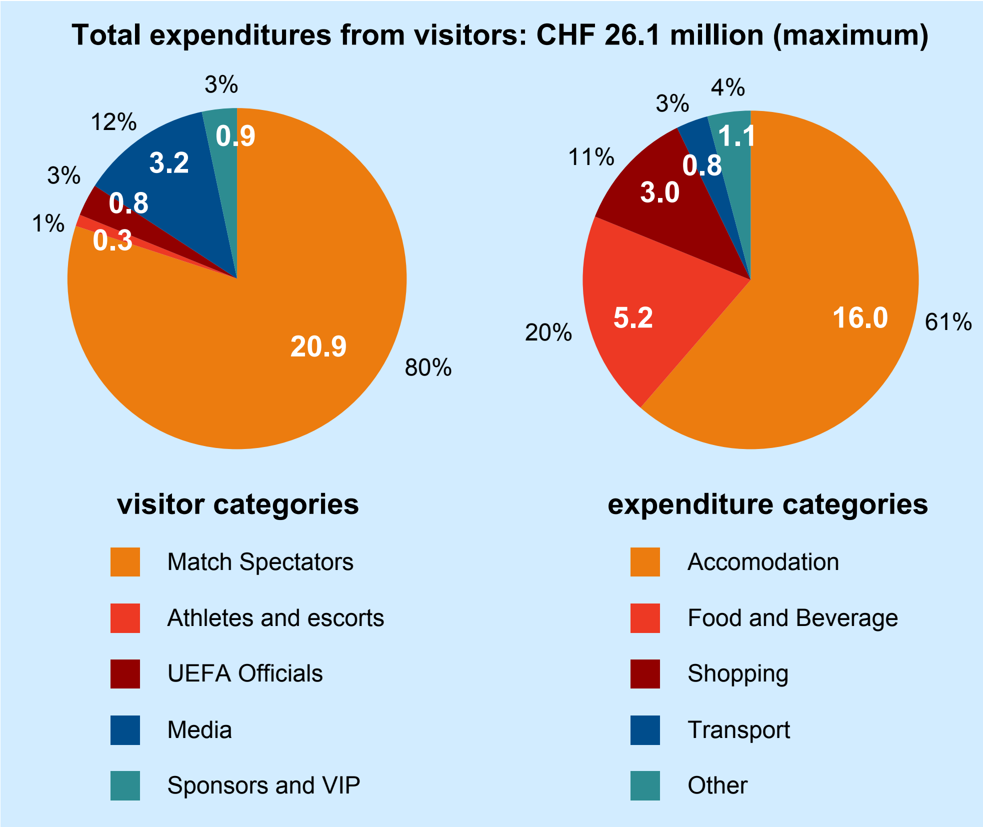
| | Maximum Scenarium (96%) | | Minimum Scenarium (85%) | |
|---|---|---|---|---|
| **Total expenditure** | | | | |
| Total direct expenditure | 28.1 | | 23.0 | |
| *minus crowding out effect* | -2.1 | | -2.1 | |
| **Corrected direct expenditure** | **26.1** | | **21.0** | |
| **Expenditure by visitor categories** | | | | |
| Athletes and escorts (incl. Jury) | 0.3 | 1% | 0.3 | 1% |
| UEFA Officals | 0.8 | 3% | 0.7 | 4% |
| Media | 3.2 | 12% | 3.1 | 15% |
| Sponsors and VIP | 0.9 | 3% | 0.9 | 4% |
| Match Spectators | 20.9 | 80% | 15.9 | 76% |
| **Total** | **26.1** | **100%** | **21.0** | **100%** |
| **Expenditure by tourism categories** | | | | |
| Same-day visitors | 1.6 | 6% | 1.4 | 7% |
| Tourists (overnight) | 24.5 | 94% | 19.6 | 93% |
| **Total** | **26.1** | **100%** | **21.0** | **100%** |
| Swiss visitors | 0.5 | 2% | 0.4 | 2% |
| Foreign visitors | 25.6 | 98% | 20.5 | 98% |
| **Total** | **26.1** | **100%** | **21.0** | **100%** |
| **By expenditure categories** | | | | |
| Accomodation | 16.0 | 61% | 12.8 | 61% |
| Food and Beverage | 5.2 | 20% | 4.2 | 20% |
| Shopping | 3.0 | 11% | 2.4 | 11% |
| Transport | 0.8 | 3% | 0.7 | 3% |
| Other | 1.1 | 4% | 0.9 | 4% |
| **Total** | **26.1** | **100%** | **21.0** | **100%** |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

Visitor expenditures directly generate *turnover* for the various companies involved. In turn this directly generates *gross value added* of *CHF 13.2 million (maximum) or 10.6 million (minimum)* and creates *employment* equivalent to *210 or 170* full time jobs (cf. Fig. 63). The *salary income* thus generated is about *CHF 5.8 or 5.0 million*, resulting in social security contributions totalling around CHF 1.5 million and income tax revenue of almost CHF 700,000.

**Figure 62:** Total expenditures by visitor and expenditure categories in canton Zurich




Source: Rütter + Partner / ITW estimates

**Indirect Impacts**

*Indirect impacts* via intermediate consumption and the income effect generate *turnovers* totalling *CHF 12.5 or 10.0, gross value added* of *CHF 6.6 or 5.3 million* (cf. Fig. 63) and additional *employment* equivalent to *90 or 70* full time jobs.

