



Department
for Culture
Media & Sport

2004-2008 Sport Satellite Account for the UK

Statistical Release

February 2015

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The Sport Satellite Accounts for the UK are Official Statistics and have been produced to the standards set out in the Code of Practice for Official Statistics

Executive Summary

1. A Satellite Account System is aimed at measuring the economic contribution of a specific industry which is not observable in National Accounts. This is because the industry does not correspond to a specific statistically delineated economic activity. Sport is one such area of economic activity.
2. On 11 July 2007, the European Commission adopted the White Paper on Sport, in which it announced that it would seek to develop a European statistical method for measuring the economic impact of sport. That method would be the construction of satellite accounts for sport in EU Member States which could, in time, lead to a European Satellite Account for Sport.
3. These initiatives have been coordinated by the EU Working Group on Sport and Economics which first met in September 2006 and has met nine times since, most recently in its new formation as the EU Expert Group on Sport Statistics. This Group established a common definition of sport (the 'Vilnius definition') where the preferred definition of sport is broad and includes all relevant parts of industries for which sport is an important input for their production processes.
4. The UK is one of several EU Member States that agreed to construct a satellite account for sport and, in January 2010, published the first results using 2004 data (DCMS, 2010). The second report (DCMS, 2011) included UK sport satellite accounts for 2005 and 2006 and also included a comparative analysis of the three EU countries that had attempted sport satellite accounts using the same methodology for the year 2004, namely Austria, Cyprus and the UK. This report presents the results for the UK covering the 2004 to 2008 period.
5. The sports economy is presented in terms of consumer spending, Gross Value Added (GVA) and employment figures.

6. In the UK, in current prices (not adjusted for inflation), there has been an increase in sport-related consumer spending from £23.6bn in 2004, to £25.5bn in 2007, and to £25.6bn in 2008. However, in constant (adjusted) prices, this represents a decrease of 1% over the period 2004 to 2008, caused by adverse economic circumstances related to housing market stagnation and the beginning of the recession. In 2008, the highest spending category was 'sports betting' (£3.1bn), followed by 'wearing apparel' (£3.0bn), 'telecommunications' (£2.7bn), 'hotels and restaurants' (£2.3bn) and 'health & fitness' (£2.0bn). In both 2007 and 2008, sport accounted for 3.0% of total consumer spending.

7. The UK's sports market increased significantly in terms of GVA. Between 2004 and 2008, the overall growth was 18% in current (non-adjusted) prices. This represented an increase of 2.8% in constant prices (adjusted for inflation). Overall, the size of GVA increased in value from £24.8bn in 2004, to £28.5bn in 2007, and to £29.3bn in 2008. In 2008, sport accounted for 2.3% of total GVA. Sport-related employment in the UK, starting from a position of 603,000 in 2004, increased to 671,000 in 2007 and fell back to 630,000 in 2008, under the influence of the recession. In 2008, sport accounted for 2.5% of total employment.

8. Over the examined five year period 2004-08, the small decline in the value of sport spending (in constant prices), did not negatively affect the value of sport in terms of employment and GVA. Despite the economic recession, sports-related employment as percentage of total employment increased marginally from 2.4% in 2004 to 2.5% in 2008 whereas the level of sports-related GVA, compared to the national figure, remained unchanged at 2.3%. Overall, over the period 2004-08, sports-related employment increased by 4%. It is anticipated that this will accelerate due to the influence of construction projects for the London 2012 Olympic and Paralympic Games.

1. Introduction

1.1 This report presents the value of the UK sport sector for the years 2004 to 2008. It also makes comparisons with other EU Member States that have produced a sport satellite account using the same definitions and methodology. Some figures presented in previous reports have been revised following corresponding classification revisions by the Office for National Statistics (ONS). The sport economy is presented in terms of consumer spending, Gross Value Added (GVA) and employment figures.

2. Definition of Sport

2.1 At the fourth EU workshop in Vilnius, consensus was reached on the definition of sport. This is referred to as '**the Vilnius definition of sport**'. After a scrutinised examination of the Classification of Economic Activities in the European Community (NACE), it was jointly decided which categories or sub-categories are fully or partly related to sports and the definition to which they belong. In the third meeting (May 2007), the Classification of Products by Activity 2002 (CPA 2002) was used. The CPA relates directly to the classification structure under NACE. Specifically, the first four digits are identical. Given the fact that the CPA is a highly segregated classification of products, its use can provide further guidance in identifying and estimating the sport-related element of every NACE category.

