

# The economic impact of the Barcelona Olympic Games, 1986-2004

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Barcelona: the legacy of the Games 1992-2002

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## Introduction

Barcelona's dream of hosting an Olympic Games which would achieve the highest levels of human and sporting quality was fulfilled. In the process, the city itself underwent an impressive urban transformation. Overall, we can say:

- A. The Barcelona Games were a total success in organisational and sporting terms.
- B. The urban transformation generated by the Games had far-reaching economic and social impacts.
- C. Barcelona has been highly successfully in harnessing the impetus and legacy of the Games: by 2001, the city was ranked as the Europe's sixth most attractive.

Consequently, the Barcelona Games, their organisation and impact, have become a model from the sporting, organisational, economic, social and urban planning perspectives. In this article sets out to study the following:

- I. The organisation of the 2002 Games in terms of the model adopted, methods and resources used over the 1986-1992 period.
- II. The impact of the investments made on economic activity, employment, income, construction, tourism and transport, with special emphasis on the 1992-2002 period.
- III. The city's harnessing of the Olympic impetus to improve its strategic position with a view to the future (2002-2010).

## I. 1986-1992: Resources

### Preparing for the Games: an opportunity to foster investment, organisational excellence and urban transformation of the city

In organising the Olympic Games, Barcelona aimed to ensure sporting excellence in keeping with the Olympic spirit, and also to bring about a major urban transformation leading to improved quality of life and greater attractiveness for the city as a whole.

### The Barcelona'92 Organisational Model

The key to the success of the Barcelona Games (Samaranch, 1992) lies in the strength of the objectives (organisational excellence and urban impact), the inter-institutional consensus, the use of special management bodies, mixed private-public funding models, and also the successful harnessing of the Olympic impetus and attracting of investments.

These features and the excellent results achieved (Barcelona City Hall, various years)<sup>1</sup> constitute a "Barcelona model" for urban transformation linked to major events. Figure 1 sets out the main features of this model.

### **Economic resources of Barcelona'92: the cost of the Games and source of funding**

A distinction must be drawn between organisational costs (items not usable after the Games) and investment in building work and facilities which would continue to serve the city in the future. The organisational costs are in effect the genuine "net cost", since their functions end with termination of the Games. Therefore, the aim was to minimise these organisational costs. In contrast, facilities and infrastructure constitute part of the Olympic Legacy, the benefits of which continue after the Games, and were therefore to be maximised.

The resources allocated to organisational costs and investments in facilities and infrastructure, and their impact, are set out in Table 1. There is a major difference between total organisational costs (1,364 million dollars – hereafter, M \$, mainly funded by the Organising Committee) and the investments in infrastructure and facilities (8,012 M \$). The latter accounted for 85.5% of total Olympic spending (Figure 4).

COOB'92 closed their accounts in July 1993: spending had totalled 195,594 million pesetas, that is, 1,638 M \$ (equivalent to 1,678 M \$ at 2000 rates), with a surplus of 3 M \$ (COOB'92, 1993).<sup>2</sup>

Income accruing directly to COOB'92 itself accounted for 75.2% of the total. The main sources of this income were sponsorship and television rights. In organisational costs, the main outgoings were for television and press facilities (International Communications Centre and technology), the competitions themselves and Olympic family services (Table 1 and Figure 2 for exact distribution). The main COOB'92 costs lay in services (49.9% of the total), followed by investments in infrastructure (33.8%).

### **Olympic Organising Committee income, 1964-2008**

In comparison with other Olympic Games, the Barcelona Games were outstanding for the increased Organising Committee income, investment in facilities and infrastructure, and impact (Figures 3, 7 and 9) (International Olympic Committee, 2001, 2002a and 2002b). The Games continue to have an impact.

- a) In general terms, as an organisational model – the memory of the excellent organisational and sporting results lives on (Rogge, 2002); and as a model of urban transformation;
- b) Locally, in the present effects of the Olympic investments, in the scale of the Olympic Legacy and the far-reaching impacts of the city's improved strategic positioning.
- c) Herein lies our interest in studying the investment in infrastructure and facilities generated by the Barcelona Games, the city's harnessing of the Olympic legacy, and the ongoing investment and urban renewal process (Brunet, 1995a and 1996).

### **Construction work for the Barcelona Games**

The central Spanish government and Barcelona City Hall set up a joint venture, Barcelona Holding Olímpic, S.A. (HOLSA), to facilitate the investment process. In an excellent example of mixed public-private funding, HOLSA built the main Olympic facilities, the bulk of the 78 km of new road infrastructure and the Olympic Village.

Given the Barcelona'92 objectives, a vast amount of construction work was required, and much more was also indirectly generated, most of the latter not being directly necessary for the holding of the Games. This is one of the aims of candidate host cities: to generate construction of as much infrastructure and facilities

as possible which will serve the city in the aftermath of the event itself. Total such spending linked to the Games over the 1986-1993 period amounted to 8,012 M \$ (for details see Tables 1 and 3).

The main construction work was as follows :

- I. Road and transport infrastructure;
- II. Housing, offices and business premises ;
- III. Telecommunications and services;
- IV. Hotels ;
- V. Sports facilities ;
- VI. Environmental infrastructure.

A total of 61.5% of Olympic funding was allocated for building work. This illustrates a key feature of Barcelona'92: its structuring effect on the city.<sup>3</sup> The deepest impacts of the Olympic investments are in the long-term.

The Barcelona rondes or ring-roads, the re-opening of the city to its seafront via construction of the Olympic Village, the creation of a range of new urban sub-centres and the Olympic facilities at Montjuïc, the Diagonal and Vall d'Hebron, were the main Barcelona building projects (HOLSA, 1990).

The scale of the urban transformation arising from the Games was immense: new roads represented an increase of 15% over those existing in 1986; new sewage systems, 17%, and new green areas and beaches, 78%. Another outstanding feature of the Games was regional decentralisation: Olympic investment also went to numerous sub-host cities. Of the total investment, only 38.5% was located in Barcelona city. The immediate impact was, therefore, felt throughout the region.

Another important aspect was that construction of sports facilities accounted for only 9.1% of the total investment. This small percentage reflects the great volume of additional indirect investment attracted by the impetus of the Games .

A total of 36.8% of the Olympic building work was promoted by the private sector, and one-third of this was funded with foreign capital. Private investment focused on:

- I. Housing
- II. Hotels
- III. Business Centres

The high level of private investment was sparked by expectations of improvement in the city's attractiveness (Roldán, 1992).

