Socio-economic impact assessment of the Pro League on the Belgian economy
June 2018
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Foreword

Football has grown considerably in the last 2 decades.

Clubs are no longer only judged by their results on the pitch. They now have to demonstrate their capacity to adapt to changes in supporter expectations and simultaneously prove their ability to guarantee their economic continuity. This requirement has resulted in increased regulation for club licensing.

The desire of club managers to stay financially profitable is too often misunderstood by the public and policy-makers. Additionally, player transfers are nowadays equally criticized for the costs they bring along, as they are applauded for attaining national or international success.

In this context, we have felt the need to take a step back and ask Deloitte to investigate the impact of Belgian professional football on society, both economically and socially.

We are happy to share with you this first edition of the report, which we will reflect to in future edition for comparison.

Pierre François
CEO Pro League

Football is more than just a sport.

It is a phenomenon touches the hearts of people, young and old, all around the globe. Indubitably, a sport with such a massive following brings along a certain economic reality. With this report, we uncover for the first time the socio-economic impact of the Belgian clubs in the Pro League. The industry brings a lot to the table, not only in terms of gross value added and employment in the economy, but also in terms of social cohesion for all involved participants.

Football continuously invests its profits in social projects, supporting local communities in their goal of social and economic progress. We believe the presence of the professional football clubs are an immense benefit to the local communities, guiding youth in developing a sense of perseverance and grit while also supporting other fragile group in Belgian society. In the last years, the successful generation of homegrown players in the current national team have put Belgium on the map as a football country. The Belgian professional football teams have played a large role in their development, and successfully contributed in the success of the current national team.

Sam Sluismans
Partner Deloitte Belgium
Executive Summary

The Pro League clubs have shown accelerated turnover growth over the past years, resulting from strong performance in the European competitions and earlier investments in youth translating into a positive payback.

Total Operational Revenues
€316 million
Operational revenues of Pro League clubs reached €316 million in the 2016/17 season. With a compounded annual growth rate of 13%, Belgium outclassed other comparable European competitions by 4% on average.

Creating economic value for the Belgian economy through generating demand for its goods, services and skilled professionals

Gross Value Added
€669 million
Belgian professional football is estimated to add €669 million to the economy for the season 2016/17 in Gross Value Added (GVA), with €300 million being generated directly through wages, salaries and profit for the clubs.

Gross Output
€935 million
The total economic impact in terms of gross output is estimated to be €935 million for the season 2016/17, with €527 million being generated directly by the professional football clubs. Gross output measures the amount of money spent in the economy.

Job Creation
3,239 jobs
are estimated to be created for the season 2016/17 as a result of Pro League clubs’ activities, 1,838 of which directly.

€63 million in net contribution
€95 million in VAT generated
Belgian professional football has directly contributed a total of €63 million to the Belgian exchequer for the season 2016/17 in corporate tax, payroll tax, social contributions and net VAT combined. Additionally, through its whole supply chain, €95 million in accumulated VAT is generated to the Belgian State.
Socio-economic impact assessment of the Pro League on the Belgian economy

**Net transfers**
€97 million

Transfers play a particularly important role for Belgian football: In the past 5 years, the Pro League clubs have always shown a positive net transfer result, with €97 million for the 2016/17 season, increasing fourfold since the 2012/13 season.

**Fan attendance & inclusion**
€3.4 million

A total of 3.4 million soccer enthusiasts attended the matches of the Belgian First Division A in season 2017/18. Of this number, 750,000 attended Play-Off matches. The average amount of supporters present at a game has grown by 500 in comparison to the previous season 2016/17.

**Pro League clubs are stepping up their efforts to enhance the social fabric of Belgian society by investing in social projects, their own facilities and amateur football**

**Youth Players**

Nearly 11,000 youth players are registered at the KBVB/URBSFA. Data from 22 clubs indicated 767 youth trainers to be involved in the training of these youth players. In 2016, Belgian clubs spent €38 million on youth player and trainer salaries, €23 million more than they were legally required to spend because of the reduction in payroll tax.

**Solidarity in Belgian Football**

€8.3 million

The Pro League clubs paid €1.6 million in solidarity contributions to each other in the 16/17 season, benefitting those clubs that have put most time and investment into player development. Additionally, €800,000 in broadcasting solidarity contributions are distributed amongst football clubs in the first amateur division. The Pro League also contributed €2.1 million in contribution for referee salaries and €3.8 million in association fees & taxes to the KBVB/URBSFA.

**Social Engagement**

About 58,000 people participated

Corporate Social Responsibility (CSR) figures from the Pro League clubs indicate about 58,000 people participated in a total of 298 projects for a budget of €1.7 million.

**Clubs as hubs of communities**

15 out of 22 surveyed clubs

have one or more business clubs present in or around the stadium facilities, turning football into an important meeting point for local businesses. Additionally, with their continued investment in facilities, a wave of incremental investment can be noticed in the neighborhoods of Belgian stadia, as shown in the cases of KAA Gent's Ghelamco Arena and STVV's Stayen.
Introduction

For an average football game in the First Division A, more than 10,000 football fans come together in the stadium of their club to support and cheer for their favorite players. Many more choose to watch the games from home, on-line, in bars or through other viewing facilities. These matches are growing more competitive every year and having a league with at least 5 clubs competing for the title every year is key for sustaining the growth of Belgian football. It allows for reaching more people, it helps in keeping and attracting talented players, it improves the average financial situation of the Pro league clubs and increases their ability to compete on a European level.

Social responsibility, good governance, sustainability and transparency are values increasingly appreciated by both the general public and legislators. Being Belgium’s most popular sport and herewith having a prominent role in Belgian society, it is important that these values wear high priority. It can be observed that Belgian professional football clubs are focusing increasingly on how they can improve their social brand, herein leveraging their high proximity to the general public.

Despite its popularity, little research has been conducted on the socio-economic impact of professional football in Belgium. Therefore, the goal of this report is to quantitatively and qualitatively measure the socio-economic impact generated by Belgian professional football on the Belgian economy. After all, the impact of professional sports, which like any other industry, reaches wider than what is directly visible. Industries such as the hospitality, construction, consumer goods and media industry are in particular close partners to professional football. To achieve the result of this report, both financial and operational data is analyzed from the Pro League organization and Belgian professional football clubs.
Scope and Methodology

Scope

The report assesses the socio-economic impact of the following actors:
1. The Belgian football clubs playing in the First Division A (Jupiler Pro League)
2. The Belgian football clubs playing in the First Division B (Proximus League)
3. The Pro League as an organization

It does not intend to show any conclusions on the economic value generated by the KBVB/URBSFA.

The impact that the football leagues organized by the Pro League have on Belgian amateur leagues has also briefly been investigated. The Belgian football clubs mentioned in (1) and (2) will be referred to as the Pro League clubs, or alternatively the Belgian professional football clubs.

The following data sources were used for building the report:
• Financial data from the annual reports (balance sheets, income statements and cash flow statements)
• Employment data from social balance sheets
• Employment data from surveys sent out to the Belgian football clubs
• Investment and community data from surveys sent out to the Belgian football clubs
• Economic indicators set forth by the Belgian Federal Planning Bureau
• Views on relevant topics such as neighborhood regeneration and social projects from depth-interviews

The data used for the report goes back until financial year 2013. As most of the Belgian football clubs and the Pro League end their financial years at the end of June, the financial year 2017 logically includes the range between 01/07/2016 to 30/06/2017, corresponding to the season 2016/17. The season 2016/17 is the first season where the Pro League overarches both the 16 teams in the First Division A and the 8 teams in First Division B.
Methodology

**The first part** explores the evolution of Belgian football since the season 2012/13. The chapter investigates the context of professional football in Belgium today, zooming in on key business and financial figures.

