

Economic **Importance** of Sport in Northern Ireland



Department of
**Culture, Arts
and Leisure**

www.dcalni.gov.uk

isport
Northern Ireland

Contents



Definitions	1
Executive Summary	1
Chapter 1: Introduction	4
1.1: Terms of Reference	4
1.2: Methodology	4
Chapter 2: The Sport Economy in Northern Ireland	6
2.1: Summary of Key Indicators	6
2.2: Consumer Expenditure	7
2.3: Sport-related Output	8
2.4: Sport-related Employment	9
2.5: Summary of Income and Expenditure Flows	10
Chapter 3: Sport-related Organisations in Northern Ireland	11
Chapter 4: Comparison with other UK Regions	12
Appendices	19
A1: Statistical Sources	20
A2: Model Output for Northern Ireland	21

DEFINITIONS

1. National Income Accounting

The concepts of National Income Accounting were developed for macro-economic analysis in the 1930s and 1940s. The basic principle is that there is accounting equality between total output, total income and total expenditure. The most common definitions of total output in the economy as a whole are the gross domestic product (GDP) and gross value added (GVA). If we assume that the total output in a factory producing football shoes is £100 million, we can say that this is equivalent to the income generated as wages (£60 million), as profits (£10 million), and as flow to the companies selling inputs (£30 million) required in the production. Further, total income will also be identical to total expenditure because output that is not sold in the current financial year is treated as investment expenditure.

2. Gross Value Added

GVA (based on wages and profits) is the difference between total income and the cost of inputs used in the production process (raw materials and services). Alternatively it can be expressed as:

$GVA = GDP - \text{taxes on products} + \text{subsidies on products}$.

GVA shows the contribution of the sports sector to the economy as a whole.

3. Sport

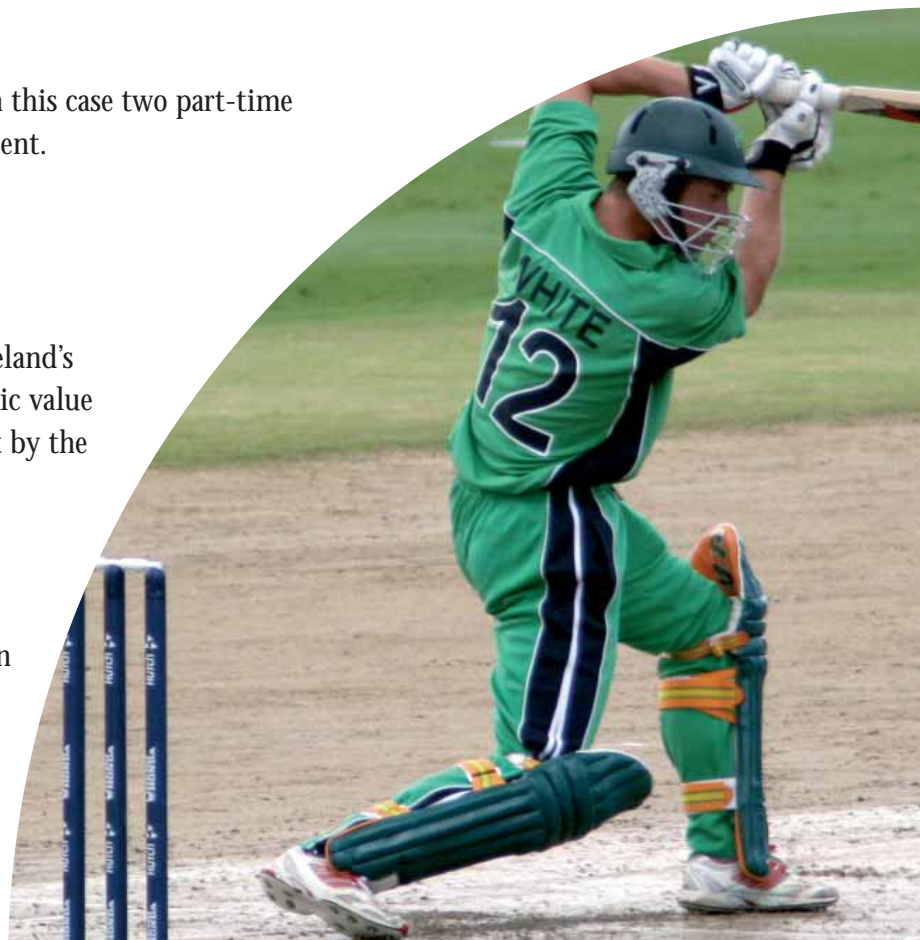
We follow the definition employed in the publication Sport Market Forecasts. Sport is divided into the following sectors: sports clothing and footwear; sports equipment; health and fitness; other participant sports; boats; spectator sports; sport gambling; sport TV and video; sport-related publications and sport related travel.

