

THE ECONOMIC IMPACT AND SOCIAL UTILITY OF THE 2007 RUGBY WORLD CUP IN FRANCE



Study conducted for the Ministry of Youth, Sport and the Voluntary Sector
by the Centre for the Law and Economics of Sport

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Preface

This document is an overview of the 300-page final report on the study commissioned. It summarises the methodological bases and the principal results of the study.

As an aid to comprehension, some of the terms used are defined in a Glossary at the foot of the page in which the term first appears.

The 6th Rugby World Cup organised by France in autumn 2007, was a success:

- a popular and media success, as gauged from the number of spectators and TV viewers and the unprecedented media coverage, which far exceeded the confines of the specialised sports press to gain the pages of the popular press, women's and young people's magazines,

- a sporting success, even if the French team failed to achieve the result the entire country was hoping for, but a true sporting success which saw South Africa take front stage, and the "small teams" of planet rugby emerge to lend pep to the competition,

- a festival in celebration of rugby, as high in quality as in comradeship and commitment, with all the values of the sport visibly on display and shared in the events both on and off the field,

- mobilisation of the organisation committee, the State, the sports movement, the local authorities and all the private partners in support of the event, to build it into a huge international celebration. Each actor has gladly recognised the quality of the organisation and the safety ensured, unanimously acknowledged in both the French and international media, and

- lastly, a financial success too, as the organisation committee delivered a positive result of close on €35 million, a profit devolved to the French Rugby Federation (FFR) where it will be used to develop the discipline, to welcome and nurture the 35% more licensed players who had joined its ranks as at 1st June 2008.

So once again, France has demonstrated its capability in organising an event of this magnitude and to make a sporting, popular and financial success of it.

But for that success to be complete in the eyes of the many public and private actors who invested in it, the event had also to generate positive economic effects.

This raised the question of how to measure the economic impact of the rugby world cup, to obtain more than a mere intuitive evaluation.

Such legitimate concern for measuring the economic impact of the event, based on reliable evaluation techniques and studies on the effects of a major sporting event; arose from the start of the dossier, in line with the "information report" remitted by the delegation of the National Assembly for the European Union on the organisation and financing of sports in Europe, or the Economic and Social Council's report on "Sport at the service of social life".

A symposium was therefore held in 2005 at Montpellier, broaching the issue of the economic effects of the rugby world cup, while in June 2006, the organisation committee commissioned the ESSEC to conduct a study on “the economic impact of the world cup” presented in May 2007. Prospectively oriented, this work assessed a potential for economic outfall and suggested paths for transforming it into reality.

To obtain a complete view of the event, the Ministry of Sport, liaising with the inter-ministerial department for the rugby world cup, wanted to measure, a posteriori, not just the economic impact of the event and the extent of its knock-on effects on the national and regional economies, but also its social utility. In other words, it sought an evaluation of the satisfaction perceived by the population (entertainment, galvanisation, economic impulsion, improved social cohesion, image and structuring of the territories, development of rugby, and so on) as compared with the costs it had to bear (facilities, organisation costs, nuisances of all kinds...).

The Centre for the Law and Economics of Sport (CDES) of the University of Limoges was selected to carry out the study, after first producing a rigorous methodological guideline tool that met the requirement for production of reliable economic and social data.

A national steering committee was tasked with ensuring coordinated methodological rigour throughout the project and maintaining its overall coherence.

Once the methodological tool had been completed, the study proceeded in 2 phases:

- satisfaction surveys in the 8 rugby world cup host regions, during and immediately following the event. These were conducted with the collaboration of the relevant regional departments for youth and sports, and with the participation of private operators, among them the Chambers of Commerce and Industry,
- synthesis and aggregation of the territorial evaluations, and global approach to the impact of the event.

So this is the ground covered in the presentation before you today, whose positive results complete the success observed above.

I wish to thank all the people who played a part alongside the ministry in contributing to this work, the first of its type undertaken in France, and helping it through to completion.

Bernard Laporte
Secretary of State for Sport, Youth and the Voluntary Sector



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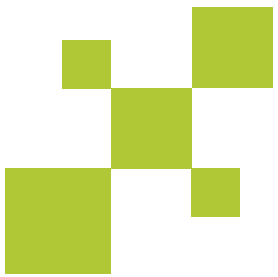
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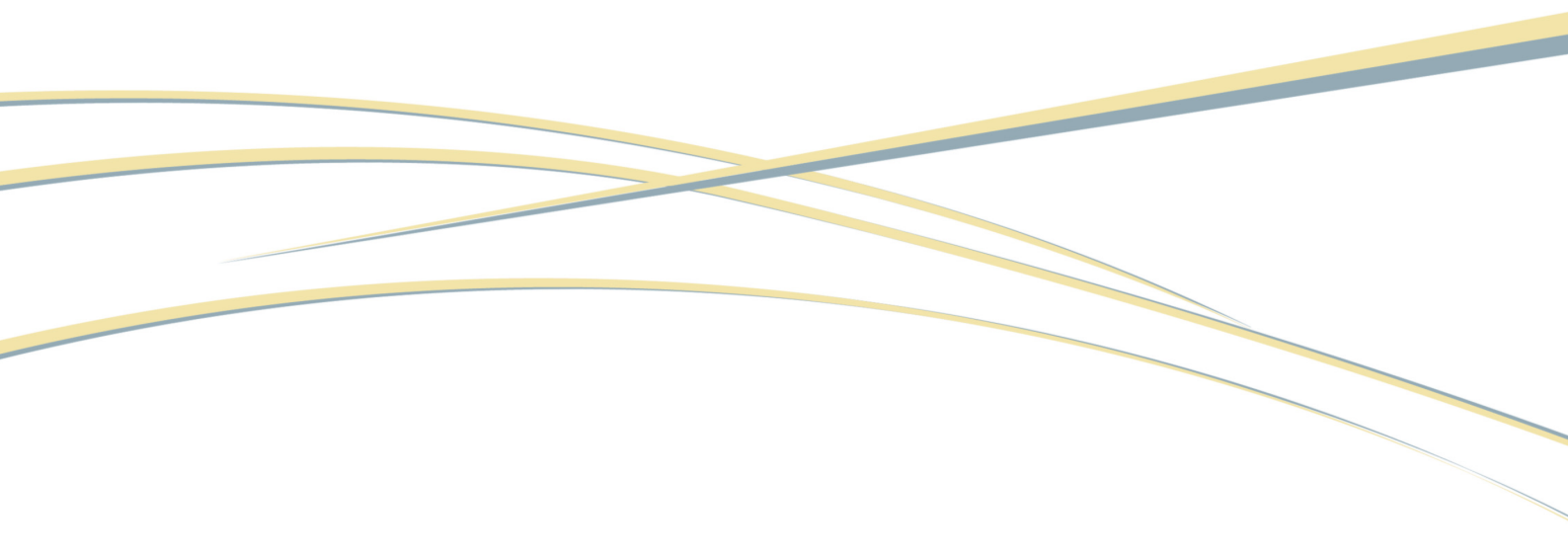
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1.THE OVERALL ISSUE







1. THE OVERALL ISSUE

THE STAKES OF THE RUGBY WORLD CUP (2007 RWC): WHAT ARE THE GAINS FOR THE FRENCH ECONOMY AND FRENCH SOCIETY?

The 2007 Rugby World Cup (2007 RWC) proved a real popular success, witness the number of people who turned out to watch the matches at the stadia. The latter enjoyed an average spectator fill rate of over 95% for the matches played in France, and a total of around 2.25 million tickets were sold for all the matches combined. But beyond the findings presented in figures like these, what did the French economy and French society actually gain from organising the 2007 RWC?

The ticketing analysis shows that there are many, different economic issues involved in the 2007 RWC:

- Ticket sales give rise to spending of various kinds by spectators and the persons accompanying them, all of which will have an economic impact. Three quarters of the tickets, however, were sold to French nationals. And as their spending cannot be considered as an **injection** in terms of the national economy, this limits the extent of the overall impact and implies the necessity of a regional analysis;
- The 2007 RWC was hosted by ten cities and eight different regions which all enjoyed the benefit of positive **economic effects**. It is the extent and structure of those effects that are interesting to analyse, so as to determine any territorial

specificities. The approach here is different from and complementary to the national one: the injection on which the economic impact will be assessed still comprises expenditure by foreign spectators and persons accompanying them but also includes spending by their French counterparts from outside the region. And the situations differ extensively from one region to another;

- The tickets distributed by the organisation committee and the IRB may reflect important strategic objectives (public relations, communication, the territory's image, development of rugby, etc.).

All this means that the economic stakes centring on the 2007 RWC cannot be reduced to just short-term impacts, but must also be sought in the enhanced attractiveness of the country and its different regions, in its social cohesion, the satisfaction of its inhabitants (who are also tax-payers), or again in the propagation of rugby culture, the promotion of its values, the expansion of the zone in which it is played, and so on. **So it does not suffice to simply calculate the economic impact; without a calculation of the social profitability, the picture will not be complete.**

GLOSSARY

Injections : incoming financial flow to a territory from agents outside it. For example, a State subsidy granted to an agent in a region is therefore an injection and is factored into the calculation of the economic effects. The net injection is obtained by the difference between injections and leakages.

Economic impact (or economic effects) : increase, attributable to a specific project, in added value or employment in a given territory. In the study on the 2007 RWC, the economic impact is calculated using the base theory and corresponds to the product of a net injection (obtained by the difference between incoming and outgoing financial flow in the territory) and a multiplier.

ECONOMIC IMPACT AND/OR SOCIAL UTILITY: WHAT SHOULD BE MEASURED ?

It is not enough to calculate only the economic effects of a project without assessing their social utility for the population. By definition, an impact calculation cannot demonstrate the social return on a project. It indicates only that the relevant project generates a certain volume of economic activity and employment; alone, it offers no grounds for a conclusion as to whether or not the project is worth being conducted.

This is why, in the present study, two complementary calculations were undertaken to characterise the 2007 RWC:

- the economic effects (or economic impact) were measured to assess whether or not a sporting event on a given territory represents a **basic activity**. Jobs and economic activity can be created through this type of event. Ideally of course, those jobs should become permanent ones; otherwise the sporting event may be no more than a short-term operation, which is not a real territorial development objective,
- the **social utility** of the 2007 RWC was measured, as a complement to the impact measurement. The measurement consisted of evaluating the benefits in terms of satisfaction

created for the inhabitants, and of calculating the net gain (or loss) of the event, by subtracting the costs borne by the community as a whole. The 2007 RWC translated into multiple gains in terms of social utility: satisfaction procured for the spectators (stadia and giant projection screens); enhanced regional identity; improved social cohesion; image of the territory; expansion of rugby playing to new territories and new publics; and development of professional rugby; etc.

Together, the two calculations above offer a complete view of the event. The first measures primarily the extent of the knock-on effects on the relevant regional economies, bearing in mind that, in line with the conclusions drawn from analyses in many different countries after major sports events, the national impact does not usually constitute a major exogenous stimulus. The second yields a measurement of the social utility created, which in itself is a means of justifying, particularly in political terms, organising the event on grounds other than just the economic impact.

EX-ANTE OR EX-POST: SHOULD THE IMPACT OF AN EVENT BE EVALUATED BEFORE OR AFTER ITS ORGANISATION ?