**The second part** provides the actual quantitative and qualitative assessment of the socio-economic impact generated by the Pro League and its clubs. An overview of the different areas explored in measuring socio-economic impact are presented in the figure below.

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**Gross Output**
Measures the total output (revenues) created by the existence of the Belgian professional football industry

**Gross Value Added**
Measures the contribution of companies or an industry to a country's GDP. The measure provides a much less distorted view of generated impact than Output.

**Employment**
What impact does the professional football industry have on employment, in- and outside of the football environment?

**Tax Contribution**
Looks at the impact of the industry on taxes through both its generated sales and employment

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**Youth players**
Professional football allows youth players to develop themselves on and off the pitch.

**Social engagement**
Social integration, education and health are items high on the agenda of Belgian football clubs. A multitude of projects are launched every year to support these causes.

**Clubs as hubs of communities**
Football can act as a catalyst, whether for the game of football, business or leisure.

**Football Solidarity**
Professional football stimulates the non-professional scene and other sports
The economic impact assessment measured three different dimensions: the direct impact, the indirect impact and the induced impact. A visualization of this is shown in the figure below.

- **Direct impact**: immediately produced impact by an industry, due to the on-going business it does within the economy, creating gross value added for the economy, creating jobs and generating tax revenues.
- **Indirect impact**: arising from the entirety of an industry’s supply chain.
- **Induced impact**: arising from the increase in the spending power of households benefiting from the industry and its supply chain.

**Illustrating the Welfare Wedge**

**Impact generation over time**

*Welfare Wedge*: Only using GDP to illustrate the economic contribution of the sports economy does not account for positive social effects, which are likely to increase over time.

**Outcomes**

- Participation
- Life outcomes
- Govt Savings from Wellness
- Economic impact
- Productivity
- Jobs (& skills)
The economic impact measured through direct, indirect and induced impact are just part of the story. The total value of Belgian professional football is more than the sum of its parts. For example, the effect of increased participation in social activities is hard to measure, creating a so-called welfare wedge between the economic value and real value of professional football (see figure below).

More details on the details and methodology can be found in Appendix A.

The final part contains the closing words of this report.
Socio-economic impact assessment of the Pro League on the Belgian economy
The evolution of professional football in Belgium

Figure on the competition structure

1st competition

Belgian First Division A

1 group with 6 teams. Place 1 is the Belgian champion. Places 1 & 2 join the Champion’s League and Place 3 the Europa League. Place 4 faces off against the PO2 winner.

PO1

2 groups with 9 teams from the 1st division and 3 from the 2nd division. Group winners face off against each other to then play PO1#4 for the Europa League.

PO2

Next season

Sep - Dec

Next season

relegation
The Belgian professional football landscape has gone through a number of changes in recent years, aimed at improving competitiveness, spectator satisfaction and professionalism.

**Belgian First Division B**

Of these places, take the 3 teams with most points from both competitions to PO2

**Organisation of the Pro League**

The Pro League organizes football matches for both the Belgian First Division A and First Division B with seasons running from late July to early May the next year. The First Division A is better known as the Jupiler Pro League while the First Division B is better known as the Proximus League. Besides this, they also organize the Belgian Croky Cup and the Belgian U21 Cup on a mandate of the KBVB/URBSFA.

In the Jupiler Pro League, 16 teams play a total of 240 matches in a regular competition before heading into play-offs, split into Play-Off 1 (PO1) and Play-Off 2 (PO2). The play-off format was introduced in the 2008/09 season with the intention of on the one hand increasing the competitiveness of the clubs and on the other hand improving the spectator experience of the league. Under the current format, the top 6 teams will face each other in PO1 while ranks 7-15 will go into PO2, joining the top 3 from the Belgian First Division B. The team finishing regular competition on the 16th spot relegates to the First Division B.

Since 2001/02, the Belgian Football Association (KBVB/URBSFA) grants the participating teams a football license under requirement that they do not have any excessive debts and that their stadiums are secure. This move to professionalize the Belgian football scene has proved effective, as demonstrated by the impressive growth football has portrayed since then.

The Pro League as an organization is the corporate entity representing the 24 top Belgian football clubs (Jupiler Pro League + Proximus League) in the football ecosystem. The Pro League negotiates broadcasting rights with major national and international broadcasting companies while distributing the consequent revenues to the clubs via a predetermined split. In addition, the Pro League represents Belgian professional football with public sector bodies and policy makers on matters regarding the league and the business of Belgian football in general. While the Pro League oversees the clubs in their engagement to spend and invest their funds wisely, it does not make financial decisions for them. Clubs are themselves in control of setting prices for tickets, sponsoring income and commercial revenues.
Socio-economic impact assessment of the Pro League on the Belgian economy
Despite having a relatively small European footprint, Belgium is performing very well in the UEFA country rankings, becoming a consistent sub-top contender.

**UEFA Ranking**

In assessing the growth and contribution of Belgian Football to the economy across the last decade, one of the pillars to consider is how the country’s top league has been performing on an international level as this will positively impact its economic contribution. Belgium has been steadily creeping up the ladders of UEFA rankings for club competitions, which is calculated based on the results of each association’s clubs in the previous five UEFA Champions League and UEFA Europa League seasons.

The Big Five leagues, better known as La Liga (Spain), Premier League (United Kingdom), Bundesliga (Germany), Serie A (Italy) and Ligue 1 (France) are consistently occupying the top 5 spots followed by the Russian League. Of the 7 sub-top contenders shown in the below figure in the UEFA leagues, Belgium has shown consistent growth, surpassing the Netherlands, Switzerland, the Czech Republic and Greece amongst others to a comfortable 9th place. This statistic is important to the growth of the Pro League and its clubs as the UEFA-coefficient directly influences the seeding of Belgian clubs for international competitions. Competitions at a European level carry more financial significance than Belgian competitions, and can substantially increase a football club’s revenues by receiving UEFA contributions and income from broadcasting rights.

A large contributing factor to Belgium’s climb in UEFA ranking is the somewhat even distribution of Belgian top clubs’ relative strength. In the 2016/17 season, the five largest Belgian clubs (RSC Anderlecht, Club Brugge, Standard de Liège, KAA Gent and KRC Genk) all played in the UEFA Champion’s League and Europa League. KRC Genk and RSC Anderlecht both reached the Europa League quarterfinals bracket, which resulted in Belgian clubs reaching a historical peak in points for the UEFA ranking was reached.

A notable uptick in the ranking can be observed in the periods 2000-05 and 2009-2017, years in which favorable measures such as licenses to further the professionalization of clubs and a more advantageous income tax system for Belgian football players were implemented for Belgian football.
Belgian football club revenues

With the rise of Belgian football to the European sub-top level, as indicated by the UEFA ranking, it has also benefited from significant increases in revenues. Total operational, non-subsidized revenue has increased from €192 million in 2013 to an impressive €316 million in 2017. The compounded annual growth rate on revenues for the Pro League clubs stands at an impressive 13%, compared to an average 8.8% for European clubs as a whole.1 (see figure below)

The drivers of this growth, as shown in the figure below, were advertising and commercial revenues, indicating a slight shift away from heavy dependence on ticketing and broadcasting revenues. Additionally, UEFA contributions have doubled due to successful European campaigns in the UEFA Champion’s League and the UEFA Europa League, resulting in the increase in UEFA club competition ranking. For Belgium’s top clubs, UEFA prize money can make all the difference between ending the year with a positive or negative result.

