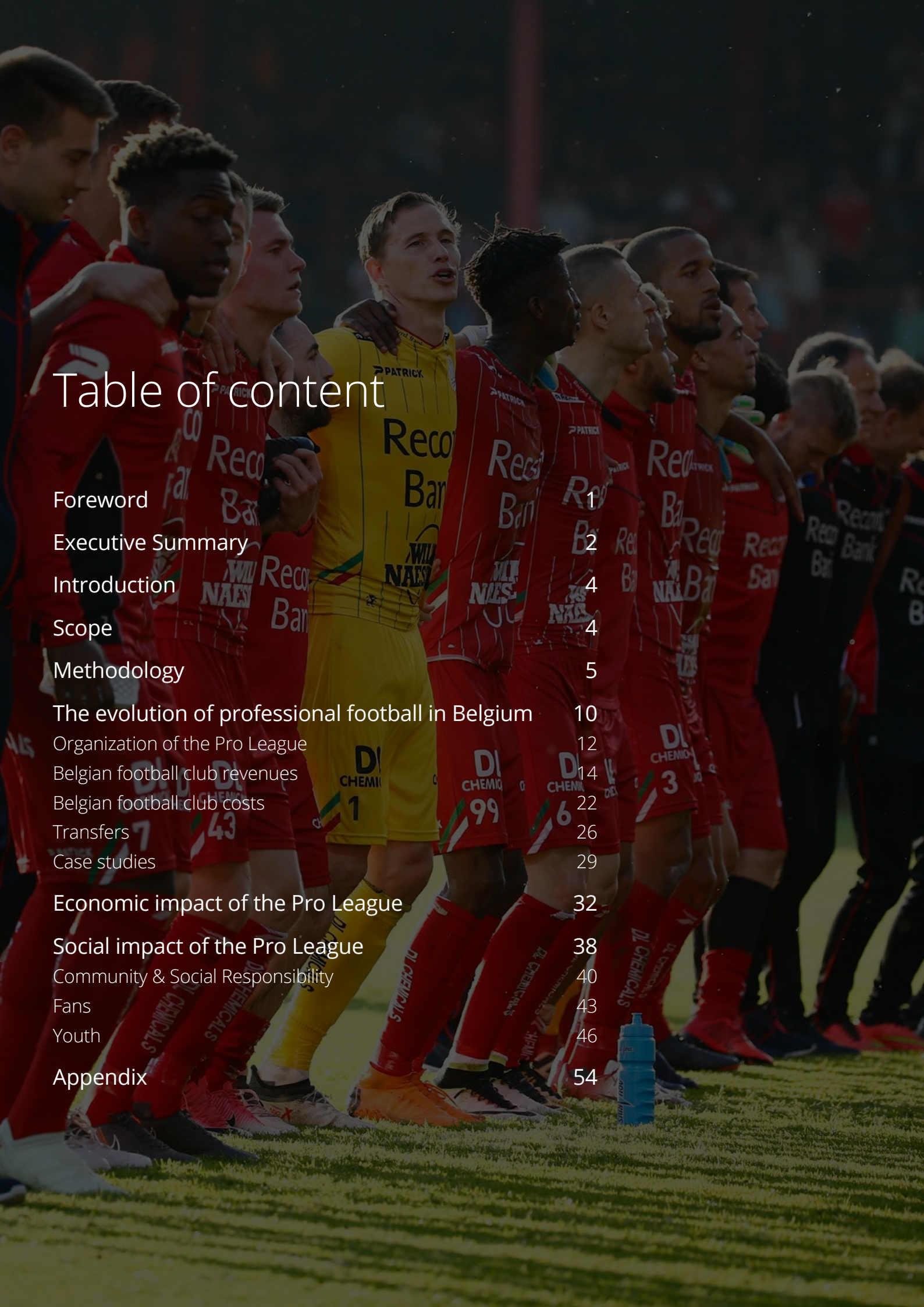


**Deloitte.**



**Socio-economic impact study of the  
Pro League on the Belgian economy**

June 2019



# Table of content

Foreword	1
Executive Summary	2
Introduction	4
Scope	4
Methodology	5
The evolution of professional football in Belgium	10
Organization of the Pro League	12
Belgian football club revenues	14
Belgian football club costs	22
Transfers	26
Case studies	29
Economic impact of the Pro League	32
Social impact of the Pro League	38
Community & Social Responsibility	40
Fans	43
Youth	46
Appendix	54



# Foreword



**Pierre François**  
CEO Pro League

Even if we would prefer to remember the successes on the pitch, the 18/19 season will always be marked by the operation "Propere Handen".

Excessive spending of clubs in favor of agents, questions around the fiscal and social status, the difficulty our young players face to secure a spot in the first team, combined with other topics like the one regarding the security in our stadiums, have been considerable challenges for the professional football in Belgium.

The reprehensible actions of some individuals should not dominate the image of the sector. It is wrong to assume that professional football in Belgium is less mature than in the surrounding competitions. It would also be wrong to believe that the 24 clubs of the Pro League are not contributing to the economic and social development of our country, as they continue to play a prominent role in the European competitions.

