

Major International Sporting Events 2016 to 2025

Opportunities for Scottish Businesses





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Introduction

The **XX Glasgow Commonwealth Games** and **40th Gleneagles Ryder Cup** provided an unprecedented opportunity to **showcase Scotland on the world stage** and to build a strong sporting, social, cultural and economic legacy for future generations. The **outstanding delivery** of both global sporting events was achieved in no small measure to **Scottish businesses** who were **successful in winning the majority of event contracts**, particularly in relation to the Commonwealth Games¹.



Funded jointly by the **Scottish Government** and **Glasgow City Council**, the ESC will use many of the 2014 Commonwealth Games venues in Glasgow, together with Gleneagles for the golf tournament and Loch Lomond for the open water swimming which is part of the Aquatic programme.

The experience gained by Scotland and Scottish businesses in 2014 in delivering world class events continues to resonate across the globe:

- **October 2015 saw the hosting of the World Gymnastics Championships to Glasgow**
- **Scotland has been selected to co-host with Germany the first European Sports Championships (ESC) in 2018**
- **Other exciting opportunities for businesses will follow in 2019 when Gleneagles will host the Solheim Cup, and 2020 when 4 UEFA European Championship Finals football matches will be played in Hampden as part of a multi-city approach to hosting the 2020 UEFA finals.**

The range of businesses that are required to deliver these events are diverse operating in a number of industries including construction, food & drink, security and safety, technology and IT, energy, transportation and logistics. To capitalise on

Scotland's continuing success in this market place, Scottish Enterprise will seek to:

- **Promote Scotland's role in the global event sector by recognising major events within our trade and investment strategy**
- **Use the intelligence about those businesses who engaged with the Commonwealth Games and Ryder Cup to offer a range of support and information to a wide group of Scottish based businesses**
- **Promote the use of Public Contracts Scotland to provide widest possible access to contract opportunities in support of major Scottish events**

To inform this work Scottish Enterprise commissioned a study² to understand the potential value for Scottish businesses of high value opportunities in the major international sports events industry during the period 2016 to 2025. The following present the key finding of this study:

1. Commonwealth Games-related opportunities awarded to Scottish companies totalled £510m of Tier 1 contracts, equating to circa 69% of all contracts published on the Glasgow Business Portal.
2. Positioning Scotland as a Leading Exporter of Major Events Services and Expertise – Zagzig Consultants

Global Outlook

Globally, operational and infrastructure budgets for the top 55³ one off-sports events across the world between **2016-2025** are estimated to be worth in total nearly **£229bn**; (as at January 2016 nearly 10% of this figure relates to events which have yet to be awarded to a host city/country).

Around **70%** of major events contracts go to local companies, with 30% (worth **£69bn**) going to the rest of the world.

90% of budgets tend to be allocated to **infrastructure projects**, with the remaining **10%** being spent on **operational services**.

Of the potential contract value of **£69bn**, the scale of **opportunity for Scottish companies** varies across geography and specific events; the following is an illustration of the potential value of the market share for Scottish businesses winning:

- **3%** of contracts – the value would equate to **£2.06bn**
- **1%** of contracts – the value would equate to **£689m**
- **0.5%** of contracts – the value would equate to **£344m**
- **0.25%** of contracts – the value would equate to **£172m**

As not all of the **55 events** are held annually, an average of **25 one-off events** can be targeted by Scottish businesses each year for the period 2016-2025.

