

# ***Benefit Analysis and Experience Enlightenment of Qatar World Cup***

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**Abstract:** The application for hosting global large-scale sports events such as the World Cup requires a comprehensive evaluation of the country's economic situation. Otherwise, it may seem profitable to obtain high profits, but in reality, the multiplier effect is limited and the return rate is not high. Taking the 2022 Qatar World Cup as an example, we analyze the multiple benefits it generates and provide reference experiences for China to host large scale sports events.

**Keywords:** Qatar, the World Cup, economic benefits, enlightenment

## **1. The Development History and Current Situation of the World Cup**

The historic ancestor of modern football, according to the Description of London, was the popular "people's game" played irregularly in the fields of the English countryside in the 12th century, with the number of participants varying according to the population of the village [1]. "People's Soccer" doesn't even have a goal; a kick into the balcony of the church next door counts as a goal. By the 14th century, soccer had become popular throughout Europe, and the down-to-earth game finally caught the attention of governments. In 1835, the Highway Act banned the vulgar sport from the roads, and fines of up to 40 shillings drove football from the streets into permanent venues, making the leafy lawns of university campuses the preferred venue for football matches. In 1848, the Cambridge Rules, which laid the foundation for the modern game, were published at Cambridge Park. The lack of goalposts and the use of hands to pass the ball did not stop people from taking part in the game. Fifteen years later, the English Football Association was founded, giving birth to the modern game based on clubs. Given the popularity of football in Europe, FIFA was founded in Paris on May 21, 1904 [2]. Four years later, FIFA organized the first international tournament, but it wasn't a World Cup. It was an Olympic soccer tournament. The football event at the Olympics was a great success, but then the organising committee put the then-tiny FIFA in a bind by issuing bizarre rules that "restricted the participation of professional players". This has forced FIFA to look for another way to grow - a high level international one, with full participation of professional players. While other sports still count reaching the Olympics as their crowning glory, FIFA has been plotting to go it alone. In the early 20th century, the Olympics were still about amateur athletes from all over the world, making FIFA, which insisted on a professional league, quite different from the organising committee. The professional events organized by FIFA have greatly increased the popularity of football, which already has a huge mass base. Its insistence on professional competitions also made FIFA more attractive to footballers, and even when the Olympics finally allowed professional players to play,

FIFA had accumulated enough of a first-mover advantage. Until now, the Olympics have organised football tournaments that have lagged behind FIFA. Almost from the beginning, FIFA had a plan to extend football's reach to every corner of the world. From eight teams in Uruguay in 1930, 16 in Italy in 1934 and 24 in the United States in 1994, the World Cup has continued to expand. The 2018 World Cup in Russia has already seen an unprecedented 32 teams, and the 2022 World Cup in Qatar will do the same. Bidding for global large-scale sports events such as the World Cup requires a comprehensive assessment of national economic conditions, otherwise it seems to be profitable to obtain high earnings, but in fact the multiplier effect is limited and the rate of return is not high. We take the 2022 Qatar World Cup as an example, analyze the multi-benefit generated by it, and on this basis, put forward some experience for our country to hold large-scale sports events.

## **2. Benefit analysis of Qatar World Cup**

### **2.1. Economic Benefits**

According to Jim O'Neill, the British economist who coined the BRICS concept, the World Cup is not just a sporting event, its development process fully reflects the changes in the global economic pattern, especially the rise of emerging economies [3]. The World Cup is not only a football contest, but also a wrestling ground for economic power.

First, for the host country and FIFA, the Qatar World Cup is estimated to have cost \$220 billion since its inception, according to Front Office Sports. The combined cost of all past World Cups is about \$44.3 billion. The Russia World Cup four years ago cost about \$11.6 billion. The total cost of the 2014 World Cup in Brazil is about \$15 billion [4]. Traditionally, World Cup bidders meet at least two requirements: they must have qualified for more than one World Cup, and they must have at least eight stadiums with a capacity of 40,000 or more. Qatar is located in the Arabian Peninsula. Controlled by subtropical high all year round, the Arabian Peninsula has a typical tropical desert climate, with hot temperature, scarce fresh water, and extremely low vegetation coverage. The land area is only 11,500 square kilometers, and there is no innate advantage of traditional football. Qatar's special natural environment determines that if the World Cup is to be a success, it needs to make great efforts in infrastructure construction such as stadiums, transportation and accommodation. Therefore, Qatar is willing to invest a lot of money to make up for its inherent advantages. In terms of venues, with the support of \$45 billion, Lussel has transformed from a small desert village into a futuristic modern city with universities, island resorts, parks, docks and shopping centers, complete with service facilities and entertainment facilities. On the transportation front, Qatar is spending \$16 billion to expand Hamad International Airport on Doha's eastern coast to provide more international flights for international fans. To transport fans to and from the tournament, Qatar has spent \$36 billion to build three driverless subway lines across Doha and its suburbs, ensuring that Hamad Airport and any five stadiums can be reached within 50 minutes [5].