### **The financial balance Barcelona 1992**

The Games require public resources which, in turn, generate further public resources . The thesis is that if the Games are fostered by the public sector, the public administration will itself benefit far in excess of the cost of the investment. The aim was then to minimise public funding for organisational costs , and to direct it towards construction of infrastructure and facilities .

Public funding may rise to levels above those originally foreseen or promised. However, the greater the public investment, the greater the private investment which will follow, and the greater the legacy, the additional activity and employment generated. Public return will also rise in line with increased investment and activity.

The financial balance sets out all the Olympic-related public administration costs and the income generated by the Games, both directly and indirectly.

Table 2 sets out the financial balance of the Barcelona Games. Two periods are considered: the preparatory period (1986-1992), and the aftermath of the Games. Up to 1992, we see that public infrastructure costs were high, but so was public administration income due to taxable Olympic activities. After 1992, public Olympic-related spending was limited to maintenance of the Legacy, yet income deriving from greater private capital and economic activity generated by the Games had risen sharply. Therefore, in both periods, the financial balance is clearly a positive one.

Even by 2004 then, public investment in the Games had received ample returns, as shown in Figure 7. The financial balance presented here has been estimated with an error margin of +/- 15%. However, it does not include income deriving from company social security contributions. Including this figure, the surplus would be as follows: + 6,835 M \$ for 1986-1992; + 2,608 M \$ for 1993-2001; + 3,873 M \$ for 2002-2010.

## **II. 1992-2004: Impact**

### **Successful harnessing of the Olympic impetus and generation of further investment and activity**

The impact of the city's nomination as Olympic host city was immediate: unemployment underwent a dramatic fall, the housing market came back to life and, of course, the construction industry underwent a boom (Brunet, 1995b).

However, one decade later, it is surprising to find that this expansive trend continues: 1993 was worse than 1992 – as it was in the entire region, and indeed in all of western Europe; however, every year since has seen new growth records on all indicators: employment, investment, income, attractiveness, etc. Not only did Barcelona react well to the Games, it succeeded in maintaining the growth generated, on a scale never seen before.

### **The economic impact of the Games**

The labour market of Barcelona and its hinterland benefited substantially in the run-up period to the Games. The numbers unemployed fell from an all-time high of 127,774, in November 1986, to as low as 60,885, by July 1992, during the Games themselves (Figure 6). Between October 1986 and August 1992, Barcelona's general unemployment rate fell from 18.4% to 9.6%, while the Spanish figures were 20.9% and 15.5%, respectively. In the preparatory phase, Olympic-based activity generated annual occupation rates of an additional 35,309 persons, on average.



In addition, Olympic-linked investment in infrastructure and facilities led to additional permanent employment for an estimated 20,019 people. Therefore, the average annual effect over the 1987-1993 period of Barcelona'92 was employment for some 59,328 persons. From this we can conclude that at least 88.7% of the reduction in unemployment registered in Barcelona between November 1986 and July 1992 (66,889 fewer unemployed) was due to the Games .

After the Games, unemployment in Barcelona rose by 21,000 persons, a figure approximately equivalent to the annual employment provided by COOB'92. Over the following years, unemployment fell significantly (Figure 6). The investment generated by the Games provided a soft mattress, breaking the fall in a context of general depression. Barcelona's economy proved resistant to the widespread repression and, after 1994, once again began to create employment. Until 1993, 41,450 new jobs had been created, representing a halving of the unemployment figures . In 1993 and 1994, the numbers in unemployment increased by 18,000 persons ; however, after 1995 unemployment was to fall, thanks, in part, to some 20,230 permanent jobs deriving from Olympic investment (a legacy of 956,000 million pesetas in company capital).

The remaining economic indicators confirm Barcelona's progress over the years after the Games . Let us take the construction sector, for example. Graph B in Figure 6 sets out the increased consumption of cement – multiplied by 2.5 – between 1986 and 1992, and this figure was to grow to a total of 3.5 times the 1986 figure by 2001. House building also expanded, despite the fact that as a city Barcelona's building potential had already been relatively well exploited.

#### **The response capacity of Olympic host cities: Barcelona as an exception**

Between 1986 and 2000, Barcelona's hotel capacity increased threefold. Parallel to this, the number of visitors from abroad visiting the city doubled, reaching a total of 3.5 million visitors per year. In comparison with the other host cities over the last 12 years, Seoul, Atlanta and Sydney, Barcelona's results are outstanding. In some areas, they are truly exceptional, as for example, in the figures on hotel capacity and the number of foreign visitors .

Barcelona's response to the Olympic stimulus has been more intense and sustained than that of the other host cities. This has made Barcelona'92 a model in so far as impact is concerned. This is where Barcelona's performance was exceptional: in its extraordinary and sustained capacity to ride the Olympic wave.

#### **The “Barcelona Olympic Impact Model”**

The immediate impact of the Olympic Games was highly notable. However, what was truly surprising was the impact and scale of the permanent Olympic Legacy, and the continuation of this impact over the 1992-2002 period. The “Barcelona Olympic Impact Model” and its main results are summarised in Figure 8.

The key element of this model is investment in infrastructure, both in terms of quantity and quality. However, this impact model presupposes a certain organisational model for the Games and also involves urban transformation of the city.

The model is based on maximisation of investment, attraction of further investment and temporal concentration. Given the scope of urban transformation sought, continued investment is essential. This has occurred in the case of Barcelona (Table 3).

Barcelona has been highly successful in harnessing the Olympic impetus and benefiting from the investment made, and this had facilitated change. The resources allocated to urban infrastructure led to temporary employment in the necessary construction work, followed by permanent employment in operation of this infrastructure. Both led to increased economic activity, although not all of it was concentrated in the city itself. The capital invested and the increased economic activity led to increased wealth, wellbeing, and social cohesion and made the city more attractive.

#### **Comparison of Olympic impacts, 1964-2008: Barcelona as an exception**

A database has been prepared to compare the Olympic impact of various host cities in terms of organisation, investment and resulting economic impact (Figure 9).<sup>4</sup>

Barcelona's performance again stands out. The Olympic investments and their economic impact are without parallel in the other host cities. Only Tokyo reached half the volume of the investment generated in Barcelona. Investment was also significant in Seoul; however, Olympic investments in Atlanta and Sydney were very limited. The projections for Athens and Beijing include major investment and impact, more along the lines of Barcelona.