4. Employment

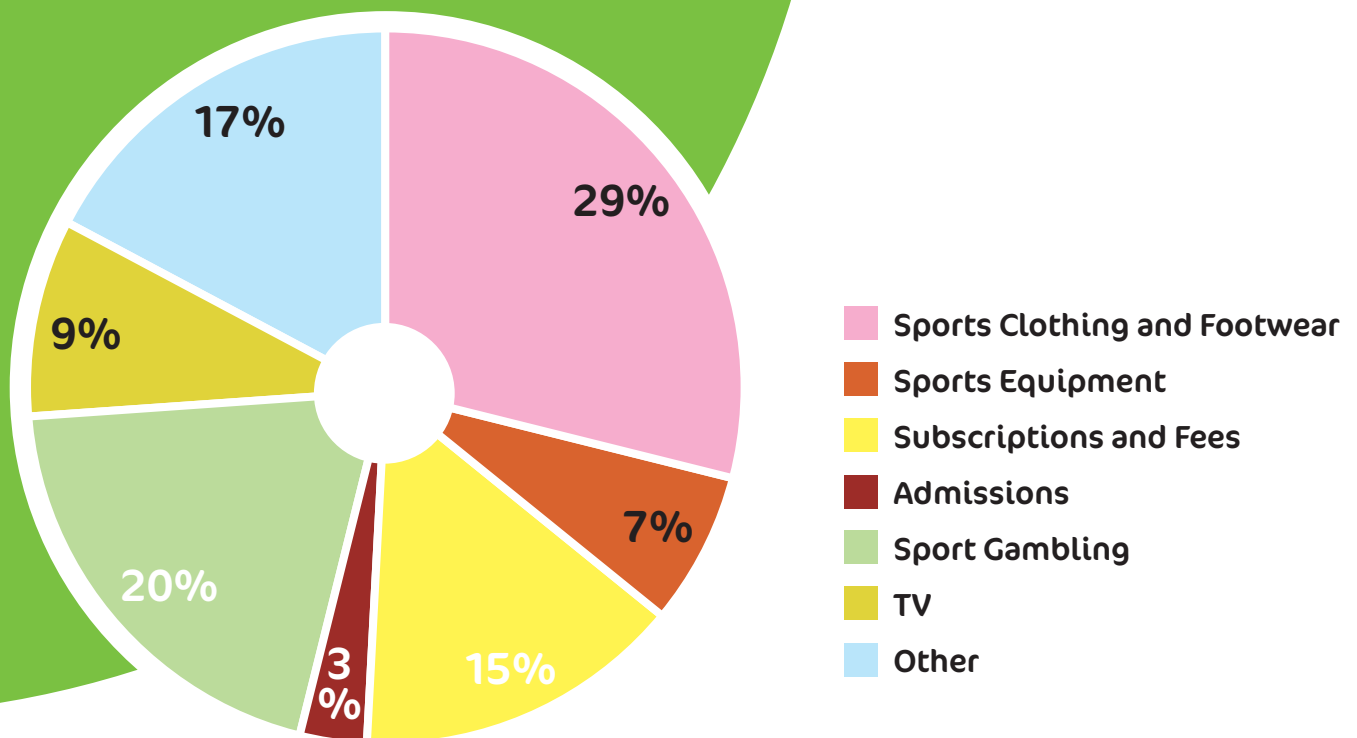
This is full-time equivalent (FTE) jobs. In this case two part-time jobs are measured as one full-time equivalent.

EXECUTIVE SUMMARY

- This report is part of Sport Northern Ireland's effort to build the evidence of the economic value of sport. The research has been carried out by the Sport Industry Research Centre (SIRC) at Sheffield Hallam University.
- This report focuses on the economic importance of sport to Northern Ireland in 2004, providing additional comparisons with estimates from 1998.



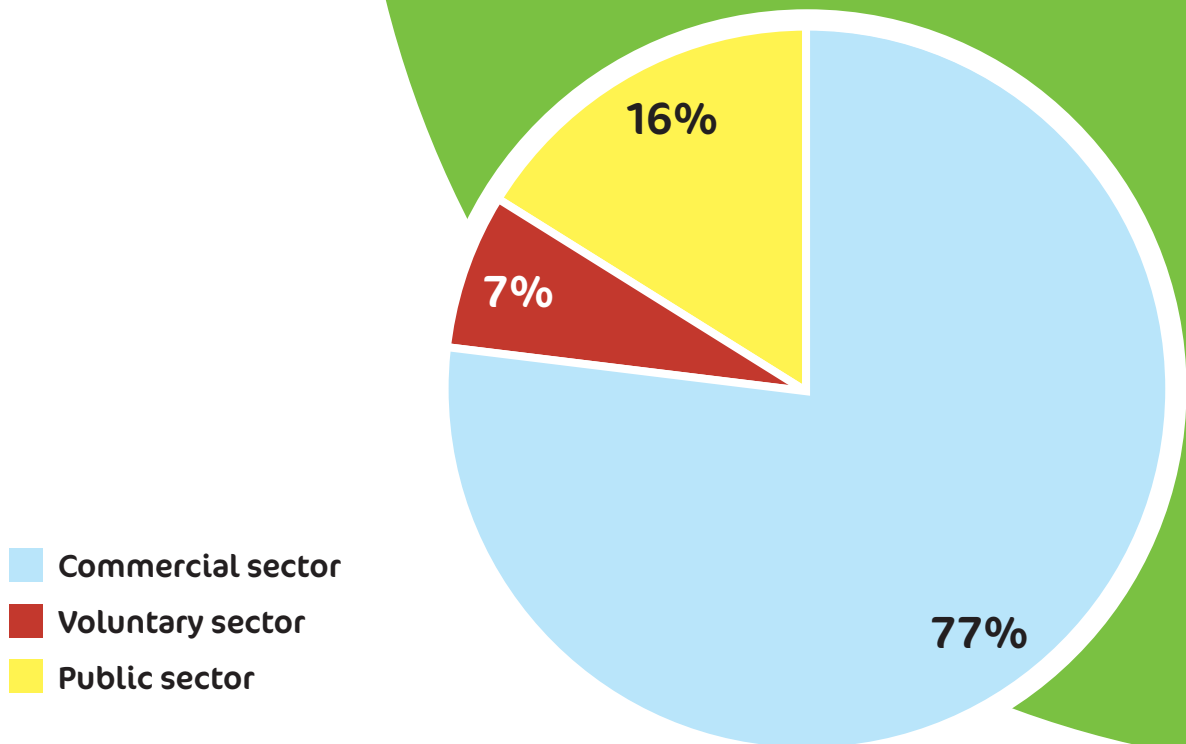
Sport-Related Consumer Expenditure in Northern Ireland, 2004



- The methodology employed is based on national income accounting and the income and expenditure flows between sub-sectors of the economy. By using the latter we can derive a monetary value for the sport production (value added) which is consistent with the national statistics framework and crucially avoids the problem of double counting.
- In 2004 **£446 million** was spent by consumers on sport-related goods and services in Northern Ireland. Consumer expenditure on sport as a percentage of total expenditure is estimated as follows:

Northern Ireland:	2.8%
England:	2.4%
- There has been a 75% increase in sport-related consumer expenditure during the period 1998-2004. This corresponds to a 63% growth using constant prices.
- Sport-related activity adds **£452 million** to the Northern Ireland economy, corresponding to almost 2% of total value added in the region.

