

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 47

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Mr T D Harris (DA-WC) to ask the Minister of Finance:

Whether National Treasury has calculated, for each year from 2004 up to the latest specified date for which information is available, (a) the total rand amount spent by Government, per year, on hosting the 2010 Fifa World Cup Soccer tournament, (b) the total increase in the per-year gross domestic product (GDP) associated with hosting the event and (c) the total increase in the per-year tax revenue associated with hosting the event; if not, why not; if so, what are the relevant details?

CW51E

REPLY:

Yes.

- (a) No monies were allocated in financial year 2004/2005 as the conceptual planning phase was underway.

Financial Year	Allocation R
2005/2006	487,210,000
2006/2007	1,328,500,000
2007/2008	6,727,962,000
2008/2009	10,104,793,000
2009/2010	7,356,158,000
2010/2011	7,117,415,000
Total	33,651,038,000

- (b) The impact of hosting the 2010 FIFA World Cup on real GDP growth over the period 2007-2012 is 2.2 per cent. This equates to roughly 0.4 percentage points contribution to annual GDP growth in each of the last 3 years, plus 0.5 percentage points growth in 2010 and 0.3 percentage points contribution in 2011. The results do not quantify the positive impacts on the country from greater tourist and investment inflows in the years after the 2010 FIFA World Cup arising from South Africa's stronger global image.

- (c) At this stage there is no pre-tax revenue associated with the hosting of the event and only expenditure has been incurred. The infrastructure (such as stadiums) commenced operations in financial year 2010/2011.

The South African Government, in financial year 2005/2006, viewed the hosting the 2010 FIFA World Cup as catalyst for development and investment in infrastructure [both sport (stadiums and training venues) and economic infrastructure (airports, rail, public transport, tele-communications, safety and security services)], skills development, employment creation and economic growth. It was therefore not regarded as funding of a one-off event.

Analysis of the 2010 FIFA World Cup contractual obligations and the Government's development imperatives defined twenty four initiatives which, if funded, would ensure that South Africa invested in infrastructure with significant legacy value as well as the successful hosting of a major international event. The monies allocated, commencing financial year 2005/2006, are presented in the table below.