North America
£407.5m

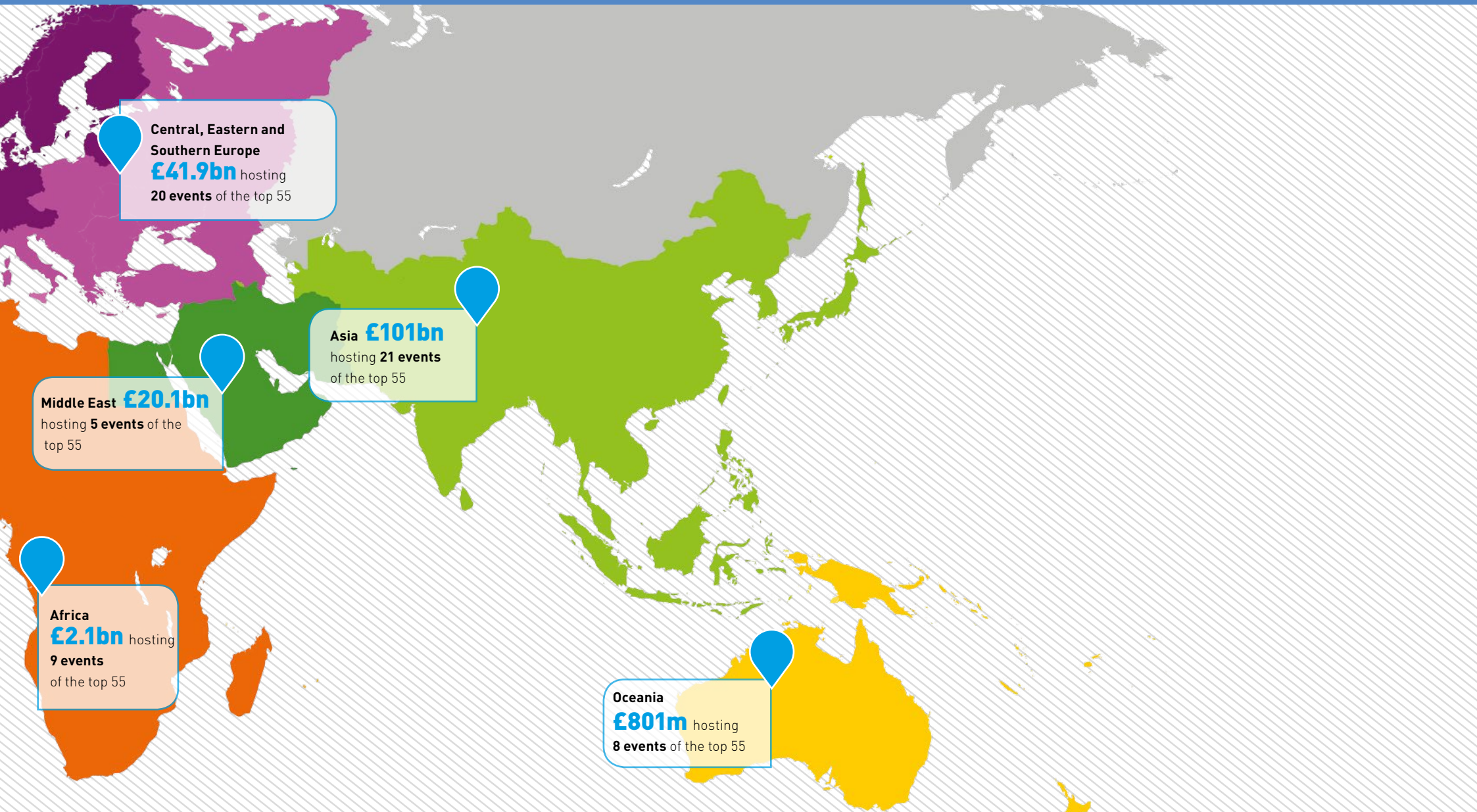
hosting **15 events**
of the top 55

Western and Northern Europe
£24.4bn

hosting **39 events** of the
top 55

South America
£16.4bn

hosting **3 events**
of the top 55



3. The top 55 one off major sports events globally were selected based on a system of weighting events developed by Zagzig specifically for the Ultimate Sports Cities Rankings and sold to SportBusiness Group plc in 2008. The contract values stated above take into consideration repeat events eg Ryder Cup every two years.

What are the key sectors in major sport events?

Major sports events tend to be financed through infrastructure and operational budgets. High value contracts tend to fall into the construction category and are often won by global brands or incumbent construction companies within the host nations.



