The Finance of Football

Top **ten football salaries...**

1. Cristiano Ronaldo
   Country: Portugal
   Club Team: Real Madrid
   Age: 25
   Salary: $17.06 million
2. Zlatan Ibrahimovic
   Country: Sweden
   Club Team: AC Milan
   Age: 29
   Salary: $15.7 million
3. Lionel Messi
   Country: Argentina
   Club Team: AC Milan
   Age: 22
   Salary: $13.74 million
4. Samuel Eto'o
   Country: Cameroon
   Club Team: Inter Milan
   Age: 29
   Salary: $13.74 million
5. Kaka
   Country: Brazil
   Club Team: Real Madrid
   Age: 27
   Salary: $13.13 million
6. Karim Benzema
   Country: France
   Club Team: Real Madrid
   Age: 22
   Salary: $11.17 million
7. Carlos Tevez
   Country: Argentina
   Club Team: Manchester
   Age: 26
   Salary: $10.57 million
8. John Terry
   Country: England
   Club Team: Chelsea
   Age: 29
   Salary: $9.81 million
9. Frank Lampard
   Country: England
   Club Team: Chelsea
   Age: 31
   Salary: $9.81 million
10. Thierry Henry
    Country: France
    Club Team: Barcelona
    Age: 32
    Salary: $9.81 million

Questions

1. Who is the youngest player ?
2. Which club seems to be the richest ?
3. Which player earns the most for his age ?
4. Who is the oldest player ?
5. Which of these players do you think is the best ?
6. Which is your favorite team of the ones in the list ?
7. Which of these teams do you think have the most supporters ?
8. Which country seems to produce the most star players ?

Read the quotations and comment on them...

« Soccer is the ballet of the masses »
Anon

« Every time I went away I was deceiving my mum. I'd tell her I was going to school but I'd be out on the street playing football. I always had a ball on my feet. »
Ronaldo

« In football everything is complicated by the presence of the opposite team. »
Jean Paul Sartre

« I fell in love with football as I would later fall in love with women: suddenly, uncritically, giving no thought to the pain it would bring. »
Nick Hornby – Fever Pitch

« You can have the top stars to bring the attention, you can have the best stadium, you can have the best facilities, you can have the most beautiful project in terms of marketing and all this kind of thing. But if you don't win... All the work these people are doing is forgotten. »
Jose Mourinho

Read the text paying close attention to your intonation and pronunciation.

Football industry's global marketplace

Bill Wilson - BBC News business reporter in Dubai

Hundreds of clubs and firms involved in the football business have gathered at the picturesque Jumeriah Beach Resort in Dubai to hear what the global future holds for the industry, and to try and pick up contracts and advice that will help them run their operations more profitably.

In case anyone was in any doubt about the commercial significance of a sport that has gone from being a "game" to an industry, one only has to take a look at the many different companies hoping for **a slice of the football pie**. Everyone from perimeter advertising agencies, web developers, customer relations managers, stadium designers, playing pitch manufacturers, and sports academies, are exhibiting at the Madinat Jumeriah hotel.

Not to mention film makers, politicians, bankers, and executives from clubs across Europe, Asia and Africa, plus representatives from big name sponsors and brands such as Nike, Adidas, Sony, Vodafone, 3, and Mastercard. The popular event, now in its eighth year and back for a fourth straight time to the United Arab Emirates, attracts more than 1,000 football business professionals from over half the world's playing nations.

Long gone are the days when all that was needed was 22 players and a ball, and one indicator of the way the game has changed can be seen in the fact there are almost as many sports marketing and rights organisations attending as clubs. "It offers the perfect platform for all **stakeholders** in the game - clubs, managers, service providers and other experts to come together," according to Sepp Blatter, president of FIFA.

World Cup rights

Of close interest will be the announcement due from FIFA about its new marketing and television arrangements.

The game's **often-maligned** governing body is due to set out its commercial structure, in particular in relation to the 2014 World Cups. It will also reveal its new broadcasting tender process - TV rights being at the centre of the increasing amounts of cash that have been pouring into the highest echelons of the sport, particularly in the UK with the Premier League and Champions League money available to clubs. In addition, the role of the media in football, financial issues facing the sport, and how to manage the vast sums earned by the world's top players will all also **come under the spotlight**.

Many of the biggest clubs in the world, such as Manchester United and Real Madrid are represented here, as are other English clubs such as Aston Villa, Arsenal, and Chelsea, all hoping to exchange commercial expertise in a bid to drive up their profits. A **gauge** of the importance of the football economy can be seen in the fact that £300m of soccer-related business was done in this sunny city in two days last year. And a sign of the football industry's importance to Britain can be seen in the fact that the government has sent a delegation from UK Trade and Investment.