Traditional business models focusing on gate receipts and broadcasting revenues are also showing a fair amount of growth, yet have proportionally grown less. It is however important to keep in mind is that traditional income streams are driving sponsoring and commercial revenue streams, and thus remain the most critical to assess a competition’s financial health.2

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2 UEFA revenue data takes together sponsoring and advertisement revenues with commercial revenues.
Broadcasting Revenues (G5 vs K11) (in € millions)

Gate Receipts & Season Passes (G5 vs K11) (in € millions)
Socio-economic impact assessment of the Pro League on the Belgian economy

- **UEFA prize money**
- **Sponsoring, advertisement & commercial**
- **Broadcasting**
- **Gate receipts & season passes**

**Belgium**

- 2012/13: 25% UEFA prize money, 22% Sponsoring, advertisement & commercial, 31% Gate receipts & season passes, 55% Broadcasting
- 2015/16: 15% UEFA prize money, 16% Sponsoring, advertisement & commercial, 30% Gate receipts & season passes, 51% Broadcasting

**Austria**

- 2012/13: 9% UEFA prize money, 16% Sponsoring, advertisement & commercial, 62% Gate receipts & season passes, 22% Broadcasting
- 2015/16: 10% UEFA prize money, 19% Sponsoring, advertisement & commercial, 72% Gate receipts & season passes, 19% Broadcasting

**Denmark**

- 2012/13: 25% UEFA prize money, 22% Sponsoring, advertisement & commercial, 47% Gate receipts & season passes, 49% Broadcasting
- 2015/16: 20% UEFA prize money, 25% Sponsoring, advertisement & commercial, 41% Gate receipts & season passes, 37% Broadcasting

**Netherlands**

- 2012/13: 15% UEFA prize money, 16% Sponsoring, advertisement & commercial, 51% Gate receipts & season passes, 55% Broadcasting
- 2015/16: 12% UEFA prize money, 11% Sponsoring, advertisement & commercial, 30% Gate receipts & season passes, 31% Broadcasting

**Portugal**

- 2012/13: 25% UEFA prize money, 25% Sponsoring, advertisement & commercial, 31% Gate receipts & season passes, 41% Broadcasting
- 2015/16: 20% UEFA prize money, 19% Sponsoring, advertisement & commercial, 38% Gate receipts & season passes, 42% Broadcasting

**Switzerland**

- 2012/13: 19% UEFA prize money, 11% Sponsoring, advertisement & commercial, 41% Gate receipts & season passes, 37% Broadcasting
- 2015/16: 19% UEFA prize money, 11% Sponsoring, advertisement & commercial, 41% Gate receipts & season passes, 37% Broadcasting
Comparing Belgium’s Jupiler Pro League to a peer group of Portugal, The Netherlands, Switzerland, Austria and Denmark on 2016 UEFA operational revenue data shows a very even distribution of revenue streams across the board for Belgium. Gate receipts & season passes are proportionally more important for Belgium at 29% than other leagues while it scores the second lowest proportionally for the sponsorship and commercial revenues category at 35%. This could present a potential monetization opportunity for Belgian football clubs.

<table>
<thead>
<tr>
<th>Primary League</th>
<th>Winner 16/17 season</th>
<th>GDP ($USD)</th>
<th>Population (millions)</th>
<th>Total 2012/13 (€m)</th>
<th>Total 2013/14 (€m)</th>
<th>Total 2014/15 (€m)</th>
<th>Breakdown 2015/16 (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Jupiler</td>
<td>466</td>
<td>11.4</td>
<td>191</td>
<td>208</td>
<td>243</td>
<td>Ticketing 77 Spons. &amp; Comm. 46 Broadcasting 66 UEFA 44</td>
</tr>
<tr>
<td>Austria</td>
<td>Bundesliga</td>
<td>386</td>
<td>8.8</td>
<td>141</td>
<td>148</td>
<td>108</td>
<td>Ticketing 27 Spons. &amp; Comm. 87 Broadcasting 14 UEFA 14</td>
</tr>
<tr>
<td>Denmark</td>
<td>Superliga</td>
<td>306</td>
<td>5.7</td>
<td>152</td>
<td>122</td>
<td>114</td>
<td>Ticketing 14 Spons. &amp; Comm. 82 Broadcasting 35 UEFA 44</td>
</tr>
<tr>
<td>Netherlands</td>
<td>PSV</td>
<td>771</td>
<td>17.0</td>
<td>422</td>
<td>419</td>
<td>425</td>
<td>Ticketing 99 Spons. &amp; Comm. 230 Broadcasting 70 UEFA 54</td>
</tr>
<tr>
<td>Portugal</td>
<td>LIGA</td>
<td>205</td>
<td>10.3</td>
<td>257</td>
<td>264</td>
<td>312</td>
<td>Ticketing 51 Spons. &amp; Comm. 87 Broadcasting 101 UEFA 47</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Super League</td>
<td>660</td>
<td>8.4</td>
<td>171</td>
<td>176</td>
<td>180</td>
<td>Ticketing 69 Spons. &amp; Comm. 71 Broadcasting 12 UEFA 34</td>
</tr>
</tbody>
</table>

Excluding Pro League revenues

Note: the data in this table only includes the datapoints from the most important league in each of these countries and no data of the secondary leagues.

3 The data in this graph is limited until 2015/16 due to availability of data from UEFA for the other countries.
Player Transfers

Like the revenues generated by football clubs, the revenues resulting from player transfers have surged too. In the last 5 years, Belgian clubs have always gained more from transfers than they spent, resulting in a positive net transfer amount. With profits on player sales tripling between 2015 and 2017, and profits on player rental fees quintupling, the net transfer amount has increased to a record €97m. (see figure below) The net transfer amount was negative in the 2016/17 season for only two clubs out of 24.

Transfers play a big role in determining the financial results of Belgian clubs for the year. Collectively, the Jupiler Pro League and Proximus League operate at a €78m operational loss when not including net transfers. This amount increases to €14m in profits as a whole after transfers. On a club-level, this translates to 10 clubs with a negative operational result turning positive after accounting for transfers.

It is fair to say that Belgian football is reliant on net transfers to ensure the continuity of the clubs. Therefore, continued investment into youth players, youth trainers and youth facilities alongside legal support for players younger than 16 will prove to be crucial in the future years to come. Moreover, this investment in youth is needed to ensure the competitiveness of Belgian football and should help in keeping promising talent longer on Belgian pitches.

In parallel, it is important for clubs to continue investing in growing advertisement and commercial revenues to become less dependent on transfers for financial security and make Belgian football more sustainable in the longer term.

* Data for peer group limited to the season 2015/16.
Match day attendance

With 3.4 million fans attending Jupiler Pro League matches and 408,000 fans attending Proximus League matches in the 2017/18 season\(^4\), Belgian football fans are clearly enthusiastic about cheering for the teams they love. The figure for the Jupiler Pro League is up 200,000 (6%) over the previous season 2016/17, showcasing Belgium’s strong growth in game attendance. The Jupiler Pro League ranks 14th in the European Professional Football League’s (EPFL) 2016/17 fan attendance report\(^5\), with an average of approximately 10,000 fans attending a match.