This second edition of the report on the "socio-economic impact assessment of the Pro League on the Belgian economy" covers the numbers of 2018 and brings an objective and quantified approach of our activities. The reader will be able to compare the numbers with last year's edition and will find answers to a number of pressing topics, extensively discussed in the media.

Pierre François  
CEO Pro League



**Sam Sluismans**  
Partner Deloitte Belgium

With the third place of our national team on the World Cup, a current eight place on the UEFA club ranking and growing turnover for the Pro League clubs, Belgian football and the Pro League clubs continue the positive trend, despite a less successful European campaign in the 17/18 season.

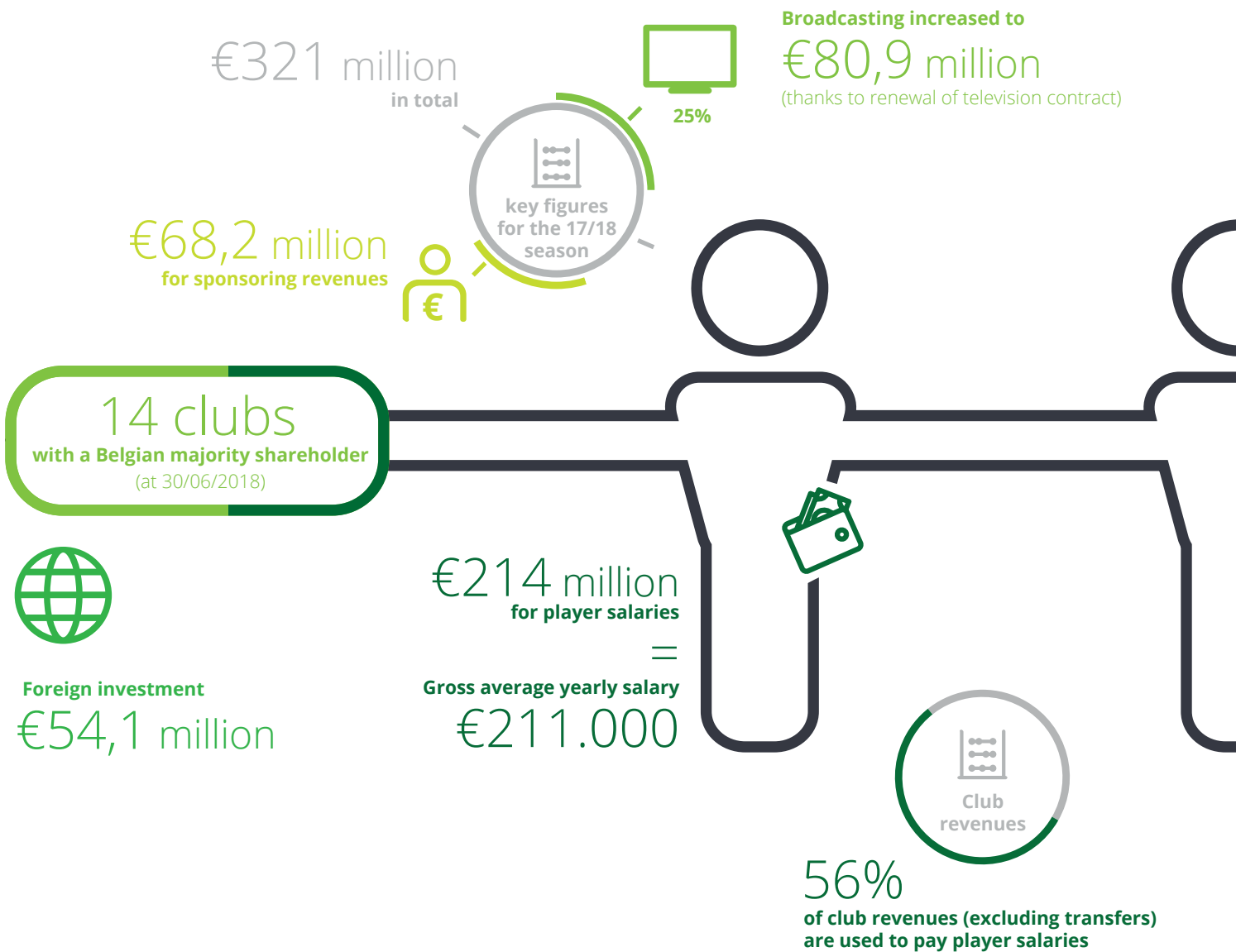
This second edition of the report highlights again the impact of the Pro League, both economically and socially. For the first time, the reader will be able to draw conclusions on the evolution of economic contributions by our Pro League clubs.

While we recognize the important economic impact, this report has increased attention for the social impact of the clubs towards their youth players, fans and the broader community. Clubs play an important role in the local eco system, while at the same time they interact more closely with an increasingly international fan base. The clubs continued to invest in the youth academies, where the next generation of players is getting ready to help maintain the clubs their spot on the European level.