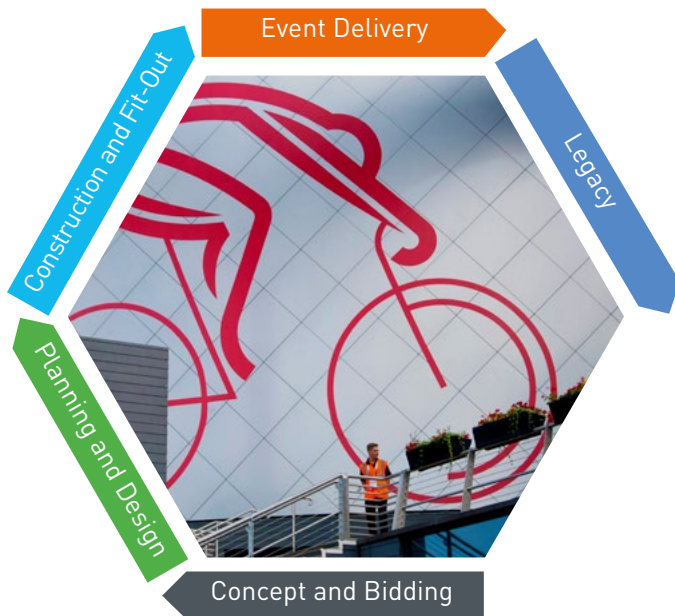
Analysis of construction contracts showed that there are major opportunities for the supply of materials and goods for large and temporary projects. Similarly, analysis of all the contracts awarded at the Glasgow Commonwealth Games shows that 65% of contracts by number went to Scottish companies and 76% by value.

In terms of value, c90% of major sports event procurement contracts relate to infrastructure. With an abundance of sub-contract work on these events, Scottish companies should feel confident in entering the supply chain at a lower level and building expertise from there.

China remains Scotland's biggest competition when vying for construction contracts. Out of the top 50 construction companies by export revenue in 2014, Chinese construction companies make up 36% of the market followed by the USA (12%), South Korea (12%), Japan (10%) and France (8%).

Valuing contracts and assumptions

In estimating the potential value of future international contract opportunities, it is important to note that not all hosting organisations are transparent with their major sporting events budgets, which makes it problematic to analyse them fully.



Where details of contract valuations are in the public domain, these have been used as the basis of calculations in this report. Where they are not known, estimations were made comparing similar events in terms of size and importance. Using this method has to include the assumption that all host cities and countries spend the same amount on an event of a similar scale, therefore the estimated figures should only be used as a guide.

Some Tier 1 contracts are awarded to companies that may also sponsor the event. In those instances the sponsor may offset the cost of supplying goods and services against the value of the contract and money might not actually change hands.

However there may be other opportunities for businesses further down the supply chain where sponsors pay them to supply goods and services.

The detail of specific contracts is not always divulged publicly and tenders vary, so assumptions were made on information provided by industry sources in securing contracts like these.

As previously mentioned, although this research focuses on major international sporting events, there are also opportunities for Scottish companies to get involved with anchor events, which are frequent annual occasions held across the regions noted earlier. These have not been included in the market valuations because their supply chain tends to be dominated by long-established partners and are therefore harder to source or to value when it comes to procurement opportunities.



Accessing the Global Sports Marketplace

Generally in seeking to maximise opportunities in major sports events, businesses may be faced with potential barriers:

- Sourcing procurement contracts at a major sports events can be a challenge for any business regardless of where they sit in the supply chain
- In addition to engaging with local event organising committees, businesses need to engage with international and national sports federations; host and bidding cities/countries; event owners; venue designers; operators; infrastructure/logistics companies; governments and event sponsors

Specifically in relation to bidding for contracts in major sports events overseas, businesses may encounter barriers to success, examples of which include:

- Competing against companies willing to work for free; inexperienced but local to the event; established players
- Working with time constraints and lack of PR
- Lack of understanding from the sports federations and brands
- Local customs, language and business nuances may favour local partners
- Construction often does not travel well and is tricky to export

Recognising the challenges outlined above, there are a few areas Scottish companies need to address (with support) to overcome them:

- Preparation is key – know the offering
- Invest in some resources and build that relationship
- Demonstrate commitment by working with local partners
- Partner with a local business to attract the best talent



Western and Northern Europe

Projected
Events Value
£24.4bn



Opportunities

Outside Scotland, Scottish firms may find they have more opportunity within the rest of the UK (specifically England and Wales) for working on major events over the next few years.

However there is potential for work in Western Europe (outside the UK) will be related to the **UEFA 2016 European Championship (Euro 2016)** in **France** and with the 2020 edition of the events scheduled to take place across Europe, there will be further opportunities that are not limited to one country.