### **III. 2004-2010: Strategy and perspectives**

#### **The Olympic Legacy and continued investment as driving forces for Barcelona's new strategic position**

Now in 2004 we can see that the investment made between 1986 and 1992 were the key to the city's urban transformation and its improved strategic positioning.

#### **Investment in infrastructure and urban transformation, 1986-2010**

The investments are the key element within the economic resources mobilised by Barcelona'92, and were crucial in the economic impact of the Games, the city's transformation and the subsequent increase in economic activity, income and wellbeing.

The investments explain a great part of Barcelona'92's exemplary success and were notable both in terms of the quality of the infrastructure and scale of funding (10,660 million Euro). They constitute the Olympic Legacy which underpinned much of Barcelona's economic and social boom in the 1990s.

Not only were the investments central to the original Olympic impetus, they were also important in completing the impact and enabling continuation of the urban transformation and strategic strengthening process. For this reason, the investments made post-1992 are also set out in Table 5. Two central axes served to focus urban transformation in the post-Olympic period:

- √ The Barcelona Universal Forum of Cultures 2004.
- √ The Poblenou 22@BCN Plan.

The first involves renewal of Barcelona's eastern section, thus completing the Olympic Village seafront (Brunet, 2000). Just as occurred with the Games, the Forum will serve as a framework for large-scale urban planning projects, several of which would be difficult to undertake and complete under normal conditions. Funding is largely public.

The second comprises far-reaching renovation of the Poblenou district (Brunet, 1995a and Trullén, 2000), adjacent to the Forum 2004 site. In this case, the investment is largely private.

These two pillars served to mobilise the investments set out in Table 4 in three phases :

- √ 1986-1992, included for comparative purposes .
- √ 1992-2004, in which other large-scale projects such as the AVE (high-speed train), work on the Besòs and Llobregat rivers, and the extensions to the port and airport were added to the direct investment in the Forum 2004.
- √ 2004-2010, in which investment still pending from earlier projects, and a major public transport initiative covering Barcelona and its hinterland, will be added to direct investment in the Poblenou area.

To complete our view of Barcelona's urban transformation process up to and beyond 2004, we must include the inner-city renovation projects (PERI) taking place in various parts of the city: Ciutat Vella, Eixample, Gràcia, Nou Barris, etc.

### **The Olympic Legacy and Barcelona's strategic perspectives**

The new public and private capital and the permanent employment generated by the Olympic investments constitute the city's Olympic Legacy; a legacy which included the city's urban transformation, changed economic structure, increased capitalisation, increased service sector activity, heightened international role, attractiveness, centrality, productivity and competitiveness. Barcelona has been outstandingly successful in strengthening and maintaining the Olympic impetus, thus increasing its own level of economic activity and income, improving its quality of life and social cohesion, and advancing strategically.

Business confidence in Barcelona, as reflected by the willingness of foreign companies to establish there (a combination of attractiveness, availability of services, workers, market, and competitiveness) improved notably in the aftermath of the Games (Healey and Baker, 2001). In 1990, Barcelona occupied 11th position; by 1993, it had risen to 10th, and by 2001 it was in 6th position (Table 4).

The city 's capacity to prolong the Olympic impact has enabled it to offset impediments such as disputes between different public administration bodies, and the delay in providing certain infrastructure, such as the high-speed train (AVE). It has also enabled it to avoid drowning in a sea of uncertainty with regard to the seafront and urban renewal programme (Mackay, 2000) associated with the Forum 2004. And, although it does have certain disadvantages (it is neither a state capital nor headquarters for many

multinationals, and suffers from shortcomings in public transport, language training, worker mobility and available development land, etc.), Barcelona continues to attract investment and enterprise.

### **Barcelona, model and reality**

We can talk of a “Barcelona model” in three respects:

- √ A model for organisation of the Olympic Games (Figure 1).
- √ A model for economic impact of the Olympic Games, especially in terms of investments not directly linked to the Games (Figure 5).
- √ A model for urban transformation, improved attractiveness and strategic positioning (Figure 8).

The use of the term “model” has become widespread and seems to have been accepted. In analytical terms, a model is an organised set of forms and procedures, shorn of accessories. However, in everyday usage, “model” includes the extra content, in this case the objectives and results.

The objectives of Barcelona'92 were very clear (sporting and organisational excellence and the urban transformation of the city) and so were the procedures (institutional unity, mixed public-private funding, etc.). And since the results of this “Barcelona model” were positive, then the term “model” is often used in the sense of being exemplary for other cities organising similar events. It seems that it did serve as a model in this sense for Sydney, and that it will also do so for Athens and, possibly Beijing as well. Barcelona has then become a model for other Olympic Games and cities.

### **Conclusions**

Thanks to the Olympic Games, Barcelona is now a different city. The organisation was optimum, fostering massive investment in infrastructure. Thanks to correct use of the Olympic Legacy, increased capital and improved attractiveness, the urban development process has continued long after 1992.

The organisation (Figures 1, 3 and 4), the investment (Tables 1 and 3), the economic and social impact (Table 1, Figures 5 and 8), the urban transformation (Figure 5), the efficient use of the Olympic Legacy (Figure 8) were all highly positive. This is why we refer to the “Barcelona model” for organisation of mega-events, economic impact and urban transformation.

The objective was quality, the implementation excellent, both in the preparatory and follow-up phase. Of equal importance however, was the city's capacity to harness the Olympic impetus. Comparison with other Games and cities over the 1964-2008 period, shows that Barcelona was most successful in harnessing the Olympic impetus and its impact (Figures 3, 7 and 9, Table 4).

The continued investment in infrastructure and development driven by such events as the Forum, and development of the Poblenou district into a high-added value information and technology area, is the key to the city's maintaining its 6th position among European cities.

The city's achievements from 1986 to 1992 and again after 1992, have been enormous. Yet the challenges facing it now and in the future are similarly daunting. The investment in urban transformation must go on. European integration and globalisation are factors which favour Barcelona, as long as the city maintains the Olympic spirit, and continues to implement the "Barcelona model".