Sam Sluismans  
Partner Deloitte Belgium

# Executive Summary

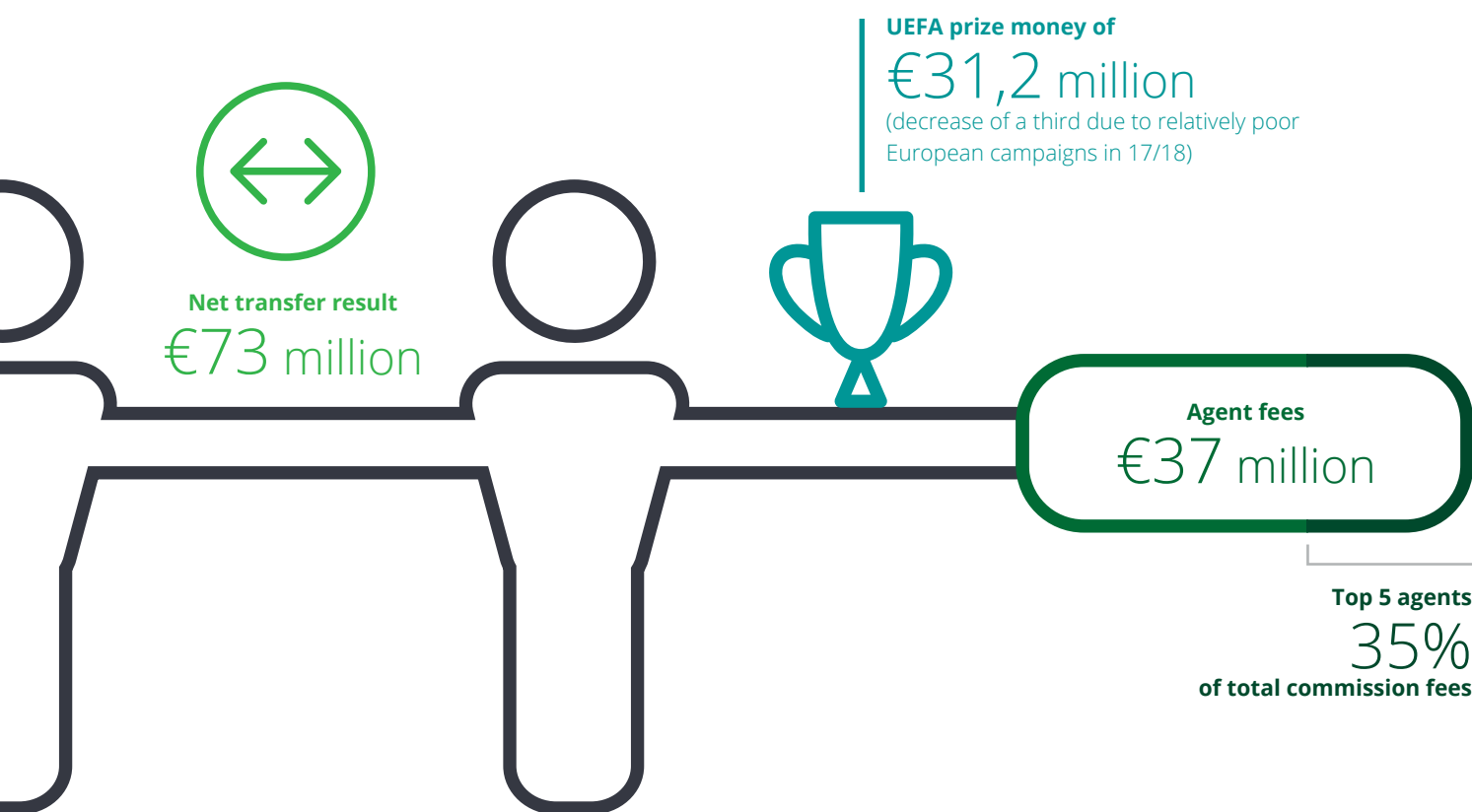
Season 17/18



## Key messages economic impact

Gross output	Gross Value Add	Job creation	Net contribution	VAT generated
€943 million	€615 million	3.710 jobs	€77 million	€112 million





Key messages social impact

Community & Social Responsibility

27.933  
Volunteers

Fans

436  
Registered fan clubs

4,3 million  
Social media followers

Youth

82.464  
Number of minutes played

231  
Number of youth contracts

# Introduction

As many fans will confirm, football is more than a game. It is the most popular and most visible sport in Belgium, so the role of football extends beyond the playing field. A positive social and economic impact, sustainable development, and transparency are key values that the public expects to see. The Pro League and Belgian professional football clubs have worked hard to leverage their increasing popularity into a positive effect on the Belgian economy and society.

Last year's report discussed the socio-economic impact of professional football in Belgium in detail for the first time. A quantitative and qualitative analysis showed the extent of the Pro League's and the Belgian football clubs' influence. This year, a renewed analysis investigates the topic even deeper, and illustrates the evolution of key numbers and topics. Gross output, value added, job creation and taxes quantify the economic influence of football, both direct and via other industries and people. Several case studies illustrate the social impact through communities, fans and youth.

# Scope



This report assesses the socio-economic impact of the following actors:

1. The Belgian football clubs in the First Division A (Jupiler Pro League)
2. The Belgian football clubs 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 KVBV/URBSFA. This report refers to the Belgian professional football clubs mentioned in (1) and (2) as the clubs, unless explicitly mentioned otherwise.