In most cases, economic impact studies are carried out before the event is held, to justify its organisation. Besides the fact that such calculations are often approximate (not to say erroneous) and almost always over-estimated, they are not necessarily a legitimate base on which to base a decision to organise the event, as they fail to include consideration of its social profitability. Not only this, but the calculations are seldom redone after the end of the event to appraise any gap between

the ex-post and ex-ante calculations. And the same unsatisfactory studies are then run again, four years later, despite the quasi-unanimous reservations of the international scientific community.

It therefore appears much more sensible to conduct the economic impact studies ex-post (downstream of the event) as the real data are, by definition, not available until after the event has ended.

On the other hand, it may be relevant to proceed with a **costs-advantages analysis** to measure the social utility of the 2007 RWC ex-ante (upstream of the event), as a decision-making aid. In fact, ideally, a calculation in terms of opportunity cost should be made, comparing the profitability of the project with that of the projects which have to be abandoned. However provocative it may sound, the question to address should be: is it better to organise a major sporting event such as the 2007 RWC or to invest the same amount in research, the university or renovation of the suburbs?

In reality, however, a decision-making criterion such as that above is extremely hard to put into practice, owing to the pro-

blems of assessing the multiple induced costs and benefits, direct and indirect, market and non-market, etc., of the different projects.

This is why the decision-makers very often abandon the idea of commissioning such studies which would be extremely long and costly. In our view, however, it was very important to be able to establish, ex-post, whether public funds were legitimately spent, by calculating the social profitability of the 2007 RWC, and not just its economic impact. **Moreover, an evaluation such as this can serve as a reference for discussing the opportunity of organising this type of event in the future.**

COUNTRY OR REGIONS: WHAT IS THE APPROPRIATE TERRITORIAL BASE ?

What is the appropriate territorial base to take in order to best determine the impact of the 2007 RWC?

– In most cases, the national territory is taken as reference for impact studies on major sporting events, though this is not necessarily an optimum choice. Effectively, **most academic studies throughout the world have shown that major sporting events do not produce any major exogenous stimulus on the national economies and that their macro-economic impact is relatively minor.**

– As the 2007 RWC was split over several sites, it is logical to attempt to appraise its impact on the host towns and regions. **We therefore selected the administrative region as the appropriate space on which to base the calculation.** Effectively, even though the 2007 RWC was hosted by ten different towns, most of its effects have repercussions over

the region as a whole. Besides this, the same region may have several sites hosting the competition (Ile-de-France and Rhône-Alpes); the teams, the spectators and those accompanying them may be accommodated outside the town's territory. Moreover, infra-national information has not been developed to any significant extent in France, making it difficult to use disaggregate economic models, yet it is at regional level that the greatest statistical consistency is found, on which to mobilise the base theory that will be used in the impact calculation.

This study proposes an impact assessment of both the economic effects and the social utility for each of the eight administrative regions involved in the organisation of the 2007 RWC. But it also evaluates the impact at national scale, which is not the same as the sum of the regional impacts (see *infra*).

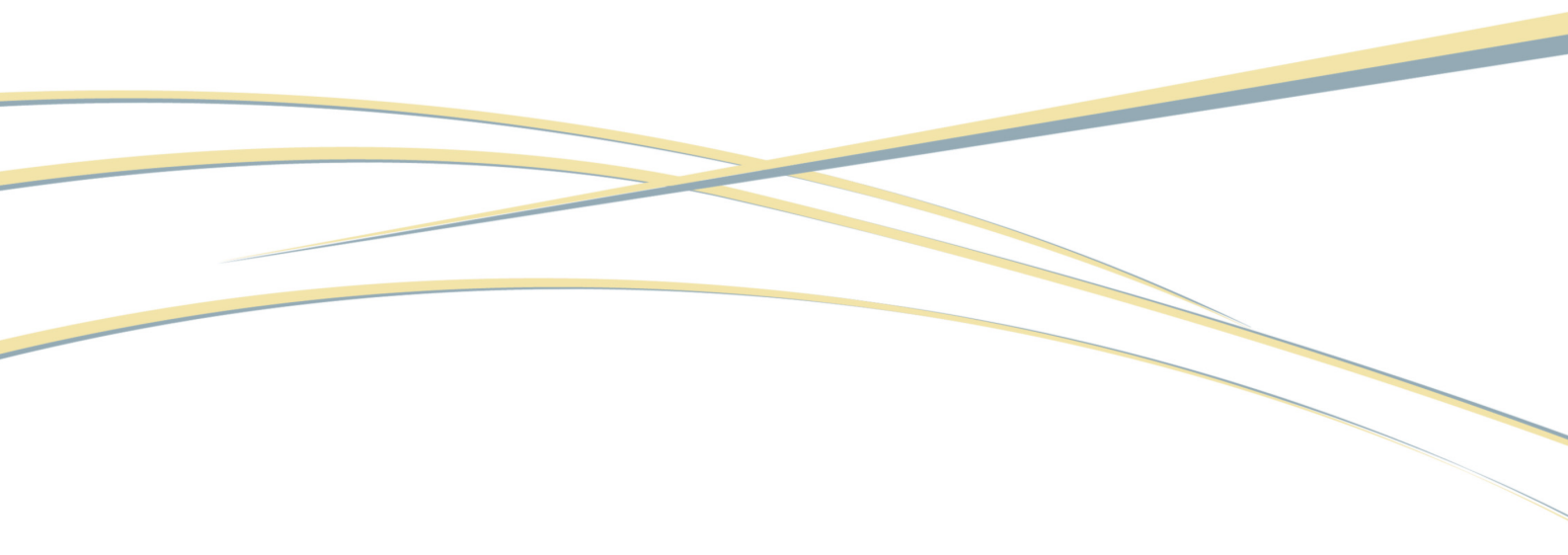
GLOSSARY

Costs-advantages analysis : method consisting in calculating the balance of the benefits and the costs of a given project (event, item of equipment); the net social benefit or net social cost thus calculated is a means of appraising the social utility of the project and deciding whether or not it is legitimate.





2. METHODOLOGICAL BASES







2. METHODOLOGICAL BASES



2.1. Calculating the economic impact

THE ECONOMIC IMPACT IS THE PRODUCT OF A NET INJECTION AND A REGIONAL MULTIPLIER

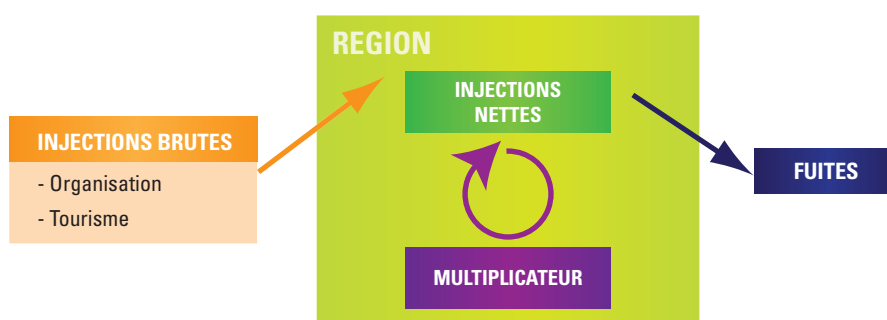
Measuring the economic impact of the RWC on the regional territory consists in recording all the incoming (injections) and outgoing (**leakages**) monetary flow from that territory. The difference between the two types of flow is the net injection, the extent of which depends on the degree of integration of the territory, which therefore determines the size of the **multiplier**.

The more integrated the region's economic activities, the lesser the leakage and the greater the multiplier effect.

To simplify, the calculation of the economic impact for a given region may be represented, in application of the base theory, by the following diagram (*see next page for a diagram of the complete circuit*) :



Document 1 : The economic circuit of the RWC



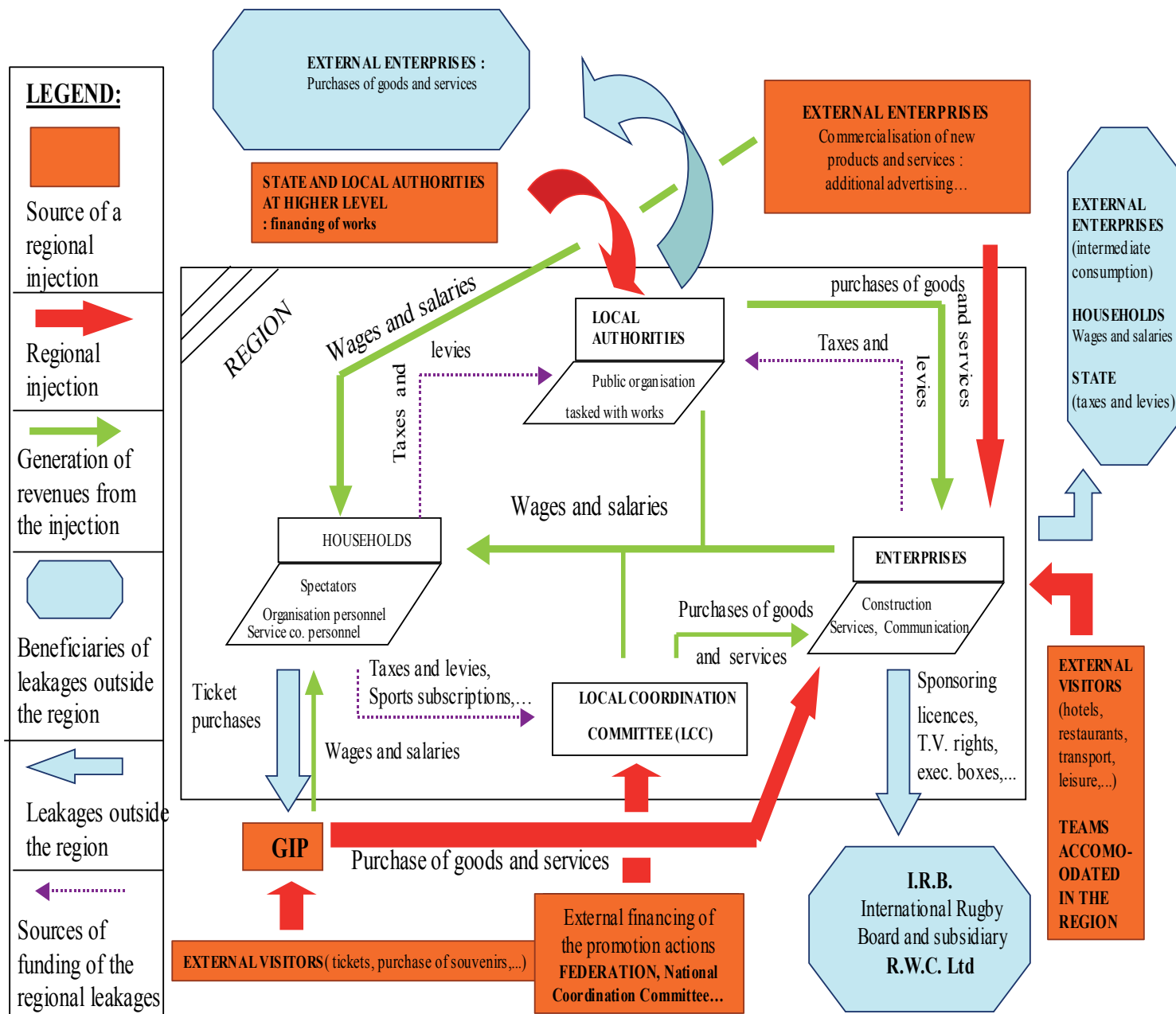
Economic impact = Net injection x Multiplier
where Net injection = Injections - Leakages

GLOSSARY

Leakages : monetary flow leaving the territory for external agents; they contribute to weakening injection and to damping the multiplier process.

