

Experiences in estimating the macroeconomic impact of mega tourism events – the case of hosting the FIFA Football World Cup Germany 2006

Topic: Input-output studies on tourism issues I

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Estimating the macroeconomic impact of tourism events has been discussed manifold in economic literature. Besides the assessment of the additional event related investment expenditures during the pre-event phase one of the most striking challenges is the estimation of the event related consumption expenditures during the event phase. Furthermore for estimating the net economy-wide impact it is also important to apply an adequate macroeconomic model, which takes into account all indirect intermediate consumption effects and induced income effects of the event-specific primary stimulus as well as the adjustments of prices and interest rates.

The paper describes the experiences in estimating the macroeconomic impact of hosting the FIFA Football World Cup Germany 2006 more precisely. Therefore various aspects concerning impact assessment will be discussed against the backdrop of the applied macro-econometric intersectoral model INFORGE. A special focus is put on the consumption related effects. Within the various pre-event studies the primary consumption stimulus has been estimated by plausibility based considerations or information coming from the German Tourism Satellite Account (TSA) whereas the final ex-post assessment study is based on a primary empirical measurement of the consumption patterns of tourists at the FIFA Football World Cup 2006 in Germany. Thus this measurement is explained in detail.

Using this new data base, the calculated net economy-wide impact induced by the surveyed consumer spending at the World Cup has increased the German GDP by 3.2 billion € and created 34,800 “man years” of additional employment.