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UK Sport Satellite Account, 2011 and 2012

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

# Executive summary

**GVA**

* Gross Value Added (GVA) for the sport sector economy has grown in current prices (not adjusted for inflation) by 10.4 per cent in 2011 and 4.4 per cent in 2012 (7.2 per cent and 2.7 per cent in constant prices, adjusted to 2011 prices).
* The value of the sports economy was £38,891m in 2012 (current prices).
* In 2012, the largest sub-sectors by value (2011 prices) were Sporting activities (£20,230m), Telecommunications (£3,677m), Education (£1,691m) and Advertising, business activities (£1,578m).
* Sport related GVA accounted for 2.6 per cent of UK GVA in 2011 and 2012, compared with 2.4 per cent in 2010.

**Employment**

* Employment in sport increased by 55 per cent in 2011 and a further 1 per cent in 2012. There was a 66 per cent increase between 2004 and 2012.
* Total sport employment in 2012 was one million, or 3.6 per cent of UK employment (up from 2.2 per cent in 2004).

**Consumer spending**

* Consumer sport-related spending increased from £26.4bn in 2010 to £29.2bn in 2012: a 10.6 per cent increase in current prices (or 4.5 per cent constant prices).
* The highest spending sub-sectors within sport (current prices) are wearing apparel (£3,398m in 2012) and Telecommunications (£3,402m in 2012).
* Consumer spending on sport was 2.9 percent of all UK consumer spending in 2012, up from 2.8 per cent in 2010 and 2011.

**Value of sport in the UK, 2009 - 2012\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2008** | **2009** | **2010** | **2011** | **2012** |
| Sport related GVA, £m | 29,335 | 29,455 | 33,736 | 37,252 | 38,891 |
| as % of total GVA | 2.1% | 2.2% | 2.4% | 2.6% | 2.6% |
|   |  |   |   |   |   |
| Sport related consumer spending £m | 26,010 | 24,845 | 26,405 | 27,754 | 29,207 |
| as % of total spending  | 2.8% | 2.7% | 2.8% | 2.8% | 2.9% |
|   |  |   |   |   |   |
| Sport related employment, 000s | 629.5 | 629.1 | 640.1 | 991.0 | 1,000.5 |
| as % of total employment | 2.2% | 2.3% | 2.3% | 3.6% | 3.6% |

\*GVA and consumer spending in current prices. Total number of people employed in the UK is taken from the *Labour Force Survey* and is calculated using full time equivalents. The GVA total is taken from the National Accounts and the consumer spending total from *Consumer Trends*.

# 1. Introduction

This report presents the value of the UK’s sport sector for 2011 and 2012, including comparisons with previous years (since 2004). The sports economy is presented in terms of consumer spending, gross value added (GVA) and employment. Data sources and the methodology used are the same as the UK’s first Sport Satellite Account report, which included data for 2004 to 2006[[1]](#footnote-1). These are the first results which cover the period of the London 2012 Olympic and Paralympic Games.

Please note that there have been revisions to historic data. These revisions are primarily as a result of changes to National Accounts. There are also some small changes as a result of validations following new survey responses.

This section summarises the methodology and statistical sources used. More detail is provided in the appendix A4.

**1.1 Background**

The desire for more evidence in relation to sport has been increasing across Europe. The White Paper on Sport[[2]](#footnote-2) (2007) invited the European Commission to 'support national efforts to develop Sport Satellite Accounts'. In 2011, the Commission published its 'Communication on Sport[[3]](#footnote-3)', asking for a strengthening of evidence-based policy-making in the field of sport. The production of national Sport Satellite Accounts (SSAs) was the first of three policy suggestions for establishing evidence-based policy-making.

A satellite account system is specifically aimed at sectors of the economy which are not observable in the traditional system of National Accounts, because they do not correspond to a specific statistically delineated economic activity. The approach is an extension of the system of National Accounts. Industries are classified via the Classification of Economic Activities in the European Community (NACE[[4]](#footnote-4)) while goods and services are defined through the Classification of Products by Activity (CPA) framework. Developing estimates for the sports sector requires separating out sport and non-sport components.

**1.2. Sport Definition**

A statistical definition of sport is required to identify sport-related activities in NACE. The estimates in this publication are based on the EU agreed definition of the sport economy ('Vilnius Definition') which sets out which categories or sub-categories are fully or partly related to sports and the definition to which they belong. Sport under the Vilnius definition is comprised of three parts:

* Statistical Definition: Comprised of “sporting activities” (the only part of the sport sector having its own NACE category).
* Narrow Definition: All activities which are inputs to sport (i.e. all goods and services which are necessary for doing sport) plus the Statistical Definition.
* Broad Definition: All activities which require sport as an input (i.e. all goods and services which are related to a sport activity but without being necessary for doing sport e.g. insurance or gambling) plus the Narrow Definition.

**1.4 Sourcing suitable statistical data**

Data availability is the greatest challenge when producing SSAs. Using data directly from the System of National Accounts (SNA) is insufficient because of the broader definition of sport. However, data beyond the SNA is scarce and the degree of availability differs largely from sector to sector.

For this reason, data were obtained from three separate sources:

* Questionnaires to sport companies
* Examination of companies accounts
* Sourcing of national data.

More detail on the data sources and how they are used is contained in appendix A4.

So far, SSAs have been completed by several EU countries including Austria, the UK, the Netherlands, Germany, Cyprus, and Poland[[5]](#footnote-5). Additionally, Lithuania is at the final stage of completion.

# 2. Sport related consumer sending

# 2.1 Current prices (not adjusted for inflation)

In 2011 and 2012 sport consumption grew by 6.2% and 6.3% respectively, reaching £29.2bn in value in 2012. This has followed a gradual increase in spending each year from £23.4bn in 2004, with the exception of 2009 when there was a decrease of 11.5 per cent, associated with the economic consequences of the recession. According to the National Accounts, in 2009 real GDP declined by 4.3%, representing the largest one-year fall in the last 60 years. In the same year, overall consumer spending, in current prices, declined by 2.0%compared to 2008.

Table 3 illustrates the detailed changes in sport-related consumer spending in the UK (2004-2012), in current prices (not adjusted for inflation). In 2012 the order of the four highest spending categories changed compared to 2011, see Table 1.

**Table 1: Highest consumer spending categories 2011 and 2012**

|  |  |
| --- | --- |
| **2011** | **2012** |
| Wearing apparel - £3.3bn | Telecommunications - £3.4bn |
| Telecommunications - £3.2bn | Wearing apparel - £3.4bn |
| Sport betting - £2.6bn | Sport betting - £2.9bn |
| Health and fitness - £2.6bn | Hotels & restaurants - £2.6bn |

The London Olympic and Paralympic Games appear to have influenced the pattern of consumption, boosting spending on telecommunications, hotel and restaurants and sport participation (seen through an increase in wearing apparel). However changes occurred in most of the categories shown in Table 3.

Revisions have been made to sport betting to reflect the construction of the National Input-Output Tables and subsequent ONS revisions. Sport betting in current prices fluctuates between £2.6bn (2009) and £3.2bn (2005). In reality consumers spend more in remote on-line betting, most of which is treated as imports in the National Accounts and is not included in the consumption figure. Table 2 shows the sport betting pattern with and without the imports element.