Multiplier : concept from Keynesian theory designed to account for the chain mechanisms in action such that certain people's expenditure corresponds

to others' income. Thus, the circulation of income between the different economic agents of a given territory implies that an injection of income by external agents usually induces an increase in the total product greater than that of the injection (*provided the multiplier is greater than 1*).



The economic circuit of the 2007 RWC highlights three main sources of injections and leakages:

- the consumption expenditure derives from spending by “stadium” spectators, “giant screen” spectators, national teams and the people accompanying these different economic agents. Only consumers from outside the region are taken into consideration (the rest of France and foreigners). This is a means of approaching some of the territorial differences in the impact of the 2007 RWC, as the percentage of foreigners and spectators from outside the region varies from one case to another,
- the expenditure in connection with organisation and management reflect the specificity of the organisation chart of the 2007 RWC. A public interest group (GIP) was created in Paris to supervise the general organisation of the 2007 RWC; a local coordination committee (LCC) was set up in each region to devise and implement the 2007 RWC promotion actions. **But above all, the financing structure of the 2007 RWC is highly specific, featuring a leakage level that is proportionally higher than in competitions such as the Olympic Games or the Football World Cup.** Among other things, the IRB, as owner of the 2007 RWC with head offices in Ireland, collects most of the commercial income from the event (sponsorship, TV broadcasting rights, VIP seats, executive boxes, worth a total 130€ million in media broadcasting rights and 60€ million in sponsoring). Whenever these income sources are financed

by French economic agents (for example, the 40€ million in TV broadcasting rights paid by the French TV channel TF1, as well as a large proportion of the competition’s sponsoring income, from French businesses in the main), they represent leakages outside the national territory. The economy of the GIP therefore relied almost exclusively on ticketing income although, there too, around 80€ million, almost a third of the ticketing revenue, had to be paid over to the IRB - the price to pay for the privilege of organising the competition,

- the investment expenditure mainly concerns stadium construction and renovation. It is the State and the territorial communities that are concerned in the financing of such operations. But the investments in the case of the 2007 RWC remained extremely limited, as the event was organised in existing stadia that usually host football (soccer) matches and have spectator capacities greater than those of the French rugby stadia.

Ultimately, the operation consists in pinpointing, among all the previous flows, those corresponding to agents outside the regional territory in order to calculate the injections, subtract the leakages outside the territory and apply the regional multiplier estimated on the basis of a meta-analysis (Vollet-Bousset, 2002). The same procedure is used to measure the global impact of the 2007 RWC nation-wide, which is not the same as a national aggregation of the eight regional impacts.

METHODOLOGICAL PRECAUTIONS: SUBSTITUTION AND EVICTION EFFECTS, LEAKAGES OUTSIDE THE TERRITORY, EXPENDITURE TIME SWITCHING...

Too often, economic impact studies on major sports events considerably over-evaluate the results, owing to calculation errors stemming from an insufficiently rigorous methodology. We have endeavoured to avoid the following most common errors:

- Failure to consider the **substitution effect** which concerns expenditure by local agents, and must therefore be excluded. **If the 2007 RWC had not taken place, these local agents would doubtless have engaged spending of another kind.** Consequently, only expenditure by agents from outside the region was taken into consideration in determining the net injection for this study;

- Failure to consider the **time switching** in consumption or investment. This concerns expenditure decisions taken by the external agents prior to the 2007 RWC that were simply switched in time (brought forward or put back) to coincide with the period of the event. In that case, the corresponding rise in activity level cannot be ascribed to the 2007 RWC. Our questionnaire was designed to pinpoint those individuals who switched the time of their visit. Likewise, we were able to identify the **occasional visitors** who were present at the venue of the event not because of the 2007 RWC but for professional reasons, for instance. **If they attend a match, only the additional sport-related expenditure must then be factored in for consideration;**

GLOSSARY

Substitution effect : this concerns spending by the agents of the territory (inhabitants, enterprises and public authorities of the region, for the regional impact, and of the country for the national impact), whose expenditures would have been unrelated to the 2007 RWC if it had not been organised in France. Their 2007 RWC expenditure is therefore not factored into the impact calculation.

Time switching : expenditure brought forward or put back because of the RWC but which would have been made anyway.

Occasional visitors : agents present on the territory for a purpose other than the 2007 RWC.

- Omission of the **eviction effects** as regards consumption or investment. Potential visitors may have been discouraged from coming to the region because they feared saturation of the territory or nuisances generated by the 2007 RWC. We defined a protocol for measuring eviction effects such as these, by comparing the hotel statistics for September-October 2007 with those of the same period in 2006. The calculation was not, however, undertaken systematically in the host regions, as our in-depth interviews revealed that eviction effects **were actually extremely low in this case, compared with other major world level sporting events**;
- Omission of leakages outside the territory (in consumption and investment) or, on the contrary, double-counting injec-

tions (summing, for example, ticket sales to external spectators and expenditure of the France 2007 GIP financed by the same sales). The first problem is often one of the causes of **over-evaluation of the impact when the gross expenditure amount is taken instead of the added value, which accounts for leakages** due to intermediate consumption or imported products. The same applies to double-counting.

The shortcomings above all lead, as a rule, to over-estimating the regional impact. We did our utmost to systematically address all these problems in the best possible way, so as to arrive at the most reliable evaluation possible.

GATHERING THE INFORMATION: AROUND 11,500 QUESTIONNAIRES AND NUMEROUS SOURCES OF ADDITIONAL INFORMATION

Besides the regional information available (from the national statistics office - the INSEE -, the Chambers of Commerce, etc.), we also used two other methods of obtaining information specific to the 2007 RWC:

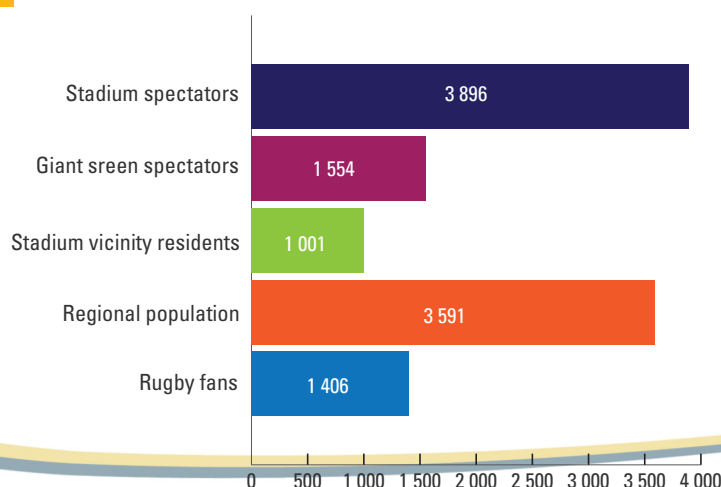
- Questionnaire-based surveys with **5 different types of questionnaire: "stadium" spectators, "giant screen" spectators, stadium vicinity residents, regional population and rugby fans** (the last three being more relevant to the assessment of social profitability). The administration of the questionnaires by pollsters present at each match posed

no major problems. In all, some 11,500 questionnaires were completed, which is in itself a first for France, and possibly internationally;

- In-depth interviews among representatives of the GIP in the regions, members of the local coordination committees and decision-makers in the territorial communities involved. The breakdown of the organisation expenses over the regions was handled by the management of the France GIP, liaising with the Inter-ministerial Department for Major Sport Events (DIGES).



Document 2 : Number of persons questioned



GLOSSARY

Eviction effect : spending may be discouraged for fear of the territory being saturated or of the sports event creating various nuisances. For instance, occasional visitors may be dissuaded from visiting a host region during the

period of a major event by the upward trend in accommodation costs induced by that event.



Document 2 bis : Number of questionnaires per hosting regions

STADIUM SURVEYS			SCREEN SURVEYS			STAD. VICINITY SURVEYS	REGIONAL POP. SURVEYS	RUGBY FANS SURVEYS
	match polled	number of questionnaires	weighted figures	match relayed	number of questionnaires	weighted figures	number of questionnaires	number of questionnaires
MARSEILLE	New Zealand/Italy	149	804	New Zealand/Portugal	24	386	108	400
	Italy/Romania	101		Italy/Romania	31			
	Argentina/Namibia	138		Argentina/Namibia	67			
	France/Georgia	157		France/Ireland	63			
	Quarter final 1	132		France/Georgia	67			
	Quarter final 3	167		Quarter final 1	63			
TOULOUSE	Japan/Fidji	116	475	Quarter final 3	62	269	106	402
	France/Namibia	120		Japan/Fidji	50			
	Romania/Portugal	121		France/Namibia	50			
	New Zealand/Romania	120		Romania/Portugal	50			
				France/Ireland	50			
NANTES	Wales/Canada	101	300	New Zealand/Romania	59	150	100	400
	England/Samoa	100		Wales/Canada	50			
	Wales/Fidji	99		England/Samoa	50			
MONTPELLIER	USA/Tonga	101	480	Wales/Fidji	50	118	99	402
	Samoa/Tonga	133		USA/Tonga	27			
	Australia/Fidji	120		Samoa/Tonga	30			
	South Africa/USA	120		Australia/Fidji	30			
BORDEAUX	Ireland/Namibia	79	396	South Africa/USA	30	181	101	447
	Ireland/Georgia	108		Ireland/Namibia	49			
	Canada/Japan	105		Ireland/Georgia	56			
	Australia/Canada	105		France/Ireland	26			
LENS	England/USA	73	281	Canada/Japan	36	40	100	407
	South Africa/Tonga	103		Australia/Canada	14			
	Georgia/Namibia	105		France/New Zealand	40			
LYON ST ETIENNE	Australia/Japan	52	593			181	182	824
	Argentina/Georgia	111		Australia/Japan	39			
	New Zealand/Portugal	120		France/Argentina	32			
	Scotland/Portugal	89		New Zealand/Portugal	32			
	Samoa/USA	107		Scotland/Portugal	50			
	Scotland/Italy	114		Samoa/USA	60			
PARIS ST DENIS	Ireland/Argentina	103	567	Scotland/Italy	60	229	205	309
	Bronze final	81		Ireland/Argentina	51			
	France/Ireland	145		Bronze final	32			
	Semi-final 1	87		France/Ireland	45			
	Semi-final 2	77		Semi-final 1	51			
	Final	83		Semi-final 2	52			
Stadium surveys Total: 3,896			Screen surveys Total: 1,554			Stad. vicinity surveys Total: 1,001	Regional Pop. Surveys Total: 3,591	Rugby fans surveys Total: 1,406

**GENERAL TOTAL
11 443**

Besides the information collected in the field, we were fortunate to benefit from an impressive mass of data gathered by the DIGES, the GIP and the French Rugby Federation (FFR)

along with other data collected by various public and quasi-public organisations.