Regarding stadium attendance, Belgium improved its ranking to the 8th spot with an average stadium utilization of 58.22%, outsoring leagues such as the Italian Serie A (57.11%) or Portuguese Liga NOS (48.81%).

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4 The attendance amount does not yet include figures for the last 2 games to be played (Zulte-Waregem vs. Sporting Lokeren and Zulte-Waregem vs. KRC Genk).

Socio-economic impact assessment of the Pro League on the Belgian economy
Interest in Belgian football is on the rise. Fan attendance rose 200,000 up to 3.4 million for the 2017/18 season. Additionally, supporter groups are becoming more diverse.
In the Jupiler Pro League, the Big Five (RSC Anderlecht, Club Brugge, KAA Gent, Standard de Liège and KRC Genk) bring in 57% of all supporters into their stadiums, with Bruges receiving a total of 493,000 at the Jan Breydel Stadium. RSC Anderlecht’s fans most often attend away games while KAA Gent receives the largest amount of fans from other clubs in its Ghelamco Arena. The Play-Offs managed to draw a total of 750,000 visitors for the season 17/18, as shown in detail in the figure on the left.

The average amount of supporters present at a game has grown by 500 in comparison to the previous season 2016/17.

### Fan attendance by Jupiler Pro League Club for the season 2017/18

<table>
<thead>
<tr>
<th>Club</th>
<th>Regular competition</th>
<th>PO 1</th>
<th>PO 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Club Brugge KV</td>
<td>357.354</td>
<td>135.538</td>
<td></td>
<td>492.892</td>
</tr>
<tr>
<td>RSC Anderlecht</td>
<td>291.809</td>
<td>100.117</td>
<td></td>
<td>391.926</td>
</tr>
<tr>
<td>Standard de Liège</td>
<td>273.602</td>
<td>107.906</td>
<td></td>
<td>381.508</td>
</tr>
<tr>
<td>KAA Gent</td>
<td>252.587</td>
<td>88.281</td>
<td></td>
<td>340.868</td>
</tr>
<tr>
<td>KRC Genk</td>
<td>232.115</td>
<td>81.615</td>
<td></td>
<td>313.730</td>
</tr>
<tr>
<td>Royal Antwerp</td>
<td>174.805</td>
<td>52.237</td>
<td></td>
<td>227.042</td>
</tr>
<tr>
<td>Sporting Charleroi</td>
<td>161.623</td>
<td>48.507</td>
<td></td>
<td>210.130</td>
</tr>
<tr>
<td>YR KV Mechelen</td>
<td>175.460</td>
<td></td>
<td></td>
<td>175.460</td>
</tr>
<tr>
<td>Zulte Waregem</td>
<td>128.664</td>
<td>25.644</td>
<td></td>
<td>154.308</td>
</tr>
<tr>
<td>STVV</td>
<td>98.569</td>
<td>18.975</td>
<td></td>
<td>117.544</td>
</tr>
<tr>
<td>KV Kortrijk</td>
<td>93.983</td>
<td>20.104</td>
<td></td>
<td>114.087</td>
</tr>
<tr>
<td>KV Oostende</td>
<td>83.242</td>
<td>22.495</td>
<td></td>
<td>105.737</td>
</tr>
<tr>
<td>Royal Excel Mouscron</td>
<td>76.868</td>
<td>13.633</td>
<td></td>
<td>90.501</td>
</tr>
<tr>
<td>Sporting Lokeren</td>
<td>72.691</td>
<td>17.125</td>
<td></td>
<td>89.816</td>
</tr>
<tr>
<td>Waasland-Beveren</td>
<td>75.385</td>
<td>8.982</td>
<td></td>
<td>84.367</td>
</tr>
<tr>
<td>KAS Eupen</td>
<td>50.075</td>
<td>9.795</td>
<td></td>
<td>59.870</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.598.832</strong></td>
<td><strong>561.964</strong></td>
<td><strong>188.990</strong></td>
<td><strong>3.349.786</strong></td>
</tr>
</tbody>
</table>
Socio-economic impact assessment of the Pro League on the Belgian economy
Data from SportsAlliance reveals the primary basins of Belgian football supporters for each club. The figure below shows larger Flemish clubs KAA Gent and KRC Genk have a fan base which is primarily situated in their own provinces, while Walloon club Standard de Liège reaches the whole of French speaking Belgium as well as some fans in Flanders. For a smaller club such as KV Kortrijk, the base is limited to the area around the city.

6 All Belgian clubs except RSC Anderlecht.
7 The cutoff used for the map data analysis is at 100 supporters/municipality minimum.

Out of the 1.05 million total supporters, 13% spoke another language than Dutch or French.
Royal Excel Mouscron has the eldest fans, at an average age of 46 years old. KV Kortrijk on the other hand has the youngest fans at 36 years old.

<table>
<thead>
<tr>
<th>Club</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royal Excel Mouscron</td>
<td>46.14</td>
</tr>
<tr>
<td>KVC Westerlo</td>
<td>44.40</td>
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<tr>
<td>AFC Tubize</td>
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</tr>
<tr>
<td>STVV</td>
<td>43.40</td>
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<tr>
<td>Waasland-Beveren</td>
<td>41.54</td>
</tr>
<tr>
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<td>41.31</td>
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<tr>
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</tr>
<tr>
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<tr>
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<td>38.18</td>
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<td>Standard de Liège</td>
<td>36.75</td>
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<td>KV Kortrijk</td>
<td>36.20</td>
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</table>
Out of 1.05 million online fans, 181,000 females were registered as a fan at Belgian football clubs. KAA Gent was the club with the highest percentage of female fans at 35%.

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<tr>
<th>Female fans by club</th>
<th>Youth fans by club (aged 18 or younger)</th>
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<td>K. Lierse S.K.</td>
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<td>Standard de Liège</td>
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<td>STVV</td>
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<td>KV Kortrijk</td>
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<tr>
<td></td>
<td>All clubs</td>
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<td>Cercle Brugge KSV</td>
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<td>Club Brugge KV</td>
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<td>Sporting Charleroi</td>
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<td>KAS Eupen</td>
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<td>Royale Union St.-Gilloise</td>
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<td></td>
<td>Waasland-Beveren</td>
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<tr>
<td></td>
<td>AFC Tubize</td>
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</tbody>
</table>
Socio-economic impact assessment of the Pro League on the Belgian economy

Socio-economic impact of the Pro League
Economic impact

The approach for estimating the socio-economic impact of the Belgian Pro League not only includes the direct economic impacts of the League’s operations but also its indirect and induced economic impacts. Indirect economic impacts refer to changes in production made by players involved in the supply chain of the Belgian football industry while induced impact refers to the economic impact generated by the expenditures of employee wages and salaries. The direct, indirect and induced impact will generate a range of different outputs and outcomes across different industries. For a more in depth explanation on the economic rationale and computation of the figures, please view Appendix A.

Using the previously explained economic impact framework, we review four different economic indicators:

1. **Gross Output:**
   Measures the total output generated by the existence of the Belgian professional football industry. Gross output takes into account it is equal to the value of gross value added plus intermediate consumption. In other words, gross output reflects the revenues generated over the whole supply chain.

2. **Gross value added:**
   Measures the value of goods and services produced minus intermediary consumption. This is a good indication of contribution to GDP. Calculating the measure with a bottom-up approach, both profits before tax and wages and salaries are used.