2.2 A satellite account system is specifically aimed at subjects, themes, or sectors of the economy, which are not observable in the traditional system of national accounts, because they do not correspond to a specific statistically delineated economic activity. In other words, a satellite account system is a robust statistical framework for measuring the economic contribution of a specific industry, such as the sport sector, within the national economy. The Vilnius definition of sport applied to the system of national accounts forms the basis for the Sport Satellite Account.

3. Sport-related consumer spending in the UK, 2004-2008

3.1 The detailed changes in sport-related consumer spending in the UK, in current prices, are illustrated in Table 1. There has been a gradual increase in spending from £23.6bn in 2004, to £23.9bn in 2005, and finally to £25.5bn and £25.6bn in 2007 and 2008 respectively. This represents an increase of 8% over the period 2004-2008 in current prices, but a decrease of 1% in constant prices. In 2008, the highest spending category was 'sports betting' at £3.1bn, followed by 'wearing apparel' (£3.0bn), 'telecommunications' (£2.7bn), 'hotel and restaurants' (£2.3bn) and 'health & fitness' (£2.0bn). A similar spending pattern can be observed in 2007. By cross tabulating the individual size of each sector and the rates of growth, it can be concluded that growth in the overall sport sector is driven by 'boats/aircraft', 'cycles', and 'wearing apparel'. Although sport gambling maintains a considerable presence, over time it is declining.

3.2 In the seventh column of Table 1 below, 2004 values are converted to volumes using 2008 prices. The price deflators are derived from the ONS publication, *Consumer Trends*. Volumes are derived by adjusting the value of expenditure within each industry by the change in the price for each specific industry. These volume indices show the change in the level of consumption. For example, in the case of 'wearing apparel', a value of £2.8bn becomes £2.2bn in volume terms (2008 prices) as clothing became cheaper over the period. The price index moved from 123 in 2004 to 100 in 2008 (*Consumer Trends* code: AWLY) so the volume is: $2.763 \times 100 / 123$.

3.3 During the 2004-08 period, there was a reduction of the total sports market in real terms by 1%, largely because of weaker economic circumstances. The most important decline (following the cross-tabulation of 3.1) was in 'sports betting' which suffered a 21% reduction in real terms from 2004 to 2008. The traditional formats of the betting sector are in long term decline; however growth comes from new online digital forms that have developed in the market. Significant declines were also registered for 'spectator sports' (-19%), 'travel agencies' (-32%), 'land transport' (-26%) and 'machinery/weapons' (-22%).