**Total impacts of tourism**

Overall, tourists attending UEFA EURO 2008™ matches at the Zurich stadium generate *direct and indirect turnovers* in canton Zurich totalling nearly CHF 39 or 31 million, *gross value added* around *CHF 20 or 16 million*, and *employment* equivalent to *300 or 240* full time jobs (Fig. 63). Here again, *this is not the same as creating new jobs*, because the UEFA EURO 2008™ only lasts about three weeks and the respective companies will try to cover the extra workload with existing personnel.

**Figure 63:** Economic impact of UEFA EURO 2008™ visitors in canton Zurich

| | Maximum Scenarium (96%) | Minimum Scenarium (85%) |
|---|---|---|
| **Direct impacts** | | |
| Turnover, CHF million | 26.1 | 21.0 |
| Value added, CHF million | 13.2 | 10.6 |
| Employment (FTE) | 210 | 170 |
| Income, CHF million | 5.8 | 5.0 |
| *Social security contributions, CHF million* | 1.5 | 1.3 |
| *Tax effect of income, CHF million* | 0.7 | 0.6 |
| **Indirect impacts*** | | |
| Turnover, CHF million | 12.5 | 10.0 |
| Value added, CHF million | 6.6 | 5.3 |
| Employment (FTE) | 90 | 70 |
| **Total impacts** | | |
| **Turnover, CHF million** | **38.5** | **31.0** |
| **Value added, CHF million** | **19.8** | **15.9** |
| **Employment (FTE)** | **300** | **240** |

** Intermediate consumption and impact of income*

*FTE = Full-Time Equivalent*

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures*

Source: Rütter + Partner / ITW estimates

# 6. Intangible Effects of UEFA EURO 2008™

The main beneficiary of the UEFA European Football Championship™ is the tourism industry in the regions which host the tournament matches, as tourism gains the largest share of visitors' expenditures. However, all regional players benefit indirectly, through increased inland revenues. Additionally, hosting the UEFA EURO 2008™ in Austria and Switzerland benefits *not only those two countries, but also Europe's population*: First, Europeans get the possibility to attend a game nearby or at least within a reasonable distance from home, which would not be the case if the hosting country was outside the "heart of Europe". Secondly, due to the small distance, more people can afford this cheaper journey. Beside the quantifiable economic effects of the UEFA EURO 2008™ there are also *positive, non financial effects on Swiss society* which need to be considered.

UEFA EURO 2008™ boosts the identification of inhabitants in the regions hosting the event with their home town, region, and country. At the same time, it facilitates social contact and provides ample opportunities for intensive experiences and recreation. The creation of new sporting facilities or upgrading of the existing ones creates new exercising opportunities. This promotes the health and well-being of the population by offering opportunities for physical activity in a world where it is increasingly diminishing. The development of traffic systems eases urban structure deficits and thus leads to a certain time gain for residents. Also the image enhancing effects on the city and/or the region from increased TV exposure are essential, resulting in an increased number of tourists and more competition between locations for attracting certain industries and services. These qualitative benefits are further considered in this chapter.

**Volunteering supporters and assistants**

A big sporting event like the UEFA European Football Championship™ can only be organized and carried out with *the support of a large number of volunteers*. Volunteers are needed not only to operate services but to also assist in many capacities (i.e., medical, management and technical area, sport event technical staff, international relations and language areas, and operative and general services) for implementing the event (Lanzoni and Lykogianni, 1999). This extensive collaboration leads to an increased social cohesion and corporate feeling.

Regardless of the type of volunteer service or environment, volunteers are made up of different people, from different backgrounds, having many different cultures (Arai, 2002; Arai, 2000/2001; Minshall, 1984). When these people come together as volunteers to provide a common service under a "common roof" to an organization or an event, they not only have to abide by standards and regulations of the host, they also have to learn to appreciate and work with each other, despite cultural differences (Pellico, 1999: 1). As each volunteer is accustomed to a different "way of life," the contribution of volunteers to the UEFA European Football Championship™ extends beyond providing services to enhancing the social and cultural dimension of the event.

The UEFA EURO 2008™ will emerge as a *common cultural environment, an avenue of cultural exchange* and interchange amongst the volunteers, players, residents, etc.

At the same time, the volunteer experience gives many participants the possibility to enhance their *skills* and to use this *acquired knowledge* later on for personal growth.

**Survey of infrastructure**

In preparing the bid documentation, the basic infrastructure conditions required for the UEFA European Football Championship™ were analysed with the assistance of several experts, and comprehensive planning work was undertaken. The resulting infrastructure concepts are now ready to be implemented by the local, federal, and national authorities. This intensive *cooperation between all political factors* represents a qualitative gain for society, which benefits from the results of long-term infrastructure planning. These plans can trigger further public or private investments in the future and thus positively influence the economy in the long term.

**Image enhancement**

The *awareness* and *image enhancing effects* of the UEFA European Championship™ have great significance for a city, a region, or a country. The benefits associated with increased awareness, resulting from the staging of a big sporting event like the UEFA EURO 2008™, are very difficult to quantify. Indicators such as increased naming in the electronic and print media can however be used to estimate this impact. Through increased mentioning in the media, foreigners will get a more positive view of Switzerland and of the locations hosting the sporting event.