Sport Employment in Northern Ireland, 2004



- 13,700 people are employed in sport-related employment, corresponding to 1.9% of total employment in the region.
- The abolition of direct tax on gambling has affected the sport economy in two ways. First, it considerably expanded the size of gambling within the sport market. In 2004, expenditure on sport gambling was £90 million, or 20% of total spending on sport. Second, it increased profits for sport gambling companies, hence increasing value added in the commercial sector; expenditure on sports clothing and footwear increased by 53% over the period 1998–2004 and participation (subscriptions and fees) increased by 56% over the same period.
- The sport economy in Northern Ireland is driven by consumer expenditure and sport participation, even in a state of decline over the period 1998–2004. Despite average earnings being below the average for the UK, the popularity of sport has resulted in sport-related expenditure being 2.8% of total spending, higher than the English average. There have been changes in the structure of the health and fitness sector; the estimated number of health and fitness clubs in Northern Ireland (at the time of writing) is 94. A new noted trend is small clubs targeting women for short 30 minute sessions.

1. INTRODUCTION

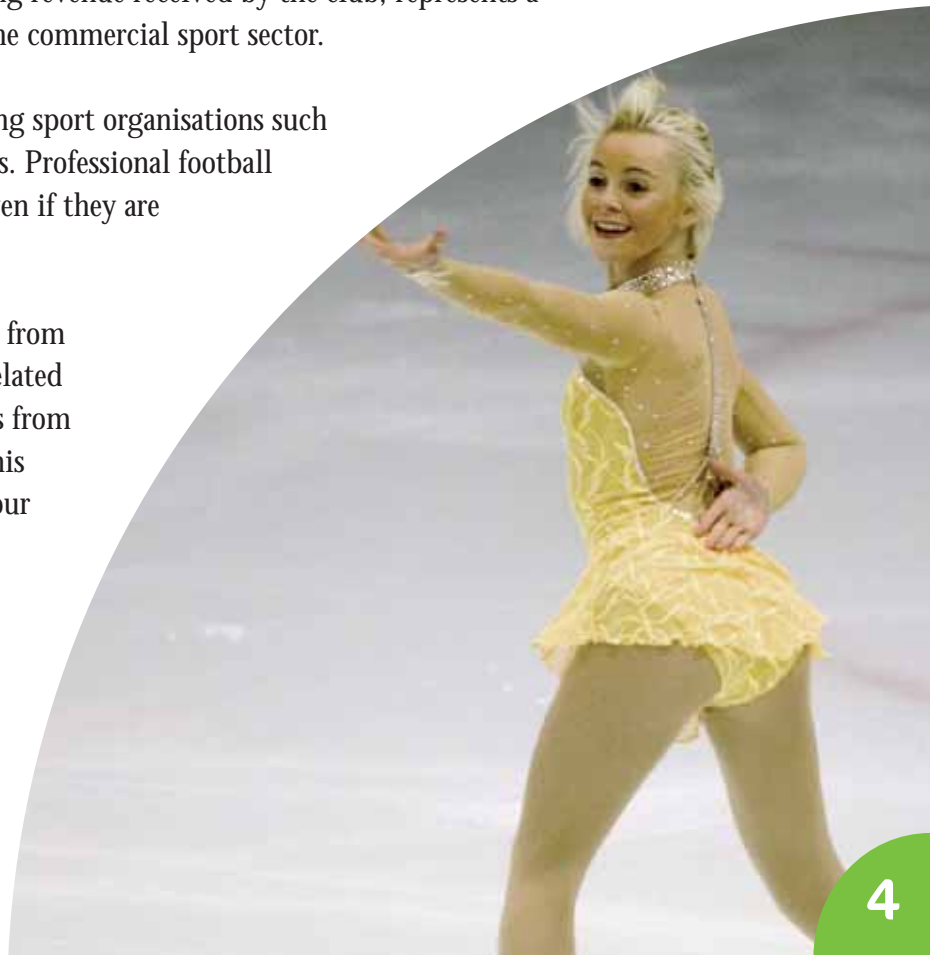
1.1 Terms of Reference

This report has been prepared by the Sport Industry Research Centre (SIRC) at Sheffield Hallam University on behalf of Sport Northern Ireland. The purpose of the report is to provide an estimate of the economic importance of sport in Northern Ireland as well as to establish its direct economic contribution.

1.2 Methodology

The SIRC model of economic impact assessment uses as its basic input – where possible – economic variables from official statistics. Hence, with the sole exception of the voluntary sector, there is no need for collection of primary data. National income accounting provides the framework for this model, which is consistent with the UK National Accounts. It allows for a division of the sports economy into the seven sectors below:

- **Consumers**, including the personal or household sector. This sector shows mainly sport-related expenditure, for example, spending on sports clothing and footwear.
- **Commercial sport**, including spectator sports clubs, sports good manufacturers and retailers. In this sector we would classify companies such as Nike, JJB and football clubs. We also include a section of the media where a sports product / service is produced such as sports TV, sports publications, etc.
- **Commercial non-sport**, including suppliers for the production of sport-related goods and services. This sector includes all companies in the commercial sector that do not provide a sport product, but that assist in its production through supply of inputs or revenue. An example is a beer company sponsoring a football club. The advertising revenue received by the club, represents a flow from the commercial non-sport to the commercial sport sector.
- **Voluntary**, including non-profit-making sport organisations such as amateur clubs run by their participants. Professional football clubs are not included in this category even if they are managed on a non-profit basis.
- **Local government**, including income from local government sport facilities, sport-related grants from central government and rates from the commercial and voluntary sectors. This sector has expenses such as wages for labour (a flow towards consumers) and grants to the voluntary sector.





- **Central government**, including taxes, grants and wages on sport-related activities. For example, a person buying a ticket for a football match records two flows: one towards the government sector as VAT, and another towards the commercial sport sector for the remainder of the price.
- **Outside the area sector**, this includes all transactions with economies outside the region.

Important sources of data are summarised in the Appendices. These include the publications Family Spending, Consumer Trends, Annual Business Inquiry and the Regional Accounts. We record income and expenditure flows between the seven sectors above. As a result we can draw up a set of income and expenditure accounts for each sector. This is done in an excel workbook frame. The 'double entry' accounting principle is applied, so every expenditure flow from sector A to sector B is also an income flow in the sector B accounts. The income and expenditure accounts are then used to derive estimates for the following economic impact indicators of the sport economy:

- Sport-related consumers' expenditure;
- Sport-related employment; and
- Sport-related value added.