TABLE 1: SPORT-RELATED CONSUMER SPENDING IN THE UK, 2004-2008*

| Consumer spending | 2004 £m | 2005 £m | 2006 £m | 2007 £m | 2008 £m | 2004 Volume £m | 2004-8 Volume % change |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|----------------------|------------------------------|
| Food/drinks | 239 | 261 | 286 | 344 | 342 | 283 | 20.9 |
| Textiles | 434 | 452 | 538 | 592 | 552 | 423 | 30.6 |
| Wearing apparel | 2,763 | 2,658 | 2,729 | 2,962 | 3,011 | 2246 | 34.0 |
| Leather/footwear | 1,371 | 1,372 | 1,382 | 1,418 | 1,464 | 1191 | 22.9 |
| Publishing and printing | 876 | 848 | 820 | 862 | 875 | 1007 | -13.1 |
| Coke, petroleum | 246 | 248 | 248 | 299 | 329 | 560 | -41.3 |
| Pharmaceuticals | 158 | 164 | 170 | 180 | 192 | 159 | 20.8 |
| Various metal products | 2 | 1 | 1 | 2 | 2 | 2 | -10.0 |
| Machinery/weapons | 15 | 15 | 15 | 14 | 13 | 17 | -22.0 |
| Optical instruments | 23 | 22 | 24 | 25 | 26 | 8 | 219.9 |
| Motor vehicles | 82 | 84 | 83 | 139 | 159 | 80 | 98.9 |
| Boats/Aircraft | 897 | 1042 | 1066 | 1181 | 1202 | 933 | 28.8 |
| Cycles | 740 | 788 | 774 | 805 | 900 | 731 | 23.1 |
| Sport goods | 1676 | 1736 | 1748 | 1731 | 1720 | 1566 | 9.8 |
| Hotels and restaurants | 2,067 | 2,051 | 2,045 | 2,291 | 2,331 | 2401 | -2.9 |
| Land transport | 89 | 83 | 77 | 84 | 79 | 107 | -25.9 |
| Water transport | 3 | 3 | 3 | 3 | 3 | 3 | -11.1 |
| Air transport | 115 | 108 | 102 | 111 | 108 | 122 | -11.6 |
| Travel agencies | 64 | 74 | 57 | 63 | 56 | 82 | -31.6 |
| Telecommunications | 2,335 | 2,354 | 2,626 | 2,601 | 2,723 | 2653 | 2.6 |
| Insurance | 46 | 43 | 106 | 112 | 103 | 56 | 84.7 |
| Renting of Machinery/equipment | 102 | 89 | 98 | 102 | 106 | 118 | -10.4 |
| Education | 173 | 184 | 231 | 246 | 249 | 247 | 0.9 |
| Health and vet services | 176 | 216 | 214 | 256 | 229 | 181 | 26.2 |
| Sporting activities | | | | | | | |
| <i>Dance schools</i> | 133 | 215 | 236 | 240 | 242 | 160 | 51.0 |
| <i>Spectator sports</i> | 756 | 720 | 710 | 782 | 742 | 911 | -18.5 |
| <i>Health and fitness</i> | 1980 | 2015 | 2048 | 2130 | 2021 | 2386 | -15.3 |
| <i>Other participant sports</i> | 1720 | 1655 | 1702 | 1695 | 1638 | 2072 | -21.0 |
| <i>Sports betting</i> | 3318 | 3391 | 2828 | 3117 | 3069 | 3858 | -20.5 |
| <i>Boat renting</i> | 100 | 107 | 114 | 112 | 112 | 120 | -7.0 |
| <i>Massage, fitness</i> | 871 | 913 | 950 | 966 | 975 | 1049 | -7.1 |
| Other | 3 | 3 | 3 | 3 | 3 | 3 | -14.0 |
| TOTAL | 23,571 | 23,913 | 24,034 | 25,468 | 25,576 | 25,738 | -1.0 |

*The percentage changes are calculated from non-rounded figures.

By contrast, some sectors did show strong growth: 'dance schools' (51%), 'motor vehicles' (99%), 'health and vet services' (26%), 'textiles' (31%), 'insurance' (85%), and 'food/drinks' (21%).

4. Sport-related Gross Value Added in the UK, 2004-2008

4.1 The sports market increased significantly in terms of GVA. Between 2004 and 2008, the overall growth was 18% in current prices. The size of GVA increased from £24.8bn in 2004, to £28.5bn in 2007, and finally to £29.3bn in 2008. The greatest GVA growth rate was in the construction industry, primarily driven by the London 2012 Olympic and Paralympic Games. This sector more than trebled in constant prices over the examined period. Pharmaceuticals and Financial intermediation follow, with growth rates of 126% and 93% in constant prices respectively, in the years 2004-08. It should be noted that this trend is not related directly to consumer spending, as we do not have consumer spending on sport financial services or sports construction. Financial intermediation is defined in the Input-Output Tables (categories 100-114) and includes activities such as legal services, market research, and accounting services.

4.2 In the seventh column of Table 2 below, values are converted to volumes (2008=100) using, where possible, indices from the *Producer Price Index Bulletins* and the *Services Producer Price Index* (both ONS). As in the case of consumer spending, each market is associated with its own index. This indicates that despite the reduction of sport-related consumer spending in real terms, sport-related GVA during the period 2004-08 grew in current prices by 2.8%, driven by the Games-related growth of the construction sector. The sports industry price indices increased less than general price inflation over this period. By applying a cross tabulation of sport-sector-size and growth rates, we can conclude that the sport industry is driven, in terms of GVA, by Telecommunications, Advertising/business activities and Construction.

