

SPORT SATELLITE ACCOUNTS: THE EUROPEAN PROJECT

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Abstract

It is widely recognised that sport is now a significant sector of economic activity. Terms such as the 'sports industry' or the 'sports business' are now used regularly at national and, increasingly, international level. What is less certain is what is meant by these terms. In some discussions, particularly in the United States, the sports business refers mainly to the major professional team sports that generate vast income through sponsorship, payments for broadcasting rights, and income from paying spectators. In the European context, the sport industry is much broader and encompasses businesses involved in supplying goods and services across the whole of sport including those for mass participation sport.

Many European countries first tried to estimate the economic importance of sport in the 1980s as part of a coordinated Council of Europe project (Jones 1989). However, in these studies, the overall definition of sport and the methodology used to estimate its importance varied from country to country which meant that it was not possible to make meaningful international comparisons.

On 11 July 2007, the European Commission adopted the White Paper on Sport, in which it announced that: 'The Commission, in close cooperation with the Member States, will seek to develop a European statistical method for measuring the economic impact of sport as a basis for national statistical accounts for sport, which could lead in time to a European satellite account for sport.'

Prior to this his announcement there was an initiative of the Austrian EU Presidency to develop a framework for sport satellite accounts and to establish an EU Working Group on Sport & Economics (WG). This paper delivers the results of this initiative for the UK by reporting the outcome of the first attempt to construct a UK Sport Satellite Account. The paper also provides comparisons with the other two European countries to have completed a satellite account for sport using the same methodology, Austria and Cyprus. Over the next year Poland, Germany,

and the Netherlands will produce their own sport satellite accounts following the same methodology allowing comparisons across 6 European countries. Hungary will also produce thier sport satellite account either in late 2012 or early 2013. Early in 2011, the EU Commission contracted a consortium, of which the present authors are part, to carry our a sports satellite account for the whole EU. This work is currently ongoing.

The Satellite Accounts illustrate a very detailed methodology for measuring the size of the economic activity generated by the industry they examine. This is done by preserving consistency with the national accounts, which make use of international nomenclatures. At the end, the SSAs integrate their findings in an input-output framework through industry-by-products Supply and Use Tables (SUTs). This is the approach followed for the production of the UK Sport Satellite Account, and for Austria and Cyprus.

The SSA will be consistent among European countries due to a consensus on the definition of the sport industry. This implies an agreement on which economic sectors, categories, and sub-categories are sport related. Also the methodology is consistent across countries. For the first time this research allows comparisons of the structure of the sport industry for different European countries.

References:

- Jones H (1989) The Economic Impact and Importance of Sport: A European Study. Strasbourg: Council of Europe.