Note that this report will also make a distinction in the Jupiler Pro League between the G5 and K11 clubs at some points. The G5 clubs are the five teams that have obtained the best sportive results over the last five seasons. The clubs in question are RSC Anderlecht, Club Brugge, KAA Gent, KRC Genk and Standard de Liège. The remaining eleven clubs in the First Division A make up the K11 (based on the 17/18 season).

The following data sources helped 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
- In depth-interviews on club case studies

The data used for the report includes the previous three seasons (15/16, 16/17, 17/18) as season 15/16 was the first season with 24 professional clubs in Belgium.

# Methodology

This report consists of two large sections. The first section discusses the evolution of professional football in Belgium. A brief overview of the organization of the Pro League sets the scene. Afterwards, the revenues and costs of the Belgian football clubs provide key business insights. A deep dive on ticketing, broadcasting, sponsoring & advertisement and UEFA prize money provides insights into the breakdown and evolution of revenues. On the cost side, player salaries and safety are the main topics. Finally, case studies on transfers, team ownership, eSports, and RSCA's cashless payment system illustrate key examples of how Belgian football is evolving.



## Revenues



Ticketing



Broadcasting



Sponsoring and advertisement



UEFA prize money



## Costs



Player salaries



Safety & security



## Case studies



Transfers



Proximus ePro League



Team ownership



Cashless payment system (RSCA)





Gross output



Employment



Tax contribution



Economic impact



Gross Value Added



The total value of Belgian professional football is more than the sum of its parts. The large participation of the Pro League and clubs in social initiatives creates an additional positive effect on the Belgian economy, but poses a challenge to quantify exactly. Stories of the community creation, fan clubs and youth working illustrate the additional value created by the industry.



Community



Social  
impact



Fans



Youth

The second section of the report provides the quantitative and qualitative assessment of the socio-economic impact of the Pro League and the clubs on the Belgian economy. The economic impact assessment measures three different dimensions of economic influence: the direct, indirect and induced impact.

- **Direct impact:** the industry itself produces a certain impact, by conducting business within the economy, creating gross value added, jobs and tax revenues.
- **Indirect impact:** the industry's supply chain generates gross output, value added, jobs created and tax revenues as an indirect consequence of the industry itself
- **Induced impact:** Households benefitting from the industry and its supply chain have increased spending power, which generates additional output, value added, jobs and tax revenues.



As indicated in the description above, four economic indicators make up the total economic direct, indirect and induced impact:

- **Gross Output:** the gross output measures the total output generated by the existence of the Belgian professional football industry. It reflects the revenues generated over the entire supply chain, so including both the gross added value and intermediate consumption
- **Gross Value Added:** the gross value added measures the value of goods and services produced, but does not include the intermediary consumption. It indicates the contribution to Gross Domestic Product (GDP). Profits, taxes and payroll costs make up the gross value added.
- **Employment:** employment indicates the jobs generated by the Pro League and clubs
- **Tax contribution:** the tax contribution investigates the impact of the industry on taxes, both in generated sales as employment.



An example of the socio-economic impact model

Indicator



Gross output

Gross value added



Employment



Tax contribution



Direct

**Club revenues** from selling a beer to a fan

**The club** makes a profit on the beer sold and pays its employees

**An employee of the club** working in the stadium bar

**The club** paying taxes

Impact



Indirect

**Revenues for the vendor** of hamburgers outside the stadium

**The vendor of hamburgers** makes a profit on its business and pays its employees

**An employee** working for the vendor of hamburgers



Induced

Household spending from the **club employee** working at the bar thanks to his/her wage

The market generates **additional profits** and pays **additional wages** thanks to the club employee spending his/her wage

**An employee hired** due to the spending of the wage of the club employee



# The evolution of professional football in Belgium











# Organization of the Pro League

## Organization of the Pro League: 17/18 season

BELGIAN FIRST DIVISION

- Place 1
- Place 2
- Place 3
- Place 4
- Place 5
- Place 6

PO1

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

- Place 7
- Place 8
- Place 9
- Place 10
- Place 11
- Place 12
- Place 13
- Place 14
- Place 15
- Place 16