## Tables

**Table 1. Economic resources of the Barcelona Olympic Games 1992: source, application and impact**

Accumulated value 1986-1993	Pesetas (000,000)	US \$ (000,000)		Euros (000,000)	Distribution (%)	
		Current	At 2000 rates			
<b>A. SOURCE OF FUNDING</b>	<b>1119510</b>	<b>9376</b>	<b>11532</b>	<b>12474</b>	<b>100.0</b>	
<b>1. Commercial income</b>	<b>668387</b>	<b>5598</b>	<b>6886</b>	<b>7448</b>	<b>59.7</b>	<b>100.0</b>
1.1. Domestic private company investments	204697	1714	2108	2280	18.3	30.6
1.2. International private company investments	108320	907	1116	1207	9.7	16.2
1.3. Spanish state company investments	130416	1092	1343	1453	11.6	19.5
1.4. HOLSA income	42306	354	435	471	3.8	6.3
1.5. COOB'92	182648	1530	1882	2036	16.3	27.3
Television rights	54164	454	558	604	4.8	8.1
Sponsors: monetary payment	58152	487	599	648	5.2	8.7
Sponsors: payment in kind	42448	356	438	474	3.8	6.4
Lotteries	20143	169	208	225	1.8	3.0
Others	7741	65	80	87	0.7	1.2
<b>2. Government funding</b>	<b>451123</b>	<b>3778</b>	<b>4647</b>	<b>5026</b>	<b>40.3</b>	<b>100.0</b>
2.1. State funding for COOB'92	12947	108	133	144	1.2	2.9
2.2. HOLSA: MEH and AB credit	112590	943	1160	1255	10.1	25.0
2.3. State budget investments	325586	2727	3354	3628	29.1	72.2
Barcelona City Hall (municipality)	22789	191	235	254	2.0	5.1
Generalitat de Catalunya (regional government)	142726	1195	1470	1590	12.7	25.7
Spanish state (central government)	116124	973	1197	1295	10.4	31.6
European Union	8100	68	84	91	0.7	1.8
Other public administration bodies	35848	300	369	399	3.2	7.9
<b>B. APPLICATION AND USE OF RESOURCES</b>	<b>1119510</b>	<b>9376</b>	<b>11532</b>	<b>12474</b>	<b>100.0</b>	
<b>1. Organisation (COOB'92 programmes)</b>	<b>162880</b>	<b>1364</b>	<b>1678</b>	<b>1815</b>	<b>14.5</b>	<b>100.0</b>
1.1. Competitions	14045	118	145	157	1.3	8.6
1.2. Ceremonies and cultural events	9053	76	93	101	0.8	5.6
1.3. Press, radio and television	18254	153	188	203	1.6	11.2
1.4. Preparation of facilities (not including building work)	13510	113	139	150	1.2	8.3
1.5. Technology	24791	208	256	277	2.2	15.2
1.6. Olympic family services	37023	310	381	412	3.3	22.7
1.7. Security	4671	39	48	52	0.4	2.9
1.8. Management and corporate image	18618	155	191	207	1.7	11.5
1.9. Support structures	22915	192	236	255	2.0	14.1
<b>2. Resources applied to building work (public and private investments linked to the Games) = Olympic Legacy</b>	<b>956630</b>	<b>8012</b>	<b>9855</b>	<b>10660</b>	<b>85.5</b>	<b>100.0</b>
2.1. Roads and transport	404514	3388	4167	4507	36.1	42.3
2.2. Telecommunications and services	123313	1033	1271	1375	11.1	2.9
2.3. Coasts, recovery work and parks	60438	506	622	673	5.4	6.3
2.4. Housing, offices and premises	139741	1170	1439	1556	12.5	14.6
2.5. Hotels	119884	1004	1235	1336	10.7	12.5
2.6. Sports equipment and facilities	87511	733	902	976	7.8	9.1
2.7. Cultural and health facilities, and others	21229	178	219	237	1.9	2.2
<b>C. TOTAL ECONOMIC IMPACT</b>	<b>3107788</b>	<b>26028</b>	<b>32014</b>	<b>34628</b>	<b>100.0</b>	
<b>1. Direct impact</b>	<b>1165600</b>	<b>9762</b>	<b>12007</b>	<b>12987</b>	<b>37.5</b>	
1.1. Resources applied to organisation and building work (A = B)	1119510	9376	11532	12474	36.0	
1.2. Spending by non-resident visitors	46090	386	475	514	1.5	
<b>2. Indirect impact</b>	<b>1942188</b>	<b>16266</b>	<b>20007</b>	<b>21641</b>	<b>62.5</b>	

Table 2 | Financial balance of the Barcelona Olympic Games 1992

Current accumulated monetary values in Millions	Before the Games				After the Games			
	1986-1992		1993-2001		2002-2010			
	Pesetas (000,000)	US \$ (000,000)	Pesetas (000,000)	US \$ (000,000)	Pesetas (000,000)	Euros (000,000)	US \$ (000,000)	
<b>A. Fiscal income for Public Administration from organisation of Barcelona Olympic Games 1992 and generated by the related public and private activities</b>								
1. Central Spanish Government	759380	6359	445024	2781	636191	3824	3534	
VAT	186467	1562	120314	752	178580	1073	992	
Company tax	77694	651	37598	235	55806	335	310	
Income tax	310779	2603	150392	940	223225	1342	1240	
Savings on unemployment payment	184440	1545	136720	855	178580	1073	992	
2. Generalitat de Catalunya (regional government)	2347	20	7500	47	11250	68	63	
Inheritance and legal deed tax	2347	20	7500	47	11250	68	63	
3. Barcelona City Hall (municipal government)	2100	18	47526	297	57059	343	317	
Tax on economic activities (IAE)	1200	10	18776	117	22531	135	125	
Property and capital gains tax	500	4	27490	172	32988	198	183	
Planning and waste disposal fees, and other sources of income	400	3	1260	8	1540	9	9	
4. Other Public Administration bodies	200	2	600	4	700	4	4	
<b>Total public administration income deriving from Olympic activities</b>	<b>764027</b>	<b>6398</b>	<b>500650</b>	<b>3129</b>	<b>705200</b>	<b>4238</b>	<b>3918</b>	
<b>B. Public Administration investment and expenses in organisation of the Barcelona Olympic Games 1992 and in related public and private sector activities</b>								
1. Central Spanish Government	199071	1667	68692	429	70192	422	390	
MOPU and other Ministries	116124	972	2500	16	4000	24	22	
State payments to COOB'92	12947	108	-	-	-	-	-	
½ HOLSA annual funding 1993-2009 (MEH)	-	-	66192	414	66192	398	368	
Tax reductions for Olympic activities	50000	419	-	-	-	-	-	
Other services not listed	20000	167	-	-	-	-	-	
2. Generalitat de Catalunya (regional government)	142726	1195	60000	375	75000	451	417	
Infrastructure: building / maintenance	142726	1195	60000	375	75000	451	417	
3. Barcelona City Hall (municipality)	28325	237	166192	1039	191192	1149	1062	
Barcelona City Hall and municipal areas	22789	191	10000	63	15000	90	83	
½ HOLSA annual funding 1993-2009 (AB)	-	-	66192	414	66192	398	368	
Extraordinary municipal services in relation to the Games	4036	34	-	-	-	-	-	
Maintenance and amortisation of Olympic facilities	1500	13	90000	563	110000	661	611	
4. Other Public Administration bodies	35848	300	14000	88	6500	39	36	
5. European Union	8100	68	-	-	-	-	-	
<b>Total public investment and spending on Olympic activities</b>	<b>414070</b>	<b>3468</b>	<b>308884</b>	<b>1931</b>	<b>342884</b>	<b>2061</b>	<b>1905</b>	
<b>A-B. Financial balance of the Barcelona Olympic Games 1992</b>								
<b>Income-expenses = Financial balance</b>	<b>349957</b>	<b>2930</b>	<b>191766</b>	<b>1198</b>	<b>362316</b>	<b>2177</b>	<b>2013</b>	
Yearly average financial balance	58326	488	23971	150	45290	272	252	
Yearly average in millions of euros at 2000 rates	650		267		505			