**Table 2: Sport-related betting spending UK, 2004-2012, current prices**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
|  | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| Consumption | 3,162 | 3,211 | 2,905 | 3,147 | 3,158 | 2,649 | 2,591 | 2,633 | 2,907 |
| Consumption and remote imports | 3,202 | 3,261 | 3,198 | 3,590 | 3,565 | 3,264 | 3,362 | 3,305 | 3,556 |
| Imports | 40 | 50 | 293 | 443 | 407 | 615 | 771 | 672 | 649 |

**Table 3: Sport-related consumer spending UK, 2004 – 2012, current prices**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
|  | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| Food/drinks | 239 | 261 | 286 | 344 | 342 | 336 | 364 | 380 | 400 |
| Textiles | 434 | 452 | 538 | 592 | 552 | 549 | 575 | 715 | 718 |
| Wearing apparel | 2,763 | 2,658 | 2,729 | 2,962 | 3,011 | 2,995 | 3,104 | 3,280 | 3,398 |
| Leather/footwear | 1,371 | 1,372 | 1,382 | 1,418 | 1,464 | 1,406 | 1,475 | 1,601 | 1,673 |
| Publishing services | 876 | 848 | 820 | 862 | 875 | 811 | 808 | 791 | 761 |
| Coke, petroleum | 246 | 248 | 248 | 299 | 329 | 294 | 339 | 222 | 393 |
| Pharmaceuticals | 158 | 164 | 170 | 180 | 192 | 181 | 191 | 204 | 232 |
| Various metal products | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 3 |
| Machinery/weapons | 15 | 15 | 15 | 14 | 13 | 12 | 14 | 16 | 16 |
| Optical instruments | 23 | 22 | 24 | 25 | 26 | 24 | 27 | 26 | 25 |
| Motor vehicles | 82 | 84 | 83 | 139 | 159 | 146 | 169 | 133 | 146 |
| Boats/Aircraft | 897 | 1,042 | 1,066 | 1,181 | 1,202 | 1,300 | 1,320 | 1,330 | 1,350 |
| Cycles | 740 | 788 | 774 | 805 | 900 | 974 | 986 | 1,042 | 1,098 |
| Sport goods | 1,676 | 1,736 | 1,748 | 1,731 | 1,720 | 1,530 | 1,892 | 1,864 | 1,808 |
| Hotels and restaurants | 2,067 | 2,051 | 2,045 | 2,291 | 2,331 | 2,298 | 2,335 | 2,473 | 2,618 |
| Land transport | 89 | 83 | 77 | 84 | 79 | 74 | 76 | 78 | 85 |
| Water transport | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Air transport | 115 | 108 | 102 | 111 | 108 | 117 | 99 | 110 | 115 |
| Travel agencies | 64 | 74 | 57 | 63 | 56 | 58 | 56 | 54 | 57 |
| Telecommunications | 2,335 | 2,354 | 2,626 | 2,601 | 2,723 | 2,883 | 2,873 | 3,155 | 3,402 |
| Insurance | 46 | 43 | 106 | 112 | 103 | 100 | 112 | 120 | 137 |
| Renting of Machinery/equipment | 102 | 89 | 98 | 102 | 106 | 101 | 110 | 91 | 78 |
| Education | 173 | 184 | 231 | 246 | 249 | 253 | 246 | 286 | 290 |
| Health and vet services | 176 | 216 | 214 | 256 | 229 | 224 | 252 | 247 | 269 |
| Sporting activities |   |   |   |   |   |   |   |   |   |
| *Dance schools* | 133 | 215 | 236 | 240 | 242 | 220 | 378 | 457 | 413 |
| *Spectator sports* | 756 | 720 | 710 | 782 | 742 | 780 | 782 | 997 | 1,044 |
| *Health and fitness* | 1,980 | 2,015 | 2,048 | 2,130 | 2,230 | 1,920 | 2,538 | 2,565 | 2,551 |
| *Other participant sports* | 1,720 | 1,655 | 1,702 | 1,695 | 1,774 | 1,532 | 1,623 | 1,754 | 2,031 |
| *Sports betting* | 3,162 | 3,211 | 2,905 | 3,147 | 3,158 | 2,649 | 2,591 | 2,633 | 2,907 |
| *Boat renting* | 100 | 107 | 114 | 112 | 112 | 120 | 130 | 130 | 132 |
| *Massage, fitness* | 871 | 913 | 950 | 966 | 975 | 950 | 930 | 990 | 1,050 |
| Other | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 3 |
| **TOTAL** | **23,417** | **23,735** | **24,111** | **25,498** | **26,010** | **24,845** | **26,405** | **27,754** | **29,207** |

# 2.2. Constant prices (2011 prices)

A more meaningful comparison of consumer patterns can be drawn if we adjust for inflation. Table 4 shows the consumer spending information of Table 3 when prices are kept constant at the 2011 level. It is worth noting that after adjusting for inflation, the category ‘wearing apparel’ becomes the most sizeable category of spending in both 2011 and 2012. Using the Consumer Trends price index (2011=100) the price level in wearing apparel decreased from 135 in 2004 to 97 in 2010. This implied that a given amount of nominal spending would correspond to greater amount of volume. The price index started increasing again in 2011 and 2012 at 100 and 101 respectively. Health and fitness was the fourth most sizeable category examined in 2011, partly boosted by the Olympic Games and partly by the influx of value for money, 24 hour operators throughout the UK. The last row of Table 4 shows the percentage share of sport within total consumer spending. This peaked at 2.9 per cent in 2012, following a decline to 2.7 per cent in the peak of the recession (2009). Overall, as we approached the London Olympic and Paralympic year 2012, a gradual rise in the sport related consumer spending took place which increased the weight of sport within the economy.

Table 5 shows the growth rates per sector for the years 2011 and 2012 and the overall growth during the period 2004 – 2012, in 2011 prices. Growth in sport spending between 2011 and 2012 is driven by participant sports, sports betting, and cycles. This is quite different to the drivers of change in 2011 (spectator sports, footwear and education). Between 2004 and 2012, the greatest growth occurred in the technology related sector ‘optical instruments’ followed by sport insurance, textiles and dance schools. The greatest overall growth among the larger sectors (over £1bn sectors) was seen in ‘wearing apparel’, likely to be driven by cheaper prices and increased sports participation. This is illustrated by the trend of intensive participation (three times a week or more) as shown in the following figure derived from Active People Survey data:

**Figure 1: Tends in sport participation three times/ week (APS data)**



Finally, the over £1bn sector with the greatest decline was sport betting (decrease of 32% between 2004 and 2012).