Use each of the underlined expressions in your own sententeces…

Questions

1. Why are clubs and firms gathered at Jumeriah?
2. How does their presence indicate the importance of the football industry?
3. What kind of different sectors are represented?
4. How many years has the event existed for?
5. What does the event offer for the different people attending?
6. What will the FIFA be announcing?
7. What are the signs of how important this event is?

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READ THE TWO FOLLOWING ARTICLES – Your aim will be to put together an argument in order to convince the French government to give special days of holiday to football supporters in order to allow them attend important matches... You must gather information to substantiate your argument.

nglish Premier League clubs spent a record £225m in the January transfer window, according to a report by Deloitte.
he period included Fernando Torres' estimated £50m move from Liverpool to Chelsea – a British transfer record – and Liverpool's igning of Andy Carroll for £35m from Newcastle.
he previous record was £175m spent in January 2008, Deloitte said.
bout 80 per cent of the spending was done by only four clubs – Chelsea, Liverpool, Aston Villa and Manchester City.
he total amount spent marked a sharp rise from the £30m spent in January last year.
)an Jones, partner in the sports business group at Deloitte, said that while Premier League club revenues had never been higher, he /as still surprised that the figure topped £200m.
pending between Premier League clubs accounted for just over half (£115m) of the total, followed by spending with overseas clubs

Just how much is a FIFA World Cup slot worth

By: Dr Nikolaus Eberl

As the qualified teams prepared for the ultimate battle of world football, many analysts were wondering just how much the highly coveted slot at the FIFA World Cup was worth in economic terms. Events helped shed light on this issue, when Thierry Henry's handball helped France beat Ireland to reach the world cup finals Ireland lost out on £100million

When Henry apologised for his un-gentlemanly conduct, he could have hardly imagined just how much his action had hurt the Irish economy - and at the same time boosted the French. Said Henry in a tweet on his Twitter profile: "I'm not the referee - but if I hurt someone I'm sorry." According to economists, Henry's handball meant that Ireland's economy, already in the deepest recession in Europe, lost out on £100million.

Financial analyst Owen James, of London's Centre for Economics and Business Research, said: "Based on figures on household expenditure and other factors I estimate the Irish economy lost out to the tune of £100million. If they'd got beyond the group stage, the gain would be more."

Henk Potts, of Barclays Stockbrokers, added: "Retailers will lose out in terms of numbers of sales, and the leisure industry in terms of the numbers going to pubs and bars. Supermarkets would have expected an increase in certain products sold in preparation for matches and bookmakers would expect a lot more activity if Ireland were taking part."

France set to gain £1billion

At the same time, Henry's handball encouraged a spending spree for the qualifying nation, France. Economists say reaching the world cup extravaganza in South Africa is worth £1billion to a nation the size of France.

Commented Simon Chadwick, professor of sports business strategy at Coventry University: "There is a ripple-out effect into areas that are directly related, such as sports betting and magazine publishing. But it will ripple out even further to

electronics retailers and manufacturers, because people tend to buy more televisions around tournaments too. It's a psychological issue - sporting success makes people feel more optimistic generally and predisposed to buying."

Consumers in France will also pour money into kits, sticker albums, tickets and travel, he added.

“When people are down, they don't like to spend”

Says Michael Deacon from the Telegraph: “There's nothing a supermarket chain, for example, loves more than a World Cup, because sales of booze and food go through the roof - and every other business in the land starts shamelessly using the event to market its products (seven months before the 2006 World Cup kicks off, Mars was already running a TV advertising campaign explaining how its chocolate bar will power England to victory).

“Instead, Thierry Henry's cheerful cheating has knocked a nation when it's down. And when people are down, they don't like to spend.”

Ireland as a state of mind rather than a state became bound up with football.”

Recently, England's failure to qualify for the Euro 2008 football tournament demonstrated the opportunity cost of missing out on the halo effect of international sporting events. One estimate puts the cost to the economy as high as £2 billion. "A successful run to the 2008 final would have led to a £2bn bonanza for the economy," according to Prof Chadwick.

Chadwick explained that the impact of England not playing in Euro 2008 went deeper than just lower retail sales. "Evidence from previous tournaments also shows that, at another level, worker productivity normally increases as the England national team progresses through major tournaments and the 'feel good factor' takes hold," he said.

According to a spokeswoman for the British Beer and Pub Association, pubs equally missed out in 2008: "If we just look at the first round of a championship like that where you have three matches, we think that equates to between 20 and 25 million extra pints over the three matches."

Questions



1. What did Henry do that cost Ireland Millions ?
2. Why did Ireland lose such a lot of money ?
3. What is the ripple effect ?
4. How much did Ireland lose ?
5. How much did France gain ?
6. What do retailers gain when national teams qualify ?
7. Which areas are directly related to football ?
8. What is the psychological effect on nations ?
9. What is the feel good factor ?
10. What is the halo effect ?