If Rome, Paris or Budapest is successful in winning their bid to host the **2024 Summer Olympics**, there could be plenty of work for Scottish companies, particularly those with expertise gained from **London 2012** and **Glasgow 2014**.

Companies who gained contracts for the **40th Gleneagles Ryder Cup** may also find opportunities for the **Paris 2018** and **Rome 2022** tournaments.

The Scandinavian countries of Northern Europe want to become key players in the global sporting stage, with Copenhagen already punching above its weight in terms of size. Both **Stockholm** and **Gothenburg** aspire to attract more world-class events and **Scottish firms** would be advised to seek opportunities there.



The outlook for **Scottish firms** looking for work in Western and Northern Europe is positive and there will be advantages of staying within the boundaries of the mainland **European Union** in general, but competition will be high. **Building relationships** early and competitive pricing will be key to success.

Events Calendar Western and Northern Europe

Year	Competition	Country
2016	UEFA European Championship	France
2016	European Athletics Championships	Netherlands
2016	World Rowing Championships	Netherlands
2016	Youth Winter Olympic Games	Norway
2016	UCI Track World Championships	UK
2017	Special Olympics World Games Winter	Austria
2017	ISU World Figure Skating Championships	Finland
2017	IIHF World Hockey Championships	France
2017	IIHF World Hockey Championships	Germany
2017	World Table Tennis Championships	Germany
2017	ITU Triathlon World Championship Series	Netherlands
2017	UCI Road World Championships	Norway
2017	Women's Cricket World Cup	UK
2017	IAAF World Championships in Athletics (Outdoor)	UK
2017	FIS Alpine World Ski Championships	Switzerland
2017	Mediterranean Games	Spain
2018	European Sports Championships	UK (SCOT)
2018	ISU World Figure Skating Championships	Italy
2018	European Sports Championships	Germany
2018	Gay Games	France

Year	Competition	Country
2018	Ryder Cup	France
2018	IIHF World Hockey Championships	Denmark
2019	ICC Cricket World Cup	UK
2019	FIS Alpine World Ski Championships	Sweden
2019	FIG Artistic Gymnastics World Championships	Germany
2019	FIFA Women's World Cup	France
2019	World Rowing Championships	Austria
2020	UEFA European Championship	UK (SCOT)
2020	UEFA European Championship	UK
2020	Youth Winter Olympic Games	Switzerland
2020	IIHF World Hockey Championships	Switzerland
2020	UEFA European Championship	Spain
2020	UEFA European Championship	Netherlands
2020	UEFA European Championship	Italy
2020	UEFA European Championship	Ireland
2020	UEFA European Championship	Germany
2020	UEFA European Championship	Denmark
2020	UEFA European Championship	Belgium
2021	FIS Alpine World Ski Championships	

Central, Eastern and Southern Europe

Projected
Events Value
£41.9bn



Opportunities

Both Poland and Ukraine are keen to build on their **EURO 2012** infrastructure and attract sports events while they are still on the radar of the sporting world.

However, Russia may offer Scottish businesses more opportunities. Over the next few years it will host the **2016 IIHF World Hockey Championships** and the **2018 FIFA World Cup**.

The **2014 Winter Olympic Games** have already become the catalyst for sports development in Sochi, the country's main sports centre which is in need of guidance to create a long-term legacy. Meanwhile, major stadium development is well underway in the country for the **FIFA World Cup**, with new venues encompassing the growing trend to create entertainment and retail facilities.

Several cities in the Central and Eastern European region have been linked to the next **Winter Olympics** that will be awarded.

In Southern Europe, Turkey is quickly becoming a powerhouse of sporting activities and infrastructure change. Sport has been identified as key to securing a bright sporting, social and economic future for the next generation. The country is using its status as one of the world's fastest growing economies to underpin promises and budgets for sports development in Istanbul.

Turkey is already set to host several major events over the next few years including the **2017 Deaflympics**, all of which will offer **opportunities** to **Scottish companies**.



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The outlook for **Scottish firms** in this region is **positive**, with many of the countries already showing their willingness to **embrace Western concepts** and take advantages of **expertise** outside their own resources.