**Table 4: Sport-related consumer spending, UK 2004 – 2012, 2011 prices**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
|  | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| Food/drinks | 325 | 350 | 374 | 431 | 393 | 373 | 384 | 380 | 388 |
| Textiles | 405 | 440 | 549 | 621 | 591 | 584 | 607 | 715 | 705 |
| Wearing apparel | 2047 | 2086 | 2239 | 2545 | 2801 | 2936 | 3210 | 3280 | 3371 |
| Leather/footwear | 1107 | 1162 | 1220 | 1271 | 1361 | 1339 | 1429 | 1601 | 1676 |
| Publishing and printing | 1059 | 1020 | 958 | 992 | 968 | 863 | 833 | 791 | 751 |
| Coke, petroleum | 414 | 385 | 366 | 429 | 408 | 346 | 380 | 222 | 389 |
| Pharmaceuticals | 165 | 172 | 180 | 188 | 199 | 187 | 193 | 204 | 229 |
| Various metal products | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 3 |
| Machinery/weapons | 14 | 15 | 15 | 14 | 13 | 12 | 14 | 16 | 16 |
| Optical instruments | 4 | 5 | 7 | 10 | 14 | 16 | 21 | 26 | 35 |
| Motor vehicles | 96 | 97 | 96 | 160 | 179 | 159 | 176 | 133 | 141 |
| Boats/Aircraft | 1052 | 1207 | 1234 | 1356 | 1354 | 1413 | 1372 | 1330 | 1307 |
| Cycles | 860 | 940 | 934 | 969 | 1059 | 1070 | 1014 | 1042 | 1116 |
| Sport goods | 1580 | 1738 | 1785 | 1761 | 1744 | 1545 | 1902 | 1864 | 1834 |
| Hotels and restaurants | 2512 | 2360 | 2252 | 2442 | 2436 | 2381 | 2407 | 2473 | 2549 |
| Land transport | 114 | 101 | 90 | 94 | 85 | 78 | 79 | 78 | 82 |
| Water transport | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 4 | 4 |
| Air transport | 134 | 124 | 116 | 128 | 118 | 128 | 108 | 110 | 110 |
| Travel agencies | 96 | 105 | 76 | 76 | 72 | 68 | 60 | 54 | 54 |
| Telecommunications | 2305 | 2392 | 2674 | 2758 | 2976 | 3067 | 2977 | 3155 | 3287 |
| Insurance | 65 | 58 | 135 | 136 | 121 | 111 | 118 | 120 | 136 |
| Renting of Machinery/equipment | 130 | 108 | 115 | 114 | 116 | 107 | 114 | 91 | 77 |
| Education | 295 | 299 | 350 | 328 | 297 | 284 | 259 | 286 | 267 |
| Health and vet services | 233 | 278 | 267 | 311 | 264 | 249 | 266 | 247 | 264 |
| Sporting activities |   |   |   |   |   |   |   |   |   |
| *Dance schools* | 227 | 349 | 358 | 320 | 289 | 247 | 397 | 457 | 380 |
| *Spectator sports* | 1019 | 929 | 872 | 920 | 829 | 848 | 820 | 997 | 1010 |
| *Health and fitness* | 2668 | 2600 | 2516 | 2506 | 2492 | 2087 | 2660 | 2565 | 2467 |
| *Other participant sports* | 2318 | 2135 | 2091 | 1994 | 1982 | 1665 | 1701 | 1754 | 1964 |
| *Sports betting* | 4161 | 4070 | 3526 | 3668 | 3576 | 2848 | 2719 | 2633 | 2823 |
| *Boat renting* | 135 | 138 | 140 | 132 | 125 | 130 | 136 | 130 | 128 |
| *Massage, fitness* | 1174 | 1178 | 1167 | 1136 | 1089 | 1033 | 975 | 990 | 1015 |
| Other | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 4 | 3 |
| **TOTAL** | **26,722** | **26,854** | **26,711** | **27,817** | **27,959** | **26,185** | **27,342** | **27,754** | **28,582** |
| **Sport contribution** | 2.8% | 2.8% | 2.7% | 2.7% | 2.8% | 2.7% | 2.8% | 2.8% | 2.9% |

**Table 5: Sport-related consumer spending, growth rates 2011 prices**

|  |  |  |  |
| --- | --- | --- | --- |
| **Consumer spending** | **2010-11** | **2011-12** | **2004-12** |
| **%** | **%** | **%** |
| Food/drinks | -1 | 2 | 19 |
| Textiles | 18 | -1 | 74 |
| Wearing apparel | 2 | 3 | 65 |
| Leather/footwear | 12 | 5 | 51 |
| Publishing and printing | -5 | -5 | -29 |
| Coke, petroleum | -42 | 75 | -6 |
| Pharmaceuticals | 6 | 12 | 39 |
| Various metal products | 0 | 52 | 61 |
| Machinery/weapons | 14 | 1 | 15 |
| Optical instruments | 22 | 35 | 716 |
| Motor vehicles | -24 | 6 | 47 |
| Boats/Aircraft | -3 | -2 | 24 |
| Cycles | 3 | 7 | 30 |
| Sport goods | -2 | -2 | 16 |
| Hotels and restaurants | 3 | 3 | 1 |
| Land transport | -1 | 5 | -28 |
| Water transport | -5 | -4 | -4 |
| Air transport | 2 | 0 | -18 |
| Travel agencies | -10 | 0 | -44 |
| Telecommunications | 6 | 4 | 43 |
| Insurance | 2 | 13 | 108 |
| Renting of Machinery/equipment | -20 | -15 | -40 |
| Education | 11 | -7 | -9 |
| Health and vet services | -7 | 7 | 13 |
| Sporting activities |   |   |   |
| *Dance schools* | 15 | -17 | 68 |
| *Spectator sports* | 22 | 1 | -1 |
| *Health and fitness* | -4 | -4 | -8 |
| *Other participant sports* | 3 | 12 | -15 |
| *Sports betting* | -3 | 7 | -32 |
| *Boat renting* | -5 | -2 | -5 |
| *Massage, fitness* | 2 | 3 | -13 |
| Other | -5 | -27 | -28 |
| **TOTAL** | 2% | 3% | 7% |

# 3. Sport related GVA

# 3.1 Current prices (not adjusted for inflation)

In 2011 and 2012 sport related GVA grew by 10.4 per cent and 4.4 per cent respectively in current prices. The size of GVA increased from £33.7bn in 2010, to £37.3.5bn in 2011, and £38.9bn in 2012. Since 2009 the rates of growth in sport GVA are considerably higher than the growth rate for the economy overall. Table 6 shows the elements of sport GVA from 2004 to 2012. The majority of GVA is generated by the sport activities category. In 2011 and 2012 important contributions were also made by telecommunications, education, advertising and retail. As in consumer spending, it is likely the London 2012 Games influenced much sport related activity, however, it particularly boosted by two elements: construction activity and administration.

GVA associated with administration peaked in 2012, but started being a major economic activity in 2011. Construction had a much longer span, passing the £0.6bn mark in 2008 and peaking at £0.8bn in 2010, two years before the Games. By 2012 it was back down to £0.5bn. This is a direct injection of spending through the sport related economy generating impacts on employment.

The final row of Table 6 shows the share of sport GVA as a proportion of UK total GVA. It is interesting to note that the rise of sport contribution here is much more decisive than in the case of sport consumption, increasing from 2.2% in 2009 to 2.6% of total GVA in both 2011 and 2012.

Table 7 underlines the growth of sport industry since 2009. In the period 2006-2008 sport growth was slower than growth in the economy as a whole. In 2009, when UK GVA reduced by 1.7 per cent, it would have been expected that sport would also have declined, as in a recessionary period necessities become the priority for consumers. Instead, sport related GVA rose slightly by 0.4 per cent. This was followed by growth rates of 14.5 per cent and 10.4 per cent for the years 2010 and 2011 respectively. In 2012 it saw a continued increase of 4.4 per cent, compared to 2.4 per cent for the UK economy as a whole.

