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REPORT ON THE ECONOMICS OF INTERNATIONAL SPORTING FEDERATIONS (ISFs)

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1. Methods

The production of this report was recommended during the meeting of the policy expert groups of the [World Players Association](#) held in Nyon on 19 and 20 July 2016.

The report provides an analysis of the generation and distribution of the revenues of a selected number of ISFs. It is intended to enhance our understanding of the scale and methods of revenue generation and to illustrate the similarities and differences between distribution models with particular regard to the share of players. In addition, we attempted to evaluate the average contribution of the players to the revenues and profits of ISFs. The following ISFs were analyzed:

- IOC
- FIFA
- UEFA
- ICC
- IRB
- RLIF
- FIBA
- Commonwealth Games Federation

The data compiled was retrieved from the ISFs' websites or extracted from news reports. The report contains gaps mostly due to the differences in quality and transparency of the information published.

2. Main findings

General observations regarding ISFs:

- ISFs are often located in tax beneficial or legally exempt areas
 - ISFs operate in 4-year cycles in accordance with the planning of their major events
 - Overwhelming majority of revenue is event-related (90 + %)
 - Revenue mainly rests on four pillars:
 - Broadcasting
 - Marketing
 - Ticketing
 - Licensing
 - Revenues have kept increasing steadily for every ISFs analyzed
 - ISFs distribute a significant amount of their funds to member associations **BUT**
 - **None of the selected ISFs makes direct payments to athletes**
 - ISFs continuously seek **to maximize revenue mainly by expanding the tournament fields** thereby increasing the number of games
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3. Comparisons of ISFs

Key facts

Total Revenue (in USD Millions)

IOC 2009-12	FIFA 2010-14	UEFA 2012-15	ICC 2012-15	IRB 2012-15	RLIF 2013-17	FIBA 2010-14	CGF 2014
8045	5718	8428	941	535*	20**	148	118

*estimate – not confirmed

**targeted

World Cup/Main event (only ISFs providing sufficient information)

In USD Million

	IOC*	FIFA 2014	UEFA 2016	ICC 2015	IRB
Revenue	8046	4826	2130	428	482
Expense	2982	2817	1214	139	
Profit	5064	2009	917	289	183

*Vancouver 2010, London 2012, Sochi 2014

Player/Match Value

In USD Million

	IOC*	FIFA 2014	UEFA 2016	ICC 2015	IRB
Rev per player	0,595	6,55	3,86	2,04	1,39
Rev per match	-	75,40	41,8	8,74	10,04
Exp per match	-	44,02	23,8	2,84	
Prf per match	-	31,39	18,0	5,9	3,79

Prize money breakdown (where applicable)

	FIFA 2014	UEFA 2016	ICC 2015
Prize Money	358	333	10,225
PM per player	0,486	0,598	0,049
PM per match	6,0	6,47	0,209
PM as% of revenue	6,26%	15,5%	2,39%
PM as% of expense	12,71%	27,4%	7,34%
PM as% of profit	15,43%	36,0%	3,54%

4. Breakdown by ISF

4.1 International Olympic Committee (IOC)

The IOC's revenue is derived exclusively from the commercial exploitation of the Games. Mainly due to an increase in broadcasting revenue and the TOP sponsorship program revenue has been growing steadily.

Revenue (in USD billion)

	2009-2012
Broadcast	3,85
Marketing	0,95
OCOG Domestic Sponsorship	1,838
Ticketing	1,238
Licensing	170
Total	8,046*

*The IOC deducts its distributions to the OCOGs, the United States Olympic Committee, and Olympic Games-related expenditure (=2,846 billion USD) before declaring its official total revenue.

Official total rev 2010-2014	5,2
Forecasted rev for 2013-2016	5,6

Distribution

IOC target: 90% to Olympic Movement, 10% retained for IOC activities

Breakdown of distributions (in million USD):

	Vancouver 2010	London 2012	Sochi 2014
OCOG support	775	1374	833
NOCs	215	520	199
lfs	209	520	199
Youth Olympics		110	
Recognized Orgs+Fs		81	40

Prize Money

No prize money is given out by the IOC. Each NOC handles this issue differently.