Nasser, CEO of Qatar's World Cup organizing committee, said the tournament is expected to generate \$17 billion in revenue, despite huge spending on infrastructure [6]. Looking at ticket prices alone, fans are finding that the average ticket price is far higher than for past World Cups, with tickets costing \$340 more than 40 percent more than for Russia. Not only that, the stadiums and facilities will soon be "recycled" for the 2023 Asian Cup. Qatar has teamed up with its neighbors Iran and Dubai to launch World Cup packages. In the case of shopping paradise Dubai, the \$1,500 World Cup package includes four nights' accommodation and a round-trip flight to Qatar. Andrew Simbaris, an economics professor at Smith College in the US, has done the math for US: Qatar is expected to receive 1.3 million visitors during the World Cup, and if each visitor stays for an average of four days and spends \$300 a day, the country will reap about \$1.56 billion in host income. According to the "multiplier effect" in macroeconomics, this huge amount of fundamental investment could create tens

of thousands of jobs. So far, according to the Qatar Business and Industry Association, spending on various infrastructure projects, from airports to subways to housing, has boosted Qatar's economy by 1.5 percentage points. The "consumption boom" caused by the World Cup is expected to boost the local economy significantly, with the World Bank predicting that Qatar's economy will grow by 4.9% in 2022.

As for FIFA, which was founded in 1904 in Paris, France, and moved to Zurich, Switzerland in 1932, FIFA is the richest and most powerful international non-profit sports organization [7]. Its surplus is not left to be turned into dividends, but is invested into the daily operation of the organization and the development of football. Statistics show that 95 percent of FIFA's revenue comes from the World Cup, and FIFA has made a lot of money at almost every World Cup, especially in recent years. FIFA's revenues during the World Cup are divided into four main parts: broadcasting rights, brand sponsorship, ticketing services and IP licensing. Broadcasting rights account for FIFA's largest share of World Cup revenues, more than half of total revenues. Brand sponsorship also accounts for a large part of the income, about 30%. But sponsors also come in tiers: global partners, World Cup sponsors, and regional sponsors. Ticketing accounts for about 10 percent of FIFA's revenue, and nearly 3 million tickets have been sold for the Qatar World Cup, according to FIFA. According to Keller Sports, the average price of a ticket for the Qatar World Cup is \$340 and the final is \$812, both the most expensive in the past two decades. An additional 240,000 "hospitality packages" were sold. FIFA expects \$500 million in revenue from hospitality and ticketing alone.

Second, for participating countries, FIFA has set a bonus pool of 440 million US dollars for the Qatar World Cup, equivalent to about 3.2 billion yuan. With the exception of the \$9 million guaranteed to each participating team, the rest of the prize money is tied directly to the team's ranking. According to the plan announced by FIFA, a team that advances to the round of 16 will receive \$13 million in prize money, while a team that advances to the round of eight will receive \$17 million. The runners-up will receive \$42 million, \$30 million and \$27 million respectively. In a sense, we can think of professional football as a stock market, with players, teams and leagues forming a triangle of commercial football [8]. Every footballer can be considered a stock. A player has his price from the moment he starts his career. Transfer fee, is the concrete embodiment of the value of the players. Mbappe tops the list of the world's highest-paid soccer players in 2022, ahead of Lionel Messi and Cristiano Ronaldo, and the 23-year-old is set to earn a whopping \$128 million in 2022-23, before tax and agent fees.

Finally, the World Cup is also a huge market for other countries that are not participating. China, for example, has an economic component that played an important role in the Qatar World Cup, despite its football failures. From the Chinese brands frequently appearing on the billboards of the stadium, to the Alcasa photovoltaic power station providing green electricity to the local city, from the Lussel Stadium full of modern technology, to the Chinese new energy vehicles shuttling between the stadium and the hotel, all prove that China has grown into a worthy protagonist of the "Economic World Cup". In 2022, according to the estimation of China Yiwu Sports Goods Association, "Made in Yiwu" has occupied almost 70% of the market share of the whole World Cup peripheral commodities, from the flags of the World Cup round of 32 to the horns and whistles, from the football to the jerseys, scarves, ornaments and throw pillows of the World Cup. According to the statistics of Yiwu Customs, the subordinate of Hangzhou Customs, in the first 10 months of 2022, Yiwu exported 4.85 billion yuan of sports goods, of which 150 million yuan was exported to Brazil, up 38.8 percent. According to Global Data, a global data analysis and consulting company, Chinese companies have spent \$1.395 billion on sponsoring the Qatar World Cup, surpassing US companies to become the biggest sponsor of the tournament [9].

