

## **NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NUMBER 1047**

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#### **MR G R MORGAN (DA) TO ASK THE MINISTER OF FINANCE:**

- (1) Whether the State has budgeted any money to assist in the preparation for, and hosting of, the 2010 Soccer World Cup; if not, why not; if so, what amount has been budgeted for each specified financial year from 2004-05 up to 2010-11;
- (2) whether any additional revenue will be raised between now and 2010 to cover the cost of hosting the World Cup; if so, (a) from what sources, (b) what amount is required and (c) what mechanisms will be used to raise the additional revenue;
- (3) whether companies providing sponsorship for this event will be given any tax concessions or incentives; if so, what are the relevant details?

**N1542E**

#### **REPLY:**

- (1) An amount of R1,59 million was allocated to the Department of Sport and Recreation in the 2004/05 Adjustments Appropriation for additional capacity required for the Department's responsibilities relating to the 2010 FIFA World Cup. As indicated in the 2004 Medium Term Budget Statement, South Africa's bid to host the 2010 World Cup was supported by various guarantees and commitments by Government. The hosting of the World Cup will bring considerable economic benefits to the country, and it is recognized that these will depend on the quality of our preparation and investment ahead of the event. Matters related to the funding of Government's contribution to hosting the World Cup have been under discussion in preparing for the 2005 Budget. These include options for contributing to the upgrading of facilities, project management capacity in Government departments, training of volunteers and officials and preparation for security arrangements. Further information will be provided in the Budget presentation to Parliament in February 2005.
- (2) No specific additional tax measures are envisaged to cover costs associated with South Africa hosting the 2010 Soccer World cup.

- (3) No special tax concessions or incentives are envisaged for companies involved in sponsoring the 2010 World Cup. The government guarantees to FIFA as part of the bid documents regarding South African hosting of the 2010 Soccer World Cup include certain undertakings with regard to taxation of FIFA and other World Cup related activities. These matters are currently being further negotiated and details will be made available in the 2005 Budget and, if necessary, in draft legislation to be introduced in 2005.