Source: This research and Brunet (1994 and 2000).

Table 3   Investment in urban renewal in Barcelona, 1986-2010							
Accumulated values in millions of euros at 2000 rate#	1986-1992		1992-2004		2004-2010		
	Public and private investment related to the Olympic Games = Olympic Legacy		Investments in metropolitan economic infrastructure		Investments related to Barcelona 2004 and Poble Nou 22@BCN		
Coasts, recovery work and parks	673		Environmental infrastructure	930	Environmental infrastructure	1800	
Telecommunications and services	1375		Telecommunications (telephones and cables)	2036	Seafront	750	
Housing, offices and premises	1556		AVE and non-regional trains	1658	AVE	2100	
Hotels	1336		Extension of airport	925	Extension of port	800	
Sports equipment and facilities	976		Extension of port	841	Port, diversion of Llobregat river & Logistics Zone	1500	
Cultural, health facilities and others	237		Electric network	589	Diagonal Mar, Forum 2004 and Sant Andreu	720	
Roads and transport	4507		Road network	1502	Metropolitan public transport	7295	
			Metro, urban trains, trams and buses	1394	Poble Nou 22@BCN	2675	
	<b>Total</b>	10660		<b>Total</b>	9875	<b>Total</b>	17640
+ Urban renewal							
Ciutat Vella	1603		Ciutat Vella, Eixample	1921	Ciutat Vella, Eixample, Gràcia, Nou Barris	2400	
	<b>General total</b>	12263		<b>General total</b>	11796	<b>General total</b>	20040

Source: 1986-1992: Brunet (1994) and Table 1 above; 1992-2004: Clusa (1996); and 2004-2010: Brunet (2000) and based on data provided by AB, Forum 2004, Metropolitan Transport Authority and Ministry for Industrial Development (Fomento).

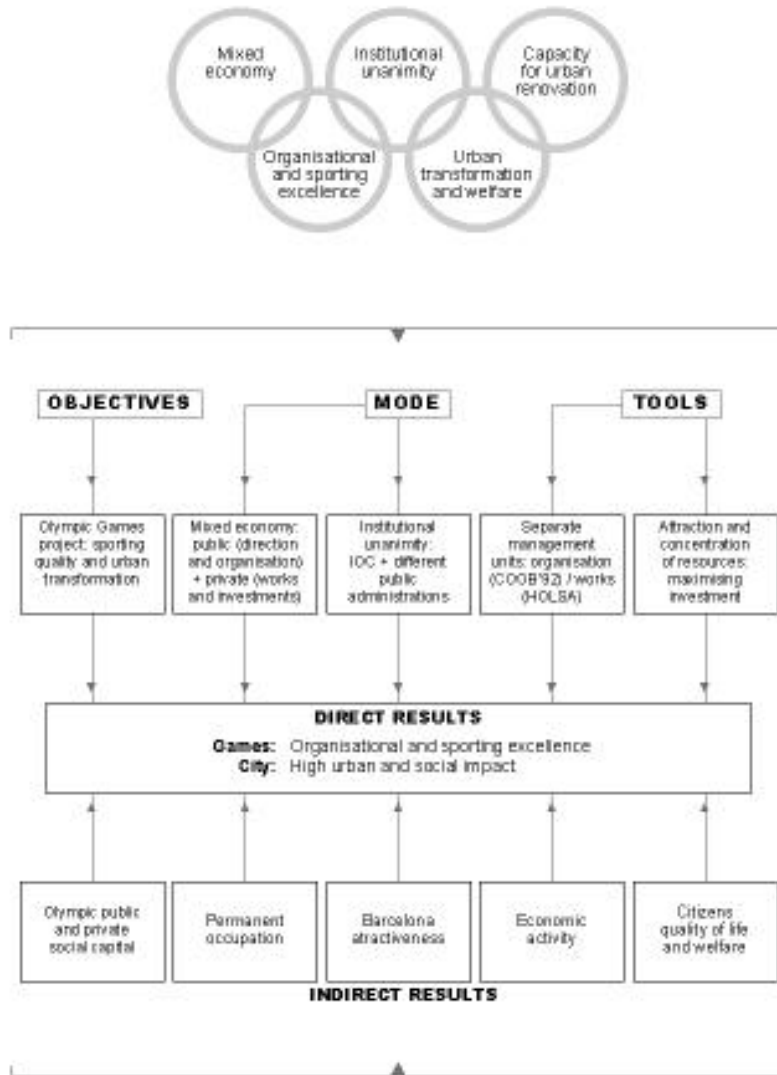


**Table 4 | Ranking of European cities**

1990	City	2001
1	London	1
2	Paris	2
3	Frankfurt	3
4	Brussels	4
5	Amsterdam	5
<b>11</b>	<b>Barcelona</b>	<b>6</b>
7	Zurich	7
17	Madrid	8
15	Berlin	9
12	Munich	10
9	Milan	11
8	Geneva	12
-	Dublin	13
13	Manchester	14
19	Stockholm	15
16	Lisbon	16
6	Düsseldorf	17
14	Hamburg	18
10	Glasgow	19
18	Lyon	20
23	Prague	21
21	Budapest	22
20	Vienna	23
-	Copenhagen	24
-	Rome	25
-	Helsinki	26
25	Warsaw	27
-	Oslo	28
22	Athens	29
24	Moscow	30

Source: Healey & Baker (2001).