Number of participants:

	Vancouver 2010	London 2012	Total
Number of participants	2566	10960	13526
Revenue 2009-2012			8,046 billion USD

Revenue per participant: **594 854 USD**

4.2 FIFA

Similar to the IOC FIFA's revenue is almost entirely generated through marketing one major event, the World Cup. Of this revenue FIFA spends **72%** on the World Cup (including prize money and club benefits) and its various developmental projects. The remaining **28%** are mainly dedicated to football governing expenses and the operational budget.

Revenue (in USD billion)

Event

WORLD CUP	2014
Broadcast	2,428
Marketing	1,580
Ticketing	0,527
Hospitality	0,184
Licensing	0,107
World Cup Total	4,826

2010-2014 cycle

World Cup total	4,826
Other FIFA event revenue	0,311
Other income	0,581
TOTAL REVENUE 2010-2014	5,718

Distribution

2010-2014

Event-related expenses	2,817
Development programs	1,052
Operating expenses	1,511
Total Expenses	5,380

Prize money

Prize money falls under FIFA's event-related expenses. In 2014 FIFA handed out **358 Million USD** to the participating federations. Taking into account the number of **participating players – 736** – and the amount of **matches – 64** – allows for the following calculations:

Prize money per player	486,413 USD
Prize money per match	6,000,000 USD
World Cup revenue per player	6,557,065 USD
World Cup revenue per match	75,406,250 USD
Expense per match	44,015,625 USD
Profit per match	31,390,625 USD
World Cup total profit	2,320,000,000 USD

Percentages

Prize money as % of WC rev	6,26%
Prize money % of WC expense	12,71%
Prize money as % WC profit	15,43%

Players' share

Prize money is never handed down to the players in its entirety. Instead it is channeled through the federation to the players who receive bonuses, per diems, or payments per match. Consider this example from Germany which won the World Cup in 2014:

Prize money to German federation	35,000,000 USD
Players' bonus	408,000 USD
Total given to players	9,384,000 USD
Players' share of prize money	26,8%
Players' share of total prize money	2,6%
Players' share of WC revenue	0,2 %
Payers' share WC profit	0,4%

Clubs' share

FIFA recognizes the contribution of the clubs with a contribution of **70 Million USD**. This amount is divided among eligible clubs according to a specific formula (to be found here: http://www.fifa.com/mm/document/affederation/administration/02/41/61/28/circularno.1439-participationofclubsinthebenefitsofthe2014fifaworldcupbrazil_neutral.pdf). In 2014 **396 clubs** received money from this club benefits program.

4.3 UEFA

UEFA's revenue also stems from its various competitions, chief among them the Champions League and the European Championship. The revamped format of the EURO 2016 led to an increase of tournament revenue of **34%**.

Revenue (in USD Million)

	2012-2015
EURO	1392,6
European Qualifiers	299,4
Champions League	5532,2
Europa League	967,5
Other competitions and rev	132,7
Asset management	103,5
TOTAL Revenue	8427,9

Distribution

	2012-2015	as %
Distribution to teams	5219,4	62%
Solidarity payments and other contributions	1161,9	13,8 %
Event-related expenses	1573,3	18,7 %
Development and education	111,6	1,3%
Conferences	20,6	0,2%
Governing expenses	304,1	3,6%
TOTAL Expenses	8390,8	

EURO 2016

Revenue (USD Million)

Broadcast	1100
Marketing/Licensing	530
Ticketing/Hospitality	441
Total	2130

Distribution

Total event expense	1214	as %
Organization expense	713	59%
Prize money	333	27,4%
Club benefits	168	13,8%

Prize money

Number of players: **552**

Number of matches: **51**

Prize money per player	0,598
Prize money per match	6,47
EURO revenue per player	3,86
EURO revenue per match	41,8
Expense per match	23,8
Profit per match	18,0
EURO total profit	917

Percentages

Prize money as % of EURO rev	15,5%
Prize money as% of EURO exp	27,4%
Prize money as % of EURO profit	36%

Champions League (+UEL)

Distribution model 2015-2018

Estimated Gross Revenue	2240
Estimated Net Revenue	1780,8
UEFA Share (8%)	142,5
Club Share (92%)	1638

4.4 International Cricket Council (ICC)

The ICC has two main revenue-generating events: World Cup and Twenty20. The published financial statements are less comprehensive compared to FIFA's and the IOC's which makes for a less detailed analysis.