Events Calendar Central, Eastern and Southern Europe

Year	Competition	Country
2016	IIHF World Hockey Championships	Russia
2016	World Modern Pentathlon Championships	Russia
2016	ISU European Figure Skating Championships	Slovakia
2017	Deaflympics	Turkey
2017	European Athletics Indoor Championships	Serbia
2017	FIFA World Cup and Confederations Cup	Russia
2017	FIG World Championships in Rhythmic Gymnastics	Russia
2017	World Games	Poland
2017	Universiade - Winter	Kazakhstan
2017	ISU European Figure Skating Championships	Czech Republic
2018	FIFA World Cup and Confederations Cup	Russia
2018	ISU European Figure Skating Championships	Russia
2018	Volleyball Men's World Championship Finals	Bulgaria
2018	World Rowing Championships	Bulgaria
2019	IIHF World Hockey Championships	Slovakia
2019	Universiade - Summer and Winter	Russia
2020	UEFA European Championship	Russia
2020	UEFA European Championship	Romania
2020	UEFA European Championship	Hungary
2020	UEFA European Championship	Azerbaijan



Middle East

Projected
Events Value
£20.1bn



Opportunities

The majority of opportunities in the Middle East for UK firms will be in Qatar due to the country's hosting of the **2022 FIFA World Cup**. However, other countries are stepping up to become hosts of major sports events, including Saudi Arabia, Bahrain and the United Arab Emirates.

Qatar in particular is working to boost its international profile and is paying particular attention to its sport, culture and education facilities.

The **Qatar National Vision 2030** programme is also investing heavily in high profile media projects which are of interest to UK companies, largely in the transportation, tourism, health, education and housing sectors.



With major infrastructure works already well underway in **Saudi Arabia** and Bahrain, the outlook for **Scottish firms** sourcing work in the region is **positive**, with many of the countries showing their willingness to embrace **western concepts** and take advantage of **expertise** outside their own resources.

Events Calendar Middle East

Year	Competition	Country
2016	UCI Road World Championships	Qatar
2018	FIG Artistic Gymnastics World Championships	Qatar
2019	IAAF World Championships in Athletics (Outdoor)	Qatar
2021	FIFA World Cup and Confederations Cup	Qatar
2022	FIFA World Cup and Confederations Cup	Qatar

North America

Projected
Events Value
£407.5m



Opportunities

A successful **Winter Olympics in Vancouver in 2010** has put **Canada** firmly on the map as a great sporting host. **Canada also has several cities jostling for position as the country's best sporting host including Toronto, Ottawa, Montreal, Quebec City, Calgary and Edmonton.**

Canada's national policy is to support only two multi-sports events in the country in a 10 year period and one large international single sport event every two years, which can be viewed as a constraint by some of the cities looking to host events in Canada.

Los Angeles is the USA's representative to bid for the **2024 Summer Games** which may offer opportunities to Scottish firms. However, it is industry opinion that opportunities for UK firms in the US may not be as strong as in other markets due to the developed industry already in place.

Mexico is rumoured to be preparing a bid to host the **2026 FIFA World Cup** and is expecting tough competition from the **US**.



The outlook for **Scottish firms** sourcing work around major events in

North America is **positive** in **Canada** and **Mexico** but less so in the **US** where firms face a competitive and highly developed sports marketing and consultancy industry.

Events Calendar North America

Year	Competition	Country
2016	FINA World Championships (25m)	Canada
2016	ISU World Figure Skating Championships	USA
2016	Ryder Cup	USA
2016	IAAF World Championships in Athletics (Indoor)	USA
2016	ITU Triathlon World Championship Series	Mexico
2017	Outdoor Archery World Championships	Mexico
2017	FINA World Championships	Mexico
2017	World Championship	USA
2017	World Rowing Championships	USA
2017	FIG Artistic Gymnastics World Championships	Canada
2018	FEI World Equestrian Games	Canada
2020	Ryder Cup	USA
2021	World Games	USA
2021	IAAF World Championships in Athletics (Outdoor)	USA
2024	Ryder Cup	TBA (USA)

South America

Projected
Events Value
£16.4bn



Opportunities

As the host country for the **2014 FIFA World Cup** and with Rio de Janeiro hosting the **2016 Olympic and Paralympics Games**, Brazil in particular is set to continue its extremely high profile in international sports in the coming years and will already be on the radar of many UK major events companies.

Local and foreign investors are now coming together to support Brazil's ambitions as the next mega-economy equipped with modern airports, ports, roads and infrastructure.