Figures



**Figure 1** Keys to success of Barcelona 1992  
 Source: Brunet (1994) and this research

## ORGANISATION

### COOB'92 Income

### COOB'92 expenses

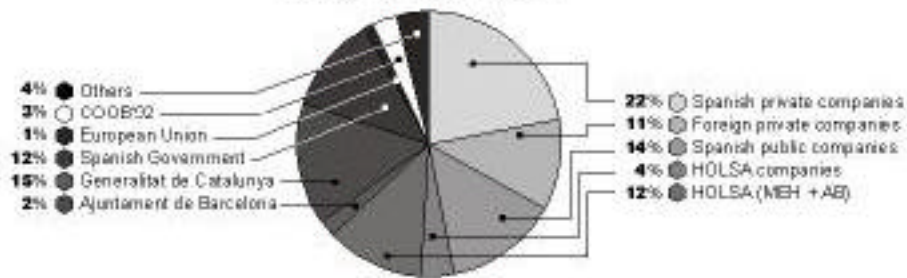


- 62% ● Sponsors
- 33% ● TV
- 5% ● Others

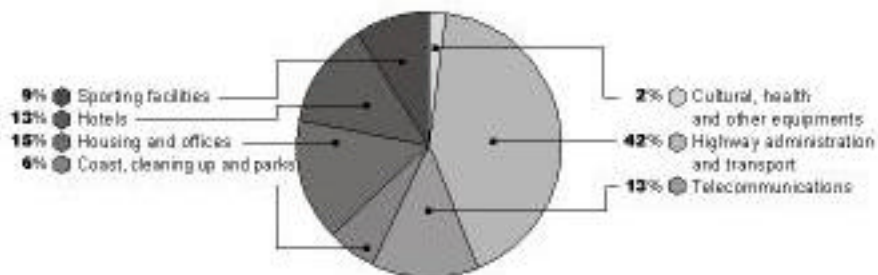
- 14% ● Security and others
- 19% ● Olympic Family
- 12% ● Competition
- 19% ● Technology
- 19% ● Mass media
- 17% ● Investment