Sport-related value added is the most comprehensive statistic of economic value as it corresponds to the gross value added (GVA) in the economy as a whole. It shows the contribution of the sport industry to the regional economy. We measure it as the sum of wages and profit surplus in the sector, adjusted for the inclusion of value contributed from National Lottery projects.

The method used is consistent with the Office for National Statistics (ONS) estimate, as reported in the Regional Accounts. The sport generated product (GVA) as a percentage of the total regional product is usually the most important statistic to consider. Total wages (which are part of GVA) in each sector, are then used to derive employment. This is done by dividing total wages by the average salary in each examining sector.

2. THE SPORT ECONOMY IN NORTHERN IRELAND

2.1 Summary of Key Indicators

Table 2.1 summarises the most important sport-related indicators for Northern Ireland, namely consumer expenditure, gross value added and employment. The table also draws comparisons for the region with 1998 and with the 2004 situation in England as a whole. The estimate for total consumer expenditure is consistent with the European System of Accounts 1995.

Table 2.1 highlights that over £446 million was spent on sport-related goods and services in Northern Ireland in 2004, which accounts for 2.8% of total expenditure in the region and is higher than the national average for England (2.4%). Compared with 1998, there was an increase of 75%¹ in sport-related consumption.

TABLE 2.1: MAIN SPORT-RELATED INDICATORS FOR NORTHERN IRELAND

	1998	2004
Consumer expenditure on sport (£million)	254.7	446.2
Percentage of Northern Ireland total	2.2%	2.8% ²
National average (compared to England)	2.2%	2.4%
Gross Value Added by sport (£million)	274.0	451.6
Percentage of Northern Ireland total	1.6%	2.0%
National average (compared to England)	1.5%	1.7%
Sport-related employment (thousands)	11.6	13.7
Percentage of Northern Ireland total	1.7%	1.9%
National average (compared to England)	1.5%	1.8%

The proportion of total consumer expenditure on sport has also increased from 2.2% in 1998 to 2.8% in 2004. Sport-related economic activity in Northern Ireland adds close to £452 million, which represents an increase of 65% over the year 1998. The contribution to GVA by sport in the region has also grown – from 1.6% in 1998 to 2.0% in 2004.

Sport-related employment in Northern Ireland grew from 11,600 in the year 1998 to 13,700 in 2004. As a percentage of total employment, it increased from 1.7% to 1.9% respectively. This compares favourably with the situation in England as a whole.

¹ $(446.2/254.7-1)*100=75\%$

² $(446.2/15936)*100=2.8\%$



Sport-related value added grew at a faster rate than sport employment. In other words, the share of sport employment gave us a much greater share of sport-related products within the economy. This cannot be justified by inflation alone. Since value added corresponds to the sum of wages and profits, and since there has not been a considerable rise in average real wages during the period 1998–2004 it seems likely that this inconsistency between employment and value added was caused by increasing profit margins in the commercial sector. Indeed this is the case for some major operators in the sport gambling industry. Financial results for the period show an often dramatic improvement in profits in a range of sport betting companies including Arena Leisure, Sportingbet, Paddy Power, Wembley and William Hill. In the case of William Hill, full year pre-tax profits increased by 525% in 2003.

2.2 Consumer Expenditure

Table 2.2 summarises the value of sport-related consumer expenditure in Northern Ireland. It shows that the total value of sport-related consumer expenditure was £446 million in 2004, representing an increase of 75% over 1998. Sports clothing and footwear is the largest category of consumer spending on sport, accounting for £130 million or 29% of the market in 2004. Gambling is the second largest category, accounting for £90 million or 20% of the market in 2004. The substantial increase (100%) in sport-related gambling expenditure during the period 1998–2004 can be explained by the abolition of gaming tax. After gambling, the major categories of expenditure are participation subscriptions and fees (£67 million) and TV rental, cable and satellite subscriptions (£39 million). According to *Family Spending*³, total weekly household expenditure on ‘participant sports’ in Northern Ireland increased by 56% in the period 1998–2004. The role of sport in creating output and employment in the commercial non-sport sector is illustrated by the sport-related spending on ‘TV and video rental, cable and satellite subscriptions’ – accounting for 9% of the market. Other expenditure categories include publications, sport-related BBC licence fee, and sport travel.

TABLE 2.2: SPORT-RELATED CONSUMER EXPENDITURE IN NORTHERN IRELAND

	1998	2004
	£m	£m
Sports clothing and footwear	84	130
Sports equipment	15	31
Participation subscriptions and fees	43	67
Admissions to events	1	15
Sport-related gambling	45	90
TV rental, cable and satellite subscriptions		39
Other sport-related expenditure	57	75
Total	255	446

³ *Family Spending: A report on the 2004-05 Expenditure and Food Survey (ONS)*

2.3 Sport-related Output

Estimates of sport-related output are based on value added by the sport sector. Value added is calculated as the sum of wages and profits generated in the sector. Table 2.3 summarises the value added by sport in Northern Ireland. According to the table, sport-related economic activity increased from £274 million in 1998 to £452 million in 2004. The largest part of this economic activity (£223 million, 49%) is generated by the commercial non-sport sector. The next largest sector is commercial sport (£113 million, 25%); most of the valued added in this sector is attributable to spectator sports and retailing. The latter includes sports clothing and footwear, equipment and publications. The voluntary and public sectors account for the remainder (£116 million, 26%) of the sport-related economic activity in the region.

TABLE 2.3: SPORT-RELATED VALUE ADDED IN THE NORTHERN IRELAND

	1998	2004
	£m	£m
Commercial sport	62	113
<i>of which:</i>		
<i>Spectator sports</i>	6	17
<i>Retailing</i>	45	72
Commercial non-sport	133	223
Voluntary sector	21	45
Public sector	58	71
Total	274	452

Within the commercial sport sector, retailing increased significantly from £45 million in 1998 to £72 million in 2004. This reflects the increasing trend for sportswear to be used as fashion-wear. Consequently manufacturers of sport shirts, such as Umbro, have managed to decrease the seasonality of their trading, reporting healthy profits in seasons without international football tournaments.





2.4 Sport-related Employment

Table 2.4 provides estimates for sport-related employment in Northern Ireland. The employment estimates for 2004 are derived from calculations based on wage payments and average salaries per sector.