The value of media coverage during the UEFA EURO 2004™ has been estimated for the UEFA by TNSSPORT. The *total media publicity value* of dedicated coverage was estimated at *CHF 175.2 million*, resulting from CHF145.5 million in Western Europe, CHF 24.6 million in Eastern Europe and CHF 5.4 million in Asia. This media value has been computed by estimating the visual and verbal exposure of Portugal and of the host cities as brands through television for the potential audiences. The *"City" brands* account for *CHF 102.3 million* and the "*Portugal" brand* for *CHF 72.9 million*. Visual exposure included: perimeter signage for the host city, on-screen graphics for Portugal and the host city, 30 seconds of promotional exposure per programme for the country, scenes from towns and cities, historical locations etc.

Increased awareness can be one argument for *potential tourists to visit Switzerland* and its regions for holidays, or a reason for companies to choose an investment location. This may lead to positive effects also later, in the years following the event (cf. roughly estimation in section 4.3.3). Barcelona is an example of successful image enhancing efforts during staging the Olympics. As a result, Barcelona is now one of Europe's most popular tourist city destinations.

*Public opinion* is positively influenced by big sporting events not only abroad, but also *at home*. Residents are *proud* to be able to handle such a big challenge, resulting in increased self-esteem and national pride.

Sports financing is of primary interest in society. Based on a method developed by Bohm (1977), Throsby and Withers (1997) carried out a survey concerning expenditures for sports, arts, and culture in Australia. As a result, 70 % of the interviewed persons were in favour of *allocating higher public expenditures for sports, arts, and culture*, by decreasing public expenditures in other areas rather than by tax increases. Morrison and West (1997) refined the survey in the following way: They asked people who do not attend cultural events but support the idea of public promotion of arts, which kind of returns they get for their payment of taxes. The most frequent answers were national pride, the possibility of future use and the welfare of future generations.

**General ambience**

The chance to use the presence of the media to send out various messages to the rest of the world during the UEFA EURO 2008™ implies for Switzerland the development of new perspectives and increases the *awareness of own abilities*. These affect the social environment, which likewise influences *regional development* further on. Ambience effects refer to the following aspects:

- The awareness to positively influence regional development that accompanies such a large sporting event;
- To be in the centre of public and media interest;
- The pressure to conceptualise perspectives otherwise not existing, and their materialisation during the UEFA EURO 2008™;
- Awareness and emphasis of positive aspects, capability/efficiency, and thus
- Improved self-assessment.

The UEFA European Football Championship™ in Switzerland can be the starting point of further initiatives, giving an incentive for sustainable regional development.

**Impact on leisure and recreational time**

The resident population and future tourists visiting the region will benefit from the improved sports infrastructure (stadium extension in Basle). More sports infrastructures can also help to increase the number of people practising sport in their leisure time and enhance the recreational quality of respective locations. By adjoining other sports and recreation facilities, these locations become a multifunctional centre and a popular meeting point.

**Sports development**

The UEFA European Football Championships™ can be also used to learn from managers with international reputations. Further, it can encourage local coaches to visit training courses and to *develop their knowledge*, and can foster the creation of a skilled workforce in the organization, management and funding sectors, with particular emphasis on hosting special sport and tourist attractive events. The better education and enhanced experience increases the quality of the national team. Success in one sport can inspire other disciplines to improve themselves too.

**Public health**

An event like the UEFA EURO 2008™ will not pass by without influencing the *sporting behaviour of the Swiss population*. This increased interest in sport will be very high during the championship and will probably decline afterwards. Nevertheless, there should be a positive effect not only on football, but also on sport disciplines. Therefore, *public health may improve* by increased sport activity.

**Cross-sector fertilization (culture, recreation)**

During the Championship and also afterwards, many tourists may also be attracted by *Swiss cultural events*. Thus such sport events can also fertilize indirectly connected areas. Fertilization may be fostered through:

- The organization of athletic events before the UEFA EURO 2008™, which will give the athletes the opportunity to experience the Swiss climate and culture.
- The organization of special excursions to acquaint tourists with the tourist attractions of Switzerland.
- The organization of non-athletic events, such as international exhibitions, scientific and professional conferences.

On the other hand, sport itself has aesthetic qualities. Sportswear and equipment are becoming increasingly aestheticized. The experience of sports architecture and of the opening and closing ceremonies on television or at the stadium is setting new cultural trends. By and large, each foreign visitor has a considered encounter with the culture of the organizers (Müller, 2000).

**Education**

Education shapes the character of people by interacting with the historical and variable input – material, mental, and cultural – from their environment in order to form their own state of ratings, will, knowledge, and feeling.

In a real sense, sport and education are both cultural activities that play major roles in shaping an individual's personality and also *give people some identity* through their traditions. Where a society treats sport, culture and education as interrelated factors of human development, people benefit from all three. They are fit, educated to meet the needs of society, and secure in their cultural identity.

Sport promotes *ethics.* Sporting ethics refer to a system of moral values, among which are the fighting spirit, fair play, seeking of health (physical, mental and moral), and looking for technical and aesthetic beauty in sports practice, equality and fellowship of human beings (at least on the field of play), a social use of time, surpassing oneself, even a spiritual experience.

In Coubertin’s philosophical legacy can be identified the following six features of the "Olympic education”, which are still topical (Müller, 2004):

- The concept of harmonious development of the whole human being;
- The idea of striving for human perfection through high performance, in which scientific and artistic achievement must take equal rank with sporting performance;
- Sporting activity voluntarily linked to ethical principles such as fair play and equality of opportunity, and the determination to fulfil those obligations; also included is the ideal of amateurism, which has been almost totally abandoned in international sport today;
- The concept of peace and goodwill between nations, reflected by respect and tolerance in relations between individuals;
- The promotion of moves towards emancipation in and through sport.

