

Editor's comment from *City Profiles* Issue No. 24

Making the Olympics work for tourism

An opinion poll conducted in Paris in early March showed that 85% of the French are in favour of hosting the 2012 Olympics. Among the different contenders for the 2012 Games – London, Madrid, Moscow, New York and Paris – only Madrid claims greater public support.

Moreover, the main reason cited by 47% of those in favour is the positive economic impact the Games are expected to have (39% think they would improve France's image and credibility abroad, while 25% believe the Olympics are a way of stimulating the development of sports in the country.) And tourism is seen as the prime factor contributing to these perceived economic benefits – an argument reinforced by studies such as the one recently published by the Boston Consulting Group (BCG).

BCG says that, if Paris were to win the bid to host the 2012 Olympics, this would attract an additional 6.5 million visitors to France (2 million during the Games themselves), generating some #2.5 billion in additional tourism receipts. At a time when France's continued number one ranking in the world tourist arrivals' league is starting to be doubted, this clearly makes the Games a very attractive option for government, the industry and the public. But is it a valid argument?

Little evidence of big bucks or a rush of new tourists ...

Paris is not alone among the bid cities in confidently predicting both tourism and general economic benefits from the Olympics. Yet, based on the experience of other Olympic host cities, the arguments would seem to be flawed.

The demands placed on a host city are enormous, and appear to increase with every new Olympic bid – so much so that many now doubt the ability of smaller cities to bid for the Games in future, let alone to host them successfully. As for the world's capitals and other mega-cities, they may be able to afford the investment. But are the returns worthwhile, especially since there is less room for incremental growth in a city that is already firmly on the world tourism map?

A 2004 Standard & Poor report, *The Cost of Olympic Gold: the Credit Effect of Hosting the 2012 Olympics*, reports that the Athens Games cost the nation US\$11.7 billion (#8.9 billion) – excluding the Olympic infrastructure. Yet preliminary data from the Greek National Tourist Office – which is substantiated by the findings of IPK International's World Travel Monitor (see last month's *Travel Markets*) – point to a 2% decline in international tourist arrivals in Greece last year. True, short breaks to Greece by other Europeans doubled in volume, but this was at the expense of longer holidays.

Sydney is widely seen as having been the most successful host city, in terms of long-lasting tourism benefits – dubbed by former IOC President Juan Antonio Samaranch as a role model for future Olympics. And the country had a record tourism year in 2000 – the year it hosted the Summer Olympics – but it took another four years before its international tourist arrivals exceeded the 2000 count. From 4.9 million in 2000, arrivals fell to 4.7 million in 2003 before picking up again last year, to 5.2 million.

... but this does not dampen the enthusiasm of bidders

Nevertheless, Sydney's – or rather Australia's – experience continues to inspire bidders for future Olympics. Vancouver, Canada, is a prime example. The Tourism Industry Association of Canada is looking to leverage the 2010 Winter Olympics to grow tourism throughout British Columbia and the rest of Canada. And, despite reported apathy in Italy for the 2006 Winter Games – not to mention lack of support from the country's main broadcaster, RAI – Turin is confident it will produce another winner.

As for 2012, may the best city win!