Sport and associated industries are estimated to employ in excess of 13,700 people in Northern Ireland, accounting for 1.9% of all employment in the region in 2004. This represents an increase of 18% over 1998.

TABLE 2.4: SPORT-RELATED EMPLOYMENT IN NORTHERN IRELAND

	1998	2004
	('000)	('000)
Commercial sport	2.7	4.2
<i>of which:</i>		
<i>Spectator sports</i>	0.6	0.6
<i>Retailing</i>	1.5	2.7
Commercial non-sport	4.9	6.4
Voluntary sector	0.9	0.9
Public sector	3.1	2.3
Total	11.6	13.7

The relative share of employment generated within each sector is broadly consistent with their share of value added to the region's economy. As with value added, the largest sector is commercial non-sport, supporting 6,400 jobs or 47% of all sport-related employment in Northern Ireland. The commercial sport, public and voluntary sectors support 30%, 17% and 7% of the region's sport-related jobs respectively.

2.5 Summary of Income and Expenditure Flows

Table 2.5 summarises the income and expenditure flows for the seven sport-related sectors in 2004. The largest portion of income is generated in the commercial non-sport sector, accounting for £290 million. This is followed by the consumer sector (£284 million) and the commercial sport sector (£253 million).

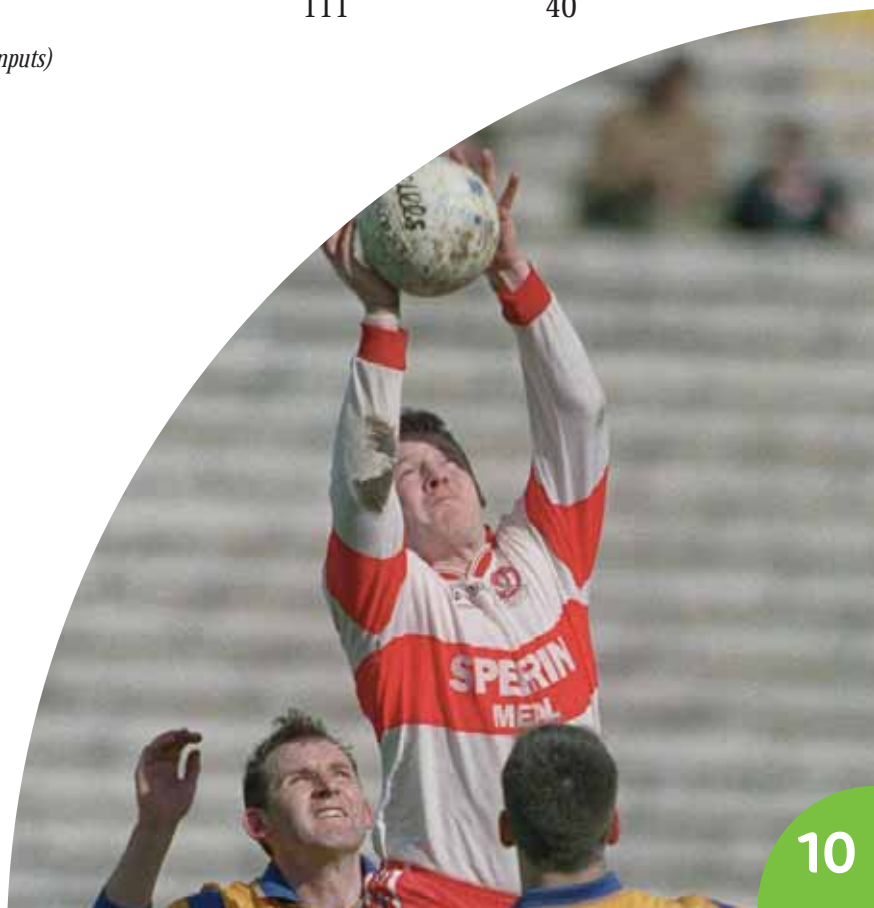
Within the commercial sport sector, 66% of generated income comes from retailing. This consists mainly of sports equipment, clothing and footwear and sales of sport-related books, magazines, newspapers and DVDs.

On the expenditure side, by far the most important category is the consumer sector accounting for £446 million of expenditure. This is followed by the commercial non-sport (£272 million) and commercial sport (£247 million) sectors.

TABLE 2.5: SPORT-RELATED INCOME AND EXPENDITURE FLOWS, 2004

	Income	Expenditure
	£m	£m
Consumer	284	446
Commercial sport	253	247
<i>of which:</i>		
<i>Spectator sports</i>	27	24
<i>Participation sports</i>	4	4
<i>Retailing</i>	168	157
Voluntary sector	77	57
Commercial non-sport	290	272
Central government	151	62
Local government	97	125
Outside the area	111	40

* *Current factor expenditure (wages, other inputs)*



3. SPORT-RELATED ORGANISATIONS IN NORTHERN IRELAND

Table 3.1 is an estimation of the number of companies, clubs, shops and independent professionals that are related to sports; data has been derived from the Yellow Pages. The table indicates the various forms and magnitude of the sport-related economic activity that is taking place in Northern Ireland. The backbone of the sports industry in Northern Ireland is supported by more than 1,000 companies and clubs. Data relates to the time of writing (2006).