TABLE 2: SPORT-RELATED GROSS VALUE ADDED IN THE UK, 2004-2008

| GVA | 2004 £m | 2005 £m | 2006 £m | 2007 £m | 2008 £m | 2004 £m volume | 2004-8 Volume % change |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------------------|---------------------------------------|
| Agriculture | 392 | 278 | 287 | 291 | 308 | 535.2 | -42.5 |
| Food/drinks | 94 | 101 | 113 | 115 | 114 | 111.4 | 2.4 |
| Textiles | 114 | 114 | 123 | 131 | 134 | 121.6 | 10.2 |
| Wearing apparel | 112 | 104 | 111 | 109 | 96 | 115.0 | -16.5 |
| Leather/footwear | 9 | 9 | 10 | 10 | 9 | 9.4 | -4.7 |
| Publishing and printing | 369 | 352 | 356 | 353 | 356 | 367.2 | -3.0 |
| Coke, petroleum | 39 | 33 | 26 | 24 | 19 | 58.0 | -67.2 |
| Pharmaceuticals | 42 | 51 | 60 | 73 | 96 | 42.4 | 126.4 |
| Rubber products | 3 | 3 | 3 | 3 | 3 | 3.4 | -11.6 |
| Various metal products | 2 | 1 | 1 | 1 | 1 | 2.4 | -57.6 |
| Machinery/weapons | 21 | 24 | 27 | 27 | 29 | 23.5 | 23.3 |
| Optical instruments | 34 | 32 | 35 | 37 | 37 | 31.2 | 18.5 |
| Motor vehicles | 39 | 40 | 40 | 37 | 28 | 41.2 | -32.1 |
| Boats/Aircraft | 576 | 569 | 734 | 775 | 790 | 699.8 | 12.9 |
| Cycles | 46 | 43 | 50 | 51 | 47 | 47.4 | -0.8 |
| Sport goods | 214 | 271 | 237 | 261 | 258 | 259.4 | -0.6 |
| Construction | 153 | 161 | 171 | 338 | 635.35 | 165.4 | 284.2 |
| Maintenance of motor vehicles | 56 | 62 | 65 | 64 | 56 | 58.9 | -4.9 |
| Wholesale | 334 | 372 | 389 | 411 | 392 | 348.3 | 12.5 |
| Retail | 1121 | 1140 | 1191 | 1250 | 1346 | 1208.7 | 11.4 |
| Hotels and restaurants | 489 | 526 | 548 | 572 | 590 | 529.1 | 11.5 |
| Land transport | 115 | 104 | 96 | 104 | 107 | 133.4 | -19.8 |
| Water transport | 2 | 2 | 1 | 1 | 2 | 2.1 | -2.8 |
| Air transport | 55 | 49 | 45 | 47 | 48 | 64.7 | -25.8 |
| Travel agencies | 627 | 694 | 540 | 537 | 481 | 660.4 | -27.2 |
| Telecommunications | 2136 | 2247 | 2473 | 2572 | 2,604 | 1834.6 | 41.9 |
| Financial intermediation | 442 | 502 | 641 | 689 | 895 | 463.3 | 93.2 |
| Insurance | 33 | 31 | 37 | 42 | 30 | 39.5 | -24.1 |
| Renting of Machinery and equipment | 97 | 100 | 103 | 112 | 106 | 104.1 | 1.9 |
| Research and development | 27 | 29 | 32 | 30 | 27 | 28.5 | -5.3 |
| Advertising, business activities | 907 | 962 | 1089 | 1117 | 1212 | 950.8 | 27.5 |
| Administration | 30 | 32 | 34 | 35 | 35 | 31.4 | 11.3 |
| Education | 1088 | 1200 | 1493 | 1577 | 1651 | 1346.6 | 22.6 |
| Health and vet services | 58 | 71 | 69 | 78 | 77 | 60.0 | 28.3 |
| Sporting activities | 14845 | 15943 | 16274 | 16555 | 16566 | 17885.5 | -7.4 |
| Other | 74 | 83 | 83 | 83 | 92 | 82.3 | 11.7 |
| TOTAL | 24,794 | 26,335 | 27,587 | 28,512 | 29,277 | 28,466 | 2.8 |