### Development of skills and networking capabilities

The cooperation of various national and international institutions/organizations with different experience in the organization and implementation of a big sporting event will *increase the skills and networking capabilities* of the persons involved, which can be very important for the future organization of other big (sporting) events in Switzerland.

### Coordinated marketing efforts

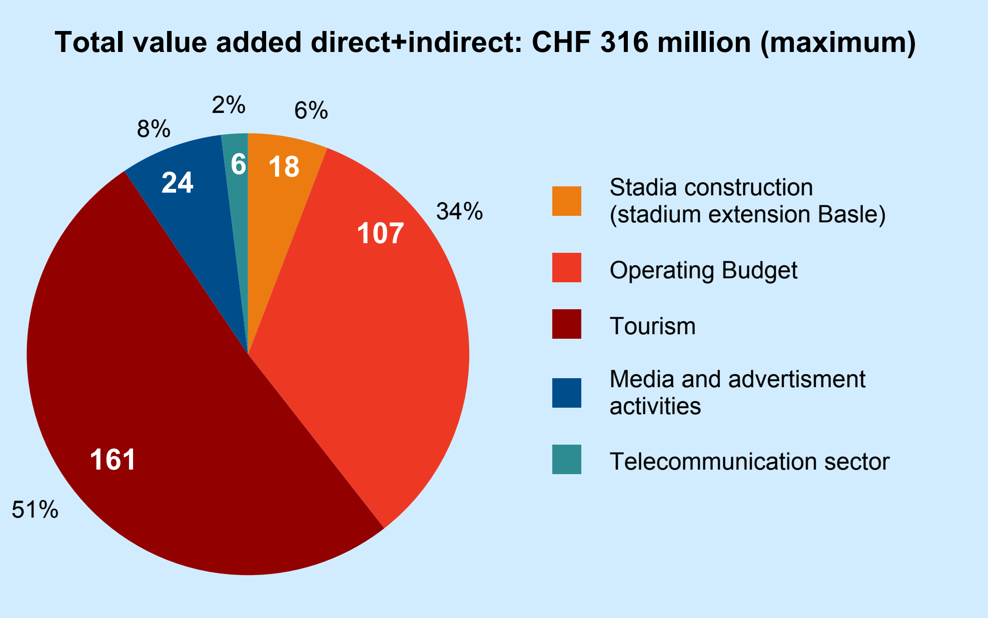
Coordinated marketing efforts by the national, regional and local tourist organizations as well as by the organizing committee are of crucial importance in order to attract domestic and foreign tourists to the tournament venues and to offer them additional ways of spending an enjoyable time. A sustained marketing presence of the factors involved may bring about the desired results.

Such coordinated efforts will induce tourists to combine their attendance at a big sporting event with tourism in the region, and will eventually convince them to return to Switzerland for a longer vacation. Therefore, *sustained cooperation of all the factors involved in tourism and event organization* are extremely important to achieve the economic effects analysed in the previous sections of this study.

# 7. Conclusions

- The UEFA EURO 2008™ will be the *biggest sports event* ever held in Switzerland. *The overall direct and indirect economic impacts are substantial*: *turnovers* totalling around CHF 670 million and *gross value* added of about CHF 388 million. The turnover generated is equivalent to that of a medium size Swiss corporation. Notable however is that these impacts largely take place in a time period of only three weeks, during the UEFA EURO 2008™. As shown by the study results, not only the hotel and restaurant trades but also many other sectors will *profit directly or indirectly* from the UEFA EURO 2008™.
- The *enormous importance of the UEFA EURO 2008™ as a large sporting event* is clearly shown by comparing with other events of this kind the turnover of about CHF 300 million directly generated by the budget and tourism effects. Comparable turnover from the Engadine Marathon is about CHF 11 million, for example, about CHF 8.5 million from the Rowing Championship 2001 at Rotsee, and CHF 7 million from the International Lauberhorn Ski Races.

**Figure 64:** Significance and distribution of economic impacts of the UEFA EURO 2008™ in Switzerland (value added resulting from direct and indirect effects)




Source. Rütter + Partner / ITW estimates

- Among the *individual economic effects* of the UEFA EURO 2008™, *tourism* has the biggest impact (value added CHF 161 million or 51% of overall impact; cf. Fig. c). One third of the overall impact is attributable to the *operating budget* (CHF 107 million). The *media and advertising activities* contributes 8% (2CHF 24 million) and the *Stadium construction* (extension of the Basle stadium) only 6%. Value added impact in the *telecommunications sector* is also comparatively low at 2%.
- *The four stadium regions* profit to widely differing extents from impacts of the UEFA EURO 2008™. The Basle region reaps the greatest benefit thanks to the effects of stadium extension, the supplementary effects resulting from greater

stadium capacity, and the additional quarter and semi-final matches. Furthermore, the Basle region will also profit in future from the larger stadium capacity.