## 2.2. The Political Benefits

When a country successfully wins the right to host an event, it can not only enhance the local people's sense of honor and mission, but also enhance international competitiveness and national image. Behind the spending spree lies Qatar's soft power ambitions on the world stage, and its plans for further development. With the favorable opportunity of the World Cup, Qatar has created an open, modern and friendly international image in front of the world, attracting more investment and tourism opportunities. At the same time, it also uses the event to promote the overall speed and quality of urban infrastructure, and eventually becomes one of the most important technology, culture and trade hubs in the Middle East and even the world, which makes its comprehensive national strength and international influence rapidly improve. Qatar is no lone star in the desert for international sporting events. Saudi Arabia has also won the right to host the 2029 Asian Winter Games, and the diplomatic tentacles of Arab countries are connecting the world. In recent years, the Gulf States have committed themselves to building connections with the international community through sports diplomacy, demonstrating their traditional Arab culture and their own regional culture while arousing global resonance. Hosting sports events is a perfect opportunity to show high-tech products, an excellent platform to enhance the country's soft power, and a dazzling stage to show the country's new image of transformation.

## 2.3. Tourism and Cultural Benefits

This is arguably the most watched World Cup of all time. In 2022, when the global epidemic is still spreading, everyone is looking for emotional outlet in depression, which can be said to provide very high emotional value for people around the world. Qatar, as one of the tourism industry as the main source of income. According to Ctrip forecast, from November 20 to the end of the World Cup, Qatar's international flight bookings reached the peak since the epidemic, and some booking prices of Qatar's local hotels also increased by more than 800%. In order to solve the problem of accommodation shortage, the official also specially prepared three cruise ships to dock at the port for 30 days of Qatar World Cup, which made Qatar's tourism rapidly increase. The World Cup is not only a football feast, but also a business event. It can not only convey the unique culture and spiritual outlook of the Arab world and Qatar to the world, but also attract more opportunities for economic cooperation and cultural exchange, bringing numerous development opportunities for tourism and industrial chains. In the short term, the World Cup, which is watched by billions of people around the world, is the best national "advertisement" for Qatar. In the long run, relying on the development of sports events, Qatar's domestic tourism resources and event resources will continue to improve, and eventually become a country with win-win cultural tourism.

## 3. Research Conclusions and Experience Enlightenment

As the football match with the highest standard, the highest competitive level and the highest popularity in the world, the World Cup and the Olympic Games are called the top sports events in the world. When a country or a sports organization holds a World Cup sports event, the benefits it brings are diversified and huge. Qatar by hosting the World Cup football match, to drive the benefits of economy, politics, tourism and culture, gives us a certain amount of experience. Throughout the development history of our country's football career, in 2002 Asian qualifiers, China successfully qualified for the proper match of the World Cup, with three defeats ended. Since then, the domestic government and major sports clubs have increased investment in football. At present, the enthusiasm of Chinese football fans is high, but due to the relative weakness of football, the overall level is far behind the world level. To elevate Chinese football to the national level. People eager to China football can rush out Asia, moves towards the world ", on the world's biggest stage show strong

national strength of China. The National Development and Reform Commission issued "China's football term plans (2016 ~ 2050), puts forward prospect for the revitalization of football. In recent years, along with the high-speed development of Chinese economy and comprehensive national strength enhancement, the continuous expansion of domestic service trade scale and the development of sports industry, sports trade occupies an important share in international trade, the expectation of the masses on our bid to host large-scale sports events is increasing. At present, China implements proactive fiscal policies and maintains medium-high growth of domestic economy, creating a good economic development environment for China's bid for major sports events. In view of the favorable experience of successfully hosting the 2008 Beijing Summer Olympics and the 2022 Beijing Winter Olympics, China should earnestly implement plans and programs, such as the Overall Plan for the Reform and Development of Chinese Football, continuously improve the strength of the national team, actively participate in bidding for tournaments, gradually reform the sports system, and improve social supervision methods. Nowadays, the national fitness movement has been promoted to the national level strategy, people's attention to sports has been further enhanced, and the consumption demand of sports products has gradually increased. Therefore, it is more important to accelerate the development of sports service industry, continuously increase the investment in sports, including the upgrading and construction of large existing venues hardware facilities, investment and support for sports clubs, introduction of professional sports management personnel, learning advanced experience in sports personnel training, strengthening the selection and training of physical education into primary schools nationwide. To provide excellent athletes for the booming sports industry in China.

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