A study by the University of Sao Paulo estimated the infrastructure outlays devoted to hosting the **Olympics in Rio** at **£10bn**.

It is clear that infrastructure investments in Brazil will be a driving force for economic growth in the longer term. The country will take steps towards modernisation, become more efficient and lure increased foreign investment. With improved roads, railways and marinas, the country will increase its efficiency, making it more attractive to do business with. **Scottish firms** should therefore bear in mind that **opportunities will not stop in 2016** but will continue for years to come.



Scottish companies

facing competition in Brazil or finding that many contracts have already been awarded may find it **easier to source** opportunities in **Argentina** and **Peru**. Argentina will host the **2018 Youth Summer Olympic Games** and Peru will host the **2019 Pan American Games**.

Events Calendar South America

Year	Competition	Country
2016	Summer Olympic Games	Brazil
2018	Youth Summer Olympic Games	Argentina
2019	Lima Pan American Games	Peru



Africa

Projected
Events Value
£2.1bn



Opportunities

Some countries in Africa are embarking on infrastructure changes to boost their presence on the world's sporting stage and improve sport at a grassroots level.

Nigeria has started a programme to develop sport. It has **12 new sports zonal centres** in Jos, Benin, Kaduna, Bauchi, Enugu, Ibadan, Minna, Sokoto, Damaturu, Akure, Port Harcourt and Ngurua and staffed them with senior personnel in sports development.

Contracts were also awarded for the construction of **43 miniature sports complexes** in different stages; allied sports facilities in 14 locations across the country; and restoration of facilities at various stadia under the control of the federal government.

The 8th All Africa Games were held successfully in October 2003 in Abuja, Nigeria and gave the African country a taster of what it was like to be in the international spotlight.

Gabon, Cameroon, Ivory Coast and Guinea

will be the hosts for the **African Cup of Nations** in 2017, 2019, 2021 and 2023 respectively.

In South Africa, **Durban** will host the **2022 Commonwealth Games** which present great potential for Scottish firms that were involved in Glasgow 2014 in particular.

South Africa disbursed the first **£3.99m** of its **FIFA World Cup legacy fund** in January 2013 to a variety of projects involving teenage players, coaches and administrators so there may be opportunities for UK companies. Future plans in the country include building one good all-weather football pitch in each of South Africa's 52 regions by 2023 to improve the grassroots structure of the game.



The outlook for **Scottish firms** sourcing work around major events

in Africa is positive in relation to the **2022 Commonwealth Games** in particular, but there are also opportunities to work with countries and cities directly in the region, particularly those requiring help in developing sport at a grassroots level.

Events Calendar Africa

Year	Competition	Country
2017	African Cup of Nations	Gabon
2019	All Africa Games	Zambia
2019	African Cup of Nations	Cameroon
2021	African Cup of Nations	Ivory Coast
2021	Mediterranean Games	Algeria
2022	Commonwealth Games	Durban
2023	All Africa Games	TBA (Africa)
2023	African Cup of Nations	Guinea
2025	African Cup of Nations	TBA (Africa)

Durban, South Africa

Asia

Projected
Events Value
£101bn



Opportunities

China, Japan and South Korea all offer major opportunities for Scottish companies. In addition Malaysia and Singapore are also developing major events strategies that may require outside help.

The Singapore government announced in 2013 that it would boost its spending on sports programmes and infrastructure by more than **£133m** through to 2018 to build a strong sporting culture.

Following a lull in hosting major sporting events after the 2008 Beijing Olympics, China has been busy securing a raft of events over the coming years including the **2022 Winter Olympic Games**.

Similarly, Japan is set to host the **2017 Asian Winter Games**, the 2019 Rugby World Cup, the 2020 Olympic Games and the 2021 World Masters Games.

Japan made history by being the first Asian country to be awarded hosting rights for a **Rugby World Cup**. Hosting the tournament in 2019 is expected to increase the popularity of the sport in the country. The event will reportedly cost approximately **(£145m)** to stage. With rugby being a developing sport in Japan and Asia as a whole, there may be opportunities for Scottish companies with expertise in that particular sport to explore the market further.

Tokyo is also set to host the **2020 Summer Olympic Games**. Fuelled by the city's dynamic atmosphere and youth-driven culture, the event has an important role to play in Japan's spiritual and physical recovery efforts following its 2011 national earthquake tragedy.