TABLE 3: SPORT RELATED EMPLOYMENT IN THE UK, 2004-2008

| Employment | 2004 000s | 2005 000s | 2006 000s | 2007 000s | 2008 000s | change % |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Agriculture | 7.86 | 8.05 | 8.29 | 8.01 | 8.76 | 11 |
| Food/drinks | 1.57 | 1.67 | 1.65 | 2.46 | 2.28 | 45 |
| Textiles | 4.38 | 4.11 | 3.85 | 4.17 | 4.11 | -6 |
| Wearing apparel | 4.09 | 3.37 | 3.1 | 2.74 | 2.50 | -39 |
| Leather/footwear | 0.32 | 0.29 | 0.32 | 0.32 | 0.33 | 2 |
| Publishing and printing | 8.02 | 7.47 | 7.14 | 8.28 | 7.62 | -5 |
| Coke, petroleum | 0.41 | 0.37 | 0.27 | 0.27 | 0.26 | -38 |
| Pharmaceuticals | 0.62 | 0.64 | 0.68 | 1.14 | 1.18 | 91 |
| Rubber products | 0.07 | 0.07 | 0.08 | 0.10 | 0.09 | 33 |
| Various metal products | 0.05 | 0.03 | 0.04 | 0.04 | 0.04 | -27 |
| Machinery/weapons | 0.52 | 0.53 | 0.57 | 0.58 | 0.61 | 17 |
| Optical instruments | 0.72 | 0.69 | 0.67 | 0.83 | 0.77 | 7 |
| Motor vehicles | 1.01 | 0.96 | 0.91 | 0.99 | 0.88 | -13 |
| Boats/Aircraft | 16.04 | 17.84 | 18.84 | 21.75 | 21.22 | 32 |
| Cycles | 1 | 0.88 | 0.83 | 1.62 | 1.55 | 55 |
| Sport goods | 6.11 | 5.95 | 6.79 | 6.73 | 6.84 | 12 |
| Construction | 3.11 | 3.2 | 3.21 | 5.80 | 10.48 | 237 |
| Maintenance of motor vehicles | 1.53 | 1.57 | 1.53 | 2.03 | 1.99 | 30 |
| Wholesale | 7.64 | 7.84 | 7.67 | 8.23 | 6.53 | -14 |
| Retail | 25.67 | 23.99 | 23.45 | 31.34 | 27.77 | 8 |
| Hotels and restaurants | 29.49 | 30.64 | 30.86 | 31.66 | 31.24 | 6 |
| Land transport | 3.16 | 2.79 | 2.42 | 2.96 | 2.90 | -8 |
| Water transport | 0.02 | 0.02 | 0.02 | 0.04 | 0.05 | 133 |
| Air transport | 0.81 | 0.74 | 0.67 | 0.78 | 0.75 | -8 |
| Travel agencies | 14.73 | 15.74 | 11.29 | 14.86 | 13.99 | -5 |
| Telecommunications | 33.4 | 34.77 | 36.18 | 37.76 | 33.15 | -1 |
| Financial intermediation | 6.2 | 6.51 | 7.27 | 7.63 | 6.87 | 11 |
| Insurance | 0.4 | 0.46 | 0.47 | 0.50 | 0.43 | 8 |
| Renting of Machinery and equipment | 2.57 | 2.54 | 2.58 | 2.17 | 1.98 | -23 |
| Research and development | 0.59 | 0.63 | 0.63 | 0.71 | 0.69 | 18 |
| Advertising, business activities | 25.74 | 26.42 | 26.59 | 26.57 | 25.64 | 0 |
| Administration | 0.64 | 0.68 | 0.7 | 0.97 | 0.96 | 50 |
| Education | 56.14 | 60.57 | 72.71 | 74.02 | 74.46 | 33 |
| Health and vet services | 1.72 | 2.06 | 2.04 | 2.66 | 2.53 | 47 |
| Sporting activities | 334.23 | 350.65 | 354.1 | 357.74 | 325.65 | -3 |
| Other | 2.27 | 2.34 | 2.08 | 2.36 | 2.44 | 7 |
| TOTAL | 602.85 | 627.08 | 640.5 | 670.83 | 629.53 | 4 |

5. Sport-related Employment in the UK, 2004-2008

5.1 As in the case of GVA, sport-related employment fared much better than consumer spending, increasing by 4% over the period 2004-2008. Sport-related employment, starting from a position of 603,000 in 2004, increased to 671,000 in 2007 and to 630,000 in 2008 (see Table 3). As in the case of GVA, construction shows the greatest rate of growth, driven by the London 2012 Olympic and Paralympic Games. Sport related employment in construction increased by 2,600 and 4,700 in 2007 and 2008 respectively, driven by preparations for the Games. This acts as a stimulus in the market outside the normal economic cycle. Given that the multipliers are more effective during an economic downturn, this is expected to have a real effect on the economy as a whole. Overall, following a ranked cross-tabulation of growth rates against employment size, the sport industry, in terms of employment, is driven by construction (237% growth in the period 2004-08), education (33%), and boats/aircraft (32%).

6. Value of sport in the UK

6.1 Table 4 below compares the position of the UK's sports market during the years 2004 to 2008. The main conclusion is that the small decline in the value of sport spending did not affect negatively the value of sport in terms of employment and GVA. The development of sports construction compensated for the negative effect of recession and as a result, we have an overall increase in GVA (in constant prices) and employment over the examined period. Sports-related employment as a percentage of total employment increased marginally from 2.4% in 2004 to 2.5% in 2008; the level of sports-related GVA compared to the national figure, remained unchanged at 2.3%. We expect the market to grow much more in the coming years, especially in 2010 when the end of the recession is combined with the peak of preparations for the London 2012 Olympic and Paralympic Games.