**Table 6: Sport-related GVA, UK, 2004-2012, current prices**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **GVA** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
| **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| Agriculture | 392 | 278 | 287 | 291 | 308 | 290 | 277 | 358 | 399 |
| Food/drinks | 94 | 101 | 113 | 115 | 114 | 113 | 163 | 156 | 151 |
| Textiles | 114 | 114 | 123 | 131 | 134 | 132 | 167 | 176 | 174 |
| Wearing apparel | 112 | 104 | 111 | 109 | 96 | 91 | 108 | 137 | 144 |
| Leather/footwear | 9 | 9 | 10 | 10 | 9 | 9 | 11 | 15 | 14 |
| Publishing services | 369 | 352 | 356 | 353 | 356 | 369 | 400 | 490 | 508 |
| Coke, petroleum | 39 | 33 | 26 | 24 | 19 | 18 | 17 | 17 | 26 |
| Pharmaceuticals | 126 | 131 | 136 | 144 | 154 | 145 | 153 | 185 | 197 |
| Rubber products | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 5 | 7 |
| Various metal products | 2 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Machinery/weapons | 21 | 24 | 27 | 27 | 29 | 27 | 32 | 36 | 46 |
| Optical instruments | 34 | 32 | 35 | 37 | 37 | 34 | 43 | 47 | 48 |
| Motor vehicles | 39 | 40 | 40 | 37 | 28 | 23 | 38 | 38 | 38 |
| Boats/Aircraft | 576 | 569 | 734 | 775 | 790 | 805 | 780 | 1,268 | 1,077 |
| Cycles | 46 | 43 | 50 | 51 | 47 | 38 | 53 | 58 | 42 |
| Sport goods | 214 | 271 | 237 | 261 | 258 | 234 | 251 | 349 | 334 |
| Construction | 153 | 161 | 171 | 338 | 635 | 640 | 882 | 736 | 483 |
| Maintenance of motor vehicles | 56 | 62 | 65 | 64 | 56 | 51 | 56 | 87 | 98 |
| Wholesale | 334 | 372 | 389 | 411 | 392 | 394 | 454 | 427 | 424 |
| Retail | 1,121 | 1,140 | 1,191 | 1,250 | 1,346 | 1,250 | 1,755 | 1,460 | 1,519 |
| Hotels and restaurants | 489 | 526 | 548 | 572 | 590 | 570 | 582 | 700 | 737 |
| Land transport | 115 | 104 | 96 | 104 | 107 | 104 | 102 | 148 | 153 |
| Water transport | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 4 | 6 |
| Air transport | 55 | 49 | 45 | 47 | 48 | 44 | 61 | 50 | 53 |
| Travel agencies | 627 | 694 | 540 | 537 | 481 | 501 | 540 | 660 | 741 |
| Telecommunications | 2,136 | 2,247 | 2,473 | 2,572 | 2,604 | 2,506 | 2,715 | 3,036 | 3,207 |
| Financial intermediation | 442 | 502 | 641 | 689 | 895 | 992 | 816 | 1,053 | 1,089 |
| Insurance | 33 | 31 | 37 | 42 | 30 | 40 | 32 | 67 | 74 |
| Renting of machinery & equip. | 97 | 100 | 103 | 112 | 106 | 98 | 92 | 164 | 135 |
| Research and development | 27 | 29 | 32 | 30 | 27 | 27 | 36 | 62 | 58 |
| Advertising, business activities | 907 | 962 | 1,089 | 1,117 | 1,212 | 1,085 | 1,427 | 1,502 | 1,595 |
| Administration | 30 | 32 | 34 | 35 | 35 | 34 | 39 | 756 | 1,472 |
| Education | 1,088 | 1,200 | 1,493 | 1,577 | 1,651 | 1,600 | 1,637 | 1,754 | 1,694 |
| Health and vet services | 58 | 71 | 69 | 78 | 77 | 82 | 83 | 107 | 120 |
| Sporting activities | 14,845 | 15,943 | 16,274 | 16,555 | 16,566 | 17,020 | 19,830 | 21,047 | 21,927 |
| Other | 74 | 83 | 83 | 83 | 92 | 83 | 97 | 94 | 97 |
| **TOTAL** | **24,879** | **26,415** | **27,663** | **28,583** | **29,335** | **29,455** | **33,736** | **37,252** | **38,891** |
| **Sport contribution** | **2.2%** | **2.2%** | **2.2%** | **2.2%** | **2.1%** | **2.2%** | **2.4%** | **2.6%** | **2.6%** |

**Table 7: Sport-related GVA, UK 2005-2012, current prices, growth rates**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
| **%** | **%** | **%** | **%** | **%** | **%** | **%** | **%** |
| Sport GVA growth | 6.2 | 4.7 | 3.3 | 2.6 | 0.4 | 14.5 | 10.4 | 4.4 |
| Total GVA growth | 5.9 | 5.9 | 5.5 | 3.1 | -1.7 | 4.1 | 2.9 | 2.4 |

# 3.2 Constant prices (2011)

Table 8 shows the details of Table 6 adjusted for inflation (using the PPI index) at 2011 price levels. Under constant prices the 2010, 2011 and 2012 growth rates in sport related GVA were 11.7 per cent, 7.2 per cent and 2.7 per cent correspondingly. The size of these growth rates (in constant prices) is indicative of the post-recession recovery and likely to be influenced by the Olympic and Paralympic Games. It can also be concluded that the major influence of such an event starts at least three to four years before the event. The major categories of economic activities (see Table 6) remain unaltered. However, under constant prices, the economic activities can be compared in a more meaningful way. In 2012, the largest sub-sectors by value were Sporting activities (dominated by betting, £20,230m), Telecommunications (primarily broadcasting, internet, and mobile, £3,677m), Education (£1,691m), Advertising, business activities (£1,578m) and administration (£1,456m).

The growth comparison is presented in Table 9. The driving sectors in 2011 are: administration, boats/aircrafts and financial intermediation. The latter includes activities such as legal services, market research, and accounting services. The growth of both administration and financial intermediation are closely linked to the London Olympic and Paralympic Games. The influence of the Games became stronger in 2012 with leading growth sectors including: administration (dominated by the Olympic Games, according to the Olympic Games Accounts), telecommunications (the coverage of the Games increased substantially the sport share in terms of TV coverage) and travel agents (increasing profits and employment related to the Games). Finally, sectors such as wearing apparel, despite representing a very strong market in terms of consumer spending, do not have an equivalent GVA presence as most consumption is covered by imports.