- The *impact of regional tourism effects* depends decisively on the number of matches, stadium capacity, the origin of visitors and their length of stay, and on the available hotel capacities. Limited hotel capacities result in *crowding out* effects ranging from 4% of normal overnight stays in Zurich to 42% in the Basle region. On average, about 50,000 overnight stays will be crowded out by the UEFA EURO 2008™. Compared with the total number of overnight stays generated by the UEFA EURO 2008™ (about 860,000), this crowding out effect is tolerable.
- It must be emphasized that in most cases large sports events primarily have *short-term positive economic impacts* (in particular due to tourism) and *create relatively few new jobs*. The longer-term impacts of the UEFA EURO 2008™ (stadium construction and budget) are relatively small. Hotel capacities are hardly likely to be expanded because of the 3-week UEFA EURO 2008™ event, but some hotels will take the opportunity of carrying out *renovations* more cost-effective in the longer term.
- TV and radio broadcasts of the UEFA 2008™ will certainly have *a markedly positive image and advertising impact on public awareness* of the two countries involved. The overall impact is very difficult to quantify, however, and in many cases is overestimated. Based on an ex-ante study of long-term effects of the Olympia candidature Berne 2010, a bandwidth of 60,000 to 360,000 additional overnight stays was estimated for a ten-year time period, corresponding to about *0.2% or 1%* respectively of overnight stays in Swiss hotels as a whole (Rütter, H., Stettler, J. et al. 2002b). This bandwidth may also be valid for the UEFA 2008™ in the maximum scenario.
- Much more important and decisive is *the end effect of contented visitors* recommending Swiss vacations to their friends.
- What makes the UEFA EURO 2008™ so *valuable for tourism* is that it attracts so many *spectators from abroad*. The UEFA EURO 2008™ therefore offers considerable potential for the Swiss tourist industry *to win new guests*, who ideally will spend regular vacations in Switzerland. Furthermore, thanks to the tourism impacts of the UEFA EURO 2008™ the expenditures of foreign spectators make a welcome *contribution to the Swiss economy and balance of payments.*
- To *fully exploit this tourism potential* of the UEFA EURO 2008™*, close teamwork is required* at an early date *with the responsible tourism organizations* (for Switzerland as a whole and the four stadium regions). Suitable offerings must be jointly prepared for visitors, as well as attractive packages designed to induce longer stays. This will increase value added in the regions and in Switzerland as a whole. As shown by experience with other large-scale events, however, that is no easy undertaking. This was particularly clear with the Expo.02 in the Three Lakes region, where hardly any visitors were tempted to stay on irrespective of the exhibition itself. Also the long-term effects on overnight stays after the Expo.02 were very disappointing, as shown by the latest hotel occupancy statistics in Biel and the Lake of Biel region. The Engadine Ski Marathon, on the other hand, is an excellent example of how well the tourism impacts of a sports event can be exploited. Despite its comparatively low budget, this event generates substantial economic impacts because on average, participants in the Engadine Ski Marathon spend more than seven days in the region.

- Limited hotel capacities in the stadium localities can be partially alleviated for some visitor categories by the *systematic integration of substitute hotels*, and other measures such as using the Rhine ships in Basle for accommodation. This requires a suitably broadened package offering, and clear information to forthcoming UEFA EURO 2008™ visitors about the additional accommodation possibilities.
- Due to the limited stadium capacities, the most attractive packages are those which also *appeal to accompanying persons* who are not so interested in football. However, the restricted hotel accommodation particularly in the Basle and Berne regions limits this additional guest potential.
- It is therefore all the more important to ensure *a good quality and price/performance ratio of tourism offerings*, so that UEFA EURO 2008™ visitors are contented and respond to targeted offerings inducing them to extend their stay or return after the UEFA EURO 2008™.
- The UEFA EURO 2008™ event *promotes cooperation* not only *at cantonal and regional level* in the tourism sector, but *also with other sectors and the state*.
- The UEFA EURO 2008™ is a large-scale event *demanding precise risk analysis*. In contrast to the Winter Olympics, this event is not particularly prone to weather risks. At most there is a minimal and limited risk of stadiums not being filled to capacity, with a corresponding reduction of UEFA earnings and tourism impacts. This could happen for example if fans find the team makeup not attractive enough. In the study this risk is taken into account for tourism impacts with a corresponding minimum (stadium 85% full) and maximum scenario (96% full).
- In contrast to other sports events of comparable size (in particular the Olympic Games), the UEFA EURO 2008™ will *not bring unnecessarily large and unprofitable football stadia*, because the related investments in Switzerland are very modest. The economic impacts are correspondingly low by comparison – but the risk of loss-making infrastructures afterwards is also low.
- A *potential safety risk* is posed by *violent fans* (hooligans) of various national teams (in particular British). These organized fan groups (depending on the match results) regularly cause damage to persons and property including public transport.
- Not to be underestimated are also the risks threatening *guaranteed safety*. In view of the uncertain international security situation and the safety demands of the UEFA, the state will likely have to take *over substantial additional costs which are however difficult to quantify*, whereby the safety and security costs will be split between Austria and Switzerland.

# Abbreviations

| | |
|---|---|
| BASPO | Federal Office of Sports |
| DDPS | Federal Department of Defence, Civil Protection and Sports |
| DJP | Federal Department of Justice and Police |
| Fedpol | Federal Office for Police Matters |
| GDP | Gross domestic product |
| IBC | International Broadcasting Center |
| IHS | Institute of Advanced Studies |
| IP | Internet protocol |
| ITC | Information and communication technology |
| ITW | Institute of Tourism |
| FTE | Full-time equivalent |
| FSO | Federal Statistical Office |
| NA | National accounts |
| NAKOS | National security coordination office |
| NASAK | Nationales Sportanlagenkonzept |
| ÖFB | Österreichischer Fussball-Bund |
| OMT | Organisation mondiale du tourisme |
| SFV/ASF | Swiss Football Association |
| SiAG | International security working group |
| TSA | Tourism Satellite Account |
| UEFA | Union of European Football Associations |
| DETEC | Federal Department of Environment, Transport, Energy and Communications |
| VAT | Value added tax |

# References

**Statistics**

Betriebs- und Unternehmensregister (aktuell): FSO, Neuchâtel.