Document 3 : List of the documentation collected

STATISTICS from GIP France 2007/DIGES/FFR	ADDITIONAL STATISTICS
• Team accommodation	• ADEME's Environmental Impact Assessment
• State financing per region	• Overall hotel statistics
• Global State financing	• Hotel statistics per region
• Statistics on USEP school rugby action	• Hotel comparison with 2006
• Provisional budget of the GIP	• Detailed Paris airport statistics
• GIP budget broken down per region	• Detailed French railways (SNCF) statistics
• Ticketing statistics per distribution mode	•
• Ticketing statistics per nationality	
• Ticket tariffs	
• Stadium fill rates	

DATA PROCESSING: A CONSTANT CONCERN FOR METHODOLOGICAL RIGOUR

– Injection from “stadium” spectators: the spectators were grouped into three broad categories (regional; non-regional French; and foreigners) based on their place of residence, and only the last two categories were retained for the calculation of regional injection. Household income (more than and less than € 4,000/month) was used as a basis to distinguish two categories of spectators. Using these bases, individual expenditure per match (excluding ticketing, to avoid double-counting GIP injection) was measured to determine gross injection. Net injection was then calculated, based on the regional added-value rate. After deducting time-switching, we thus obtained the effective net injection.

– Injection from “giant screen” spectators: the calculation here obeyed the same principle as for the “stadium” spectators above but involved further difficulties of ensuring sampling representativeness and distinguishing between “stadium” and “giant screen” spectators to avoid **double counting**.

– Injection from accompanying persons: same calculation protocol, based on the assumption that the individual basket of expenditure of an accompanying person is the same as that of a “stadium” spectator.

– Additional team injection: the important point here was to avoid double-counting injections already recorded via the GIP expenditure.

GLOSSARY

Double counting : methodological error consisting of counting the same expenditure twice as an injection. For example, expenditure by “stadium”

spectators related to ticket purchase was not taken into account because it financed the expenditure of the GIP, already recorded in the GIP injection.

– Injection from GIP France 2007: this involved determining the proportion of 2007 RWC spectators who lived outside the region and could therefore be considered as a source of extra-regional financing, via their ticket purchases. The breakdown of the GIP expenditure over the host-regions was determined by the GIP itself in concert with the DIGES.

– Injection from the State: the DIGES compiled the data for this, distinguishing between services purchased and remuneration paid. In both cases, care had to be taken to avoid double counting, especially the GIP's running expenses.

All these injections produce, by multiplication, the regional economic impact.



2.2. Calculating the social utility of the 2007 RWC

METHODOLOGICAL BASES OF THE COSTS-ADVANTAGES ANALYSIS

The **benefits and the costs are defined in the economic analysis as changes in the wellbeing of individuals**, benefits corresponding to an increase thereof, and costs to a reduction. The benefits and costs in connection with the 2007 RWC were all classified under the following headings: entertainment, community animation; social cohesion; economic impulsion; image of the territory; expansion of rugby; evolution of professional rugby; and structuring of the territory. The difficulty of evaluating all these items varies according to whether they belong to the market sphere or, on the contrary, are non-market.

Most of the costs related to the 2007 RWC belong in the **market sphere** and were classified under the following headings: facilities costs (sports and non-sports); organisation expenditure; promotion expenditure; and secondment of various personnel. This leaves one non-market cost: the nuisances, such as noise, traffic congestion, parking, waste, borne by the residents close to the stadia on the days matches are played.

The **use value** of the 2007 RWC is appraised by the amount spent by all the spectators, which translates the social utility thereby generated (measured by the **consumer surplus**).

⁽¹⁾ A cost-benefit analysis is the method used to assess the social return of an event, a facility or an activity in a given territory. However, this terminology is a 'false friend', in the sense that the terms 'costs' and 'benefits' evoke, in current language, more an economic and financial dimension than a social one. Therefore, the terms 'social benefits' and 'social costs' could be used, even though they are 'incorrect' from a strict economic theory point of view. However, in the present summary, we favour the terms 'costs' and 'benefits' to take account of the social return of the event.

GLOSSARY

Use value : perceived utility of the use of a good. In this study, consumption of the sports event by the "stadium" and "giant screen" spectators procures them a pleasure that was evaluated using the transport costs method.

Consumer surplus : difference between the sum that a consumer would accept to pay for a good and the amount s/he effectively pays.

Other benefits generating social utility come under the category of **externalities** which basically concern the territory's social cohesion, its image and the heritage dimension of the 2007 RWC. **These all raise the eternal problem of economic value and, on these bases, we are concerned here with measuring the social utility of the 2007 RWC for the host territory's individuals.** Several value components were mobilised :

- Use value: utility, as perceived by the spectator, of consuming the sporting event;
- Option value: perceived utility of the possibility of benefiting in the future from the 2007 RWC;

– Legacy value: perceived satisfaction of passing the 2007 RWC down to future generations;

– Existence value: utility perceived by the individuals of the positive consequences of the 2007 RWC on social cohesion, image of the territory, and so on, without actually attending the matches.

The option, legacy and existence values are all non-use values. The sum of all these use and non-use values gives the total economic value of the 2007 RWC (not to be confused with the economic impact or economic effects, presented above and which are governed and obtained by a different theoretical base and methodology).

EVALUATION METHODS AND DATA COLLECTION: HOW, IN CONCRETE TERMS, SHOULD WE EVALUATE THE USE VALUES AND NON-USE VALUES ?

- To assess the use value, the **transport costs method** was used. The hypothesis adopted is that the transport price an individual spends to get to the match venue reveals the utility of that match for him/her. This value can be estimated by the consumer surplus.
- For the **non-use value**, the contingent evaluation method was utilised, involving direct revelation of the individuals' preferences on the basis of a questionnaire. **This non-use value can be estimated by the selected population categories' willingness to pay** to ensure that the 2007 RWC is organised, as **revealed in the questionnaire**.

Each of these methods has its own specific difficulties of implementation, and their reliability depends to a large extent on the quality of the information collection:

- For the use value, the information on the territory was obtained from the French national statistics office (the INSEE),

from the study's regional coordinators and from the ticketing statistics. The information regarding the spectators' characteristics and their transport means was obtained from the field questionnaires;

– For the non-use value, three population samples were established (regional tax-payers; rugby fans; and stadium vicinity residents) and a specific questionnaire was administered to each. The questionnaires are sophisticated and require compliance with a highly specific protocol to ensure they are reliably completed. In total, for all eight regions, 3,591 regional taxpayers, 1,001 stadium vicinity residents and 1,406 rugby fans were questioned (see document 2);

– To calculate the costs borne by the public communities, the information was collected by means of interviews conducted among the local public decision-makers and the local coordination committees (LCC). Further information was also obtained from the DIGES.

GLOSSARY

Externality : impact of an agent's activity that affects, positively or negatively, the wellbeing of others without the agent who undergoes a negative externality receiving any compensation or the agent who generates a positive externality receiving any monetary benefit. Pollution, noise, traffic congestion and hooliganism are among the negative externalities traditionally associated with the organisation of major sports events. In the case of the 2007 RWC, the nuisances caused were extremely limited.

Non-use value : perceived utility derived from the existence of a good or service not consumed by an individual (existence value) or consumed on a deferred basis (option value or legacy value). In the case of the 2007 RWC, the non-use value stems mainly from the taxpayers' satisfaction with the moral benefit they derive from the event being organised in their country and/or their region.

Willingness to pay : monetary amount an individual is prepared to spend to enjoy the benefit of a good or service; translates the utility perceived by the consumer. In the costs-advantages analysis mobilised for this study, the willingness to pay is the monetary expression of the wellbeing felt by different categories of population (regional taxpayers, rugby fans and stadium vicinity residents) irrespective of whether they watch (consume) the matches in the stadia or on giant screens.

Transport costs method : method for evaluating the use value an individual attributes to an event by the total amount s/he spends to attend it.



Document 4 : Data collection for the cost-advantages analysis

	BENEFITS	COSTS	
SURVEY: - Stadium spectators - Giant screen spectators Conducted at the time of the competition	- USE VALUE (Spectators) : RWC spectators surplus _____ € Giant screen spectators surplus _____ € - NON-USE VALUE (taxpayers) : Willingness to pay taxes of the... Regional taxpayers _____ € Stadium vicinity residents _____ € Rugby fans _____ € Additional support from rugby fans _____ €	-COST FOR THE COMMUNITY (taxpayers): Sports facilities Constructions _____ € Made available _____ € Non-sports facilities Constructions _____ € Made available _____ € Organisation-related expenditure: Purchases of goods and services _____ € Remunerations paid _____ € Subsidies and exemptions _____ € Promotion expenditure: LCC Purchases of goods and services _____ € LCC Remunerations paid _____ € Non-LCC Purchases of goods and services _____ € Non- LCC Remunerations paid _____ € Secondment of personnel: Sports department _____ € Communication department _____ € Parks and gardens _____ € Human resources _____ € Finance department _____ € Mayoral department's staff _____ € Urban amenities... _____ €	INTERVIEW GRID: - Regional public decision-makers - LCC management Conducted immediately after the end of the event
SURVEY: Regional population Stadium vicinity Rugby fans Conducted immediately after the event			
		- NUISANCES CAUSED (inhabitants) _____ €	
	TOTAL BENEFITS _____ €	TOTAL COSTS _____ €	
	NET BENEFIT _____ €		

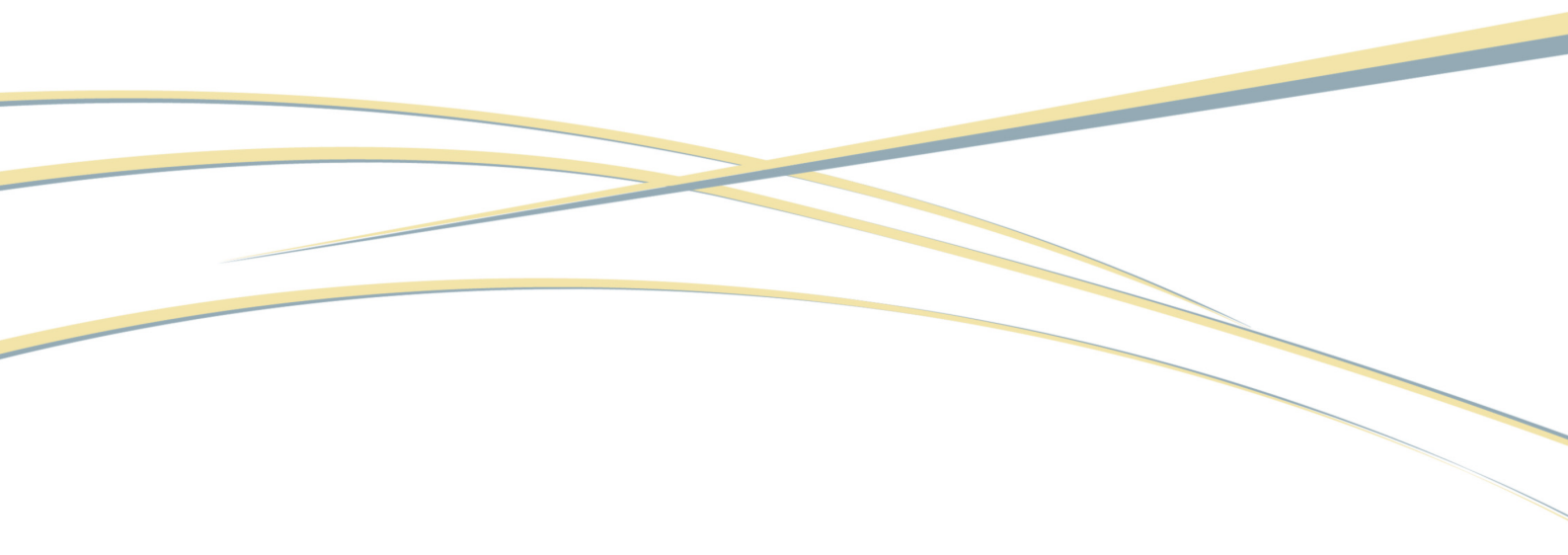
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MINISTERIAL DATA





3. PRINCIPAL RESULTS







3. PRINCIPAL RESULTS



3.1. National economic impact and regional specificities

AROUND €540 MILLION IN ECONOMIC EFFECTS AT NATIONAL SCALE

The national economic impact of the 2007 RWC cannot, normally, amount to simply the sum of the impact recorded in each of the eight host regions. Effectively, switching reference territory from region to nation changes the extent and nature of the injections and leakages of revenue. For example, French spectators from outside the region under analysis, whose expenditure formerly represented an injection, are considered, at national scale, as local actors and their spending is no longer taken into consideration. For the national level, all the injections therefore had to be re-qualified:

- Spectator expenditure (stadia and giant screens) concerns only foreigners;

- Team expenditure not accounted for by the organisation becomes injection;

- State expenditure is excluded, as it is not an injection, contrary to the case of regional impact calculation;

- GIP injection had to be rectified to include only financing from outside the national territory, in other words essentially ticket sales to foreigners,

- The financial profits⁽²⁾ made will be re-injected at national level via the different actions of the FFR.