3. **Employment:**
   Investigates the employment generated by the Pro League clubs both directly, indirectly and induced.

4. **Tax Contribution:**
   Looks at the impact of the industry on taxes through both its generated sales and employment.

Belgian professional football generates €935 million in output in the economy

**Gross Output**
The total economic impact in terms of output of Belgian professional football is estimated to be €935m. The figure below shows the breakdown of this number into direct, indirect and induced output. The direct impact, which is used to estimate the indirect and induced impacts only include operational output, meaning any possible subsidization is subtracted. Transfer revenues are taken along in the direct number but are not translated towards indirect and induced effects. Within the supply chain of the Belgian football clubs, an additional €260m is generated in output while employee and player spending is responsible for an additional €149m in induced expenditures in the economy.

Note: the data in this graph is taken from the Pro League consolidated accounts for both Belgian First Division A and B. The transfer revenues do not count towards the indirect and induced revenue calculation.
Belgian professional football has contributed €669 million in gross added value to the economy

**Gross value added**

Belgian football clubs have generated a total of €669 million to the Belgian economy throughout financial year 2017 as demonstrated in the figure below. The primary driver of direct GVA for the football industry is the wages and salaries returned to employees and players at €283 million, with profits before tax contributing far less at €17 million. European clubs’ player wages account for 71% on average of total wages in football clubs for the financial year 2016. Most recent data here puts Belgium at 72%, very close to the European average. The cause for a rather low contribution in profit is unique to the football industry, with football clubs in all countries struggling to turn a profit on their operations.

Note: the data in this graph is taken from the Pro League consolidated accounts for both Belgian First Division A and B. The transfer revenues do not count towards the indirect and induced revenue calculation.
Belgian football clubs are estimated to support 3,239 jobs in the economy

Job Creation

The Belgian professional football clubs and the Pro League are estimated to provide 3,239 jobs to the Belgian economy at the end of the 2016/17 season. As with output and gross value added, the majority of these jobs provided come from direct job creation at 1,838 (see figure below). Indirect job creation and induced job creation stood at 919 and 482 jobs respectively.

The data shows that besides normal 1,838 employees, almost 5,000 volunteers are closely connected to Belgian football. Volunteers as shown in the figure below consist mostly of stewards and match day volunteers, followed by youth support staff and trainers.

Note that the direct employment figure presented here includes playing and non-playing staff. The estimates show the significance of the Pro League and the Belgian professional football clubs in supporting a large number of jobs in Belgium, which might be due to the large amount of labor-intensive jobs in the sector such as in catering or retail.

Note: the data in this graph is taken from the Pro League consolidated accounts for both Belgian First Division A and B. The transfer revenues do not count towards the indirect and induced revenue calculation.

Note: Information from 22 clubs was collected through a survey sent out to the clubs. RSV Anderlecht and Lierse did not participate.
Belgian football clubs directly contributed €63.7 million in taxes during the 16/17 season. Additionally, €95.3 million in VAT was generated across the whole supply chain.

**Tax Contribution**

Belgian professional football clubs contribute to the State by paying corporate tax, payroll taxes, national insurance contributions and VAT.

Professional football receive favorable policies globally in order to attract the best players and stay competitive with neighboring countries. In Belgium, professional football players enjoy a reduction in payroll taxes to be paid by the clubs, increasing their net wages and additionally are required to contribute to the national health insurance for up to a maximum of €868 per month. For payroll taxes, the State requires 50% of the tax reduction received by players over the age of 26 to be reinvested into youth player wages and youth trainer wages.

Regarding the limited social contributions paid by football players, Belgium’s rates are more or less in line with the large European leagues. In its 2017 report on its economic impact, the French Ligue 1 addressed the high social contributions professional football players in France are required to pay. According to the report, the 31% social contribution tax rate weighs heavily on France’s league competitiveness in comparison to leagues such as Spain and Germany, both with flat tax rates similar to Belgium’s. A famous example of this is the Spanish Tax Decree of 2005, nicknamed the Beckham Law. The law gained the nickname after footballer David Beckham was one of the first foreigners to take advantage of it, becoming liable for generous Spanish taxes rather than UK taxes, and thus being taxed at a flat 24.75% rather than a progressive scale.

With professional footballers being an internationally mobile, very high skill and in-demand employment type, very high wages can be commanded, making it difficult for smaller leagues to keep up with international peers. A study conducted by think tank Center for Economic Policy Research (EPCR) on the international migration of football superstars confirms that the location decisions of players are very responsive to tax rates.

Adding corporate tax, payroll taxes, national insurance contributions and VAT balance together, a total of €63.7 million were directly contributed to the Belgian economy as shown in the figure on the right. The largest source of contribution comes from collected payroll taxes at €28 million. In terms of social contributions, €16.7 million were contributed, with €7 million of those coming from players. Corporate taxes paid by the football clubs are limited mostly due to the poor pretax profits presented by most clubs as explained earlier.

The VAT balance shows the direct contribution of the football clubs on their added value to their products. The total VAT paid on the other hand stands at €95.3 million. This number gives us a good estimation of the VAT that was generated over the whole supply chain by the existence of the football industry.

With no data available on the tax impact generated through indirect and induced sources, the actual tax impact of the Pro League and its clubs goes beyond the figures shared in this section.

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9 Ernst & Young (2017). Baromètre des impacts économiques et sociaux du football professionnel
Socio-economic impact assessment of the Pro League on the Belgian economy

- **Corporate Tax** Direct: €3.4m
- **Payroll Tax** Direct: €28.9m
- **Social Contributions** Direct: €16.6m
- **Net VAT** Direct: €14.7m Indirect: €95.3m
Social impact

The impact on society of Belgian Football goes much beyond the financial impact as described above. In this broader context, one should also consider the impact it has on the communities in which it resides. We will start this section with giving an overview of the Corporate Social Responsibility initiatives that have been launched this year and zoom in on a few very impactful cases. Next we will introduce the importance of continued investment in youth players followed by a section on how clubs serve as community hubs for local businesses. Lastly, this section will address how both the smaller clubs of the Belgian Pro League and clubs in the amateur leagues are being supported.

An often neglected yet positive impact football has on society is the degree to which it connects the participants in the sport: the families and friends in the stands and bars, supporter clubs living towards match days, all of the players, trainers and coaches involved. Football truly has a remarkable cohesiveness factor and is a frequent talking point in Belgium as it is the most popular sport. Some benefits of following professional sports include finding a built-in community through fandom, being inspired to get more active and being able to show emotions in a safe space.
Professional football does not forget its roots as a sport of local communities. Belgian clubs are giving back by providing a social project budget of €1.7 million in 2017/18, organizing 298 projects for 55,000 participants.

**Social engagement**
Many clubs have taken the initiative of hiring a corporate social responsibility (CSR) officer, guiding the clubs efforts in making a difference for the community on which it relies. These efforts on improving the social fabric of our society are mainly focused around three different strategic axes:
1. Social integration
2. Education
3. Health

Of the 24 professional teams in Belgium, 22 indicate social integration as the cornerstone of their social policy. Education and Health are also high on the club’s radar at 16 and 15 occurrences respectively. Examples of action on these strategic axes are plentiful, and are described further on in the section. (see graphs on the right)

The social projects executed by the Belgian professional football clubs have been able to garner significant buy-in from the local community. The CSR figures indicate 55,000 individuals participated in the projects organized by the Belgian clubs. In the 2017/18 season, a total of 298 projects were launched and a total budget of €1.7 million was put aside to fund these.
On top of what the clubs do, the Pro League organization itself also has number of long term social partnerships and organizes social awareness campaigns in collaboration with the larger social organizations or government bodies in Belgium. Some examples include:

- The Belgian Homeless Cup (with the awareness & fundraising Christmas Campaign). Apart from organizing this, the Pro League also invests €90,000 annually in an attempt to re-insert homeless people into society.