Betriebszählung 2001: FSO, Neuchâtel.

Einkommens- und Verbrauchserhebung 1998: FSO, Neuchâtel.

Lohnstrukturerhebung 2002: FSO, Neuchâtel.

Produktionskonto 2001: FSO, Neuchâtel.

Ständige Wohnbevölkerung 1991-2002: FSO, Neuchâtel.

Tourismusstatistiken und Spezialauswertungen (verschiedene Jahre FSO, Sektion Tourismusstatistik, Bern.

**References**

Antille Gaillard, G., Rütter, H., Berwert, A. (2003): Satellitenkonto Tourismus der Schweiz – Grundlagen, Methodik und Ergebnisse. Bundesamt für Statistik, seco, Neuchàtel, Bern.

Arai, S.M. (2000/2001): Typology of volunteers for a changing sociopolitical context: The impact on social capital, citizenship and civil society. Leisure and Society, 23(2): 327-352.

Arai, S.M. (2002): Ethnic identity, diversity and social cohesion through volunteering: A critical examination of theoretical concepts applied to cultural non-profit organisations in society. Abstract: 10th Canadian Congress on Leisure Research, 35-36.

Berrer H., Grozea-Helmenstein D., Helmenstein C., Kleissner A., Schnabl A. (2003): The Economic Impact of UEFA EURO 2008™, A Case Study, ESCE/IHS, Wien.

Bieger, T., Müller, H., Elsasser, H. (2000): Nachhaltigkeit der FIS Alpine Ski WM 2003 St. Moriz-Pontresina, Engadin. Eine Sport-Grossveranstaltung im Spannungsfeld zwischen wirtschaftlichen, ökologischen und gesellschaftlichen Ansprüchen, FIS Alpine Ski WM 2003, St. Moriz.

Bohm P. (1997) Estimating Willingness to Pay: Why and How?, New Horizons in Environmental Economics series. The economics of environmental protection: Theory and demand revelation. Cheltenham, U.K. and Lyme, N.H.: Elgar; distributed by American International Distribution Corporation, Williston, Vt., 1997; 333-44. Previously published: 1979.

Bundesamt für Raumentwicklung ARE / Bundesamt für Statistik FSO (2001): Mobilität in der Schweiz : Ergebnisse des Mikrozensus 2000 zum Verkehrsverhalten. Bern.

Eurostat, European Commission (2004): Living conditions in Europe – Statistical Pocketbook, Data 1998-2002. Luxembourg: Office for Official Publications of the European Communities.

FSO (2002b): Statisches Lexikon der Schweiz – Premium. www.jahrbuch-stat.ch (1.4.2004).

FSO (2003): Schweizer Tourismus in Zahlen. Bern.

FSO (2004): Webseite des FSO, Eckdaten der Schweiz.

FSO (Hrsg.) (2002a): Szenarien zur Bevölkerungsentwicklung der Schweiz 2000-2060. Vollständiger Szenariensatz. Neuchâtel.

Grozea-Helmenstein, D., Hauser-Rethaller, U., Helmenstein, C., Weber A. (2002): Case Study: Fußball-Europameisterschaft 2008, Institut für Höhere Studien, Wien.

Grozea-Helmenstein D., Kleissner A. (2003): Ökonomische Auswirkungen der Olympischen Winterspiele 2010 in Salzburg, Institut für Höhere Studien, Wien.

http://www.bakom.ch/en/aktuell/wikstudien/index.html

http://www.statistik.admin.ch/stat_ch/ber00/deck_m.htm (01.04.2004)

Karlis George (2004), City And Sport Marketing Strategy: The Case Of Athens 2004, The Sports Journal, volume 6, number 2, Spring 2003, Daphne, Alabama.

Karlis, G. (2004): Volunteerism And Multiculturalism: A Linkage For Future Olympics, The Sports Journal, volume 6, number 3, Summer 2003, Daphne, Alabama.

Karlis, G. (1998): Social cohesion, social closure and recreation: The ethnic experience in multicultural societies. Journal of Applied Recreation Research, 23(1): 3-21.

Lanzoni, I., and Lykogianni, D. (1999): The volunteers during and after the Olympic Games: Youth camp and Olympic Education School Programmes. Paper presented at the Volunteers, Global Society and the Olympic Movement Conference, Lausanne, November 24-26.

Lehmann, E., Weigand, J. (1997): Money Makes the Ball Go Round, Fußball als ökonomisches Phänomen. In: Ifo-Studien; 43(3), 1997, 381-409.

Minshall, L. (1984): Volunteerism. The Recreationist, 4(2): 13-24.

Moorhouse, H.F. (1998): The Recent History and Functioning of Mechanisms to Redistribute Income Between Clubs in English Professional Football. Research Unit in Leisure Culture and Consumption, University of Glasgow.

Morrison W. G. und E. G. West (1997): Subsidies for the Performing Arts: Evidence on Voter Preference, Towse,-Ruth, ed. Elgar Reference Collection. International Library of Critical Writings in Economics, vol. 80. Cultural economics: The arts, the heritage and the media industries. Volume 2. Cheltenham, U.K. and Lyme, N.H.: Elgar; distributed by American International Distribution Corporation, Williston, Vt., 1997; 647-62. Previously published: 1986.