The results are shown in the table below:

⁽²⁾ Obtained by the accounting difference between income and expenditure of the GIP, and not to be confused with the social benefits of the cost-benefits analysis (see note 1, p. 23).



Document 5 : National impact of the RWC

	Net injection	Total economic impact	% share of each type of expenditure in the total impact	% share of each type of expenditure in the organisation impact
GIP	20 237 723	51 808 571	9,6%	74,10%
TEAMS*	1 360 752	3 483 525	0,6%	5%
FFR (Fr. Rugby Fed.)**	5 697 996	14 586 870	2,7%	20,90%
ORGANISATIONAL IMPACT	27 296 471	69 878 966	12,9%	100,0%

				% share of each type of expenditure in the tourism impact
"STADIUM" SPECTATORS***	159 333 201	407 892 995	75,7%	87%
"GIANT SCREEN" SPECTATORS****	5 946 880	15 224 013	2,8%	3,20%
ACCOMPANYING PERSONS*****	17 865 235	45 735 002	8,5%	9,80%
TOURISM IMPACT	183 145 316	468 842 010	87,1%	100,0%

TOTAL	210 441 787	538 730 975	100,0%
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* Only expenditure not accounted for by the organisation is considered here.

** The FFR injection results essentially from the €28.9 million of profits after tax made by the GIP, of which only the proportion financed by foreign spectators has been retained here

*** Foreigners only

**** Only screen spectators who have not been stadium spectators and have not accompanied stadium spectators

***** Only persons accompanying others and not actually entering the stadium, estimated on the basis of the mean number of accompanying persons on all the sites.

The multiplier calculated for the national case, using the same formula as for the regional multipliers, is 2.56.

The national economic impact of the 2007 RWC amounts to 538,730,975€. This figure is relatively close to the cumulated sum of the 8 regional impacts (see below), which may initially appear surprising. Effectively, certain income flows representing an injection in the regional case (State expenditure for instance) have been withdrawn from the calculation for the national case. But a lower total injection has produced an economic impact almost identical to the regional one, owing to a higher added-value rate at national scale.

From a structural standpoint, this overall impact includes a tourism impact (87.1%) and an organisation impact (12.9%):

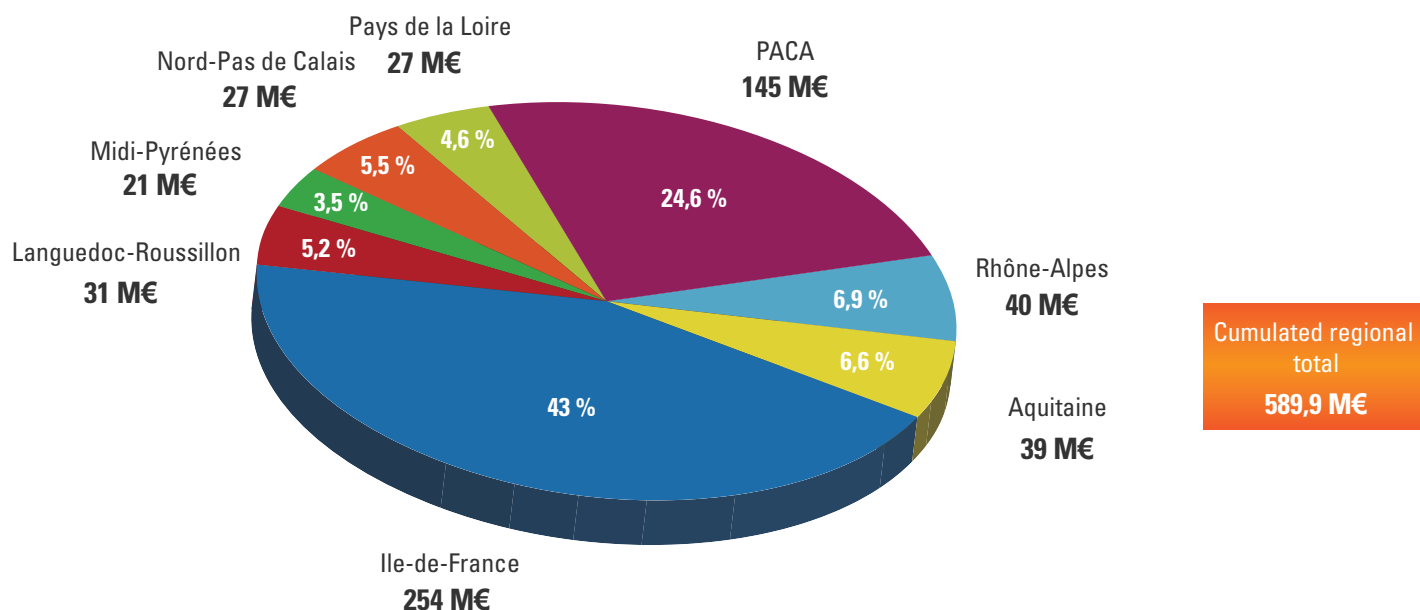
– The tourism impact stems essentially from the “stadium” spectators from abroad (87%), followed by the accompanying persons (9.8%), and “giant screen” spectators (3.2%);

– The organisation impact is essentially the GIP expenditure (74.1%), followed by that of the FFR (20.9%) and additional team expenditure (5%).

REGIONAL SPECIFICITIES: SUBSTANTIAL DISPARITIES IN THE REGIONAL ECONOMIC IMPACTS

Breakdown of the aggregated impact per region

Document 6 : Breakdown of the economic impact of the 2007 RWC by region in M€



Document 7 : Breakdown of the economic impact by region (in %)

	GIP Impact	State Impact	Teams Impact	Org. Impact	Spectators Impact	Screens Impact	Accomp. Impact	Tourism Impact	TOTAL IMPACT
Aquitaine	2,8	7,9	9,2	3,7	8,4	3,9	1,2	7,8	6,6
Ile-de-France	74,2	36,0	39,8	67,5	33,9	6,7	27,5	32,7	43
Languedoc-Roussillon	3,4	9,2	11,6	4,4	5,4	4,6	7,6	5,6	5,2
Midi-Pyrénées	2,6	7,8	6,1	3,5	2,7	26,9	5,0	3,5	3,5
Nord-Pas de Calais	3,9	6,9	2,5	4,4	6,0	0	7,5	5,9	5,5
Pays de la Loire	2,4	7,2	4,1	3,2	5,0	3,5	9,7	5,3	4,6
PACA	4,6	11,1	15,4	5,9	31,9	53,5	32,3	32,6	24,6
Rhône-Alpes	6,1	13,8	11,3	7,4	6,6	0,9	9,2	6,6	6,9
	100	100	100	100	100	100	100	100	100

By reasoning in percentage terms in relation to the accumulated impact on the eight regions, regional typologies can

be distinguished according to the extent of the effects and the nature of the impact generated.

• Total impact

The regions can be divided into three classes:

Class 1 – Ile-de-France (43%) and PACA (24.6%), which alone represent two thirds of the total impact of the 2007 RWC in France,

Class 2 – Aquitaine, Languedoc-Roussillon, Nord-Pas de Calais and Rhône-Alpes, where the impact stands between 5 and 7% of the total impact,

Class 3 – Midi-Pyrénées and Pays de la Loire, where the impact is less than 5% of the total.

This broad typology can be narrowed down on the basis of the different components of the total impact.

• Organisational impact

Over 2/3 of the organisational impact is concentrated in the Ile-de-France alone. The impact stands at a relatively low level, between 3 and 6%, in all the other regions, except Rhône-Alpes which has 7.4%.

– GIP impact is concentrated to the extent of 74.2% in Ile-de-France ;

– State impact is shared mainly between Ile-de-France (36%), Rhône-Alpes (13.8%) and PACA (11.1%)

– The same applies for team impact.

• Tourism impact

Together, the Ile-de-France (32.7%) and PACA (32.6%) regions cumulate two thirds of the total tourism impact. The remaining third is spread fairly evenly over the other regions, with the exception of Aquitaine which attracts 7.8%.

– “Stadium” spectator impact is concentrated chiefly in Ile-de-France (33.9%) and PACA (31.9%).

– “Giant screen” spectator impact is essentially accounted for in two regions: PACA (53.5%) and Midi-Pyrénées (26.9%).

– Accompanying persons’ impact is concentrated in PACA (32.3%) and Ile-de-France (27.5%).



Structure of regional impact per type of expenditure

If we come back, for each region, to the internal structure of the impact of the 2007 RWC, a number of constants emerge, sometimes with regional specificities.



Document 8 : Proportion and nature of the tourism impact

	Tourism impact (TI)	Spectators % of TI	Giant screen % of TI	Accomp. Pers % of TI	Foreigners' share in "Stadium" spectators injection	Foreigners' share in "giant screen" spectators injection
Aquitaine	83,1%	97,5%	1,5%	1,0%	90.9% (for 58.1% of spectators)	90,0%
Ile-de-France	53,4%	93,8%	0,6%	5,6%	71.5% (40,5)	78,8%
Languedoc-Roussillon	74,5%	88,5%	2,4%	9,1%	80% (52,6)	75,1%
Midi-Pyrénées	70,7%	68,5%	22,1%	9,4%	71.1% (26,8)	89,2%
Nord-Pas de Calais	76,1%	91,5%	0,0%	8,5%	89.7% (58,3)	0,0%
Pays de la Loire	79,5%	85,6%	1,9%	12,4%	89.3% (57,4)	76,7%
Provence Alpes Côte d'Azur	93,0%	88,6%	4,8%	6,6%	79.2% (42,3)	82,6%
Rhône- Alpes	67,9%	90,3%	0,4%	9,3%	65.9% (44,9)	85,7%

Reading of the table : In Aquitaine, the tourism impact represents 83.1% of the total impact. It breaks down into “stadium” spectators’ impact (97.5%), “giant screen” spectators’ impact (1.5%), and accompanying persons’ impact (1%). Effective net injection from foreign stadium spectators accounts for 90.9% of injection from “stadium” spectators, despite the fact that they represent only 58.1% of the total number of spectators from outside the host region. Effective net injection from foreign spectators represents 90% of the injection from “giant screen” spectators.