TABLE 4: VALUE OF SPORT IN THE UK, 2004-2008

| | 2004 | 2007 | 2008 |
|------------------------------------|--------|--------|--------|
| Sport related GVA, £m | 24,794 | 28,512 | 29,277 |
| as % of total GVA | 2.30% | 2.30% | 2.30% |
| | | | |
| Sport related consumer spending £m | 23,571 | 25,468 | 25,576 |
| as % of total spending | 3.20% | 3.00% | 3.00% |
| | | | |
| Sport related employment, 000s | 602.8 | 670.8 | 629.5 |
| as % of total employment | 2.40% | 2.60% | 2.50% |

Note that the total number of people employed in the UK is taken from the *Labour Force Survey* and is calculated using full time equivalents. Finally, the GVA total is taken from the Input-Output Tables and the consumer spending total from the publication *Consumer Trends*.

7. Comparisons with other EU Member States

7.1 Six countries, Austria (AT), Cyprus (CY), the Netherlands (NL), Poland (PL) Germany and the UK, have produced sport satellite account reports with the Germany being the latest, releasing its sport satellite account in 2013. All countries have used the same Vilnius Definition of Sport and the same methodology to produce the sport satellite account. At the time of writing, Lithuania is expected to produce a sport satellite account report shortly.

7.2 The tables below compare consumer spending, Gross Value Added and employment across the five countries for which we currently have sport satellite account reports. The figures in the tables below are direct effects only. All data relate to 2006 other than for Austria (2005) and Cyprus (2004).

TABLE 5: CONSUMER EXPENDITURE

| Consumer Expenditure | AT | CY | NL | PL | UK |
|----------------------|--------|--------|--------|--------|---------|
| Sport-related | €4.9bn | €0.3bn | €6.8bn | €3.5bn | €43.9bn |
| % of total | 3.6% | 3.7% | 1.3% | 2.1% | 2.9% |

TABLE 5: GROSS VALUE ADDED AT MARKET PRICES

| Gross Value Added | AT | CY | NL | PL | UK |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Sport-related | €10.7bn | €0.3bn | €4.7bn | €5.3bn | €49.8bn |
| % of total | 4.9% | 2.4% | 1.0% | 2.0% | 2.3% |

TABLE 5: EMPLOYMENT IN NUMBER OF JOBS

| Employment | AT | CY | NL | PL | UK |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Sport-related | 242,968 | 7,600 | 130,000 | 290,500 | 632,400 |
| % of total | 6.4% | 2.2% | 1.5% | 2.0% | 2.5% |

7.3 The figures show a fairly consistent pattern. For all countries other than Austria, the sport-related percentage of consumer expenditure is higher than the sport-related percentage of Gross Value Added. This is because in all countries the major suppliers of sports shoes and sports clothing have their products manufactured in China or other Asian countries. Thus any expenditure on such products in European countries represents imports. In the UK, consumer expenditure on sports clothing accounts for 11.7% of total sport-related consumer spending contrasting with Gross Value Added and employment percentages of 0.4% and 0.7% correspondingly.

7.4 For all countries other than Cyprus, the percentage of total employment that is sport-related is higher than the percentage of Gross Value Added that is sport-related. This is because most of the employment in sport is in service industries that are labour intensive, again because most of the manufacturing sector of the sport industry lies outside Europe.

7.5 Austria stands out as the exception in these comparisons with by far the highest sport-related percentage of both Gross Value Added and employment. Over six per cent of Austria's total employment is sport-related. The main reason for this is the importance of Austria's winter sport tourism industry, in particular the ski industry. Austria's geographical position, a country of 8.5 million people bordering the largest economy in the European Union, Germany with over 80 million people, together with the natural resource

advantages of the Austrian Alps, give Austria a huge competitive advantage in the winter sport tourism market.

7.6 Despite this, the UK has by far the largest absolute value for sport-related consumer expenditure, Gross Value Added, and employment. The reason for this is that the UK is a much larger economy than the compared economies in the tables above.