Müller N. (2000): How do young people today see Art and Olympism? Presented at the Symposium, The IOC and its cultural policy, Lausanne - 30.03.2000

Müller N. (2004): Olympic Education, The Sports Journal, volume 7, number 1, Winter 2004

Official application dossier Austria-Switzerland for UEFA EURO 2008™, 2002

OMT (1994): « Recommandations sur les statistiques du tourisme»

Pellico, A. (1999): My experiences as a volunteer at the centennial Olympic games, Atlanta '96. Paper presented at the Volunteers, Global Society and the Olympic Movement Conference, Lausanne, November 24-26.

Rahmann, B., et.al. (2000): Sozio-ökonomische Analyse der Fussball-Weltmeisterschaft 2006 in Deutschland, Gesellschaftliche Wirkungen, Kosten-Nutzen-Analysen und Finanzierungsmodelle einer Sportgrossveranstaltungen.

Rahmann, B., et.al. (2000): Sozio-ökonomische Analyse der Fussball-Weltmeisterschaft 2006 in Deutschland, Gesellschaftliche Wirkungen, Kosten-Nutzen-Analysen und Finanzierungsmodelle einer Sportgrossveranstaltungen.

Rütter, H., Stettler, J. et al. (2002a): Volkswirtschaftliche Bedeutung von Sportgrossanlässen in der Schweiz: Schlussbericht. KTI-Projekt Sportgrossveranstaltungen, Luzern/Rüschlikon.

Rütter, H., Stettler, J., de Bary, A., Amstutz, M. (2002b): Wirtschaftliche Bedeutung der Olympischen Winterspiele Berne 2010. Luzern/Rüschlikon.

Rütter, H. / Stettler, J. et al. (2003): Volkswirtschaftliche Bedeutung, Luzern/Rüschlikon.

Rütter, H. / Stettler, J. et al. (2003): Volkswirtschaftlicher Nutzen Erweiterung Wankdorf-Stadion Bern, Rüschlikon/Luzern.

Rütter, H., Berwert, A., Rütter-Fischbacher, U., (2002): Der Tourismus im Kanton Baselland, Wertschöpfungsstudie.

Rütter, H., Berwert, A., Rütter-Fischbacher, U., Landolt, M. (2001): Der Tourismus im Wallis, Wertschöpfungsstudie.

Rütter, H., Guhl, D., Müller, H. (1996): Wertschöpfer Tourismus. Ein Leitfaden zur Berechnung der touristischen Gesamtnachfrage, Wertschöpfung und Beschäftigung in 13 pragmatischen Schritten.

Rütter, H., Müller, H., Guhl, D., Stettler, J. (1995): Tourismus im Kanton Bern. Wertschöpfungsstudie.

Rütter-Fischbacher, U., Berwert, A. (2004): Der Tourismus im Kanton Nidwalden und in Engelberg, Wertschöpfungsstudie.

Spilling, O. (1996): Mega-events als Strategie für regionale Entwicklung: der Fall der Olympischen Spiele 1994 in Lillehammer, Unternehmertum und regionale Entwicklung, 8, s321-343.

SportBusiness Group (2002): The Future of Sports Broadcasting Rights, London

Staatssekretariat für Wirtschaft SECO (2004): Direktion für Wirtschaftspolitik. Konjunkturtendenzen Frühjahr 2004. www.seco-admin.ch (06.04.2004).

Teigland J. (1996): Impacts on Tourism from Mega-Events: The Case of Winter Olympic Games, Vestlandsforsking (Western Norway Research Institute), Norway.

Throsby D., G. Withers (1997): Strategic Bias and Demand for Public Goods: Theory and an Application to the Arts, Towse,-Ruth, ed. Elgar Reference Collection. International Library of Critical Writings in Economics, vol. 80. Cultural economics: The arts, the heritage and the media industries. Volume 2. Cheltenham, U.K. and Lyme, N.H.: Elgar; distributed by American International Distribution Corporation, Williston, Vt., 1997; 611-31. Previously published: 1986.

Wissenschaftliches Institut für Kommunikationsdienste – WIK (2002): Extract from the 8th Implementation Report of the EU – extended to include Switzerland

# Appendix

# Economic impact of the UEFA EURO 2008™ in Switzerland: Assumptions

| Switzerland | **Maximum** (96% of capacity) Number for 15 Matches | | ø over-night stays | Total ex-penditure per day | **Minimum** (85% of capacity) Number for 15 Matches | ø over-night stays | Total ex-penditure per day |
|---|---|---|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 400 | | 20.8 | 340 | same as maximum | | |
| UEFA Officals | 800 | | 15.0 | 410 | | | |
| Media | 3,300 | | 25.0 | 290 | | | |
| Sponsors and VIP | 4,000 | | 3.5 | 410 | | | |
| Match Spectators | 470,540 | 100% | | | 414,626 | | |
| *Natives* | 65,816 | 14% | - | - | 57,960 | | |
| *Swiss same-day visitors* | 69,272 | 15% | - | 45 | 61,001 | | |
| *foreign same-day visitors* | 94,449 | 20% | - | 60 | 83,190 | | |
| *Swiss tourists* | 1,801 | 0.4% | 1.0 | 185 | 1,821 | | |
| *foreign tourists* | 239,203 | 51% | 3.1 | 230 | 210,655 | 2.7 | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures.*