• Tourism impact

The tourism impact is dominant in all the regions except Ile-de-France:

- It is extremely high in PACA (93%), Aquitaine (83.1%) and Pays de la Loire (79.5%);
- It represents approximately 2/3 to 3/4 of the total impact in Languedoc-Roussillon, Nord-Pas de Calais, Rhône-Alpes and Midi-Pyrénées;
- It is lower in Ile-de-France (53.2%) where it is almost on a par with the organisation impact.

Five main results stand out from the analysis of this tourism impact:

1. The percentage of “stadium” spectators is extremely high everywhere (with a peak at 97.5% in Aquitaine), to the extent that Midi-Pyrénées with only 68.5% appears as an exception;
2. The percentage of “giant screen” spectators is low on the whole with one exception, in Midi-Pyrénées (22.1%) (and to a lesser degree for PACA: 4.8%), which is still well above the average (2.9%);

3. The percentage for the accompanying persons spans a range of approximately 6-9% in most regions. There are two regions outside that range: Aquitaine at 1% and Pays de la Loire at 12.4%;

4. Injection from “stadium” spectators which accounts for most of the tourism impact is chiefly due to foreigners. For example, in Aquitaine, although foreigners represent 58.1% of the spectators from outside the region (foreigners + non-regional French), they account for 90.9% of the total injection. The reason for this is an expenditure basket much higher than that of the French. Three regions stand slightly lower on this point: Midi-Pyrénées (71.1%), Rhône-Alpes (65.9%) and Ile-de-France (71.5%). The case of Midi-Pyrénées is unique: foreigners represent here only 26.8% of the spectators concerned, but their injection weighs 71.1% of the total;

5. We arrive at the same conclusions regarding injection of the “giant screen” spectators: it is foreigners who account for the most of the injection, because of an expenditure basket higher than that of the French.

• Organisational impact



Document 9 : Proportion and nature of the organisational impact

	Organis. Impact (OI)	GIP % in OI	State % in OI	Teams % in OI	Goods & services share in GIP injection	Remunerations share in State injection
Aquitaine	16,9%	62,2%	34,4%	3,4%	56,9%	86,4%
Ile de France	46,6%	90,4%	8,7%	0,8%	86,4%	60,2%
Languedoc Roussillon	25,3%	62,6%	33,8%	3,6%	45,8%	73,2%
Midi Pyrénées	29,3%	60,7%	36,8%	2,4%	55,4%	86,3%
Nord Pas de Calais	23,9%	73,7%	25,5%	0,8%	68,5%	83,8%
Pays de la Loire	20,5%	62,5%	36,7%	1,8%	46,2%	77,4%
Provence Alpes Côte d'Azur	7,0%	65,4%	31,0%	3,6%	70,2%	88,9%
Rhône Alpes	32,1%	67,6%	30,3%	2,1%	46,7%	85,8%

Reading of the table : In Aquitaine, organisational impact represents 16.9% of the total impact, and is broken down into GIP impact (62.2%), State impact (34.4%) and Team impact (3.4%). GIP injection comprises 56.9% of goods and services purchased; State injection comprises 86.4% of remuneration expenditure.

This impact is the “exact complement” of the tourism impact. So, we arrive at the same regional typology as before, but in reversed order (table III-65). In particular:

- Organisational impact is lowest in PACA and Aquitaine,
- It is highest in Ile-de-France, and to a lesser degree in Rhône-Alpes and Midi-Pyrénées.

Five results emerge from the organisational impact study:

1. The impact of the GIP ranks highest everywhere, representing around 2/3 of the organisational impact except in Ile-de-France where it weighs over 90%,

2. State impact accounts for approximately 1/3 of the organisational impact, except in Ile-de-France (4%) and to a lesser degree in Nord-Pas de Calais (25%),

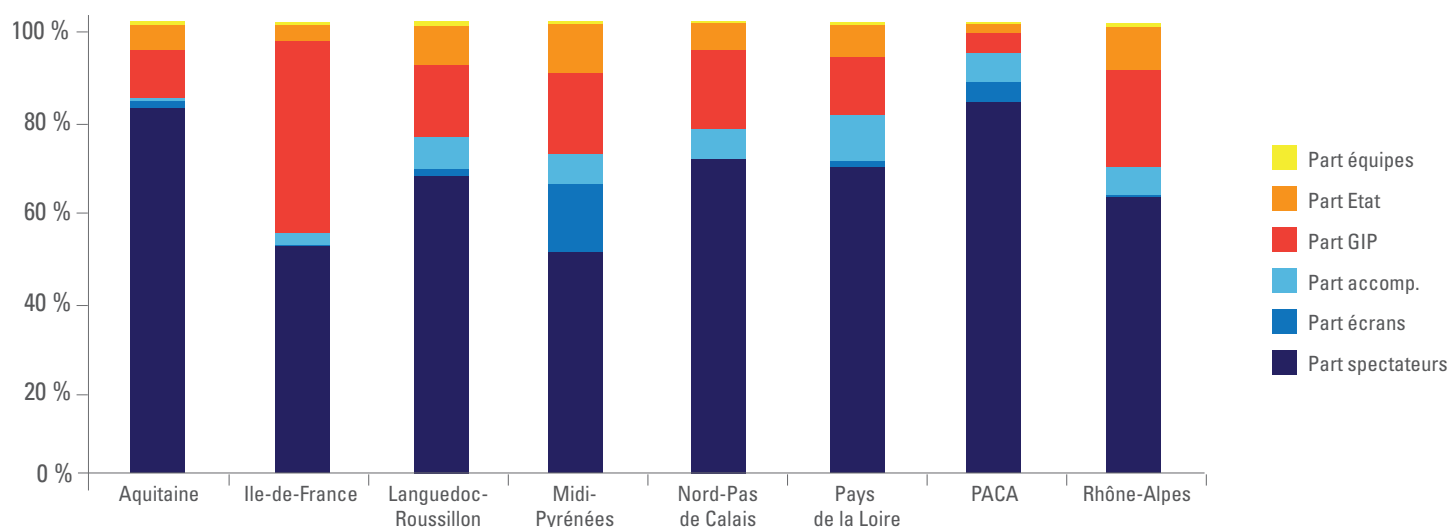
3. Team impact is lower on the whole, three regions having a percentage slightly above the average: Aquitaine (3.4%), Languedoc-Roussillon (3.6%) and PACA (3.6%), the average being 1.4%,

4. For GIP injection, goods and services expenditure more or less balances out with remunerations, except in three regions where the former predominates: Ile-de-France (86.4%), Nord-Pas de Calais (68.5%) and PACA (70.2%),

5. State injection is characterised by a clear predominance of remunerations, in excess of 80%, over goods and services expenditure. There are three exceptions: Ile-de-France (60.2%), Languedoc-Roussillon (73.2%) and Pays de la Loire (77.4%).



Document 10 : Overview – Distribution, per origin of the injection, of the total economic impact of the RWC in each region (in %)



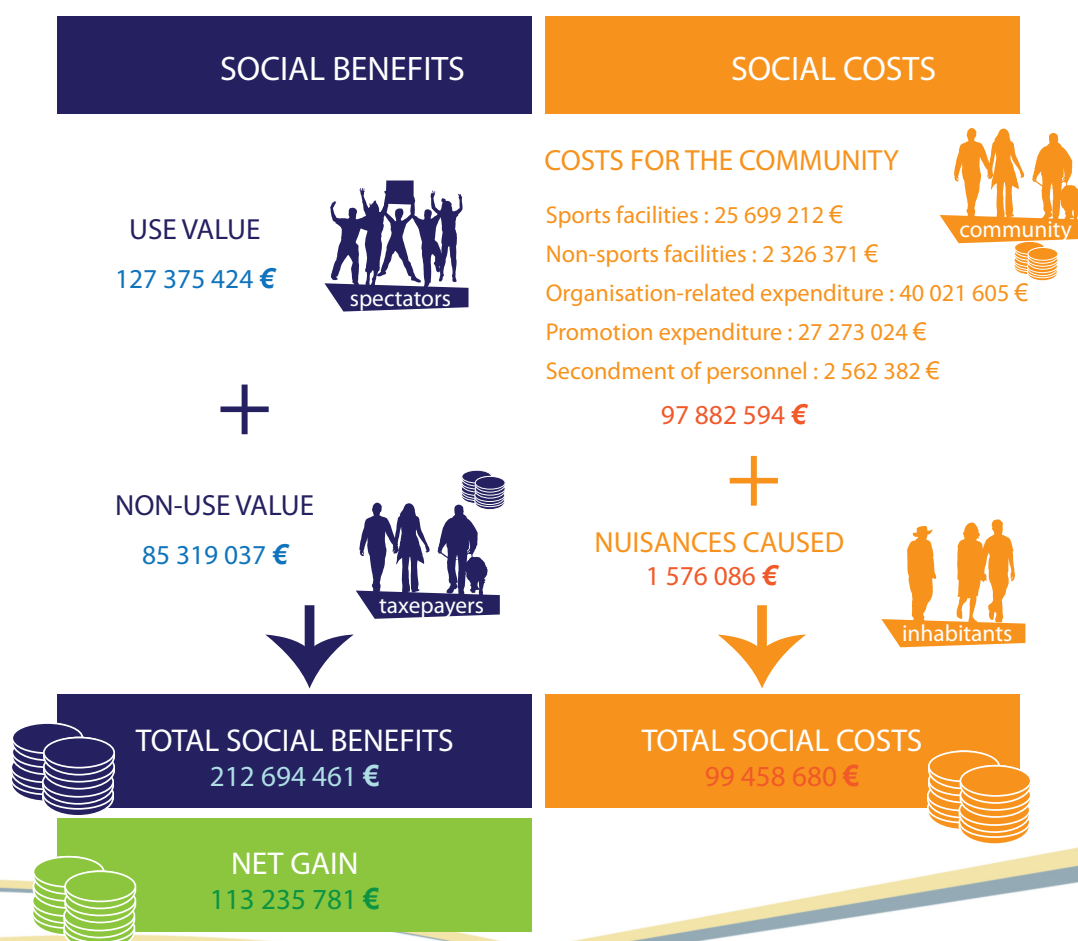


3.2. Social utility

NATIONAL AGGREGATION: A "NET PROFIT" EVALUATED AT €113 MILLION



Document 11 : The costs-advantages balance sheet for the national case



Le bénéfice social net de la CMR est évalué à 113 M€, soit une moyenne de 14 M€ par région.

Benefits: the emerging phenomenon of giant screens

The use value represents 59.9% of the total benefits and an amount of €127.4 million. The “stadium” spectators surplus accounts for around three quarters of that and the “giant screen” spectators surplus one quarter. The magnitude of this last result flags up attendance to watch the matches on giant screens as a new society phenomenon. Although this practice cannot yet be considered as a truly integral part of French culture – contrary to what is observed in Anglo-Saxon countries – the 2007 RWC can be said to have played a pioneering role in France in this means of consuming a sports event. It would also be interesting to compare the attractiveness of the giant screens according to the regions, as can be observed using the transport costs method. Here too, France doubtless lags behind Great Britain where, when there are no places left in the stadium, fans can still follow the match by watching it on a giant screen close-by.

