FIFA World Cup in Brazil: legacy and (mis)perceptions

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Agenda

1. Misperceptions about the World Cup in Brazil
2. Legacy
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2. Legacy
A few (mis)perceptions about the World Cup in Brazil
The World Cup takes away public money that could be used on health, education and security.
• Public investments in mega events account for approximately **0.15% of Brazilian GDP** from 2007 to 2016;
• Between 2007 and 2013, the Brazilian Government invested **R$ 311,6 billion in education and R$ 447 billion in health. Stadium loans do not come from Union´s budget!**
• Extreme poverty was reduced in **28%** in 2012. Family income increased on average **7.9%** (IPEA)
• **R$7 billion → stadia public funding** that will be paid with the later operation
• Tax revenues (**R$18 billion**) resulting from the FWC expected to surpass investments stadia (E&Y)
• The other **R$18.5 billion** in the World Cup responsibility matrix is **infrastructure →** in spite of being the seventh economy in the planet, Brazil´s infrastructure stock/GDP proportion is 12.5% [China-75%, India-55%] (The Economist)
• Last year, **catalysed** by the Confed Cup and World Cup, private operators invested **billions** in **telecommunications**, while the government extended the optical fiber to more **25,000 km** in the country – including host cities like **Manaus and Cuiabá**
Stadia are the most expensive in the world, will become white elephants and public money is being wasted.
Brasília: the “golden elephant”

• The stadia were also conceived as *multipurpose arenas*
• Price per seat lower than SA and Japan/Korea
• Brazil’s sporting infrastructure and spectator services do not meet their achievements on the pitch.

The FIFA World Cup shall contribute to a **new experience and level of service** in the arenas
• Average attendance in the six FIFA Confederations Cup arenas after the event is **of 23,487** (updated on 27 October 2013), better than the best rate ever in the Brazilian Championship (22,953, in 1983) and greater than that of the Italian Championship last season (21,921)
• Brasília: in 16 events, the stadium welcomed **600,000 spectators**, already more than the old stadium in 36 years.
World Cup tickets are expensive and not accessible to poor Brazilians.
The second World Cup with discounted tickets

- Reasonable prices if compared to other major sporting and cultural events
  - Formula 1 in Brazil (starting of US$ 500)
  - Superbowl (US$ 1,920)
  - Olympic Games closing ceremony (US$ 234-2300)
  - Rock in Rio 2013 (US$ 117)
  - CAT 4 tickets have prices similar to those at the Brazilian league
  - FIFA World Cup final match tickets being sold starting of US$ 74 as half-price tickets for Brazilians (students, elderly and Bolsa Família recipients)
- 120,000 tickets given away for the construction workers of the stadia, indigenous people and Bolsa Família recipients
The World Cup makes a profit that goes back to Europe, leaving no legacy and debt
R$1.6 billion invested in Brazil

- FIFA and the LOC are injecting **R$1.6 billion** into the Brazilian economy
- FIFA World Cup legacy is already happening in Brazil → 12 (6 in full swing) **modern arenas and improvements in infrastructure**
- Investments made by the Government and private sector will not go back to Europe with FIFA
- As it happened in South Africa, FIFA will leave a **legacy fund** in Brazil for the development of football after the event
- FIFA World Cup revenues finance football development through the **redistribution of funds** to member associations and the organisation of the **other FIFA competitions**, which are not profitable
Many people are losing their homes due to the World Cup
No stadium is causing evictions

- **None of the 12 stadia** is causing evictions according to the government information
Investments do not pay off
R$1 invested means R$3.40 in the economy

- R$112.79 billion will be additionally injected in the Brazilian economy because of the FIFA World Cup
- To every R$1 invested by the public sector, R$3.4 are being invested by the private sector (E&Y/FGV)
- 250,000 (being 230,000 Brazilian) tourists travelled to watch the FIFA Confederations Cup
- Economic impact was over R$740 million
- 75.8% of the tourists that came from abroad would like to come back next year (Tourism Ministry)
- Confed Cup: average expenditure of US$138, 112.3% higher than the average expenditure by foreign tourists (Itaú) → local tourism also developing
- During the World Cup, tourists are expected to spend US$2.6 billion (Embratur)
Brazilians are against the World Cup
90% consider the World Cup good for Brazil

- Ibope poll during the June demonstrations in Brazil showed that the support stood at 63%. Both at homes as well as among protesters on the streets!
- 90% of the Brazilian people consider that the FIFA World Cup is important for the country – 70% consider it to be “very important” (Datafolha, June)
- Volunteers programme: over 150,000 applications, 2x South Africa 2010 (70,000) and 3x Germany 2006 (48,000). 92.6% of the applicants are Brazilians
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Socioeconomic effects

What makes the FIFA World Cup a success?

- Short-term effect
- Mid-term effect
- Long-term effect

- Economy
- Tourism
- Awareness
- Football Development
- Image
- Infrastructure
Legacy

- Brazilian pride and the strengthening of local identities
- “Yes, we can”
- Celebration atmosphere
- Workers empowerment

- Modern stadiums
- Spectators services
- High quality pitches
- New concept in security

INTANGIBLE

SPORTS

IMAGE AND VISIBILITY

INFRASTRUCTURE

- Tourism (immediate and awareness)
- The “Brasil” brand
- Debunking stereotypes

- Airports
- Urban mobility
- IT
- Telecommunications
“Obrigado!”
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