**Table 8: Sport-related GVA, UK, 2004-2012, 2011 prices**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **GVA** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
| **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| Agriculture | 479 | 338 | 344 | 333 | 318 | 292 | 277 | 333 | 360 |
| Food/drinks | 115 | 123 | 135 | 132 | 118 | 114 | 163 | 145 | 137 |
| Textiles | 127 | 125 | 133 | 140 | 140 | 134 | 167 | 165 | 158 |
| Wearing apparel | 115 | 107 | 113 | 110 | 96 | 91 | 108 | 133 | 136 |
| Leather/footwear | 10 | 9 | 10 | 10 | 9 | 10 | 11 | 13 | 12 |
| Publishing services | 461 | 424 | 417 | 403 | 379 | 375 | 400 | 472 | 467 |
| Coke, petroleum | 59 | 45 | 33 | 30 | 19 | 21 | 17 | 15 | 22 |
| Pharmaceuticals | 130 | 142 | 146 | 151 | 157 | 149 | 153 | 183 | 193 |
| Rubber products | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 7 |
| Various metal products | 3 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Machinery/weapons | 25 | 28 | 30 | 29 | 30 | 27 | 32 | 35 | 44 |
| Optical instruments | 32 | 32 | 35 | 38 | 38 | 35 | 43 | 47 | 50 |
| Motor vehicles | 43 | 43 | 43 | 40 | 29 | 23 | 38 | 38 | 38 |
| Boats/Aircraft | 647 | 622 | 792 | 814 | 814 | 812 | 780 | 1,252 | 1,046 |
| Cycles | 52 | 47 | 54 | 54 | 48 | 38 | 53 | 57 | 41 |
| Sport goods | 241 | 301 | 256 | 279 | 265 | 237 | 251 | 343 | 321 |
| Construction | 183 | 180 | 181 | 340 | 615 | 765 | 882 | 726 | 462 |
| Maintenance of motor vehicles | 64 | 69 | 71 | 69 | 59 | 52 | 56 | 84 | 93 |
| Wholesale | 450 | 476 | 469 | 473 | 436 | 413 | 454 | 408 | 397 |
| Retail | 1,511 | 1,458 | 1,436 | 1,440 | 1,497 | 1,309 | 1,755 | 1,392 | 1,421 |
| Hotels and restaurants | 485 | 509 | 511 | 519 | 542 | 546 | 582 | 694 | 720 |
| Land transport | 149 | 128 | 108 | 113 | 110 | 105 | 102 | 146 | 148 |
| Water transport | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 3 | 6 |
| Air transport | 69 | 60 | 53 | 53 | 52 | 45 | 61 | 48 | 48 |
| Travel agencies | 869 | 911 | 670 | 600 | 578 | 582 | 540 | 613 | 651 |
| Telecommunications | 1,572 | 1,746 | 1,977 | 2,117 | 2,214 | 2,297 | 2,715 | 3,247 | 3,677 |
| Financial intermediation | 526 | 576 | 701 | 742 | 923 | 998 | 816 | 1,041 | 1,086 |
| Insurance | 44 | 40 | 45 | 48 | 33 | 42 | 32 | 64 | 70 |
| Renting of Machinery & equip. | 97 | 99 | 97 | 105 | 99 | 97 | 92 | 158 | 131 |
| Research and development | 29 | 31 | 33 | 30 | 27 | 27 | 36 | 61 | 58 |
| Advertising, business activities | 971 | 1,018 | 1,113 | 1,127 | 1,219 | 1,086 | 1,427 | 1,489 | 1,578 |
| Administration | 32 | 34 | 35 | 35 | 35 | 34 | 39 | 753 | 1,456 |
| Education | 1,397 | 1,531 | 1,810 | 1,832 | 1,713 | 1,613 | 1,637 | 1,736 | 1,691 |
| Health and vet services | 73 | 87 | 82 | 90 | 84 | 86 | 83 | 101 | 111 |
| Sporting activities | 19,086 | 19,625 | 19,073 | 18,581 | 17,658 | 17,649 | 19,830 | 20,079 | 20,230 |
| Other | 85 | 92 | 90 | 87 | 93 | 86 | 97 | 93 | 94 |
| **TOTAL** | **30,238** | **31,061** | **31,102** | **30,971** | **30,455** | **30,197** | **33,736** | **36,173** | **37,162** |

**Table 9: Sport-related GVA Growth rates, 2011 prices**

|  |  |  |  |
| --- | --- | --- | --- |
| **GVA** | **2010-11** | **2011-12** | **2004-12** |
| **%** | **%** | **%** |
| Agriculture | 20 | 8 | -25 |
| Food/drinks | -11 | -6 | 19 |
| Textiles | -2 | -4 | 24 |
| Wearing apparel | 22 | 2 | 18 |
| Leather/footwear | 17 | -8 | 22 |
| Publishing services | 18 | -1 | 1 |
| Coke, petroleum | -11 | 51 | -62 |
| Pharmaceuticals | 20 | 5 | 48 |
| Rubber products | 63 | 58 | 96 |
| Various metal products | 4 | 4 | -34 |
| Machinery/weapons | 10 | 25 | 73 |
| Optical instruments | 9 | 6 | 54 |
| Motor vehicles | 1 | -1 | -12 |
| Boats/Aircraft | 60 | -16 | 62 |
| Cycles | 8 | -29 | -21 |
| Sport goods | 37 | -6 | 33 |
| Construction | -18 | -36 | 152 |
| Maintenance of motor vehicles | 50 | 10 | 45 |
| Wholesale | -10 | -3 | -12 |
| Retail | -21 | 2 | -6 |
| Hotels and restaurants | 19 | 4 | 48 |
| Land transport | 43 | 1 | 0 |
| Water transport | 92 | 65 | 174 |
| Air transport | -22 | 0 | -31 |
| Travel agencies |   |   |   |
| Telecommunications | 20 | 13 | 134 |
| Financial intermediation | 28 | 4 | 106 |
| Insurance | 103 | 9 | 57 |
| Renting of machinery and equip. | 72 | -17 | 36 |
| Research and development | 70 | -5 | 100 |
| Advertising, business activities | 4 | 6 | 62 |
| Administration | 1813 | 93 | 4433 |
| Education | 6 | -3 | 21 |
| Health and vet services | 21 | 10 | 53 |
| Sporting activities | 1 | 1 | 6 |
| Other | -5 | 1 | 11 |
| **TOTAL** | 7 | 3 | 23 |

# 4. Sport related employment

These are the first estimates of employment covering a major investment in sport such as the London 2012 Olympic and Paralympic Games. As we approach the year of the Games we observe a considerable effect on consumption, a greater effect on GVA and the greatest effect on employment. This means that the generated GVA weighted more heavily towards wages and employment than profits.

Table 10 shows the pattern of employment generated by sport during the years 2004 to 2012. Employment increased considerably during the years 2011 and 2012 as a result of projects and organisation of the Olympic and Paralympic Games. The greatest employment effect was in 2011 when sport related employment increased by over 50 per cent. During 2012 this was consolidated by a small rise of 1 per cent. Total full time equivalent sport employment reached 0.99 million and 1 million during the years 2011 and 2012 respectively.

The share of sport employment (out of total UK employment) rose from 2.3 per cent in 2010 to 3.6 per cent in 2011 and 2012. This is much greater than the share for GVA (2.6 per cent in 2011 and 2012), implying that the sports economy is a labour intensive growth industry. Hence, when investing in sport, employment increases at a greater rate than average, making the sport economy an effective way for generating jobs.

Table 10 shows that just over 56 per cent of employment is generated directly by ‘sporting activities’. From the remaining categories, corresponding to sport related activities in the wider economy, the greatest employment effects in 2012 were in education, retail, telecommunications and administration.

Table 11 shows the growth rates in employment for the years 2011 and 2012 and overall for the period 2004 to 2012. In 2011 employment was driven by administration, retail, financial intermediation and sporting activities, whilst in 2012 the market was driven by administration, telecommunication, advertising and retail.