## INVESTMENTS

### Financing of Olympic investments



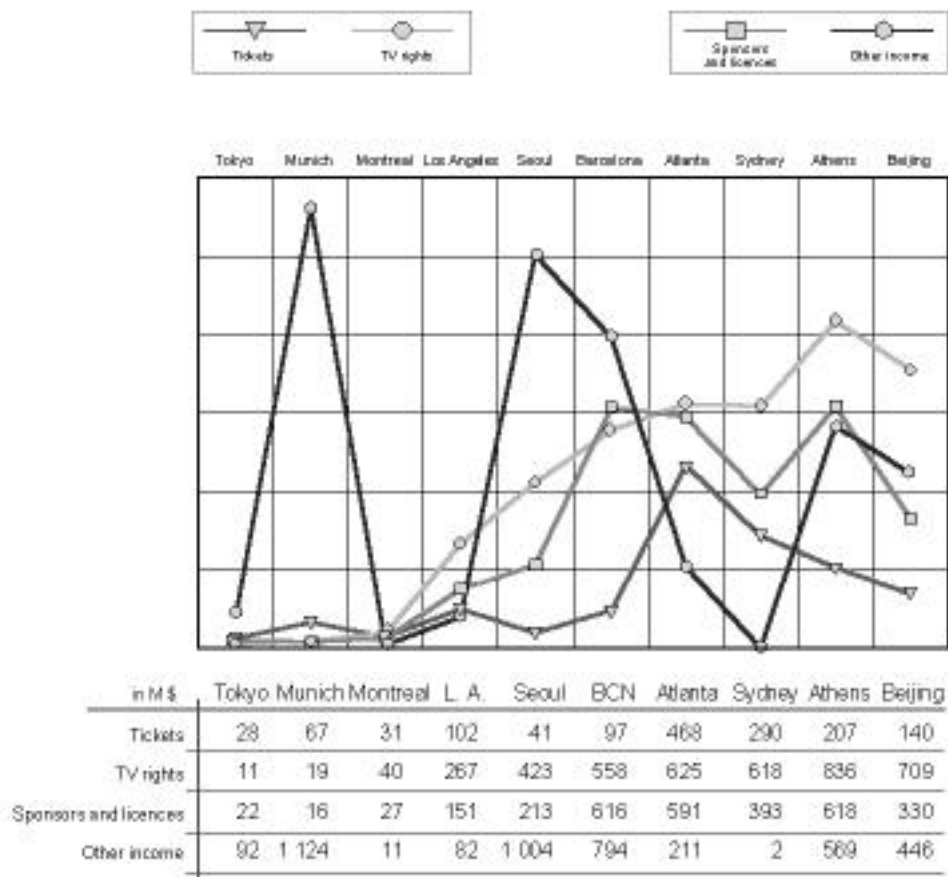
### Destination of Olympic investments



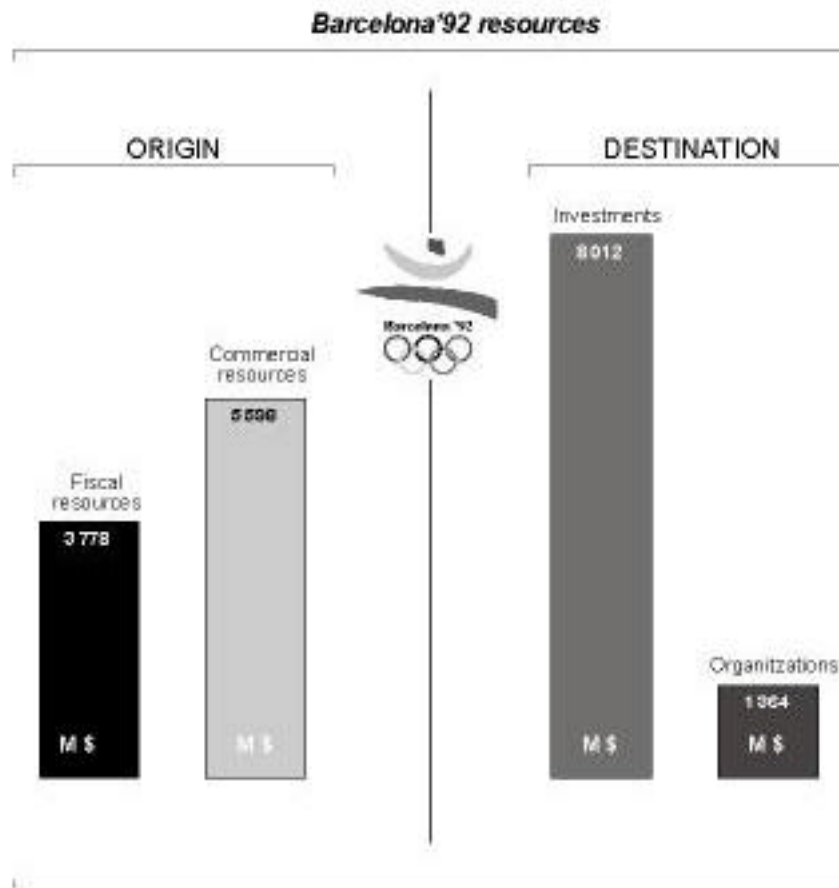
**Figure 2** Income and expenses structures for the organisation and Olympic works for Barcelona 1992

Source: Brunet (1994) and this research

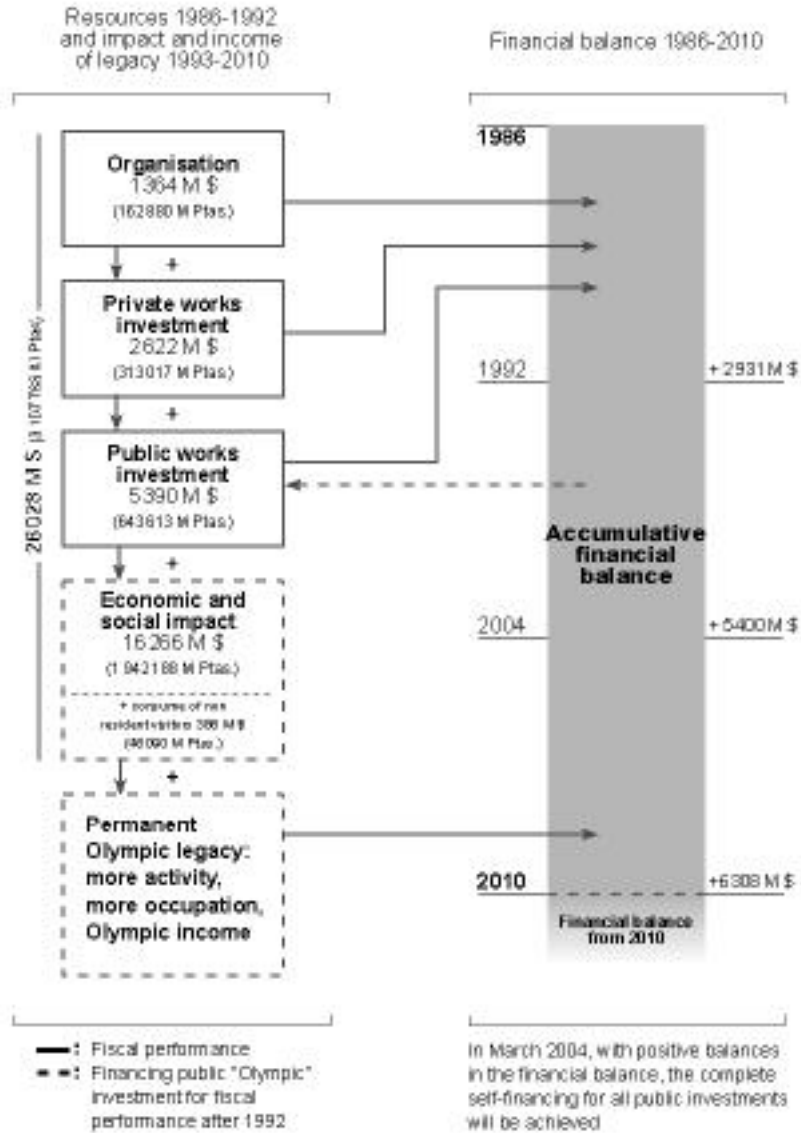
### Olympic Games, 1964-2008



**Figure 3** Organising Committees of the Olympic Games income 1964-2008: dynamic and structure  
 Source: Brunet (1994 and 1997) and IOC (2001 and 2002b)

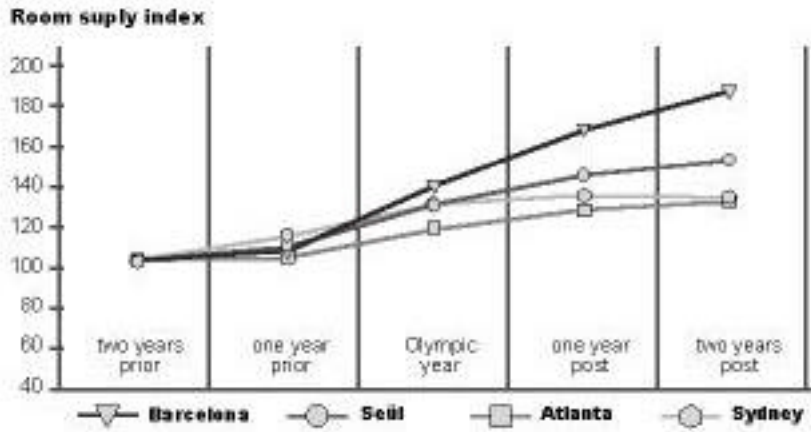


**Figure 4** Barcelona 1992 resources: commercial and budget origin and destination in investments and works  
 Source: Table 1 in this research

