

# *Comparison of Beijing and Pyeongchang Winter Olympics*

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**Abstract:** As a platform, the Winter Olympics provides an opportunity for athletes from different countries to show off to the world. The Winter Olympics are important not only for sport, but also for the economy. A great deal of economic activity takes place during the Olympic Games, which greatly affects the economy of the host country. While some countries have lost a lot of money after hosting the Winter Olympics, causing many companies to go out of business, others may become famous and prosper. The analysis is based on three perspectives: the economic background of the host country and city, hard economy and soft economy and benefits versus costs (by analyzing and collecting different factors and aspects of costs and benefits). Comparing the impact of the 2022 Beijing Winter Olympics and the 2018 Pyeongchang Winter Games on the two host countries provides a sense of how closely intertwined the Olympics and the economy are. At the same time, this article can also inspire people to have a more comprehensive understanding of the economic effect of the Winter Olympics.

**Keywords:** economy analysis, Beijing Winter Olympics, PyeongChang Winter Olympics, benefits, cost

## 1. Introduction

The first Winter Olympic Games was held in Chamonix, France in 1924. The games will be held 23 times through 2022, and the 24th will be held in Beijing, China. The session is held every four years. The significance of the Winter Olympics lies in that it will positively influence the exchange and integration of different cultures and enhance national confidence. It has built the best learning and exchange platform for promoting world peace, enhancing mutual understanding and transmitting friendship among civilizations. However, different countries will obtain different economic benefits when hosting the Olympic Games [1]. This paper compares the Beijing and Pyeongchang Olympic Games from three perspectives in order to have more understanding of the economic effects of the Olympic Games and provide experience reference for the host countries of the Olympic Games in the future.

## 2. The Economy at Beijing Winter Olympics

### 2.1. China and South Korea

China is the largest country in Asia and the second largest economy in the world. China's economy has grown rapidly over the past few decades, becoming the world's largest exporter and second-largest

importer. China has made great progress both at home and abroad since the reform and opening up. The Beijing Winter Olympics is also another opportunity for China to showcase its national image and urban charm after Beijing bid for the Summer Olympic Games [2]. In addition, the Chinese government has put forward the concept of "people-centered development in the new era" and invested heavily in environmental protection and improvement of people's livelihood, which has also been incorporated into the philosophy of hosting the Beijing Winter Olympics.

South Korea is a highly industrialized economy with one of the world's top 10 economies. The South Korean government attaches great importance to technological innovation and the development of cultural industries, with electronic products, automobile manufacturing, semiconductor processing and other industries being the most developed [3]. The Pyeongchang Winter Olympics is not only the first Winter Olympic Games hosted by South Korea, but also part of the South Korean government's "cultural public interest" policy, which aims to strengthen the influence and market share of the country's domestic cultural industry by holding cultural events and promoting Korean culture.

## 2.2. Beijing and Pyeongchang

Beijing is the capital of China and the national administrative, cultural and economic center. As the political and economic center of China, Beijing has become one of the world's most famous cities, and has been listed by many institutions as an excellent city in the fields of finance, commerce and transportation in China [4]. The contribution of the Beijing Winter Olympics to Beijing's economic development will reach a historic height. The estimated contribution of the Beijing Winter Olympics to China's economy is expected to exceed 2 trillion yuan, which would make the Beijing Winter Olympics the most economically beneficial Olympic Games in host country history, according to estimates by the World Bank and other experts.

Pyeongchang is a county-level city in North Gyeongsang Province, South Korea. The surrounding areas are mainly agricultural and economically backward. A successful Pyeongchang Winter Olympics will not only boost the local economy in a short period of time, but also promote the development of local tourism and cultural industries [5]. According to the International Olympic Committee, the 2018 Pyeongchang Winter Olympics will directly contribute 92.9 billion won to the Korean economy and have a significant impact on employment. The Games have also boosted local service industries such as retail and accommodation.

## 3. Comparison of Hard Economy and Soft Economy

In terms of hard economy, the impact of the Beijing and PyeongChang Winter Olympics on the local economy will be different depending on the amount of investment [6]. For example, the budget for the Beijing Winter Olympics exceeded 400 billion yuan, including investment in stadium construction, infrastructure construction and environmental protection, which will directly boost the development of local construction, materials, energy, environmental protection and other industries. Although the Pyeongchang Winter Olympics has a smaller budget, it still involves investment in venue construction and infrastructure upgrading, and will have a direct economic effect on local construction, materials and other industries. The following Table 1 gives a comparison of hard economy.

Table 1: Comparison of hard economy between Beijing and Pyeongchang Winter Olympics.

