

World Cup Set to Bring in More Than \$4bn

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Is the World Cup, Fifa's cash cow, losing its lustre? FIFA's global showpiece is set to open against a backdrop of street protests, corruption claims, deaths of construction workers and the rise of national and international club competitions:

But Sportcal, the sports market intelligence company, reveals in the latest issue of its magazine Sportcal Insight that the Brazil World Cup will gross over \$4 billion. With Russia 2018 projected to smash through the \$5-billion revenues barrier, it seems that despite the negativity surrounding FIFA, its financial status remains rosy, for now at least.

When the event is now so lucrative, is it any wonder that the World Cup is becoming a by-word for corruption allegations? Brazil 2014 will significantly boost the coffers of FIFA. In 2013 alone, FIFA posted revenues of \$1.386 billion, compared with \$1.166 billion in the previous year. Profits for the year totalled \$72 million.

As Nick Harris, the award-winning journalist and analyst specialising in the business and finance of sport, puts it in his commentary on Sportcal's research: "The World Cup remains, in every sense, box office; dramatic, sensational, controversial, aspirational. And serious business, on and off the pitch. For all the rise of other events and competitions, notably England's Premier League and Uefa's Champions League, the World Cup too keeps getting bigger. And when it's been gargantuan for years anyway, that is impressive."

Scheduled for 12 June to 13 July and involving 32 teams, 64 matches and 12 host cities, many Brazilians doubt whether the country's \$11-billion investment in the World Cup can be recouped. Despite Sepp Blatter repeatedly calling Brazil the 'home of football' the delays in completing venues and other facilities have created a sense of World Cup pessimism. A recent survey conducted by Sao Paulo-based Datafolha showed that fewer than half of the population still wanted the country to host the event. 55% of those surveyed believed the World Cup will be more harmful than helpful to Brazil.

FIFA has denied that it is taking money away from Brazil in staging the tournament there, with Jerome Valcke, FIFA's general secretary, saying: "FIFA is not asking for any financial support from the Brazilian authorities and whatever is spent by the cities and by the government will remain within the country. It is in the infrastructure [and other] things which will be used by the country and will not be taken away by FIFA when we fly away from Brazil on the 14th of July, after the final."

There seems to be no stopping the World Cup juggernaut despite mounting allegations of corruption surrounding the 2018 and 2022 bids. In an increasingly fragmented media landscape, the World Cup has the almost unique power to unite a nation in front of the television and attract mass audiences across the globe. 46% of the world's population will watch the 2014 World Cup. Broadcast rights sales alone are set to rise to between \$2.5 billion and \$2.7 billion across this World Cup cycle.

Ticket sales are also soaring. Ahead of the final ticket sales phase, 2.6 million had already been allocated. FIFA has also revamped its sponsorship structure for the 2018 and 2022 tournaments, with the six 'national supporters' to be replaced by up to 20 'regional supporters' from different territories. FIFA expects this to lift income by as much as 30%.

Despite the negative publicity surrounding the bidding process, there is no doubt that FIFA's World Cup remains, in every sense, dramatic, sensational, controversial and aspirational. It is seriously big business, both on and off the pitch

Notes to Editors

About Sportcal

Sportcal is the most comprehensive provider of sports market intelligence worldwide. It is the essential resource for anyone in the business of sport. Sportcal has been at the forefront of sports market news, data, analysis and insight for over 22 years. The product suite includes; News, Calendar, Directory, Media, Sponsorship, Events and Bidding. Sportcal also publishes a bi-monthly magazine, Sportcal Insight.

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