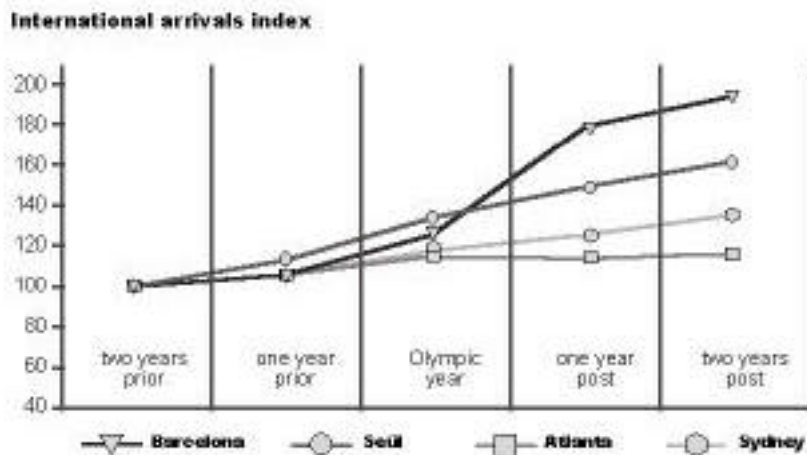


**Figure 5** Barcelona 1992 economic resources and fiscal balance  
 Source: Tables 1 and 2 of this research (data shown in current currency values)

A. Hotel offer: increase before, during and after the Olympic Games

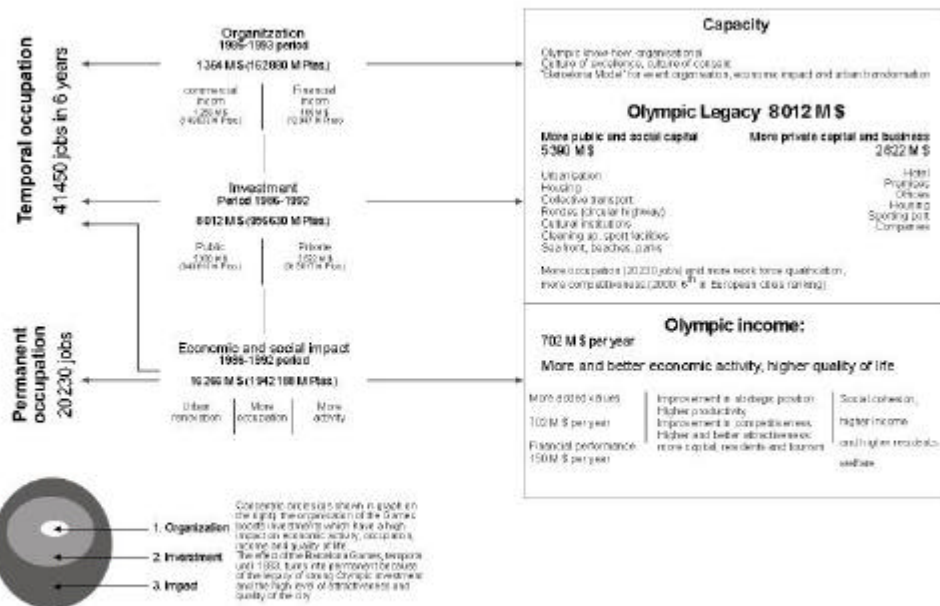


B. Foreign visitors: increase before, during and after the Olympic Games



**Figure 7** Olympic cities response  
 Source: Jones Lang LaSalle IP Inc. (2002)

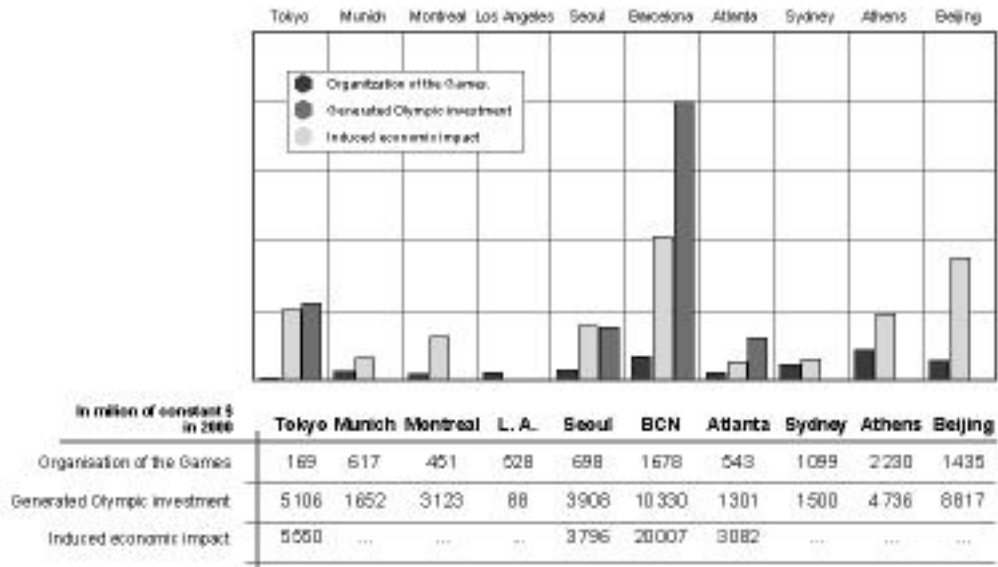
**Organization + Investments + Impact → Olympic Legacy =**  
**Capacity + More capital + More occupation + More permanent activity → Olympic Income**



**Figure 8** Barcelona city impact, legacy and income from the organization of the Olympic Games  
 Source: Brunet (1997) and CEO UAB records



## Olympic Games, 1964-2008



**Figure 9** Economic resources used by the Olympic Games, 1964-2008: organisation, investment and impact  
 Source: Brunet (1994) and IOC (2001 and 2002b)

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<sup>1</sup> I wish to thank Ramon Maria Canals, of the Statistics Department of Barcelona City Hall.

<sup>2</sup> As the project advanced, public and private investment far exceeded initial projections: 1,984 M \$, April 1985; 6,435 M \$, March 1991, and 9,376 M \$, finally in July 1993. The real cost, the organisational expenses, remained fixed in current peseta rates, but the volume of investment generated by the Games rose extraordinarily.

<sup>3</sup> According to an urban planning perspective represented by Bohigas (1986), Busquets (1992) and Esteban (1999), among many others.

<sup>4</sup> On the impact of the Games, in addition to the International Olympic Committee (2001, 2002a and 2002b), see, for Seoul, Jong-Gie et al. (1989) and Do-Young (1999); for Atlanta, Humphreys and Plummer (2002), and for Sydney, Centre For Regional Economic Analysis – Arthur Andersen (1999) and Preuss (2000). Cf. also Organising Committee For The Olympic Games Athens 2004 S.A. (2002) and Organising Committee For The Olympic Games Beijing 2008 (2002).