| Basle | Number for 6 Matches | | ø over-night stays | Total ex-penditure per day | Number for 15 Matches | ø over-night stays | Total ex-penditure per day |
|---|---|---|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 600 overnight stays | | | 330 | same as maximum | | |
| UEFA Officals | 312 | | 15.0 | 400 | | | |
| Media | 1,155 | | 25.0 | 280 | | | |
| Sponsors and VIP | 1,560 | | 3.5 | 400 | | | |
| Match Spectators (Max. variant) | 222,540 | 100% | | | 196,140 | | |
| Natives | 28,930 | 13% | - | - | 25,498 | | |
| Same-day visitors | 173,581 | 78% | | | 152,989 | | |
| *swiss from other places in CH* | 28,930 | 13% | - | 32 | 25,498 | | |
| *foreign same-day visitors* | 53,410 | 24% | - | 48 | 47,074 | | |
| *foreigner with overnight stays outs. region* | 91,241 | 41% | - | 48 | 80,417 | | |
| Tourists (overnight): | 20,029 | 9% | | | 17,653 | | |
| *swiss tourists* | 2,225 | 1% | 1.0 | 175 | 1,961 | | |
| *foreign tourists* | 17,803 | 8% | 3.1 | 220 | 15,691 | 2.7 | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures.*

| Berne | Number for 3 Matches | | ø over-night stays | Total ex-penditure per day | Number for 15 Matches | ø over-night stays | Total ex-penditure per day |
|---|---|---|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 1050 overnight stays | | | 330 | same as maximum | | |
| UEFA Officals | 136 | | 15.0 | 400 | | | |
| Media | 495 | | 25.0 | 280 | | | |
| Sponsors and VIP | 680 | | 3.5 | 400 | | | |
| Match Spectators (Max. variant) | 85,350 | 100% | | | 75,120 | | |
| Natives | 12,803 | 15% | - | - | 11,268 | | |
| Same-day visitors | 52,064 | 61% | | | 45,823 | | |
| *swiss from other places in CH* | 14,510 | 17% | - | 32 | 12,770 | | |
| *foreign same-day visitors* | 11,096 | 13% | - | 48 | 9,766 | | |
| *foreigner with overnight stays outs. region* | 26,459 | 31% | - | 48 | 23,287 | | |
| Tourists (overnight): | 20,484 | 24% | | | 18,029 | | |
| *swiss tourists* | 854 | 1% | 1.0 | 175 | 751 | | |
| *foreign tourists* | 19,631 | 23% | 3.1 | 220 | 17,278 | 2.7 | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures.*

# Economic impact of the UEFA EURO 2008™ in Switzerland: Assumptions

| | **Maximum** (96% of capacity) | | | | **Minimum** (85% of capacity) | | |
|---|---|---|---|---|---|---|---|
| **Geneva** | Number for 3 Matches | | ø over-night stays | Total ex-penditure per day | Number for 15 Matches | ø over-night stays | Total ex-penditure per day |
| Athletes and escorts (incl. Jury) | 300 overnight stays | | | 330 | same as maximum | | |
| UEFA Officals | 136 | | 15.0 | 400 | | | |
| Media | 495 | | 25.0 | 280 | | | |
| Sponsors and VIP | 680 | | 3.5 | 400 | | | |
| Match Spectators (Max. variant) | 83,916 | 100% | | | 73,850 | | |
| Natives | 9,231 | 11% | - | - | 8,124 | | |
| Same-day visitors | 52,867 | 63% | | | 46,526 | | |
| *swiss from other places in CH* | 15,105 | 18% | - | 32 | 13,293 | | |
| *foreign same-day visitors* | 14,266 | 17% | - | 48 | 12,555 | | |
| *foreigner with overnight stays outs. region* | 23,496 | 28% | - | 48 | 20,678 | | |
| Tourists (overnight): | 21,818 | 26% | | | 19,201 | | |
| *swiss tourists* | 1,678 | 2% | 1.0 | 175 | 1,477 | | |
| *foreign tourists* | 20,140 | 24% | 3.1 | 220 | 17,724 | 2.7 | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures.*

| **Zurich** | Number for 3 Matches | | ø over-night stays | Total ex-penditure per day | Number for 15 Matches | ø over-night stays | Total ex-penditure per day |
|---|---|---|---|---|---|---|---|
| Athletes and escorts (incl. Jury) | 1050 overnight stays | | | 330 | same as maximum | | |
| UEFA Officals | 136 | | 15.0 | 400 | | | |
| Media | 495 | | 25.0 | 280 | | | |
| Sponsors and VIP | 680 | | 3.5 | 400 | | | |
| Match Spectators (Max. variant) | 82,516 | 100% | | | 72,611 | | |
| Natives | 14,853 | 18% | - | - | 13,070 | | |
| Same-day visitors | 36,307 | 44% | | | 31,949 | | |
| *swiss from other places in CH* | 10,727 | 13% | - | 32 | 9,439 | | |
| *foreign same-day visitors* | 15,678 | 19% | - | 48 | 13,796 | | |
| *foreigner with overnight stays outs. region* | 9,902 | 12% | - | 48 | 8,713 | | |
| Tourists (overnight): | 31,356 | 38% | | | 27,592 | | |
| *swiss tourists* | 825 | 1% | 1.0 | 175 | 726 | | |
| *foreign tourists* | 30,531 | 37% | 3.1 | 220 | 26,866 | 2.7 | |

*Figures rounded up, owing to which totals do not always correspond to the sum of the individual figures.*