8. Appendix

 INPUT-OUTPUT v SIC(03)/NACE CATEGORIES¹

| | 123 | Industry Product Groups | SIC (03) | |
|----------------------|----------|---|---|-----------------------|
| Agriculture | 1 | Agriculture, hunting and related service Activities | 1 | |
| | 2 | Forestry, logging and related service activities | 2 | |
| | 3 | Fishing, fish farming and related service activities | 5 | |
| Mining and quarrying | 4 | Mining of coal and lignite; extraction of peat | 10 | |
| | 5 | Extraction of crude petroleum and natural gas; service activities incidental to oil and gas ... | 11+12 | |
| | 6 | Mining of metal ores | 13 | |
| | 7 | Other mining and quarrying | 14 | |
| Manufacturing | 8 | Production, processing and preserving of meat and meat products | 15.1 | |
| | 9 | Processing and preserving of fish and fish products; fruit and vegetables | 15.2+15.3 | |
| | 10 | Vegetable and animal oils and fats | 15.4 | |
| | 11 | Dairy products | 15.5 | |
| | 12 | Grain mill products, starches and starch products | 15.6 | |
| | 13 | Prepared animal feeds | 15.7 | |
| | 14 | Bread, rusks and biscuits; pastry goods and cakes | 15.81+15.82 | |
| | 15 | Sugar | 15.83 | |
| | 16 | Cocoa; Chocolate and sugar confectionary | 15.84 | |
| | | 17 | Other food products | 15.85 to 15.89 |
| | | 18 | Alcoholic beverages - alcohol and malt | 15.91 to 15.97 |
| | | 19 | Production of mineral waters and soft drinks | 15.98 |
| | | 20 | Tobacco products | 16 |
| | | 21 | Preparation and spinning of textile fibres | 17.1 |
| | | 22 | Textile waving | 17.2 |
| | | 23 | Finishing of textiles | 17.3 |
| | | 24 | Made-up textile articles, except apparel | 17.4 |
| | | 25 | Carpets and rugs | 17.51 |
| | | 26 | Other textiles | 17.52 to 17.54 |
| | | 27 | Knitted and crocheted fabrics and articles | 17.6+17.7 |
| | | 28 | Wearing apparel; dressing and dyeing of fur | 18 |
| | | 29 | Tanning and dressing of leather; luggage, handbags, saddlery and harness | 19.1+19.2 |
| | | 30 | Footwear | 19.3 |
| | | 31 | Wood and wood products, except furniture | 20 |
| | | 32 | Pulp, paper and paperboard | 21.1 |
| | | 33 | Articles of papers and paperboard | 21.2 |
| | | 34 | Publishing, printing and reproduction of recorded media | 22 |
| | | 35 | Coke, refined petroleum products and nuclear fuel | 23 |
| | | 36 | Industrial gases, dyes and pigments | 24.11+24.12 |
| | | 37 | Other inorganic basic chemicals | 24.13 |
| | | 38 | Other organic basic chemicals | 24.14 |

¹ Categories with sports element are in bold.

| | | |
|-----------|---|-----------------------|
| 39 | Fertilisers and nitrogen compounds | 24.15 |
| 40 | Plastics and synthetic rubber in primary forms | 24.16+24.17 |
| 41 | Pesticides and other agro-chemical products | 24.2 |
| 42 | Paints, varnishes and similar coatings, printing ink and mastics | 24.3 |
| 43 | Pharmaceuticals, medicinal chemicals and botanical products | 24.4 |
| 44 | Soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations | 24.5 |
| 45 | Other chemical products | 24.6 |
| 46 | Man-made fibres | 24.7 |
| 47 | Rubber products | 25.1 |
| 48 | Plastic products | 25.2 |
| 49 | Glass and glass products | 26.1 |
| 50 | Ceramic goods | 26.2+26.3 |
| 51 | Bricks, tiles and construction products in baked clay | 26.4 |
| 52 | Cement, lime and plaster | 26.5 |
| 53 | Articles of concrete plaster and cement; cutting, shaping and finishing of stone; manufacture ... | 26.6 to 26.8 |
| 54 | Basic Iron and steel and of ferro-alloys; manufacture of tubes and other first processing of iron ... | 27.1 to 27.3 |
| 55 | Basic precious and non-ferrous metals | 27.4 |
| 56 | Casting of metals | 27.5 |
| 57 | Structural metal products | 28.1 |
| 58 | Tanks, reservoirs and containers of metal; central heating radiators and boilers; steam ... | 28.2+28.3 |
| 59 | Forging, pressing, stamping and roll forming of metal; powder metallurgy; treatment and ... | 28.4+28.5 |
| 60 | Cutlery, tools and general hardware | 28.6 |
| 61 | Other fabricated metal products | 28.7 |
| 62 | Machinery for the production and use of mechanical power; except aircraft, vehicle and cycle ... | 29.1 |
| 63 | Other general purpose machinery | 29.2 |
| 64 | Agricultural and forestry machinery | 29.3 |
| 65 | Machine tools | 29.4 |
| 66 | Other special purpose machinery | 29.5 |
| 67 | Weapons and ammunition | 29.6 |
| 68 | Domestic appliances not elsewhere classified | 29.7 |
| 69 | Office machinery and computers | 30 |
| 70 | Electric motors, generators and transformers; manufacture of electricity distribution and ... | 31.1+31.2 |
| 71 | Insulated wire and cable | 31.3 |
| 72 | Electrical equipment not elsewhere classified | 31.4 to 31.6 |
| 73 | Electronic valves and tubes and other electronic components | 32.1 |
| 74 | Television and radio transmitters and apparatus for line telephony and line telegraphy | 32.2 |
| 75 | Television and radio receivers, sound or video recording or reproducing apparatus and ... | 32.3 |
| 76 | Medical, precision and optical instruments, watches and clocks | 33 |
| 77 | Motor vehicles, trailers and semi-trailers | 34 |
| 78 | Building and repairing of ships and boats | 35.1 |
| 79 | Other transport equipment | 35.2+35.4+35.5 |
| 80 | Aircraft and spacecraft | 35.3 |
| 81 | Furniture | 36.1 |
| 82 | Jewellery and related articles; musical instruments | 36.2+36.3 |
| 83 | Sports goods, games and toys | 36.4+36.5 |