**Table 10: Sport-related employment, UK, 2004-2012**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Employment** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** |
| **000s** | **000s** | **000s** | **000s** | **000s** | **000s** | **000s** | **000s** | **000s** |
| Agriculture | 7.9 | 8.1 | 8.3 | 8.0 | 8.8 | 8.6 | 8.3 | 11.5 | 11.1 |
| Food/drinks | 1.6 | 1.7 | 1.7 | 2.5 | 2.3 | 2.3 | 4.1 | 5.1 | 5.1 |
| Textiles | 4.4 | 4.1 | 3.9 | 4.2 | 4.1 | 3.6 | 4.5 | 5.6 | 6.1 |
| Wearing apparel | 4.1 | 3.4 | 3.1 | 2.7 | 2.5 | 2.1 | 3.3 | 4.6 | 4.9 |
| Leather/footwear | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.8 | 0.3 | 0.3 |
| Publishing and printing | 8.0 | 7.5 | 7.1 | 8.3 | 7.6 | 7.6 | 6.5 | 9.2 | 9.2 |
| Coke, petroleum | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.4 | 0.8 |
| Pharmaceuticals | 0.6 | 0.6 | 0.7 | 1.1 | 1.2 | 1.4 | 1.4 | 1.8 | 2.0 |
| Rubber products | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Various metal products | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Machinery/weapons | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 1.0 | 0.7 | 0.8 |
| Optical instruments | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.7 | 0.9 | 1.0 | 1.0 |
| Motor vehicles | 1.0 | 1.0 | 0.9 | 1.0 | 0.9 | 0.7 | 0.7 | 1.1 | 1.2 |
| Boats/Aircraft | 16.0 | 17.8 | 18.8 | 21.8 | 21.2 | 20.6 | 20.7 | 26.2 | 27.1 |
| Cycles | 1.0 | 0.9 | 0.8 | 1.6 | 1.6 | 1.4 | 1.4 | 1.4 | 1.4 |
| Sport goods | 6.1 | 6.0 | 6.8 | 6.7 | 6.8 | 5.9 | 6.3 | 7.6 | 7.5 |
| Construction | 3.1 | 3.2 | 3.2 | 5.8 | 10.5 | 10.9 | 16.4 | 12.9 | 9.2 |
| Maintenance of motor vehicles | 1.5 | 1.6 | 1.5 | 2.0 | 2.0 | 1.8 | 1.8 | 2.7 | 2.9 |
| Wholesale | 7.6 | 7.8 | 7.7 | 8.2 | 6.5 | 6.4 | 6.7 | 10.1 | 10.3 |
| Retail | 25.7 | 24.0 | 23.5 | 31.3 | 27.8 | 27.7 | 28.1 | 60.7 | 64.5 |
| Hotels and restaurants | 29.5 | 30.6 | 30.9 | 31.7 | 31.2 | 30.6 | 34.0 | 34.0 | 34.3 |
| Land transport | 3.2 | 2.8 | 2.4 | 3.0 | 2.9 | 2.9 | 2.7 | 3.9 | 3.7 |
| Water transport | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Air transport | 0.8 | 0.7 | 0.7 | 0.8 | 0.8 | 0.7 | 0.7 | 0.8 | 0.8 |
| Travel agencies | 14.7 | 15.7 | 11.3 | 14.9 | 14.0 | 13.6 | 12.0 | 18.8 | 19.2 |
| Telecommunications | 33.4 | 34.8 | 36.2 | 37.8 | 33.2 | 31.1 | 30.3 | 35.7 | 43.3 |
| Financial intermediation | 6.2 | 6.5 | 7.3 | 7.6 | 6.9 | 7.5 | 5.0 | 10.5 | 10.9 |
| Insurance | 0.4 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.5 | 0.6 |
| Renting of machinery & equip. | 2.6 | 2.5 | 2.6 | 2.2 | 2.0 | 1.9 | 1.5 | 4.2 | 2.9 |
| Research and development | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.9 |
| Advertising, business activities | 25.7 | 26.4 | 26.6 | 26.6 | 25.6 | 24.3 | 28.3 | 27.0 | 29.8 |
| Administration | 0.6 | 0.7 | 0.7 | 1.0 | 1.0 | 1.0 | 1.1 | 20.4 | 38.6 |
| Education | 56.1 | 60.6 | 72.7 | 74.0 | 74.5 | 75.9 | 75.3 | 79.3 | 76.2 |
| Health and vet services | 1.7 | 2.1 | 2.0 | 2.7 | 2.5 | 2.6 | 2.9 | 3.7 | 4.1 |
| Sporting activities | 334.2 | 350.7 | 354.1 | 357.7 | 325.7 | 331.0 | 329.2 | 583.2 | 564.5 |
| Other | 2.3 | 2.3 | 2.1 | 2.4 | 2.4 | 2.2 | 2.6 | 4.7 | 4.9 |
| **TOTAL** | **602.9** | **627.1** | **640.5** | **670.8** | **629.5** | **629.1** | **640.1** | **991.0** | **1,000.5** |
| **Sport share (%)** | **2.2%** | **2.3%** | **2.3%** | **2.4%** | **2.2%** | **2.3%** | **2.3%** | **3.6%** | **3.6%** |

**Table 11: Sport-related employment, growth rates, per cent**

|  |  |  |  |
| --- | --- | --- | --- |
| **Employment** | **2010-11** | **2011-12** | **2004-12** |
| **%** | **%** | **%** |
| Agriculture | 38.6 | -3.6 | 41.1 |
| Food/drinks | 24.8 | 0.0 | 225.8 |
| Textiles | 23.5 | 8.4 | 38.2 |
| Wearing apparel | 38.3 | 5.9 | 19.6 |
| Leather/footwear | -53.7 | -8.8 | -1.0 |
| Publishing and printing | 40.8 | 0.2 | 15.1 |
| Coke, petroleum | 85.1 | 75.7 | 90.3 |
| Pharmaceuticals | 32.4 | 7.3 | 216.4 |
| Rubber products | 47.3 | 43.2 | 111.0 |
| Various metal products | 44.6 | -5.3 | 9.5 |
| Machinery/weapons | -24.5 | 9.1 | 56.7 |
| Optical instruments | 5.6 | -2.7 | 34.2 |
| Motor vehicles | 64.8 | 7.6 | 21.1 |
| Boats/Aircraft | 26.5 | 3.4 | 69.1 |
| Cycles | 1.9 | -6.4 | 35.4 |
| Sport goods | 20.0 | -1.0 | 22.7 |
| Construction | -21.1 | -28.9 | 196.0 |
| Maintenance of motor vehicles | 46.1 | 8.3 | 89.2 |
| Wholesale | 50.5 | 1.7 | 34.8 |
| Retail | 116.5 | 6.2 | 151.3 |
| Hotels and restaurants | -0.1 | 1.0 | 16.4 |
| Land transport | 46.0 | -3.4 | 18.3 |
| Water transport | 115.9 | 32.2 | 613.6 |
| Air transport | 6.4 | 4.1 | -1.6 |
| Travel agencies | 55.9 | 2.5 | 30.6 |
| Telecommunications | 18.0 | 21.3 | 29.8 |
| Financial intermediation | 108.7 | 3.4 | 75.4 |
| Insurance | 35.5 | 6.9 | 44.9 |
| Renting of machinery and equip. | 185.2 | -29.9 | 13.6 |
| Research and development | 28.7 | 7.0 | 54.0 |
| Advertising, business activities | -4.6 | 10.2 | 15.7 |
| Administration | 1802.4 | 89.4 | 5924.1 |
| Education | 5.3 | -3.9 | 35.8 |
| Health and vet services | 29.5 | 11.0 | 140.7 |
| Sporting activities | 77.2 | -3.2 | 68.9 |
| Other | 81.7 | 4.7 | 116.2 |
| **TOTAL** | 54.8 | 1.0 | 66.0 |