- Health awareness campaign (Stop Colon Cancer)

- The Great Traffic Cup (Flemish & Walloon agency for Traffic Security)

- The Schools Cup (a national schools tournament to engage children – especially girls – who have limited access to sports clubs and football)

Next to these, the Pro League also invests €75,000 in social projects of Belgian professional clubs every year.
1.68M
Budget for executing social projects on the club’s agenda

298
Social projects launched on average by the Pro League every football season

54,781
Participants in the social projects organized by all Pro League clubs
Another recent example of this commitment to strong CSR within Belgian football is the long-term collaboration between the Pro League and the research group Sport & Society of the VUB, which resulted – for one – in the development of a CSR manual for Belgian clubs. The Pro League is the first professional football league in Europe to have developed such a manual and it is now being used by most sports federations in Belgium. The document has been translated into English for the European Network on Football & Development, a network of 64 European Football clubs, leagues and federations engaged in football & society, proving such projects can even make an impact beyond our Belgian borders.

The Pro League organizes a yearly gala, in which several prizes in football are awarded. One of these goes to the club with the best community working in Belgium. The election is based on policy plans with awareness of local contexts, sustainable partnerships and value-adding activities. For the season 2017/18, Club Brugge and KAA Gent were selected as winners. The award was handed over by Belgian Prime Minister Charles Michel. To stimulate extra efforts in all other clubs, the Pro League now also awards clubs with the Pro League+ label if they show significant progress in their community working. Fifteen out of 24 clubs received the label in 2017.

Socio-economic impact assessment of the Pro League on the Belgian economy
Case study 1

Pro League and Belgian Homeless Cup - Christmas Campaign

The Belgian Homeless Cup is a social-sportive football competition that engages the power of football for the reintegration process of homeless people. In December of 2017, players from both the Jupiler Pro League and Proximus League played under the logo of the Belgian Homeless Cup, raising awareness for homelessness, auctioning shirts and unique items. The auctioning raised a total of €80,797 in revenues going towards the good cause. Stijn Van Bever, Pro League’s CSR officer indicates “Football is a fantastic medium to bring vulnerable groups in the spotlight, helping and reintegrating them. The Belgian Homeless Cup has been achieving this remarkable feat for over 10 years”. 
Case study 2

Pro League and Stop Colon Cancer

Under the motto: “Don’t let colon cancer put you off-side”, the Pro League also partnered with organization “Stop Darmkanker”, launching an initiative to raise awareness on the obscure illness. Daily, 23 Belgians are informed they have colon cancer. If the disease is detected in an early phase, patients have a 90% chance of surviving.

Unfortunately, early detection does not happen frequently enough. On average, 1 in 20 Belgians are estimated to get colon cancer at a point in their lives. This means in an average Belgian football match with 10,000 supporters present, 500 people are likely to face the disease at some point in their lives. Numbers from February 2018 indicate that in Flanders, the campaign has already been able to raise the check-up rate to 53%. In Wallonia, where the action has not kicked off yet, the check-up rate is at 9%.

Case study 3

Waasland-Beveren –
Yellow Ants

Mental health is still a subject with a heavy social stigma in Belgium. People with mental health issues often face a number of hurdles to properly function within Belgian society. They often drop sports practice due to not finding any support within club environments. Through the WB disabled sports team, mental health patients are able to develop a stronger sense of self and fulfilment in their lives. To spread awareness on the issue, WB is partnered with local social services. WB currently commits an annual budget of €4,500, supporting a team of 10 core players, with ambition to grow to 25 players. Waasland-Beveren’s initiative is not the only initiative in this domain: Other clubs are rolling out football teams for children with mental health issues, called G-voetbal teams or Auti-football.
Zulte-Waregem has been a long-time advocate of quit-smoking campaigns, partnered with the city council and the organization “Kom op tegen Kanker”. Under the motto of “smoking doesn’t go together with sports”, the club is arguing with policymakers to make all sporting facilities and events smoke free in Groot-Waregem. The most recent initiatives undertaken in 17/18 by the club include:

- Campagne “Sjot die peucken buiten”, with as goal to make the environment of football facilities as smoke free as possible.
- Smoke-free family tribunes
- Set-up of a smoke free zone in Zulte-Waregem’s practice facilities

With Zulte-Waregem committing €85,000 euros towards the campaign and repurposing of tribunes and smoke-zones, the club has seen a noticeable improvement for smoking near facilities.
Youth players

Often being reliant on good transfers to reach financial health, youth investment is vital for Belgian football clubs. Member data from the KBVB/URBSFA reveals Belgian professional football clubs work with nearly 11,000 youth players in the Pro League. About 50 of these have already secured a full-time professional contract, and 131 are on a part-time contract at Belgian clubs. The three clubs with the largest amount of youth players (18 or younger) were Oud-Heverlee Leuven, RSC Anderlecht and R. Union St. Gilloise at 798, 780 and 710 respectively. Additionally, the jobs-survey data amongst 22 clubs reveals 767 youth trainers to be involved in guiding these players towards potential football stardom.

As a result of professional football’s special tax status, Belgian clubs are required to invest in youth by a fixed amount. Any reduction in payroll taxes on players who are 26 or older results in half of the reduction to go towards paying out the wages and salaries of youth players and youth trainers.

Looking at figures for the fiscal year 2016, Belgian clubs invested €38 million in youth while legally being required to spend only €14.7 million, indicating the importance Belgian put on investing in their youth players. Not only the clubs benefit from such a system, but youth players certainly do too, finding meaning and direction in their lives in a safe but competitive and stimulating environment.

Investments in youth are not only key to guarantee the success of the future generation of Belgian football stars, but also to provide youth players with a safe but competitive and stimulating environment to develop themselves.
Clubs as hubs of communities

Significant communities of fans have garnered around Belgian professional football. The scale of this community has experienced significant growth in the past years, with many clubs kicking it up a notch in terms of stadium investment. Investments are happening alongside increased multimedia investments, to ensure optimal spectator experience. (see table on the next page)

Globally, stadiums are slowly transforming themselves into multifunctional spaces, designed not only for experiencing the game of football, but many more side activities. A multifunctional stadium nowadays has to include shops, conference centers, housing, hotels, restaurants, offices and professional sports services. 15 of the 22 surveyed Belgian clubs\(^{13}\) currently indicate to have a business club in their premises, encouraging the link between professional football and local businesses. Both businesses and individual can join football business clubs to gain a number of benefits open to the members, which could include one or more of the following: conference space, office space, business seats, meet & greets, receptions, lunches, ...

Additionally, neighborhood organizations (such as schools, local sports clubs, ...) are often able to make use of a stadium’s facilities and borrow sports equipment for free or at an affordable rate. Various professional clubs even open up their stadiums for after-schooling for neighborhood youth (example: Playing for Success).