The non-use value represents 40.1% of the total benefits and an amount of 85.1€ million. The regional taxpayers account for 95% of this total willingness to pay, the marginal remainder being shared between fans and stadium vicinity residents. This is why it is more interesting to analyse the results at regional, rather than national scale. We can then comment simultaneously on the differences in willingness to pay between the categories of populations questioned (taxpayers, stadium vicinity and fans) and between regions.

Costs: a bill limited by the use of existing stadia, and very low nuisances

It is organisational expenditure, standing at 40€ million, that represents the highest cost, 40.2% of the total.

Expenditure on facilities (sports and non-sports), at 28€ million, was much lower, accounting for 28% of the total, and representing one of the specificities of the 2007 RWC in France. Very few new facilities were built, contrary to what happens for most of the other major sporting events such as the Olympic Games or the Football World Cup.

Thus, it appears that the 2007 RWC did not cost the taxpayers a great deal, because no new stadia were built (with the exception of the Yves du Manoir stadium in Montpellier and the renovation of the Jean Bouin stadium in Marseille). On the other hand, this also means that the RWC certainly generated benefits far greater than would have been the case if new constructions had been built. Effectively, when protests are raised regarding the construction of new stadia (a case seen before in France), the regional taxpayers’ willingness to pay can be much lower.

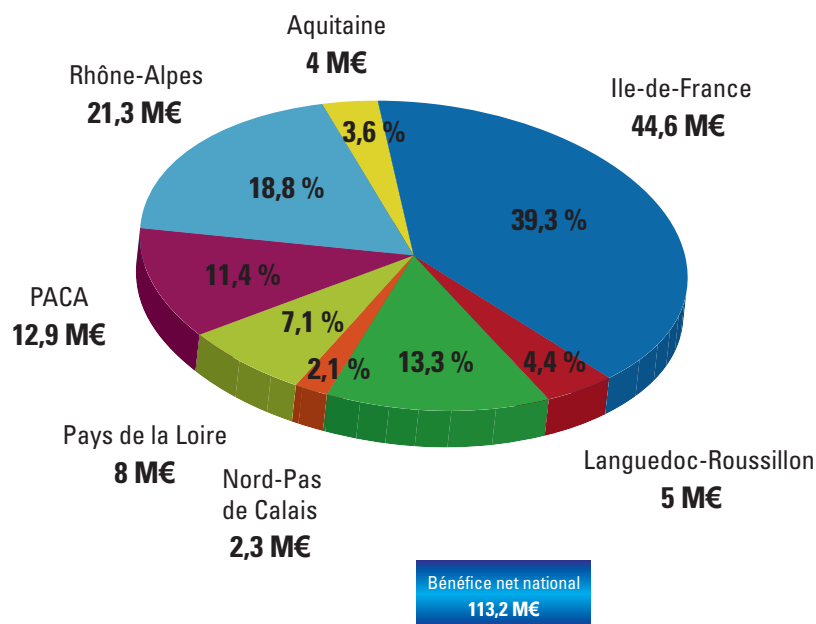
The cost for provision of seconded personnel is low (2.6%). Such personnel were provided chiefly by the local authorities’ sports departments.

Nuisance in connection with the 2007 RWC was very low (1.6%) and consisted mainly of traffic congestion, noise in the vicinity of the stadium and waste. It is worth noting that not the slightest case of hooliganism was mentioned, despite this being the main negative externality observed at major sports events such as the Football World Cup. From this point of view, the 2007 RWC is a total success.

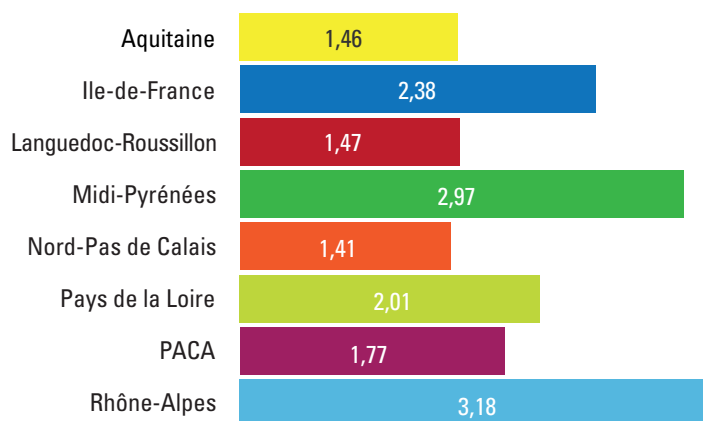


Document 12 : The costs-advantages balance sheet for the 8 host regions (in euros and in %)

Répartition par région du bénéfice net national (en millions d'euros et en %)



Ratios bénéfices / coûts



The total net profit of 113€ million is spread very unevenly over the regions, ranging from 2.3€ million in Nord-Pas de Calais to 44.5€ million in Ile-de-France, making a ratio of 1:22 between the two extremes. It is also important to note that more than 80% of the total net benefit is made by four regions: Ile-de-France, Midi-Pyrénées, PACA and Rhône-Alpes (see document 12).

Yet, in terms of the benefits-costs ratio which accounts for the efficiency of the funds used, the disparities are not as wide.

Beyond this overall result, regional differences also appear at the benefits and costs structure level.

Benefits

Generally speaking, the consumer surplus (use value) exceeds fairly substantially, but unevenly, the non-use value, with a maximum for Ile-de-France (75.17%). Only two regions have a use value lower than the non-use value: Pays de la Loire (35.12%) and, to a lesser degree, Languedoc-Roussillon (46.45%).

A high use value translates to the high attractiveness of the event, due in part to the posters proposed. The non-use value depends on the willingness to pay of the three categories of populations questioned.



Document 13 : Individual willingness to pay (WtP) for the RWC according to category of population (in euros)

	Taxpayers' WtP		Fans' WtP	Stadium vicinity's WtP	
	H	F		H	F
1 Aquitaine	2,80	2,23	3,26	4,09	2,38
2 Ile-de-France	2,55	1,88	4,60	3,80	2,40
3 Languedoc-Roussillon	5,28	3,91	–	5,14	2,45
4 Midi-Pyrénées	4,08	3,54	3,68	2,80	2,89
5 Nord-Pas de Calais	1,30	1,17	–	3,19	2,64
6 Pays de la Loire	4,64	3,64	6,66	5,52	4,69
7 PACA	3,93	4,08	5,82	3,76	
8 Rhône-Alpes	3,56	3,57	6,14	3,32	2,65

The four main results that emerge are as follows:

- Alongside the national average, standing at 3.50€, willingness to pay is lowest in those regions where rugby is least played and where football is the more prevailing culture, as in the North of France (1.30€ for the men) or in Ile-de-France (2.55€). Conversely, taxpayers from the regions in the South exhibit an above-average willingness to pay;
- Somewhat surprisingly, residents in the stadium vicinity are more willing to pay for the 2007 RWC than the other regional taxpayers. The explanation for this may lie in the low nuisance level perceived (see costs) and in a feeling of pride at living in the vicinity of one of the venues in which an event

presented as a real success is organised. One noteworthy exception is the Midi-Pyrénées region where the men express a willingness to pay that is well below the average (€2.80 as against €3.95);

- On the whole, rugby fans are willing to pay more than the other categories. It is worth emphasising here the extremely high willingness to pay of the fans in the Pays de la Loire region (€6.7), and the extremely low willingness in Midi-Pyrénées;
- Irrespective of the region, men are usually willing to pay more than women but the regional ranking remains unchanged.



Document 14 : Details of the costs for the communities in the 8 host regions

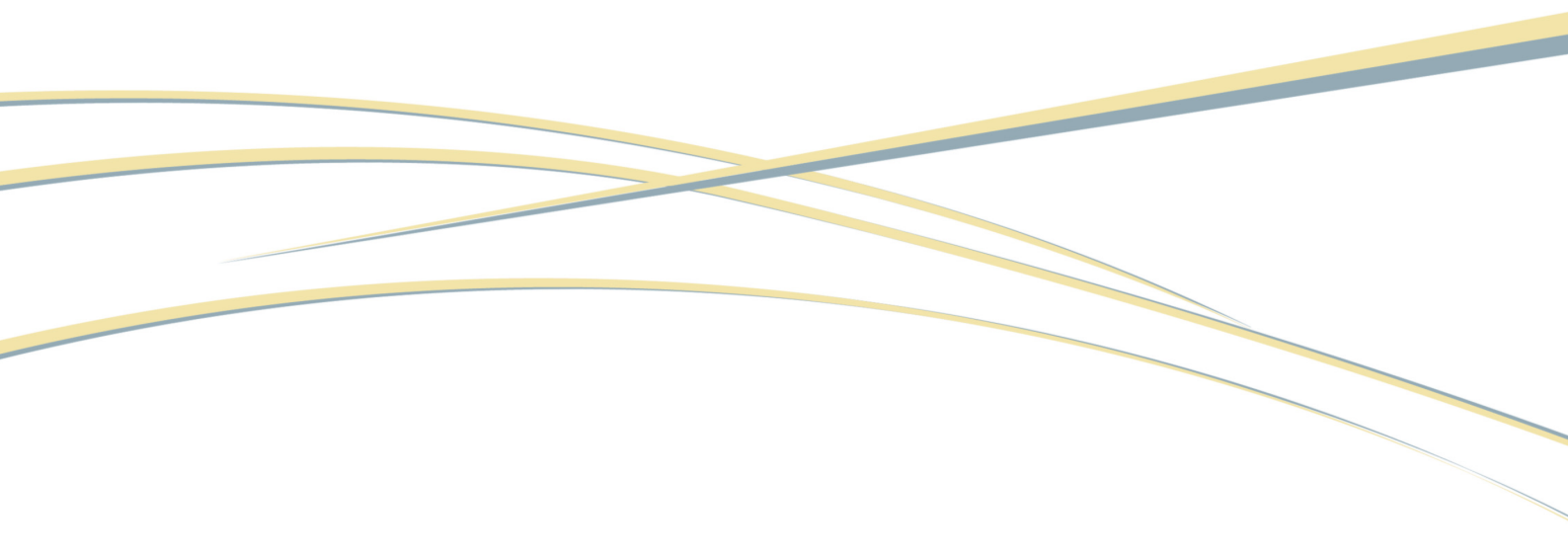
	Aquitaine	Ile-de-France	Languedoc-Roussillon	Midi-Pyrénées	Nord-Pas de Calais	Pays de la Loire	PACA	Rhône-Alpes	General Total
SPORTS FACILITIES									
Constructions	2 180 000	0	5 820 000	1 180 000	1 200 000	1 996 212	8 810 000	1 883 000	23 069 212
Made available	0	2 080 000	0	0	0	0	0	550 000	2 630 000
NON-SPORTS FACILITIES									
Constructions	0	1 683 833	50 000	0	77 022	250 000	6 000	152 000	2 218 855
Made available	25 000	0	65 000	0	0	17 516	0	0	107 516
ORGANISATION-RELATED EXPENDITURE									
Purchases of goods and services	1 967 675	11 032 068	1 820 775	3 497 535	1 268 250	1 957 761	3 147 263	3 086 153	27 777 480
Remunerations paid	118 664	728 235	322 664	118 664	118 664	118 664	118 664	237 328	1 881 547
Subsidies and exemptions	704 860	3 801 700	714 860	870 946	955 777	1 260 145	1 420 290	634 000	10 362 578
PROMOTION EXPENDITURE									
LCC Purchases of goods and services	1 506 717	6 216 330	762 606	789 145	365 158	703 395	304 829	1 432 754	12 080 934
LCC Remunerations paid	242 737	497 474	233 737	233 737	233 737	233 737	235 237	467 474	2 377 870
Non-LCC Purchases of goods and services	794 688	3 065 673	0	0	0	278 904	1 022 175	0	5 161 440
Non-LCC Remunerations paid	748 672	2 213 240	721 672	721 672	541 254	541 254	1 082 508	1 082 508	7 652 780
PROVISION OF SECONDED PERSONNEL									
Sports departments	0	901 236	15 000	0	105 579	564 500	325 700	127 800	2 039 815
Communication department	0	0	15 000	210 000	5 000	0	134 735	100 000	464 735
Parks and gardens	0	0	0	0	0	0	0	0	0
Human Resources	0	0	0	0	0	0	0	0	0
Finance department	0	0	0	0	0	0	0	0	0
Mayor's department staff	0	0	8 000	0	0	0	0	0	8 000
Urban amenities...	0	0	3 000	0	0	0	46 832	0	49 832
	8 289 013	32 219 789	10 552 314	7 621 699	4 870 441	7 922 088	16 654 233	9 753 017	97 882 594

The highest costs are found for the regions where sports facilities expenditure was highest: Ile-de-France (32.9%), PACA (17%) and Languedoc-Roussillon (10.8%).