Revenue (USD Million)

2012-2015

World Cup 2015	428,420
Twenty20 2014	190,767
Other Event revenue	259,882
Other revenue	58,791
Total revenue	940,383

Distribution (USD Million)

Event-related expenses	273,656
Other expenses	115,106
Distribution to members	560,000

2016-2023

Over the next two cycles the ICC expects revenues to reach anywhere between **2,5 billion to 3 billion USD**. A new - albeit contested - revenue sharing model has been agreed upon in 2014. India's cricket board will receive 22% of this revenue, followed by England (12%) and Australia (5%). The seven other members will receive between 2,5% and 3,8% of the expected revenue. The ICC will keep 30% to itself. Prize money is reported to amount to a total of 65 Million USD.

World Cup 2015

The ICC World Cup 2015 generated a **total revenue of 428,420 Million USD**. World Cup-related expenses were **139,218 Million USD** resulting in a net surplus of **289,202 Million USD**.

14 Teams (= 210 players) competed in **49 matches**.

Prize money amounted to **10,225 Million USD**. As is the case in football the prize money goes to the respective cricket boards which then redistributed the money to the players via bonus systems.

Breakdown (in USD)

Prize money per player	48 690
Prize money per match	209 000
WC revenue per player	2 040 095
WC revenue per match	8 743 265
Expense per match	2 841 183
Profit per match	5 902 081

Percentages

Prize money as % of WC rev	2,39%
Prize money as% of WC expense	7,34%
Prize money as % WC profit	3,54%

4.5 World Rugby (IRB)

The IRB has generated record profits due to the immense commercial success of the recent World Cup. RWC revenue constitutes over 90% of IRB's total revenue which is the redistributed to the member unions. Complaints have arisen from Tier two unions that receive far less than the Tier One unions. This uneven distribution has led players from smaller unions to skipping the World Cup in favor of staying with their club teams. There is **no prize money** distributed to the players directly. However, the unions pay bonuses.

RWC World Cup 2015

(numbers are estimates as published by the IRB and various news outlets)

Revenue (in GBP Millions)

WORLD CUP	2015
Broadcast	160
Marketing	45
Ticketing	160
Tournament fee (paid by host)	80
World Cup Total	395 = 482 Million USD

No tournament-related expense was declared but the IRB claimed to have made a profit of 150 Million GDP (183 Million USD).

Distribution

In 2012-2015 cycle World Rugby invested directly and indirectly approximately:

£85m in tier one high performance unions or **£8.5m each**.

£50m or **£5m each** in tier two performance unions

£28m in the remaining member unions and regional associations

In addition to the above investments, every participating union in RWC 2015 received a participation fee of **£150,000** [a further **£75,000** if they reach the quarter-finals and a further **£100,000** if they reach the semi-finals].

Breakdown (in USD Millions)

In the RWC 2015 **360 players** competed in **48 matches**.

WC revenue per player	1 388 888
WC revenue per match	10 041 666
Profit per match	3 791 666

4.6 Rugby League International Federation (RLIF)

The RLIF has not published an annual report since 2011. In its strategic plan the federation declared a goal of **20 Million USD** revenue or the 2013-2017 cycle. According to a statement the World Cup 2013 resulted in a surplus of **3,7 Million USD**.

4.7 FIBA

FIBA publishes very little financial information. The reported revenue in the 2010-2014 cycle was **147,250 Million CHF** (148 Million USD). Press articles estimate the revenue of the FIBA World Cup at around **140 Million USD**. FIBA has recently introduced a new competition format with 32 teams and 92 games. The new format goes hand in hand with new sponsorships and broadcasting/marketing joint ventures. According to its secretary general FIBA now targets revenues of **1 billion USD** per four-year cycle within the next 15 years. FIBA has indicated that it will start sharing revenues with the NBA once this number is attained.

4.8 Commonwealth Games Federation (CGF)

The CGF reinvests all its earnings in staging the event. Here is a breakdown of the revenue generated by the CGs in Glasgow 2014 (in GBP Million):

Broadcast	33
Marketing	43,6
Ticketing	33,9
Licensing	1,8
Total	118 = 144 Million USD
