

2010 FIFA World Cup: A Turning Point for South Africa

By **Greg Pellegrino**, Global Public Sector Industry Leader, Deloitte Touche Tohmatsu

and

Lwazi Bam, Public Sector Industry Leader, Deloitte Southern Africa, and
Innocent Dutiro, Financial Services Industry, Consulting, Deloitte Southern Africa

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As we reported in the paper “A Lasting Legacy: How Major Sporting Events Can Drive Positive Change for Host Communities and Economies” (published during the 2010 Olympics and Paralympics Winter Games in Vancouver, Canada, in February) events such as the Olympics and the FIFA World Cup can greatly elevate the global stature of host nations and cities. Emerging markets, in particular, stand to realize benefits including accelerated economic, political, and social development. In this new paper, we explore the effects of the 2010 FIFA World Cup on South Africa.

Greg Pellegrino



Even before the kickoff to the 2010 FIFA World Cup, host nation South Africa is already reaping the rewards, with major infrastructure improvements, an economic boost, and increased national self-esteem. These and many other benefits will continue to accrue long after the last soccer team and foreign fan have gone home, and could in fact represent a turning point for the nation.

The 2010 FIFA World Cup differs in many respects from the previous 2006 FIFA World Cup held in Germany. It takes place during a global economic recession and it is at a greater distance from the developed nations that drive attendance, both factors contributing to lower expected attendance than before.¹ Security is also a greater concern, both on the ground (given the nation’s higher crime rate) and in cyberspace, as attacks and scams targeting major sporting events such as this grow more sophisticated.²

On the positive side, the benefits of hosting the 2010 FIFA World Cup are potentially greater for South Africa, an emerging market with more room for growth in its “brand” awareness, than they were for Germany. In addition to attracting spending by foreign visitors, this event could also see an increase in the spending of locals relative to Germany’s event since it occurs during the southern hemisphere’s winter, when fewer locals are likely to travel abroad. South Africa’s tradition of warm hospitality may also boost the nation’s economy as locals roll out the red carpet for visitors.

South Africa’s experience as the first African nation to host the world’s most-watched sporting event should prove instructive to other nations (including Brazil as it begins to prepare for the 2014 FIFA World Cup) seeking to rally support for their own major events, both internally and at international organizing bodies such as the Fédération Internationale de Football Association (FIFA).

A national stimulus package

Preparations for the 2010 FIFA World Cup were well underway when the global recession began in 2007. Even without the event, South Africa would have been well positioned to weather the economic storm, with sound fiscal policies in place and low debt. However, the run-up to this event has provided a strong impetus to inject cash into the national economy, further insulating the country from the worst of the effects of the recession. Moreover, much of this investment has gone into projects that will have lasting tangible value after the 2010 FIFA World Cup.

For example, this event has acted as a catalyst driving long-running infrastructure goals. Well-planned policies to hire new workers to improve highways, construct a new airport, expand existing airports, and build new stadia, as well as conduct many other infrastructure improvements have also led to increased job training for the previously unemployed. This should have a lasting positive impact on the growing country's human resources as more skilled workers enter the work force. The hard deadline for the 2010 FIFA World Cup has led to increased cooperation between agencies at every level of government, from local municipalities to the national government, which will serve the country well in lean economic times by helping to make maximum use of financial resources. All of which has helped provide an economic buffer for the country for the last three years, but should also serve it well in the future.

An infrastructure for the 21st century

South Africa has been likened to a mix of the developed and developing world. On the one hand, a strong technological and economic base puts it on a par with the well-developed nations of the world. On the other, infrastructure shortfalls have contributed to keeping it from realizing its full economic potential. The 2010 FIFA World Cup has acted as a catalyst for much needed infrastructure improvements.

Until recently, South Africa has lacked a strong public transportation network. But with the need to move tens of thousands of soccer fans, teams, and accompanying support personnel rapidly from one place to another, the country has pushed to complete the first section of its new high speed Gautrain passenger railway and add bus lines in time for the opening of this major sporting event. Work remains to be done, but the 2010 FIFA World Cup served as catalyst driving these major public works projects to partial-completion sooner than otherwise possible.

The need to house a large influx of people during their stay in hosting cities has also led the country to upgrade its existing hotel rooms and other lodgings. For example, a holiday planned to coincide with the 2010 FIFA World Cup period for the country's universities has allowed them to upgrade their student housing facilities and offer them to international visitors. The upgrades will, of course, benefit returning students long after the soccer tournament.

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Before the 2010 FIFA World Cup, South Africa's airports strained to serve the modern era's increasing volume of air traffic. Thanks to the deadline provided by the event, the city of Durban has been able to complete the country's first new green field airport in five decades. The airport's old airport could handle jets only as large as Boeing 737s. The new King Shaka International Airport's 3.7 kilometer runway can handle the largest jumbo jets, including the Airbus A380. Johannesburg's OR Tambo airport, as well, has seen improvements, including a new terminal specially constructed to welcome incoming 2010 FIFA World Cup teams.

While public transportation will serve an unprecedented number of passengers, steadily growing automobile traffic has led to the need for highway improvements, many of which have been languishing on planners' drawing boards for years. Now, thanks to the deadline of this major event, highway upgrades, including doubling the capacity of some roads with four lanes instead of two, have moved forward to completion in record time.