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13 RSC. Anderlecht and Lierse S.K. did not respond to the survey.
Socio-economic impact assessment of the Pro League on the Belgian economy

<table>
<thead>
<tr>
<th>Club</th>
<th>Year 2008</th>
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Based on the results from a survey with the Pro League clubs.
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<td>Stadium renovation New stands</td>
<td>Stands renovation Construction of youth infrastructure</td>
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<td>New commercial buildings</td>
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<td>New business/VIP section</td>
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<td>STVV</td>
<td>New business/VIP section</td>
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<tr>
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<td>Renovation of stands</td>
<td>Restaurant/cafeteria</td>
<td>Construction of youth infrastructure</td>
<td>STVV</td>
<td>New business/VIP section</td>
</tr>
<tr>
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<td>STVV</td>
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</tr>
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<td>Zulte Waregem</td>
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<td>STVV</td>
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</tr>
</tbody>
</table>
Case study 1

Football has proven to be the catalyst needed to revive a neglected neighborhood

(Ivan De Witte)

KAA Gent’s vision encompasses more than just delivering solid football results. The focus of our club must always be on the social cohesion with the local community, because the connection with this community is what makes the game of football so wonderful. The community in turn comes to our games and cheers for KAA Gent with all their heart. We translate this vision into practice by working under a CVBA SO status and by giving back to our local community.

With the construction of the Ghelamco arena, we were able to provide our fans with arguably the most modern stadium in Belgium. Since the realization of the Ghelamco arena, the amount of spectators coming to see our matches has more than doubled and for the 2017/2018 season, we have sold more than 17,000 season passes. Additionally, by investing in our facilities, female fans, families and the disabled have found their ways to our stadium in great numbers, proving that football is a game for everyone, if they are properly catered to.

In line with the positive sports impact, the city of Ghent has been able to completely reinvent the area around the Ghelamco arena. Where previously, little business or economic activity took place, the multifunctional stadium brought over 2,000 jobs to the surrounding area. Without the construction of the stadium, other investment in the area would likely not have happened, proving the catalyst football can be in reviving local businesses. The businesses established in the area vary from about 25 large companies to about 40 start-ups.

Over the next years, KAA Gent is planning to launch regular gatherings and meet-ups for businesses, inspiring and potentially attracting even more entrepreneurial talent to the city of Ghent. With both people and businesses finding their way to our stadium, the inhabitants, KAA Gent and the local economy are finding themselves in a win-win-win situation. And of course, in football too, KAA Gent always aspires to win.
Case study 2

Stayen as a hub to create synergies between professional football and local economy in St.-Truiden

(Roland Duchatelet & David Meekers)

With both spectators and sponsors expecting more from a game of football than they did 20 years ago, we decided to completely modernize our Stayen facilities over the last decade. While doing so we have tried to optimize the spaces below the stands of our stadium and have allocated space, which was otherwise not used, to various commercial purposes such as hotels, restaurants, meeting rooms, retail stores and so forth. The decision of opening a hotel in the stadium was a conscious one as hotel capacity in the city of St. Truiden was very limited. With this new accommodation at Stayen, the city was able to double their hotel capacity, catering better for international visitors. Throughout the years, we have also seen a notable increase in biking tourism in the area and it is also due to the improved facilities that fans, both male and female, continued to come to our matches when we were relegated to the 2nd division.

The modernization of our stadium also had a positive impact on the local economy with around 1,000 people now working at the Stayen site for various employers, ranging from a call-center to supermarkets. Additionally, Stayen is stimulating local businesses by providing conference and meeting space at the stadium, something which prior to the modernization was only limitedly available in St. Truiden. For local businesses, the stadium now acts as a neutral space in which they can settle their disputes or forge long-lasting partnerships. We see Stayen as the beating heart of the city, creating valuable synergies between sports, the community and businesses.
Solidarity in Belgian football
To support both the smaller clubs of the Belgian Pro League and clubs in the amateur leagues, Pro League clubs adhere to a solidarity and training compensation system.

Training compensation is to be paid to a player’s training club(s): (1) when a player signs his first contract as a professional, and (2) each time a professional is transferred until the end of the season of his 23rd birthday. The obligation to pay training compensation arises whether the transfer takes place during or at the end of the player’s contract. Solidarity contributions apply when a professional is transferred before the expiry of his contract. Any club that has contributed to his education and training shall receive a proportion of the compensation paid to his former club.

The solidarity contribution rewards smaller, local clubs for their training and educating of young talent, preventing them to be left empty-handed. The clubs of the Belgian Pro Leagues paid out over 1.6M in solidarity fees to each other during the 2016/17 season.

Additionally, the Pro League adheres to providing the following contributions:
- **Broadcasting**: A total of €800,000 in solidarity contributions for broadcasting is distributed evenly amongst 1st division amateur teams.
- **Parachute payments**: Clubs relegated from First Division B the First Division for Amateurs receive €250,000 to make up for lost revenues from tickets and broadcasting. These “parachute payments” enable a club to keep functioning properly after relegation, as a club could for example have outstanding debt on a stadium constructed especially for playing in a higher division.
- **Croky Cup**: Amateur teams participating in the Croky Cup have won a total of over €100K in prize money.
- **Belgian FA**: The Pro League commits a total of €5.9 million to the working of the Belgian FA (KBVB/URBSFA). The amount goes into:
  - Contribution on season passes (€1.7 million)
  - Contribution on ticket sales (€1.3 million)
  - Contribution on lodges (€557,535)
  - Member contributions (€139,176)
  - Other contributions (€104,193)
  - Wages and salaries of referees (€2.1 m million)

Contributions to the Belgian FA (KBVB/URBSFA)

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14 FIFA (2016). Regulations on the status and transfer of players.
Closing Words

This report would not have been possible without the contributions of a number of parties involved. First and foremost the clubs, Deloitte and Pro League would like to thank those Belgian clubs that helped realize the report by responding to the survey which served as valuable input for some of the topics addressed. In particular, Deloitte and Pro League would like to thank KAA Gent and STVV for providing insights that served as basis for the case studies which looked into the impact of investing in infrastructure on the clubs’ image and success as well as on the local businesses and growth in neighboring areas.

Next to that, Deloitte would also like to thank the Pro League for selecting us as their preferred partner to write this annual report. Pro League was instrumental in providing required data points and their constructive feedback throughout the period of writing was highly appreciated. We look forward a continued successful collaboration.

Looking ahead, Deloitte and the Pro League will continue to work closely on this annual report in the years to come. For future editions the intention is to go deeper into some of the addressed topics yet also look into adding topics such as innovation in media, analytics and sports science space, the societal aspect of soccer in Belgium’s major cities, soccer sponsoring and youth investments.

Survey participants:

**Jupiler Pro League**
- Club Brugge KV
- YR KV Mechelen
- KV Kortrijk
- Standard de Liège
- Royale Union St-Gilloise
- FCO Beerschot-Wilrijk
- KAA Gent
- KV Oostende
- Royal Antwerp
- STVV
- Cercle Brugge KSV
- AFC Tubize
- KAS Eupen
- Waasland-Beveren
- Sporting Charleroi
- Zulte Waregem
- KSV Roeselare
- Oud-Heverlee Leuven
- KRC Genk
- Royal Excel Mouscron
- Sporting Lokeren
- KVC Westerlo
Appendix

Appendix A: Methodology for economic calculations
To run the economic model, the direct impacts from the Belgian football clubs are required in terms of output, gross value added and full-time equivalent jobs. The data for output and gross value added has been acquired by investigating the annual reports of the football clubs and the Pro League. To investigate job creation, a survey was conducted with the clubs on their amount of employees in different functions.