	Beijing	Pyeongchang
Sports stadium	The \$1.5 billion capital investment in competition and non-competition venues includes seven competition venues, most of which could only have been built if Beijing had been awarded the Games. Expenses for the site will be financed from public and private sources. Non-competition venues are expected to be funded jointly by the government and the private sector.	The Pyeongchang Olympic Stadium will be very different from previous Winter Olympics venues in that spectators will only be able to watch the opening ceremony for three hours in a roofless stadium to cut costs. The Pyeongchang Winter Olympics has reduced its financial burden by using six existing venues and reducing the cost of building venues to 790 million dollars. Instead of spending extra money to build lots of new railways or roads for the Winter Olympics, the South Korean government has decided to reduce transportation costs during the Games by maximizing daily transportation [9].
Infrastructure	A total of 72 key projects in 10 areas, including the Shougang Platform jump and the western section of rail transit Line 11, will cost about 172.8 billion yuan, according to media reports [7]. In addition, there are 76 Winter Olympics projects in Zhangjiakou district, with a total investment of 33.173 billion yuan [8].	There is still \$3.7 billion of brand new express trains running from Seoul to Pyeongchang, and nearly \$10 billion to upgrade and extend the high-speed rail network to the venues. As Pyeongchang is located in a mountainous area and lacks resources and infrastructure, organizers have decided to spend an additional 3 billion won (2.77 million won) to solve transportation problems during the Winter Olympics.
Ticket	The Chinese government is not allowing people to watch the games on the website due to the COVID-19 pandemic; Only a few people can do that. Most people watch the games online through sports apps. In addition to the 14 global Olympic partners, the Beijing Winter Olympics has signed up 45 sponsors, including 11 official partners and 11 official sponsors, which are official exclusives, according to the Beijing 2022 Olympic and Paralympic Economic Legacy Report released by the Beijing Organizing Committee of the Winter Games. There are about 13 official suppliers and 10 other suppliers [10].	The organizing committee sold 586,400 tickets (55% of its sales target). Because Pyeongchang is located in a mountainous area far from the city, most people decided to watch the games through online platforms.
Sponsor		The Pyeongchang Games received \$649 million in sponsorship from 86 partners, including Coca-Cola, Samsung and Visa. In addition, domestic sponsorship of the Games grants the host country domestic marketing rights.

From the perspective of soft economy, both the Beijing Winter Olympics and PyeongChang Winter Olympics will attract a large number of domestic and foreign tourists to participate in the games, thus driving the development of local catering, accommodation, retail, tourism and other service industries. Due to the impact of the epidemic, most of the audience watched the Beijing Winter Olympics through TV. In addition, due to the Olympic spirit, international exchanges and other features of the Winter Olympics, it can also promote the development and improvement of local culture, mass sports and other soft power resources. By contrast, the Beijing Winter Olympics, China's first Winter Olympics, has attracted more international attention, which is also significant for China's global image and brand value. The following Table 1 illustrates the comparison.

Table 2: Comparison of soft economy between Beijing and Pyeongchang Winter Olympics.

	Beijing	Pyeongchang
Winter Olympics licensed merchandise sales	A wide range of franchised goods have been developed for the Beijing Winter Olympics. By the end of 2021, 29 licensed production enterprises have been collected for the market development of the Beijing Winter Olympics, including two enterprises for the centralized resettlement of the disabled and 58 franchised retail enterprises. More than 5,000 licensed products have been developed in 16 categories. Especially before the Spring Festival and the Winter Olympics, the sales of authorized products for the Winter Olympics were hot, and the flagship store in Beijing was temporarily limited and sold out.	Licensed merchandise for the PyeongChang Winter Olympics covers a wide range of categories, including clothing, accessories, toys, stationery and more. The products have been designed and manufactured with careful planning and quality control, aiming to cater to the tastes of consumers and meet their need for Winter Olympics commemoration and collection [11]. The Organizing Committee for the Winter Olympic Games (OCOG), which ran from 1994 to 2018, received the highest revenue from licensing in 2018, with total revenue from licensing reaching \$79 million. Billions of viewers watched the games, and more than a quarter of the world's population followed the games across a variety of media platforms. In particular, rights broadcasters saw a huge increase in digital coverage on their websites, apps and social media channels, reaching 97,041 hours [12]. It generated an estimated \$143.6 million in revenue, which broke all previous records.
Telecast	Online broadcasts have become the main way to watch Olympic events as the coronavirus pandemic has eased crowds. Television is an important source of revenue for the Olympics.	

In general, the Beijing Winter Olympics and the PyeongChang Winter Olympics will have a positive impact on local industries, services, culture and other resources in both hard and soft economy. However, due to the scale of investment and international influence, the degree of direct and indirect impact on the local economy is different.

#### 4. Comparison of Cost and Benefit

From a cost perspective, the Beijing and Pyeongchang Games have different investment scales. Beijing's budget is more than 400 billion yuan, while Pyeongchang's is about 139 billion won (\$12.6 billion). From this perspective, the Beijing Games are more expensive than the PyeongChang Games.

From a revenue perspective, both Beijing and Pyeongchang are expected to bring economic gains and soft power gains. As the first Winter Olympic Games hosted by China, the Beijing Winter Olympic Games has attracted more international attention and promoted China's image and brand value in the world. In terms of hard economic income, the investment in infrastructure and venue construction of the Winter Olympics will directly promote the development of local construction, materials, energy, environmental protection and other industries. In terms of soft economic income, the Winter Olympics also drives the development of local catering, accommodation, retail, tourism, television broadcasting and other industries. Similarly, the Pyeongchang Winter Olympics could have a positive impact on South Korea's economy, boosting areas such as infrastructure and tourism.

Therefore, while the Beijing Olympics are more expensive than PyeongChang, the economic and non-economic value of the two games from a revenue perspective is incomparable.

#### 5. Summary

In general, the Beijing and PyeongChang Winter Olympics have their respective strengths in hosting cities' economic development, stadiums and infrastructure construction, tourism and culture. As the first Winter Olympic Games in China, the Beijing Winter Olympic Games had a stronger economic input and international influence, driving the development of Beijing and its surrounding areas, and showcasing China's contemporary style and civilized image. The Pyeongchang Winter Olympics, on the other hand, has excelled in cultural inheritance and innovation, not only reflecting the cultural characteristics of South Korea, but also expanding the spread of South Korean culture to the world. Both the Beijing and PyeongChang Winter Olympics have brought huge economic and social benefits to local cities and served as important Windows for countries to showcase their level of development.

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