Turning to South Korea, UK firms who worked on the construction of 2012 Olympic Park in London, have already been invited to the country on government trade missions in attempt to win lucrative contracts ahead of the 2018 Winter Olympics.

The budget for the infrastructure development of **PyeongChang 2018** amounts to **£4.1bn** with another **£330.7m** being invested in the 'Drive the Dream' legacy programme.

Elsewhere in Asia, there is a growing recognition that India, a country of 1.2bn people, will one day stage the Olympics. It is one of the few market places the Olympics has not broken into; as demonstrated at the **2010 Delhi Commonwealth Games** in which India finished second in the medals table, its population has discovered and taken up sports other than cricket. India also continues to attract cricket events and will host the **2016 ICC World Twenty20**.



The outlook for **Scottish companies** and sports marketing/consulting firms

sourcing work around major events in Asia is positive in China, Japan and South Korea (although those markets are traditionally hard to break into by Western companies) with **opportunities** also available in **Malaysia, Singapore** and **India**.

Events Calendar Asia

Year	Competition	Country
2016	ICC World Twenty20	India
2017	Universiade - Summer	Taiwan
2017	South East Asian Games	Malaysia
2017	Asian Winter Games	Japan
2017	World Modern Pentathlon Championships	Egypt
2018	Winter Olympic Games	South Korea
2018	Asian Games	Indonesia
2018	FINA World Championships (25m)	China
2019	FINA World Championships	South Korea
2019	IRB Rugby World Cup	Japan
2019	Military World Games	China
2019	FIBA World Championship	China
2020	Summer Olympic Games	Japan
2021	Asian Winter Games	TBA (Asia)
2021	South East Asian Games	TBA (Asia)
2021	World Masters Games	Japan
2022	Winter Olympic Games	China
2022	Asian Games	China
2023	South East Asian Games	TBA (Asia)
2024	South East Asian Games	TBA (Asia)
2025	Asian Winter Games	TBA (Asia)



Oceania

Projected
Events Value
£801m



Opportunities

Australia and New Zealand are hosting the 2017 Rugby League World Cup and Australia is also hosting the 2018 Commonwealth Games.

New Zealand will host **2016 World Bowling Championships** and the **2017 World Masters Games**. The latter is expected to contribute **£29.5m** to New Zealand's GDP, including £20.4m to host city Auckland's GDP. The ROI for this event is estimated to be 226%, a greater return than on any other major event held in the city.

In August 2012, **New Zealand Major Events signed a Memorandum of Understanding (MOU)** with EventScotland, highlighting the country's desire to access Scottish expertise. New Zealand Major Events have common interest with EventScotland in major event strategy and the agreement has been designed with the purpose of enhancing the reputation of both Scotland and New Zealand as international event destinations.

For the **2018 Commonwealth Games** in Gold Coast, the Queensland Government is underwriting a net **£0.75bn investment** in the redevelopment of its Parklands area. Spending on these projects, which includes accelerating community and sports facilities on the Gold Coast, is expected to create **£13.8bn** to the local economy and up to 30,000 full-time jobs.

Meanwhile Melbourne is rumoured to be considering a bid for the **2028 Summer Olympics**. The only major venue that would need to be constructed would be a rowing and canoeing course.

New Zealand gained valuable expertise during the **2011 Rugby World Cup** however they may still require some external assistance as co-hosts the **2017 Rugby League World Cup** with Australia and Papua New Guinea.

Australia has a highly developed major events infrastructure; however there are indicators that the Queensland Government are reviewing internal capacity in relation to delivering the Gold Coast Games. This could create procurement opportunities for international bidders, in partnership with local firms.



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In general the outlook for **Scottish companies** and sports marketing/consulting firms sourcing work around major events in **Oceania is positive.**

Events Calendar Oceania

Year	Competition	Country
2017	Rugby League World Cup	Papua New Guinea
2017	Rugby League World Cup	New Zealand
2017	World Masters Games	New Zealand
2017	Rugby League World Cup	Australia
2018	Commonwealth Games	Australia
2019	South East Asian Games	Philippines
2020	ICC World Twenty20	Australia
2021	Women's Cricket World Cup	New Zealand

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