Ultimately, when the benefits-costs ratio is analysed (see document 12), three regions emerge as more efficient than average: Rhône-Alpes (3.18), Midi-Pyrénées (2.97) and Ile-de-France (2.38). And conversely, three regions appear to be characterised by a lesser social cost-efficiency with regard to the 2007 RWC: Nord-Pas de Calais (1.41), Aquitaine (1.46) and Languedoc-Roussillon (1.47).



CONCLUSION



The 2007 RWC produced positive effects for the eight host regions and for the national territory as a whole:

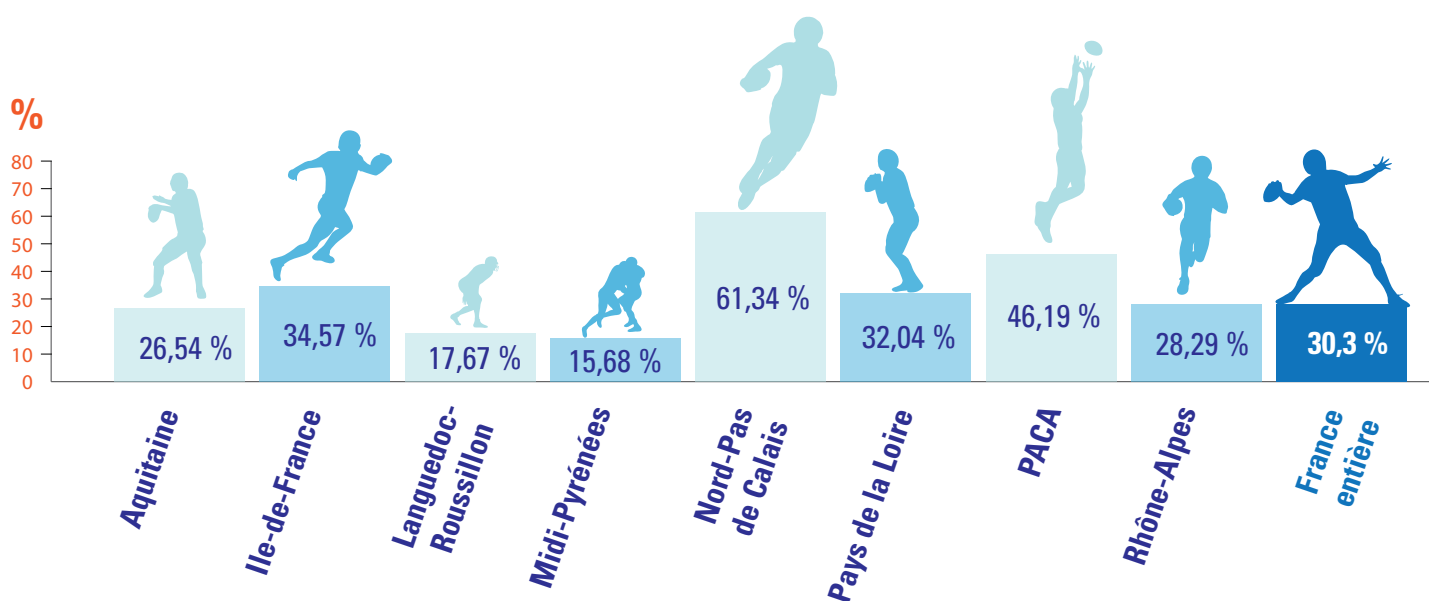
- The costs-advantages analysis showed that the project to host the 2007 RWC in France was legitimate insofar as the social utility produced in all the regions is far higher than the public costs induced. This shows that there is massive support from the population for this competition, which proceeded without any major excesses. The image of rugby and the values it conveys are not unrelated to this finding;
- The economic impact calculation, which consists of costing the economic value, in other words the wealth created in the regions and nation-wide, led to the conclusion that the 2007 RWC had been just as positive from the angle of

its effects on the economy. It is true that, as observed by the national statistics agencies (the INSEE in France), the Rugby World cup alone, via the activity it induces, is not something capable of changing the country's growth trend. Nevertheless, the economic impact of the 2007 RWC is not to be limited to just this one-off increase in income. For this event may effectively lead to the creation of a real sports event-hosting culture, which, if it develops, will contribute to generating a lasting injection of income at both regional and national levels;

- Besides the strictly monetary impact, the 2007 RWC has already produced highly significant effects on the development of registered rugby playing.



Document 15 : Progression of licences in the 8 host regions



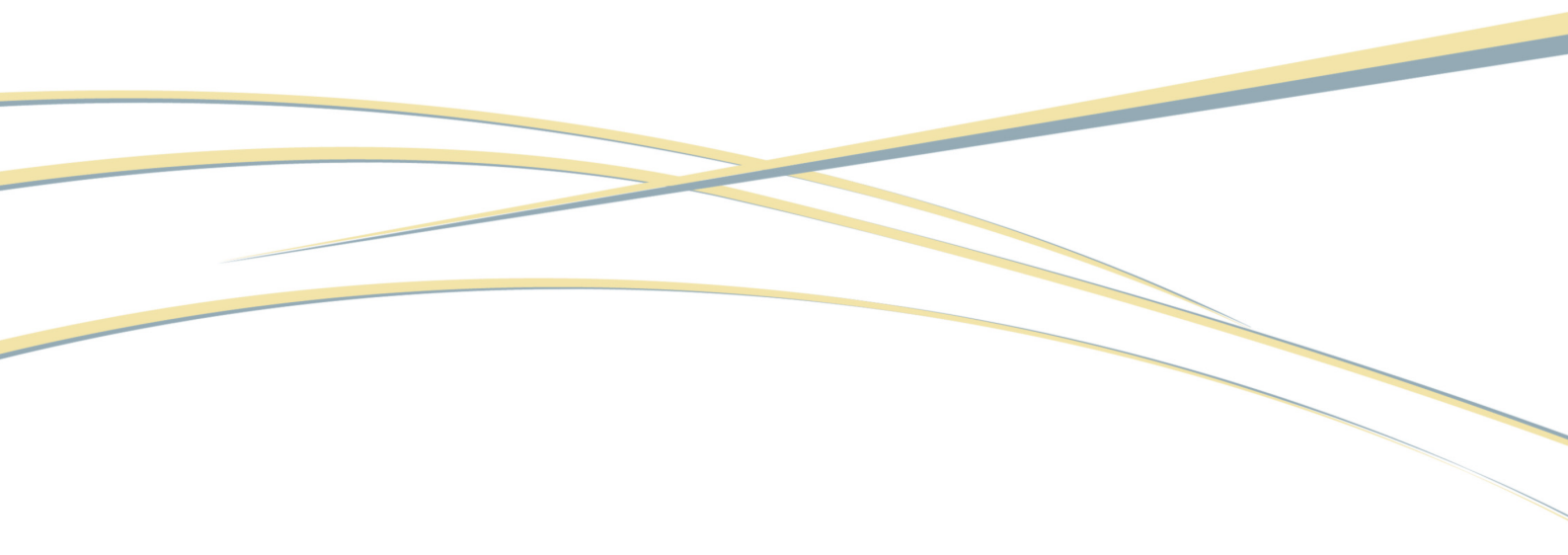
The number of registered players has progressed on average by 30.3% in the space of one year in France but with significant regional differences. In particular, it is the Nord-Pas de Calais region that has seen the highest progression (+61%), while alongside this two other regions are below the average: Ile-de-France (34.6%) and Pays de la Loire (32%). With the exception of PACA, it is the regions North of the Loire that have experienced the highest progressions in registered rugby players, which is a significant result as regards the real impact of the 2007 RWC.

The conclusion that may be drawn is that the 2007 RWC was a profitable event, that it had an economic impact far from negligible, possibly worth being sustained, and that its effects include more than just short-term economic effects, such as the development of rugby playing.

It would therefore be useful to reiterate this type of evaluation on other major sports events for comparison purposes. Using the same methodology and observing the same study protocols, it would then be possible subsequently to determine typologies for sports events, based on the extent and nature of their economic impact and their social utility.

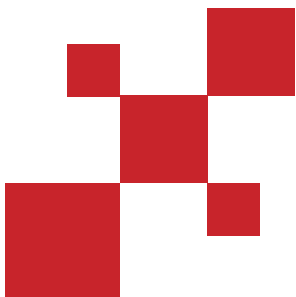


KEY FIGURES





NATIONAL SOCIAL UTILITY		REGIONAL NET BENEFIT	
			%
Use value	127 375 424	Aquitaine	4 085 924 3,61
Non-use value	85 329 037	Ile-de-France	44 551 155 39,34
Total benefits	212 694 461	Languedoc-Roussillor	4 956 669 4,38
Total costs	99 468 680	Midi-Pyrénées	15 053 468 13,29
Net benefit	113 235 781	Nord-Pas de Calais	2 345 709 2,07
Benefits/Costs Ratio	2,14	Pays de la Loire	8 009 645 7,07
		PACA	12 906 220 11,4
		Rhône-Alpes	21 326 991 18,83
		TOTAL	113 235 781 100
NATIONAL IMPACT		REGIONAL IMPACT	
			%
GIP France 2007	51 808 571	Aquitaine	38 953 987 6,6
Teams	3 383 525	Ile-de-France	253 791 822 43,0
FFR (Fr. Rugby Fed.)	14 586 870	Languedoc-Roussillor	30 840 970 5,2
Organisational impact	79 878 966	Midi-Pyrénées	20 733 089 3,5
Stadium spectators	407 892 995	Nord-Pas de Calais	32 157 761 5,5
Screen spectators	15 224 013	Pays de la Loire	27 387 742 4,6
Accompanying persons	45 735 002	PACA	145 350 164 24,6
Tourism impact	468 842 010	Rhône-Alpes	40 506 456 6,9
Total Impact	538 730 975	TOTAL	589 721 991 100



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