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| | 84 | Miscellaneous manufacturing not elsewhere classified; recycling | 36.6+37 |
| Electricity, gas and water supply | 85 | Production, transmission and distribution of electricity | 40.1 |
| | 86 | Gas; distribution of gaseous fuels through mains; steam and hot water supply | 40.2+40.3 |
| | 87 | Collection, purification and distribution of water | 41 |
| Construction | 88 | Construction | 45 |
| Wholesale and retail trade | 89 | Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel | 50 |
| | 90 | Wholesale trade and commission trade, except of motor vehicles and motorcycles | 51 |
| | 91 | Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods | 52 |
| | 92 | Hotels and restaurants | 55 |
| Transport and communication | 93 | Transport via railways | 60.1 |
| | 94 | Other land transport; transport via pipelines | 60.2+60.3 |
| | 95 | Water transport | 61 |
| | 96 | Air transport | 62 |
| | 97 | Supporting and auxiliary transport activities; activities of travel agencies | 63 |
| | 98 | Post and courier activities | 64.1 |
| | 99 | Telecommunications | 64.2 |
| Financial Intermediation | 100 | Financial intermediation, except insurance and pension funding | 65 |
| | 101 | Insurance and pension funding, except compulsory social security | 66 |
| | 102 | Activities auxiliary to financial intermediation | 67 |
| | 103 | Real estate activities with own property; letting of own property, except dwellings | 70.1+70.2(pt) |
| | 104 | Letting of dwellings, including imputed rent | 70.2(pt) |
| | 105 | Real estate activities on a fee or contract basis | 70.3 |
| | 106 | Renting of machinery and equipment without operator and of personal and household goods | 71 |
| | 107 | Computer and related activities | 72 |
| | 108 | Research and development | 73 |
| | 109 | Legal activities | 74.11 |
| | 110 | Accounting, book-keeping and auditing activities; tax consultancy | 74.12 |
| | 111 | Market research and public opinion polling; business / management consultancy activities; ... | 74.13 to 74.15 |
| | 112 | Architectural and engineering activities and related technical consultancy; technical testing and ... | 74.2+74.3 |
| | 113 | Advertising | 74.4 |
| 114 | Other business services | 74.5 to 74.8 | |
| Public administration | 115 | Public administration and defence; compulsory social security | 75 |
| Education, health and social work | 116 | Education | 80 |
| | 117 | Human health and veterinary activities | 85.1+85.2 |
| | 118 | Social work activities | 85.3 |
| Other services | 119 | Sewage and refuse disposal, sanitation and similar activities | 90 |
| | 120 | Activities of membership organisations not elsewhere classified | 91 |
| | 121 | Recreational, cultural and sporting activities | 92 |
| | 122 | Other Service Activities | 93 |
| | 123 | Private households employing staff and undifferentiated production activities of households ... | 95 to 97 |