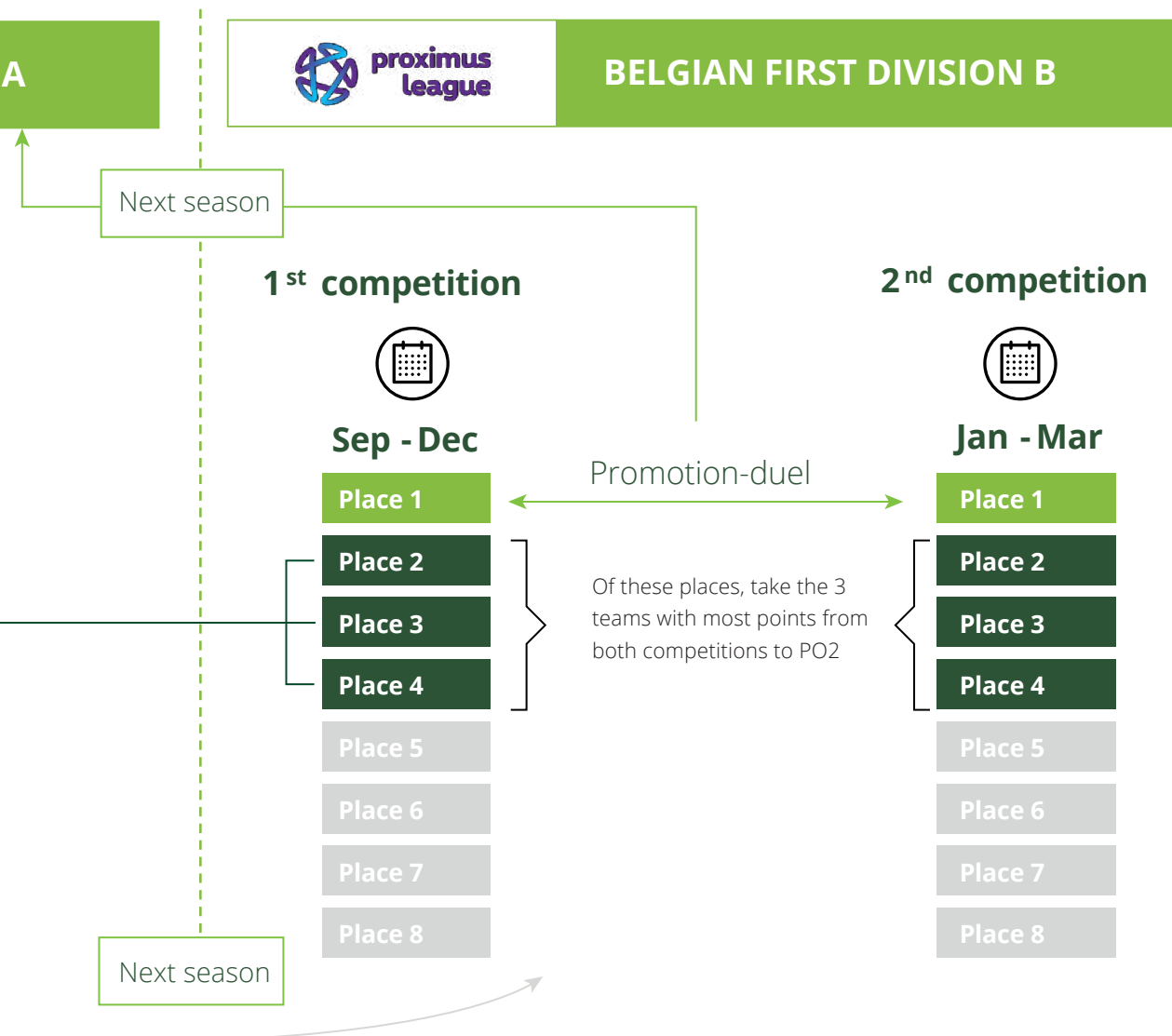
PO2

9 teams of the 1<sup>st</sup> division and 3 teams from the 2<sup>nd</sup> division are divided in 2 groups. Group winners face off against each other to then play PO1#4 for the Europa League (under PO2)

relegation

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, the Pro League also organizes the Belgian U21 Cup, and finally the Belgian Crocky Cup in collaboration with 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 09/10 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, with the clubs ranked 2-4 in the Belgian First Division B. The team finishing regular competition on the 16<sup>th</sup> spot relegates to the First Division B.