# 5. Value of sport in the UK

Table 12 below compares the position of the UK’s sports market during the years 2009 to 2012. It presents a period that started with an economic recession and finished with the London 2012 Olympic and Paralympic Games. The recession between 2008 and 2009 negatively influenced the share of sport in the overall indicators. However, in 2010, sport related GVA increased from 2.2 per cent to 2.4 per cent of the UK economy. This increased further to 2.6 per cent in 2011 and 2012. The greatest change was observed in the employment indicators with sports share of total employment increasing from 2.3 per cent in 2009 to 3.6 per cent in 2012. In the case of consumption the sport share increased at a smaller rate: from 2.7 per cent in 2009 to 2.9 per cent in 2012.

The current analysis established that following an investment in the sport industry, the rise in employment in percentage terms is greater than the corresponding change of GVA. This means that in the sport industry overall the profit margins are kept at a lower level than average enabling the creation of a greater number of jobs. This makes sport an effective way of creating employment and counteracting recession within the economy.

**Table 12: Value of sport in the UK, 2009 - 2012\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2008** | **2009** | **2010** | **2011** | **2012** |
| Sport related GVA, £m | 29,335 | 29,455 | 33,736 | 37,252 | 38,891 |
| as % of total GVA | 2.1% | 2.2% | 2.4% | 2.6% | 2.6% |
|   |  |   |   |   |   |
| Sport related consumer spending £m | 26,010 | 24,845 | 26,405 | 27,754 | 29,207 |
| as % of total spending  | 2.8% | 2.7% | 2.8% | 2.8% | 2.9% |
|   |  |   |   |   |   |
| Sport related employment, 000s | 629.5 | 629.1 | 640.1 | 991.0 | 1,000.5 |
| as % of total employment | 2.2% | 2.3% | 2.3% | 3.6% | 3.6% |

\*GVA and consumer spending in current prices. Total number of people employed in the UK is taken from the Labour Force Survey and is calculated using full time equivalents. The GVA total is taken from the National Accounts and the consumer spending total from Consumer Trends.

It should be noted that many legacy outcomes associated with the London 2012 Olympic and Paralympic Games are not covered by this report, including economic benefits which are not part of the sports economy. A broader assessment of the impact of the Games was been published by DCMS in July 2013[[6]](#footnote-6).

# Appendices

# A1. Bibliography

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# A2. International trade data example

International trade data have been used for both tourism and consumption estimation purposes. For example, consumption of sport footwear has been estimated using the following codes (Table A1) from Customs and Excise: by calculating the total footwear imports, sport trade is expressed as a percentage of total trade. This percentage in its turn is applied on the Footwear consumption in the National Accounts.

**Table A1:**

|  |
| --- |
| Product codes associated Sport footwear  |
| 640212 |
| 640219 |
| 640220 |
| 640230 |
| 640312 |
| 630319 |
| 640320 |
| 640330 |
| 640340 |
| 64039116 |
| 64039118 |
| 64039191 |
| 64039193 |
| 640411 |

# A3. Questionnaire

**Research on the economic impact of sport (Sport Satellite Account), UK, 2011-12**

The Department of Culture Media and Sport (DCMS) has commissioned the XXXXX to construct the Sport Satellite Account of the UK for the years 2011 and 2012. We would be grateful if you could assist in providing the information requested below on your organisation. The information you provide will be treated as **Strictly** **Confidential**, and will be aggregated anonymously along with the responses received from other organisations, to be used only for the purposes of this research study for DCMS.

Each category has a total and a sport related element aiming to calculate a **sport percentage**. If the monetary values are classified please provide, if possible, directly the sport share. Please answer only the parts that are relevant to your business.

Please e-mail your response to XXXX, or alternatively please either fax your response XXXXX for the attention of XXXX or post to XXXX.

We would welcome your contribution to this study, which is important in raising awareness of the economic importance of Sport in the UK and for Government decision-making on the funding of the sport sector.

**Information for 2011 or 2012**

1. Total turnover: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related turnover: £\_\_\_\_\_\_\_\_\_

 Percentage of sport turnover 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport turnover 2012: \_\_\_\_\_\_\_\_\_\_%

2. Total employment full time: \_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related employment (f-t): \_\_\_\_\_\_\_\_\_

 Percentage of sport employment (f-t) 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport employment (f-t) 2012: \_\_\_\_\_\_\_\_\_\_%

3. Total employment part time: \_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related employment (p-t): \_\_\_\_\_\_\_\_\_

 Percentage of sport employment (p-t), 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport employment (p-t), 2012: \_\_\_\_\_\_\_\_\_\_%

4. Total wages and salaries: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related wages and salaries: £\_\_\_\_\_\_\_\_\_

 Percentage of sport wages and salaries, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport wages and salaries, 2012: \_\_\_\_\_\_\_\_\_\_%

5. Total profit: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related profit: £\_\_\_\_\_\_\_\_\_

 Percentage of sport profit, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport profit, 2012: \_\_\_\_\_\_\_\_\_\_%

6. Total imports of commodities: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related imports of commodities: £\_\_\_\_\_\_\_\_\_

 Percentage of sport imports of commodities, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport imports of commodities, 2012: \_\_\_\_\_\_\_\_\_\_%

7. Total imports of services: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related imports of services: £\_\_\_\_\_\_\_\_\_

 Percentage of sport imports of services, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport imports of services, 2012: \_\_\_\_\_\_\_\_\_\_%

8. Total exports of commodities: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related exports of commodities: £\_\_\_\_\_\_\_\_\_

 Percentage of sport exports of commodities, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport exports of commodities, 2012: \_\_\_\_\_\_\_\_\_\_%

9. Total exports of services: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related exports of services: £\_\_\_\_\_\_\_\_\_

 Percentage of sport exports of services, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport exports of services, 2012: \_\_\_\_\_\_\_\_\_\_%

10. Total investment (including construction): £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related investment: £\_\_\_\_\_\_\_\_\_

 Percentage of sport investment, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport investment, 2012: \_\_\_\_\_\_\_\_\_\_%

11. Total construction: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related construction: £\_\_\_\_\_\_\_\_\_

 Percentage of sport construction, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport construction, 2012: \_\_\_\_\_\_\_\_\_\_%

12. Total subsidies received from government: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related subsidies: £\_\_\_\_\_\_\_\_\_

 Percentage of sport subsidies, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport subsidies, 2012: \_\_\_\_\_\_\_\_\_\_%

13. Total domestic tourism income: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related domestic tourism income: £\_\_\_\_\_\_\_\_\_

 Percentage of sport domestic tourism income, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport domestic tourism income, 2012: \_\_\_\_\_\_\_\_\_\_%

14. Total foreign tourism income: £\_\_\_\_\_\_\_\_\_\_\_\_\_

 Sport related foreign tourism income: £\_\_\_\_\_\_\_\_\_

 Percentage of sport foreign tourism income, 2011: \_\_\_\_\_\_\_\_\_\_%

 Percentage of sport foreign tourism income, 2012: \_\_\_\_\_\_\_\_\_\_%

# A4. Definition of Sport and Methodology

This Appendix summarises the methodology used and sets out more detail about the statistical sources.