TABLE 3.1:
NUMBER OF SPORTS COMPANIES, CLUBS OR STORES IN NORTHERN IRELAND

Archery	1	Pilates	3
Bloodstock Agencies.....	2	Pitch and Putt Courses	3
Canoeing and Kayaking.....	2	Quad Bikes and All Terrain Vehicles.....	6
Cricket Clubs	17	Riding Kit	8
Cycle Accessories Manufacturer	1	Riding Schools	37
Cycle Shops and Repairs	38	Rugby Clubs	12
Cycle Supplies Wholesalers.....	7	Saddlers and Harness Makers	8
Diving Schools and Equipment	5	Sailing Equipment.....	1
Driving Ranges - Golf.....	7	Sailing Instruction.....	5
Fisheries - Sport.....	11	Shooting and Fishing Agents.....	2
Fishing Tackle Manufacturers and Wholesalers	2	Skateboarding and Skating	2
Fishing Tackle Shops	46	Skiing and Snowboarding.....	2
Fitness Equipment.....	8	Snooker and Pool Centres	55
Golf Clubs, Courses and Professionals.....	103	Snooker and Pool Tables and Equipment	11
Golf Equipment	30	Sports Equipment Manufacturers and Wholesalers	23
Health Clubs.....	94	Sports Ground Contractors	11
Horse Supplies.....	7	Sports Grounds and Stadia.....	25
Horse Trainers and Jockeys.....	5	Sports Injury Clinics.....	32
Ice Rinks.....	1	Sports Promotion and Management.....	5
Karting	11	Sports Surfaces - Artificial.....	3
Leisure Centres	76	Sports Training and Coaching.....	11
Marinas	10	Sportswear Manufacturers and Wholesalers.....	11
Martial Arts.....	18	Surf Shops	1
Motorsports.....	26	Swimming Instruction.....	4
Outdoor Pursuits.....	8	Swimming Pools	4
Parachuting and Paragliding	1	Water Sports.....	26
Personal Trainers	16	Yoga.....	18



4. COMPARISON WITH OTHER UK REGIONS

Tables 4.1, 4.2, and 4.3 present a comparison of Northern Ireland with regions of England, Scotland and Wales, with respect to sport-related consumer expenditure, output and employment. Data for Scotland, Wales and Northern Ireland are for the year 2004. The English data corresponds to 2003. Hence comparisons are only indicative.

The proportion of sport-related spending in Northern Ireland (out of total spending) is 2.8%. This is the second highest in the UK.

The same ranking is achieved in terms of sport-related output (2.0%) and employment (1.9%).

TABLE 4.1: SUMMARY OF SPORT-RELATED CONSUMER EXPENDITURE IN THE ENGLISH REGIONS IN 2003, SCOTLAND, WALES AND NORTHERN IRELAND IN 2004

	East	East Midlands	London	North East
Sports clothing and footwear (£m)	310.1	206.9	536.4	137.3
Sports equipment (£m)	104.5	118.3	106.6	67.4
Participation subscriptions and fees (£m)	328.9	220.3	588.3	115.7
Admissions to events (£m)	70.3	47.0	125.7	24.7
Sport-related gambling (£m)	255.4	210.5	284.4	195.5
Other sport-related spending (£m)	435.5	344.0	692.6	184.9
<i>(This is in the Consumer Expenditure section of the Appendices, although the figure £114m is not stated explicitly. It includes spending on bicycles, boats, sport travel, skiing holidays, sport-related books, magazines and newspapers, sport TV and video rental.)</i>				
Total expenditure on sport (£m)	1,504.6	1,147.0	2,334.0	725.4
Per capita sport spending (£)	275.4	269.8	315.9	285.7
Proportion (%) of total consumer expenditure	2.2%	2.4%	2.4%	2.9%



North West	South East	South West	West Midlands	Yorkshire & Humber	England	Scotland	Wales	Northern Ireland
402.1	509.9	245.1	315.4	263.9	2,927.1	336.2	142.3	129.6
115.4	230.0	132.6	90.3	65.8	1,030.8	132.2	44.5	30.5
356.5	546.6	284.5	238.3	214.6	2,893.6	278.5	112.3	66.8
76.1	116.8	60.8	50.9	45.8	618.1	62.2	25.1	14.9
383.6	333.3	206.2	263.3	344.3	2,476.5	344	165.8	90.4
518.4	749.3	414.7	352.0	331.4	4,022.8	438.1	216.9	114
1,852.1	2,485.8	1,343.9	1,310.2	1,265.8	13,968.9	1,591.2	706.9	446.2
272.2	307.6	268.8	246.3	252.7	280.2	313.4	239.5	260.9
2.5%	2.2%	2.3%	2.3%	2.4%	2.4%	2.7%	2.3%	2.8%



TABLE 4.2: SUMMARY OF SPORT-RELATED OUTPUT IN THE ENGLISH REGIONS IN 2003, SCOTLAND, WALES AND NORTHERN IRELAND IN 2004

	East	East Midlands	London	North East
	(£m)			
Commercial sport	364.3	344.3	650.0	164.5
<i>of which:</i>				
<i>Spectator sports</i>	74.1	57.6	153.1	40.1
<i>Participation sports</i>	32.0	21.1	79.6	8.8
<i>Retailing</i>	200.2	158.1	331.1	88.6
<i>Manufacturing</i>	32.1	87.1	52.3	14.5
<i>TV and Radio</i>	25.5	20.0	33.4	12.3
Commercial non-sport	662.0	520.4	955.2	351.5
Voluntary sector	261.8	174.8	470.4	100.1
Public sector	131.5	96.9	161.0	70.5
Total sport-related economic activity	1,419.7	1,136.4	2,236.6	686.6
Sport GVA as % of total GVA	1.7%	1.8%	1.3%	2.1%



North West	South East	South West	West Midlands	Yorkshire & Humber	England	Scotland	Wales	Northern Ireland
(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
473.2	837.9	343.7	397.1	263.7	3,838.8	356.9	149.1	112.6
<i>118.2</i>	<i>132.1</i>	<i>65.6</i>	<i>75.8</i>	<i>59.5</i>	<i>776.1</i>	<i>67.9</i>	<i>29.1</i>	<i>16.5</i>
<i>40.6</i>	<i>56.2</i>	<i>31.0</i>	<i>22.7</i>	<i>11.1</i>	<i>303.1</i>	<i>25.7</i>	<i>5.4</i>	<i>2.3</i>
<i>243.6</i>	<i>366.2</i>	<i>191.5</i>	<i>180.0</i>	<i>145.0</i>	<i>1,904.3</i>	<i>199.8</i>	<i>83.3</i>	<i>72.1</i>
<i>38.4</i>	<i>244.1</i>	<i>30.8</i>	<i>93.7</i>	<i>23.2</i>	<i>616.2</i>	<i>33.5</i>	<i>14.3</i>	<i>12.6</i>
<i>31.6</i>	<i>38.8</i>	<i>24.2</i>	<i>24.7</i>	<i>24.0</i>	<i>234.5</i>	<i>30.0</i>	<i>16.9</i>	<i>9</i>
862.9	1,049.3	585.6	615.0	613.8	6,215.7	739.6	365.7	222.8
290.1	432.5	222.7	185.9	180.7	2,319.0	240.8	77.0	45.3
158.6	179.3	103.7	116.0	139.7	1,157.2	199.5	112.3	71.0
1,784.7	2,499.0	1,255.7	1,314.1	1,197.9	13,530.6	1,536.7	704	451.6
1.8%	1.8%	1.7%	1.7%	1.7%	1.7%	1.9%	1.8%	2.0%