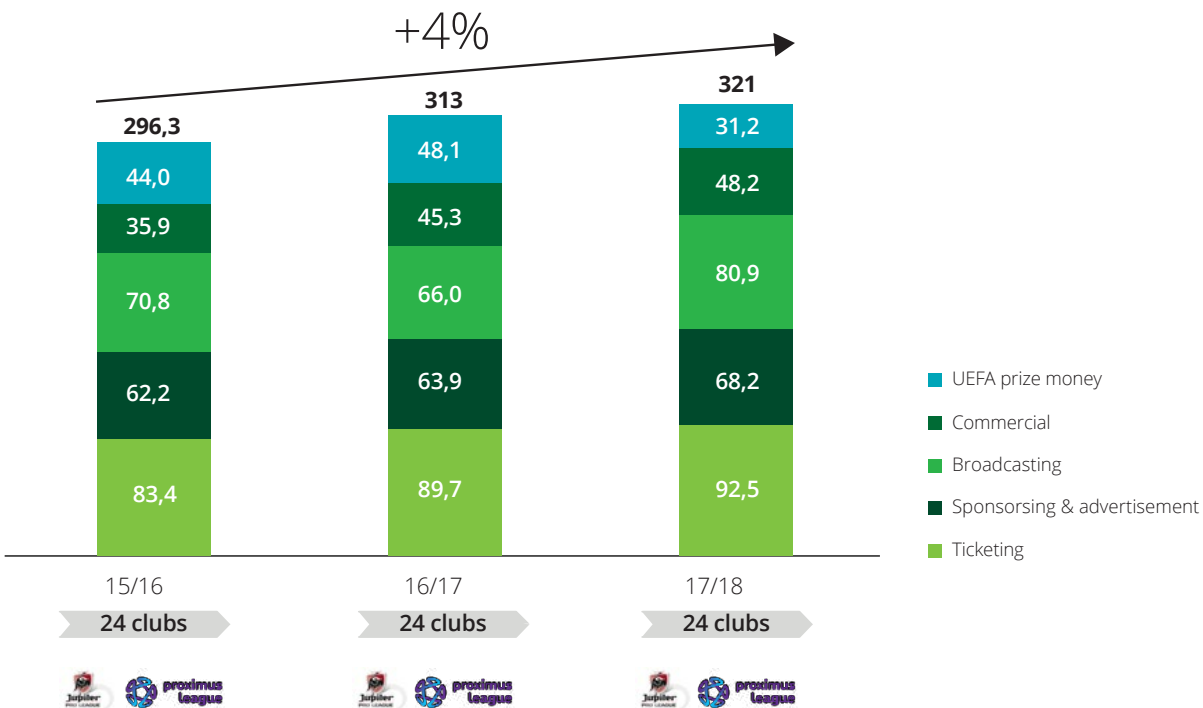
# Belgian football club revenues

The revenues of the Pro League teams grew over the last 3 seasons, with an average yearly growth of 4%. The total operational, non-subsidized revenue (which excludes transfer revenue) has increased from €296,3 million in the 15/16 season to €321,0 million in the 17/18 season.

Nearly all sources of revenue recorded growth in 17/18, with 'sponsoring & advertisement' and 'broadcasting rights' being the main drivers for growth compared to the 16/17 season. Growth in the other revenue sources is sufficiently strong to compensate a significant drop in the revenue coming from UEFA prize money, which decreased in 17/18 due to a relatively poor European campaign. For a number of Belgian teams, UEFA prize money is an important source of revenue and can make the difference between a successful or unsuccessful financial year, leaving room for investments in infrastructure, youth and new players.

The next sections of the report will take a closer look to each of the revenue sources and identify the relevant trends for each. A dedicated section later in the report zooms in on the revenues coming from player transfers.

Evolution of BE revenues<sup>1</sup> (€ million)



<sup>1</sup> \*For 17/18, Lommel United replaces Lierse SK as the club filed for bankruptcy on 9 May 2018





UEFA prize money

**31,2**



Commercial

**48,2**



Broadcasting

**80,9**



Sponsoring &  
advertisement

**68,2**



Ticketing

**92,5**

---

**Total**  
**321**





## Ticketing

A more traditional source of revenue, gate receipts and season passes (ticketing revenues), grew almost €10 million from the 15/16 to the 17/18 season. While the majority of the growth happened from 15/16 to 16/17, ticketing still accounts for a portion of the revenue growth in 17/18.

Growth in ticketing revenues can come from a variety of reasons. Qualification for a European campaign is a good example of an event that will have a profound impact. Fans gladly pay more money for a ticket to watch their team face European superstars (a good example is the recent visit of Paris Saint-Germain to RSC Anderlecht in the 17/18 season). In addition, a European campaign increases the number of games during a season, which has a positive impact on the number of tickets sold.

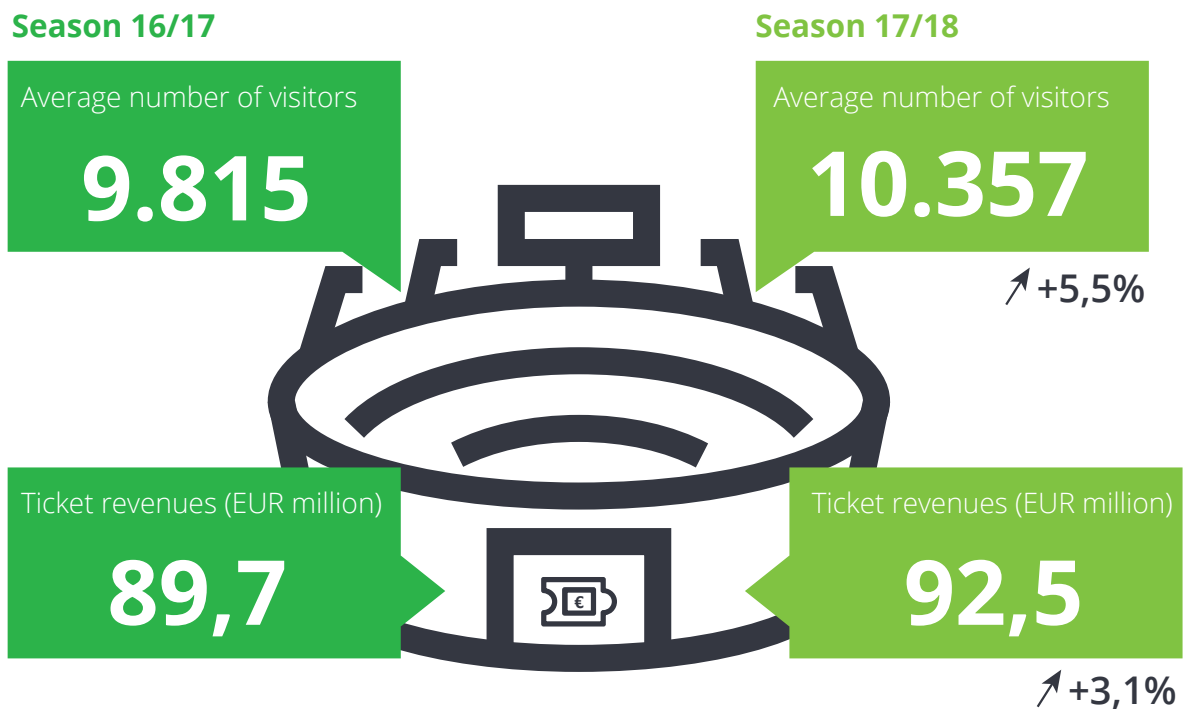
Another way to achieve higher revenue from ticketing is an increase in capacity. A few Belgian teams invested in their stadium to keep up with the growing demand for tickets. These recent investments

had a positive impact on fan attendance during the 17/18 season. Total attendance was 3,4 million fans, which translates in an average attendance of 10.357 fans per game, compared to an average attendance of 9.815 fans in the 16/17 season.