Because economic activities are closely inter-related within the wider economy, a change in a particular firm will tend to produce additional impact elsewhere in the economy. The economic impact in the report is measured by applying input-output models on the direct impacts. The input-output model, developed by Nobel prize winner Wassily Leontief, is a quantitative technique for measuring interdependencies between different sectors in an economy. The input-output model is widely used by national economic bureaus to calculate different economic indicators, one of which being GDP. While input-output models look at the impact of companies and their supply chain within an economy, the National Accounting Matrix (NAM) takes this a step further, taking into account all economic actions taken in an economy during a certain period. In this way, household income and its effects can be estimated on top of the original impact on the supply chain.

In our socio-economic impact assessment framework, three types of impact can be distinguished:
1. Direct effects: immediately produced effects by an industry, due to the on-going business it does within the economy, creating gross value added for the economy, creating jobs and generating tax revenues.
2. Indirect effects: arising from the entirety of an industry's supply chain.
3. Induced effects: arising from the increase in the spending power of households benefiting from the industry and its supply chain.

The computations in this report are conform with the guidelines outlined by the Belgian Federal Planning Bureau. Additionally, working papers on the theory behind input-output analysis were consulted.

Some caveats on the economic computations include:
• Multipliers are calculated on the basis of a measured total production over the period of a year and show average relations.
• The used multipliers for NACE code 93 include industries other than professional sports, such as the fitness industry. This multiplier is used as a proxy because for the sub-industry professional sports, there is no specific multiplier.
• The multipliers only contain effects that happen up-stream. Down-stream effects are neglected. This should have minimal impact on the professional sports industry which is generally very close to the end of the supply chain.
• A multiplier is a relationship between the initial effects on output, GVA or employment and the total effect. For this reason, a high multiplier value could indicate large total effects (numerator) or low initial effects (denominator).

Direct impact
Responding to the demand for professional football, the football clubs themselves first generate direct effects, being the initial impact. For gauging direct output and direct gross value added generated, the last available financial year 2017 is used.

Direct gross output
To calculate direct gross output, we sum the revenues of the football clubs generated by the following sources:
1. Gate receipts & season passes revenues
2. Broadcasting revenues
3. Sponsoring and advertisement revenues
4. Commercial revenues
5. UEFA prize money

Subsidies received by the State nor the benefits of the reduced payroll taxes enjoyed by athletes in Belgium, which are accounted for as a revenue source, are not taken along in this formula.
Direct GVA
For direct GVA, the standard formula of profits before tax plus total wages & salaries is used. As such, the GVA indicates the “value-added” to the economy as in: “How much value does this activity bring to participants in the economy?” The participants being 1/ providers of capital and the State and 2/ households, in line with the common beneficiaries of profits before tax and wages & salaries. The GVA also avoids double counting which occurs in gross output, as the cost of goods sold, which occurs as revenues for suppliers, are not taken into account.

Direct Jobs
The direct jobs are taken as the amount of FTEs working for the football clubs. Additionally, a questionnaire was sent out to the Belgian football clubs to shed more light on the type of these FTE’s.

Direct Taxes
The tax contribution of Belgian football clubs and the Pro League is estimated from the annual reports and tax returns. In estimating the total sum contributed to the State, 4 relevant buckets of tax contribution are identified:
1. Corporation tax
2. Payroll and income taxes
3. National health insurance contributions
4. Value added tax (VAT)

The data for these four items is collected from the club’s annual accounts and VAT-return documents. As the data on payroll and income taxes of non-player employees of the football clubs is not available for the smaller clubs, we make an estimation out of the larger clubs applied taxes to wages rates for those employees, resulting in an average 28%.

Indirect impact
As Belgian professional football clubs sell goods and provide services to their customers, other industries benefit by supplying the football clubs or other side effects such as a football supporter in need of a hotel room. Particular industries impacted by the existence of professional football in Belgium are the hospitality, construction, retail of sportswear, media & entertainment, medical services and gambling industries.

Indirect Output
As output generated by the football industry increases, the sector will call upon its suppliers to increase production too, who in turn again turn to their suppliers for increased production. This cumulated effect of direct and indirect revenues are calculated by use of the Leontief input-output model provided by Belgium’s national planning bureau in its open datasets. The relevant sector for the professional football industry is correspondent to the NACE code 93. The total effects are estimated by using the output multiplier for industry with NACE code 93, being 1.75. Concretely, this means that for every €100 in direct revenues generated in the sports industry leads to €75 of indirect revenues generated in the economy. An important caveat to keep in mind when looking at total output effects is the possibility of double counting.

Indirect GVA
Similarly to indirect output, an increase in GVA in the football industry will lead to an increase in GVA in the overall supply chain. As the Belgian Federal Planning Bureau does not provide a precise multiplier for GVA in her 5-yearly calculations, the income-multiplier for primary inputs is used as a proxy. This multiplier is very similar to GVA because of how primary inputs are calculated: GVA + Taxes & Subsidies on intermediary production. The GVA input-output multiplier of Type I for NACE code 93 is 1.75, meaning that for every €100 in direct GVA generated in the sports industry leads to €75 of indirect GVA generated in the economy. For economic value creation, GVA is a much more solid metric than output, as it does not include any double counting from cost of goods sold by suppliers.

Indirect Jobs
The indirect effect on employment is calculated using the official data from the Belgian Federal Planning Bureau, which looks at industry specific employment multipliers. The relative employment multiplier of Type I at 1.50 estimates that for every FTE job created by the sports industry, an additional 0.50 FTE equivalent is created.
Socio-economic impact assessment of the Pro League on the Belgian economy

Indirect Taxes
Indirect taxes are taxes generated by indirectly by the existence of the Belgian professional football clubs. This report will not attempt to estimate these effects for most taxes due to a non-availability of economic indicators, but does include the total VAT paid as an estimation of the VAT paid over the entire supply chain of the football industry. However, it is important to note that there are more taxes generated due to Belgian professional football than first meets the eye.

Induced impact
As household income rises due to the provision of labor, so does household spending. While not all household income will be spent, the National Accounting Matrix provided by the Belgian Federal Planning Bureau allows to estimate the total effect of spending of wages and capital earned from the sports industry on the economy.

Induced Output
The cumulated effect of direct, indirect and induced output can be found in the NAM-matrix, being 2.18 for Belgian sports industry (NACE code 93). Concretely, this means that for every €100 generated in output by the professional Belgian football clubs, €218 in total is generated as a result of direct (€100), indirect (€75) and induced output (€43).

Induced GVA
The same logic applies as in “Induced Output”, with the multiplier for cumulative direct, indirect and induced GVA being 2.23. Concretely, this means that for every €100 generated in GVA by the professional Belgian football clubs, €223 in total is generated as a result of direct (€100), indirect (€75) and induced output (€48). Some caution is required when looking at induced GVA for the professional football industry, as spending patterns of high net worth professional football players may not entirely correspond to normal spending patterns.

Induced Jobs
The cumulated effect of direct, indirect and induced jobs can also be found in the NAM-matrix of the Belgian Federal Planning Bureau. The relative employment multiplier of Type 1 for the Belgian sports industry (NACE code 93) at 1.75 indicates that for every FTE employed by the Belgian professional football clubs, an additional 0.5 FTE is employed throughout its supply chain while 0.25 FTE is employed as a result of the spending of disposable income.

Induced Taxes
Similar to indirect taxes, no attempt will be made to estimate these in the current edition.
Socio-economic impact assessment of the Pro League on the Belgian economy
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