TABLE 4.3: SUMMARY OF SPORT-RELATED EMPLOYMENT IN THE ENGLISH REGIONS IN 2003, SCOTLAND, WALES AND NORTHERN IRELAND IN 2004

	East	East Midlands	London	North East
		('000)		('000)
Commercial sport	14.9	15.1	23.5	7.2
<i>of which:</i>				
<i>Spectator sports</i>	3.7	2.9	5.6	2.2
<i>Participation sports</i>	1.6	1.0	2.9	0.5
<i>Retailers</i>	7.9	6.3	12.8	3.5
<i>Manufacturing</i>	1.0	4.1	1.3	0.5
<i>TV and Radio</i>	0.7	0.7	0.9	0.4
Commercial non-sport	16.7	15.2	20.3	11.2
Voluntary sport	5.1	3.6	6.3	2.2
Public sector	5.6	4.3	5.8	3.6
Total jobs in sport	42.3	38.2	55.9	24.2
Proportion (%) of total employment in sport	1.6%	1.9%	1.7%	2.3%



North West	South East	South West	West Midlands	Yorkshire & Humber	England	Scotland	Wales	Northern Ireland
('000)	('000)	('000)	('000)	('000)	('000)	('000)	('000)	('000)
19.9	32.6	15.5	17.3	12.3	158.2	13.9	5.8	4.2
5.9	5.4	4.2	3.8	4.0	37.7	2.9	1.2	0.6
2.0	2.3	1.9	1.1	0.7	14.1	0.5	0.2	0.1
9.6	14.2	7.7	7.0	5.9	74.9	8.3	3.4	2.7
1.3	9.7	1.0	4.5	0.8	24.2	1.1	0.4	0.5
1.1	1.0	0.8	0.8	0.8	7.2	1.0	0.6	0.3
25.2	25.1	16.8	18.0	18.4	167.0	19.8	11.1	6.4
5.8	6.9	5.6	4.0	5.2	44.7	4.5	2.0	0.9
7.2	7.0	5.0	5.3	7.6	51.3	7.3	4.5	2.3
58.1	71.6	43.0	44.6	43.4	421.2	45.5	23.2	13.7
1.9%	1.8%	1.8%	1.8%	1.9%	1.8%	1.8%	1.8%	1.9%



Appendices



A1: STATISTICAL SOURCES

Sources of data used in the model include the following publications:

- Consumer Trends
- Travel Trends
- Family Spending
- Regional Trends
- Annual Business Inquiry
- New Earnings Survey
- Sport England Annual Report
- Regional Accounts
- Leisure and Recreation Statistics
- General Household Survey
- National Travel Survey
- Housing and Construction Statistics
- National Accounts
- BBC Annual Report and Accounts
- UK Markets
- HM Customs and Excise Report
- Monthly Digest of Statistics
- Financial Statement and Budget Report
- Horserace and Betting Levy Board Report
- Government's Expenditure Plans
- BSkyB Annual Report
- Labour Trends



A2: MODEL OUTPUT FOR NORTHERN IRELAND

CONSUMER EXPENDITURE ON SPORT-RELATED GOODS AND SERVICES, 2004

	£million
Admissions	14.9
Sports goods	30.5
Bicycles	0.6
Boats	24.6
Participants' sports subscriptions and fees	66.8
Clothing sales	74.9
Footwear sales	54.7
Repairs and laundry	1.0
Travel	11.7
Books and magazines	4.3
Newspapers	12.2
Video: purchase and rental	0.6
BBC licence	8.5
TV and video rental, cable and satellite subscriptions	39.0
Internet subscriptions	0.2
Skiing holidays	9.5
Public schools	1.7
Gambling: football pools	2.0
Horse racing	80.0
Raffles and gaming	8.4
Total	446.2

COMMERCIAL SPORT INCOME, 2004

£million

Spectator clubs:

Admissions	14.4
Sponsorship and advertising	4.4
Corporate entertainment	3.3
Horserace Betting Levy	2.8

Participation clubs:

Subscriptions and fees	4.2
------------------------	-----

Retailers (net of Vat):

Equipment	36.7
Clothing and footwear	114.4
Books, newspapers and magazines and videos	16.9

Exports and manufacturers' sales of:

Clothing, footwear and equipment	37.1
----------------------------------	------

TV and radio:

BBC	8.5
Commercial	7.7
Exports	0.6
Internet subscriptions	0.2

Total income

989.2

COMMERCIAL SPORT EXPENDITURE, 2004

£million

Current factor expenditure

Spectator clubs:

Wages 16.3

Other inputs 8.1

Participation:

Wages 2.1

Other inputs 1.9

Retailers:

Wages 61.2

Other inputs 95.9

Manufacturers:

Wages 8.2

Other inputs 24.5

TV and radio:

Wages 8.6

Other inputs 4.0

Total factor expenditure made up of:

Total wages 96.4

Total other inputs 134.3

Total factor surplus 16.1

Total value added 112.5

Current transfers

Corporation tax 1.8

Rates 3.4

Capital expenditure

Investment 11.4

Total expenditure leaving sector

247.3

VOLUNTARY SECTOR INCOME, 2004

£million

Factor income (monetary)

Players' subscriptions and match fees 37.4

Equipment 0.3

Sponsorship and advertising 3.0

Raffles and gaming machines 8.4

Bar receipts 49.0

Subtotal (factor income) 98.1

Other monetary income

Grants 3.9

Foundation for Sport and Arts 1.1

Employers' subsidies 3.9

Interest 1.2

Lottery awards via Sport England 1.6

Lottery partnerships 1.9

**Total monetary income
(excluding bar receipts)**

62.4

VOLUNTARY SECTOR EXPENDITURE, 2004

£million

Factor expenditure

Wages 24.9

Ground hire and rents 5.6

Equipment 0.3

Other 13.7

(Bar purchases) 34.3

Subtotal (factor expenditure) 78.8

Rates 2.9

Interest 0.7

Investment 8.4

**Total monetary expenditure
(excluding bar purchases)****56.5**

COMMERCIAL NON-SPORT INCOME, 2004

£million

Receipts net of tax from consumer spending:

Travel 3.7

Gambling 70.9

Skiing 4.3

Public schools 1.4

TV rental, cable and satellite subscriptions 32.2

Sales of current inputs to:

Central government 4.6

Local government 24.2

Commercial sport 100.2

Voluntary sector 14.1

Interest from voluntary sector 0.7

Sales of capital inputs to:

Local government 19.7

Commercial sport 7.0

Voluntary 6.9

Promotion expenditure for sponsorship
(intra-sectoral flow) 10.2

Total income

290.0

COMMERCIAL NON-SPORT EXPENDITURE, 2004

£million

Producers of inputs to sport:

Wages 148.4

Imports 70.9

(factor surplus) 74.4

(value added) 222.8

Corporation tax 8.4

Rates 6.4

Purchases of inputs from sport:

Sponsorship and advertising 12.4

ITV and radio advertising 7.7

Corporate entertainment at sports events 3.3

Employees' sports subsidies 1.4

Horserace Betting Levy 2.8

Interest payments to voluntary sector 1.2

Promotion expenditure for sponsorship
(to elsewhere in CNS sector) 10.2

Lottery awards via Sport England 4.7

Lottery partnerships 3.9

Total expenditure leaving sector**271.8**

CENTRAL GOVERNMENT INCOME, 2004

£million

Taxes:

on expenditure	76.5
on incomes generated in:	
Commercial sport	19.9
Voluntary sector	4.5
Commercial non-sport	37.6
Local government	12.2

Total income	151.0
---------------------	--------------

Lottery awards	0.9
Lottery partnerships	0.6

CENTRAL GOVERNMENT EXPENDITURE, 2004

£million

Transfer payments

Grants via Sport England	3.5
--------------------------	-----

Grant support for local government expenditure on:

Sport (net spending)	30.1
Education	17.2
Foundation for Sport and Arts	1.4

Factor expenditure

Sport England: wages and other inputs	6.0
---------------------------------------	-----

Prison service, MOD, royal parks:

Wages and other inputs	1.4
------------------------	-----

Total	62.2
--------------	-------------

LOCAL GOVERNMENT INCOME, 2004

£million

Local authority sports facilities:

Fees and charges 20.1

Sales of equipment 9.3

Ground hire 2.8

Grants from central government:

to fund net expenditure on sport 30.1

Sport education 17.2

via Sport England 0.5

via FSA 0.4

Rates:

Voluntary sector 2.9

Commercial sport 3.4

Commercial non-sport 6.7

Payments for policing 0.3

Lottery awards 2.2

Lottery partnerships 1.4

Total income**97.2**

LOCAL GOVERNMENT EXPENDITURE, 2004

£million

Current expenditure

Direct gross expenditure:

Wages 38.1

Other current expenditure 32.5

Education:

Wages 31.2

Research 0.6

Local transport and policing:

Wages and other inputs 7.6

Grants to voluntary clubs 0.9

Capital expenditure

Investment 23.8

Total expenditure

124.8

OUTSIDE THE AREA INCOME, 2004

	£million
Sports clothing, footwear and equipment	23.4
Import content of skiing	3.5
TV imports	1.0
Prize income	3.4
<u>Import content of UK production of:</u>	
Sport-related goods and services	8.3
Commercial non-sport sector output	70.9
Total income	110.6

OUTSIDE THE AREA EXPENDITURE, 2004

	£million
Sports clothing, footwear and equipment	33.7
Admissions to sports events	2.6
TV exports	0.6
Prize income	3.4
Total expenditure	40.3

VALUE ADDED BY SPORT-RELATED ECONOMIC ACTIVITY, 2004

	£million	Index
<u>Commercial sport:</u>		
Wages	96.4	
Surplus	16.1	
Total	112.6	24.9
<u>Voluntary sector:</u>		
Wages	24.9	
Surplus	19.3	
Lottery projects	1.1	
Total	45.3	10.0
<u>Commercial non-sport:</u>		
Wages	148.4	
Surplus	74.4	
Total	222.8	49.3
<u>Central government:</u>		
Wages	2.2	
Lottery projects	0.5	
Total	2.8	0.6
<u>Local government:</u>		
Wages (education)	21.2	
Wages (sports facilities)	38.1	
Wages (transport and policing)	7.6	
Lottery projects	1.2	
<u>Total:</u>	68.2	15.1
TOTAL VALUE ADDED	451.6	100.0

EMPLOYMENT, 2004

Sector	Employment ('000s)
<u>Commercial sport:</u>	
Spectator clubs	0.6
Participation clubs	0.1
Retailers	2.7
Manufacturing	0.5
TV and radio	0.3
Subtotal	4.2
<u>Voluntary sector</u>	0.9
<u>Commercial non-sport</u>	6.4
<u>Central government:</u>	
Administration	0.1
Subtotal	0.1
<u>Local government:</u>	
Sports facilities	1.4
Education	0.6
Subtotal	2.2
TOTAL	13.7

THE EXPENDITURE FLOWS MATRIX, 2004 (£million)

Flows from:	Flows to:						
	CON	CS	VOL	CNS	CG	LG	OV
Consumer sector	0.0	193.0	46.1	112.5	60.9	29.4	3.5
Commercial sport	78.8	0.0	0.0	107.3	21.4	3.7	36.2
Voluntary sector	20.3	0.2	0.0	21.8	8.5	5.7	0.0
Commercial non-sport	123.7	20.4	9.0	0.0	37.6	10.3	70.9
Central government	2.2	0.7	6.5	4.6	0.0	48.2	0.0
Local government	55.2	2.6	0.9	43.9	22.2	0.0	0.0
Overseas	3.4	36.5	0.0	0.0	0.5	0.0	0.0

This document is available in other accessible formats on request, and online at www.sportni.net

House of Sport
Upper Malone Road
Belfast BT9 5LA

Telephone (028) 9038 1222
Facsimile (028) 9068 2757
Minicom (028) 9068 2593
E-mail info@sportni.net
Website www.sportni.net