While the increase in average attendance represents a growth of 5,5%, ticketing revenues went up from €89,7 million to €92,5 million, an increase of 3,1%.

The increase in ticket revenues has thus not grown to the same extend as the average visitor number. The most important explanation is a drop in the ticketing revenues coming from UEFA competitions, linked to a less successful campaign.

While ticketing is a more traditional source of revenue, it remains an important one to serve as an indicator for other sources of revenue, like sponsorship & advertisement.





## Broadcasting

Broadcasting becomes an increasingly important source of revenue for the clubs. Increased competition in the market for broadcasting rights, with a market now extending beyond the domestic market, broadcasting represents on average 20% of revenues, based on data for 6 European countries that are similar to Belgium in terms of population size and GDP.<sup>2</sup> There remains however a significant spread from one country to another (ranging from broadcasting rights being 7,2% to 33,4% of total revenue).

The rise in broadcasting revenues to €80,9 million in the 17/18 season is thanks to a renewal of the television contract with Belgian providers Proximus, Telenet & VOO. The previous deal, €70 million per season<sup>3</sup>, ended after the 16/17 season. The new deal guarantees at least €80 million of broadcasting revenues per season until 19/20. The television contract gives access to the broadcasting rights of the Jupiler Pro League and Proximus League, excluding other competitions like the Belgian Crocky cup or European competitions.

For the Belgian teams, revenues from broadcasting represents 25% of total revenues for the 17/18 season, which makes broadcasting the second most important source of revenue, just behind ticketing (29% of total revenue).

### Broadcasting revenues (€ million)



15/16



16/17



17/18

<sup>2</sup> Based on UEFA revenue data for the 16/17 season for Austria, Belgium, Denmark, The Netherlands, Portugal and Switzerland

<sup>3</sup> The difference with the reported numbers in the annual accounts of the clubs comes from a difference in closing date and broadcasting revenues recorded in other revenue categories by some clubs.



## Sponsoring and advertisement

Sponsorship and advertisement accounts for €68,2 million of total revenues, an increase of approximately 10% compared to the 15/16 season. This amount includes €4,8 million (7%) contributions made by club owners.

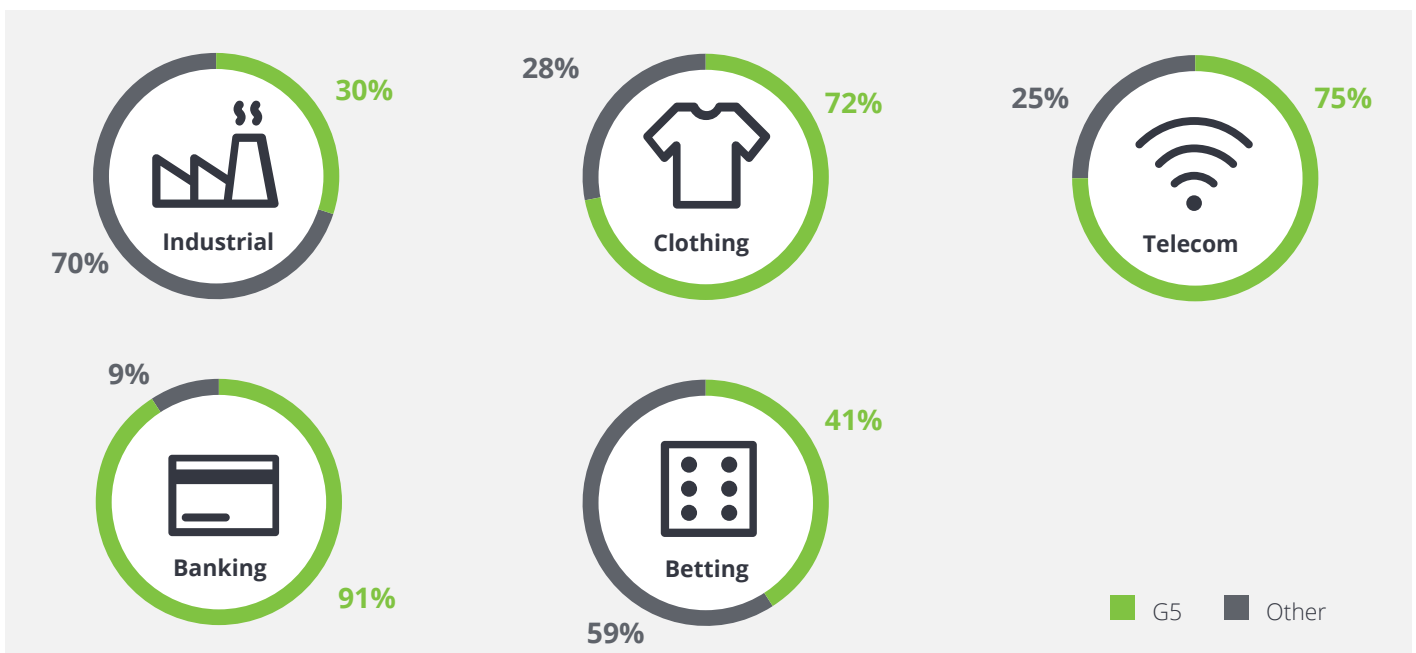
Taking a closer look on how sponsoring revenues are distributed across the clubs, 45% of total sponsoring flows to the G5 clubs (€30,6 million). The K11 and Proximus League capture the remaining 55% of revenues, with the majority for the K11 teams. Belgian companies, or international companies with a substantial footprint in Belgium fuel the growth in sponsoring revenues. The trend from other European competitions, where foreign sponsors contribute significant amounts (and even display advertisements in the foreign language during the games), has not (yet) landed in the Belgian competition.