**A4.1 Overview of SSA**

The Satellite Account approach is an extension of the System of National Accounts. In order to prepare the latter, the Office for National Statistics (ONS) constructs the Supply and Use Tables (SUTS), which provide detailed information on the supply and use of goods and services within the economy, linking industries, products and sectors. Industries are classified via the NACE[[7]](#footnote-7) classification while goods and services are defined through the Classification of Products by Activity (CPA) framework. Developing satellite accounts for the sports sector requires that the flows matrices are partitioned into sport and non-sport components. This is a detailed task which requires significant secondary source review in order to define a coherent definition of the sector.

**The Vilnius definition** is the basis of the Pan-European approach of the SSAs. What is called the statistical definition of sport is directly linked to the SUTS via the NACE category ‘sporting activities’. A further, ‘broad’ definition of sport is taken as the statistical definition plus (i) a range of additional activities required for producing sport output and (ii) activities representing products/services that are related to sport but are not necessary for doing sport (such as insurance or gambling). The latter broad definition is associated with the history of economic impact reports generated in UK since the 1980s.

The basic objective of the research is to estimate the impact of sport in the economy in the years 2011 and 2012 in terms of:

* Consumer spending at current and constant prices
* Gross Value Added (GVA) and employment
* Associated percentage changes since 2010
* Associated shares of sport within the national economy

**A4.2 Sourcing suitable statistical data**

Data availability has been one of the most problematic obstacles for SSAs. As can be seen from the differences between the statistical definition and the broader definition of sport (Vilnius), using data directly from the System of National Accounts (SNA) is insufficient. However, data beyond the SNA is scarce and the degree of availability differs largely from sector to sector.

For this reason, following the recent developments of methodology at EU and UK level, data were sourced in three separate directions:

* Questionnaires to sport companies
* Examination of companies accounts
* Sourcing of national data.

The importance of following this approach is that a single statistic can be derived in a variety of ways and hence increase the robustness of the approach. For example, instead of quoting market surveys, in the case of sportswear, a sport share in the market can be established by examining the codes of imports, which correspond to the majority of final demand. Another example is sport betting. This is usually estimated by using the Gambling Commission Statistics which may not be consistent with the National Accounts. To ensure compatibility, under the suggested methodology, the whole of the Gambling sector is estimated (including lottery, casinos etc) and the total is then compared with the Consumer Trends headline figure. A final example is the Construction industry’s estimation in the SIRC’s research note of the 2010 SSA.

**Primary research** is particular useful for establishing a share of sport in some industries, when such information is not available within national data or company accounts. This is particular relevant in the case of services where the international trade data are very limited.

**Companies’ accounts** are available through the Companies House. A selected use of the most important operators highlights trends (rather than absolute numbers) in the Sport Industry, which methodologically can be easily reproduced. An example of using companies’ accounts at a large scale (through the ***Fame*** dataset) is provided by the SIRC’s note on Construction in the 2010 SSA.

The **national data** required are usually based on ONS. The most important dataset is the **Input-Output Tables**, both in the form of Supply and Use Tables (SUTS) and Industry by Industry Matrix. The latest set of UK SUTS was published in 2014 and is consistent with the 2012 National Accounts.

Consumer Spending by COICOP heading is provided in the publication **Consumer Trends**, which is consistent with the household final demand element of the National Accounts. The second most important source of consumer spending data is the **Living Cost and Food Survey** which provides more detailed information related to sport and leading to the Family Spending publication.

Important surveys that use the SIC classification (rather than COICOP) include the **Annual Survey of Hours and Earnings** (ASHE) and the **Annual Business Survey**. The former provides estimates of average earnings per industry, while the latter includes estimates of GVA and profitability. The **UK Manufacturers’ Sales by Product** (PRODCOM) is a very analytical data set published directly by EUROSTAT. It is consistent with both SIC and NACE classifications. An alternative source of business data is the **Business Register Employment Survey** (BRES) providing classifications of employment according to SIC-2007. HM Revenue & Customs provide a detailed source for **imports and exports data** at www.uktradeinfo.com. It makes use of the SITC (Standard International Trade Classification) and it is a very valuable source in many sports markets where the final demand is directed mainly towards imports. This is typical in the case of sportswear: in this case SITC can distinguish between sport and non sport consumption of clothing and footwear. Construction for the Olympic Games can be identified through the **Olympic Delivery Authority Annual Report and Accounts.**

Further publications include **Annual Reports** by media companies such as BBC and BSkyB, and the **Gambling Commission Industry Statistics**. The latter is the only information source available to help us identify sports-associated betting within the gambling industry. However, it should only be used in conjunction with the general official statistic in Consumer Trends and the Input-Output Tables (showing imports) to **avoid considerable** **overestimation** of sport gambling compared to the National Accounts.

Finally sports tourism can be identified using the publications/surveys **UK Tourist Statistics,** **GB Tourism Survey, GB Day Visits Survey** and **Visitor Attraction Trends**.

**A4.3 Developments**

The current methodology can be further improved by an analysis of the International Trade in sport goods and services. The existing dataset is sufficient for analysing trade in sport goods through the HM Revenue & Customs dataset. However the analysis of trade in sport services cannot be easily identified. In the UK the ONS dataset 'International Trade in Services' is based on a sample of just over 15,000 businesses linked to SIC codes. Although the released Reference Tables are too general to provide identification of the Sport Industry, it is possible to approach the task by assuming that the trade structure in each SIC code is the same as the associated sport category within it, an assumption also employed in the DCMS Creative Industries analysis.

1. DCMS, 2004 Sport Satellite Account for the UK, 2010, [http://webarchive.nationalarchives.gov.uk/20121204113822/http://www.culture.gov.uk/images/research/2004\_UK\_Sport\_Satellite\_Account\_-\_final.pdf](http://webarchive.nationalarchives.gov.uk/20121204113822/http%3A//www.culture.gov.uk/images/research/2004_UK_Sport_Satellite_Account_-_final.pdf) [↑](#footnote-ref-1)
2. <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1389190214279&uri=CELEX:52007DC0391> [↑](#footnote-ref-2)
3. <http://bookshop.europa.eu/en/communication-on-sport-2011--pbNC3111173/?CatalogCategoryID=CdcKABstHUgAAAEjBJEY4e5L> [↑](#footnote-ref-3)
4. Nomenclature statistique des activités économiques dans la Communauté européenne [↑](#footnote-ref-4)
5. <http://bookshop.europa.eu/en/sport-satellite-accounts-pbNC0213236/> [↑](#footnote-ref-5)
6. https://www.gov.uk/government/collections/london-2012-meta-evaluation [↑](#footnote-ref-6)
7. Nomenclature statistique des activités économiques dans la Communauté européenne [↑](#footnote-ref-7)