Green issues gain prominence³

The 2010 FIFA World Cup has brought renewed attention to the challenge of generating power without an unduly adverse environmental impact. New stadia built for the event include such environmentally friendly features as natural ventilation and rain water capture systems. Hosting cities Johannesburg, Cape Town, and Durban have undertaken large-scale tree-planting projects in an effort to soak up excess carbon dioxide, and the city of Durban has 2010 FIFA World Cup-inspired hydro and biomass power projects in the works.

Even so, the carbon footprint of the 2010 FIFA World Cup is expected to exceed that of the 2006 FIFA World Cup by nine times and weigh in at double that of the Olympics in Beijing. The larger carbon emissions will come in part from the increased air traffic resulting from soccer teams and fans traveling increased distances abroad to attend the games, as well as from travel between widely separated hosting cities. South Africa's reliance on coal for fully 90 percent of its energy is also a contributing factor.

With its extensive coal reserves, the country is expected to remain dependent on coal even as it works to double its generating capacity to meet the demands of its growing economy. This combined with the renewed sense of envi-

ronmental responsibility fostered by the 2010 FIFA World Cup presents an opportunity for South Africa to position itself as a leader in clean coal technology.⁴ Technologies such as fluidized bed combustion, holding promise for more complete combustion of coal, and underground gasification, which allows coal to be burned in the seam, are among the technologies in development in South Africa that could lessen the environmental impact of the country's most important energy source.⁵

Longstanding security concerns addressed

The influx of people into the country along with the world's largest television audience (in the hundreds of millions of viewers⁶) presents unique challenges to security that South Africa as a whole has not had to address before. Accordingly, the minister of police has consulted with officials from more than 30⁷ different countries whose nationals will be in the country for the one-month soccer tournament. The result has been an unprecedented level of international cooperation involving South Africa in the area of security.

Seeking to balance a welcoming atmosphere with rigorous security standards, the minister of police has assigned 40,000 officers, fully 25 percent of his total force⁸, to policing the 2010 FIFA World Cup, with the goal of stopping hooliganism, theft, and terrorism. Private security along with police-trained marshals will strengthen regular police units.

Joint Operation Centers, or JOCs, have been established at each 2010 FIFA World Cup venue location. Each JOC will coordinate the efforts of police, medical crews, and firefighters to respond quickly and effectively to any crisis that might occur. Thousands of volunteers will direct crowds to and from the stadia. The Department of Justice, too, has focused strong effort on this event by establishing 56 courts of law in key locations around the country designed to hear and finish trying 2010 FIFA World Cup-related cases before the month of the event is out.

All of these activities have required a renewed spirit of cooperation between national and local agencies and departments. Streamlined communications channels, the definition of clear spheres of influence and command, and upgraded communications equipment will continue to serve these agencies after the 2010 FIFA World Cup.

As South Africa's economy continues to grow faster than surrounding countries, illegal immigration has become an increasing concern. Security improvements at border crossings into South Africa have been due for some time, and this event has been a catalyst for getting them done now. Cooperation between national security forces, police, and intelligence services will be another lasting legacy of these efforts driven by the 2010 FIFA World Cup.

A nation united

One of the greatest lasting legacies of the 2010 FIFA World Cup on South Africa is difficult to quantify. That is an increased sense of national pride brought by the event and the effect it has had to unify the country.

Even after the ending of apartheid in 1994, the country is still in many ways divided between its 40 million black inhabitants and its 6 million whites. Sports have in the past brought the country closer together, as when President Nelson Mandela made a public appearance wearing the jersey of the Springbok rugby team, whose fans have traditionally been white, to show his solidarity with white citizens. As the country plays host to the 2010 FIFA World Cup, soccer fans of every ethnicity are turning out in the millions to rally under their shared national flag and to cheer for their team and their country.

On the eve of the event's opening ceremony, host country South Africa has already realized many of the benefits hoped for by any national host of a major international sporting event. The event has provided a boost to national infrastructure improvements, increased employment during hard times for the global economy, and provided a unifying rallying point for a still-developing nation.

Many of these benefits are sure to last beyond the 2010 FIFA World Cup's closing ceremony on July 11. To be sure, much of the beneficial activity will likely decrease following this event, leading, for example, to a possible decline in some areas of employment. However many major construction projects, including rail and highway improvements, will likely continue unabated, and human resource development undertaken for the 2010 FIFA World Cup will also likely continue to provide beneficial effects.

A study by TNS Research Surveys⁹ suggests that consumer confidence in South Africa is at its highest level in two years. Germany, too, saw an increase in consumer confidence surrounding the 2006 FIFA World Cup,¹⁰ but the effect on an economy struggling to grow during a global recession could be even more pronounced. Increased cooperation between many levels of government, the country's renewed sense of national pride, and a higher profile as an attractive tourist destination should also allow South Africa to remain a strong player on the world stage even after the glare of the global spotlight fades.



Deloitte Southern Africa leading professionals who were interviewed for this document

Shadrach Appana, Executive Lead in the Integrated Solutions Unit of Consulting, Public Sector

Dee Botha, Director, Risk Advisory, and Lead Client Service Partner of Transport

Innocent Dutiro, Financial Services Industry, Deloitte Consulting

Lungelo Nomvalo, Principal, Deloitte Consulting, Lead Client Service Partner of Defense

André Pottas, Debt Advisory Leader, Corporate Finance

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