The landscape of companies contributing to sponsoring is diverse. They are active in more than 15 different industries, with the industrial sector making the highest contributions. Other industries in the top 5 are the clothing, telecom, banking and betting industry. The allocations of each of the top 5 industries is unevenly balanced across the G5 and other (K11 + Proximus League) clubs. While the industrial and betting industry balance well across G5 vs. other, the clothing, telecom and especially the banking industry contribute mostly to the G5 teams.

Sponsoring revenues (€ million)



Contribution of top five industries to G5 vs. other clubs sponsoring revenues (% of total amount)





# UEFA prize money

A few Belgian clubs count on frequently participating in one of the European competitions. Not only for the prestige and the positive image boost after a successful European campaign, but also for the prize money that comes with participating in the UEFA Champions League (UCL) or UEFA Europa League (UEL). The Football Money League report<sup>4</sup>, published in January 2019, quantified that Liverpool FC and Real Madrid, the two finalists of the 17/18 UCL edition, have grown revenues for that season with respectively €90 million (+21%) and €75 million (+11%) compared to the 16/17 season. Their strong European campaign fueled the better part of this revenue growth.

For the 17/18 season, €1,7 billion was distributed to the clubs participating in a European competition (UCL play-offs, UCL and UEL). This amount increased for the 18/19 season to €2,5 billion. More than 75% of those amounts flow to the 32 clubs playing in the UCL. Each team qualifying for the UCL group stage received €12,7 million in 17/18, increasing to €15,3 million in 18/19. Strong European performance often links with strong financial performance for many clubs in Europe. Looking at the Belgian clubs, the total amount of UEFA prize money for the 17/18 season is €31,2 million, which represents 10% of total revenues for the Pro

League clubs. Of that amount, €24,6 million (79%) flowed to the 2 clubs participating in the group stage of the UCL and UEL.

UEFA prize money has decreased with more than a third compared to the 16/17 season, solely driven by the performance of the Belgian teams in Europe. 17/18 was a rather disappointing season, with three out of the five teams eliminated in the qualifying rounds. The two remaining clubs who qualified for the group stage (RSC Anderlecht for the UCL, S.V. Zulte-Waregem for the UEL), did not survive that group stage. This illustrates how uncertain the revenues from UEFA are. The nature of this income is volatile, so can certainly go up again just as quickly.

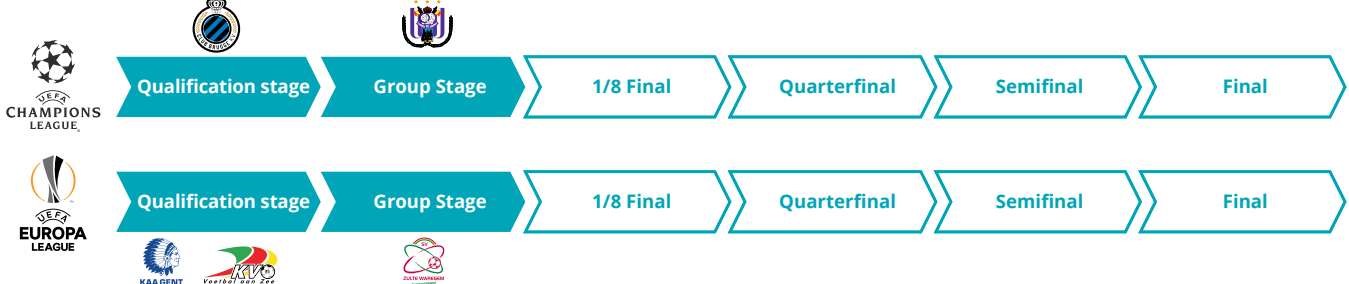
Compared to 17/18, the contrast with the European campaign in 16/17 is striking. Again, five Belgian teams started a European campaign, and all five qualified for the group stage. Of those five, two did not survive the group stage (Club Brugge in the UCL, Standard de Liège in the UEL). The other three teams (KAA Gent, KRC Genk and RSC Anderlecht) secured a spot in the knockout rounds of the UEL, resulting in two quarter finalists.

## European campaigns Belgian clubs

### Season 16/17



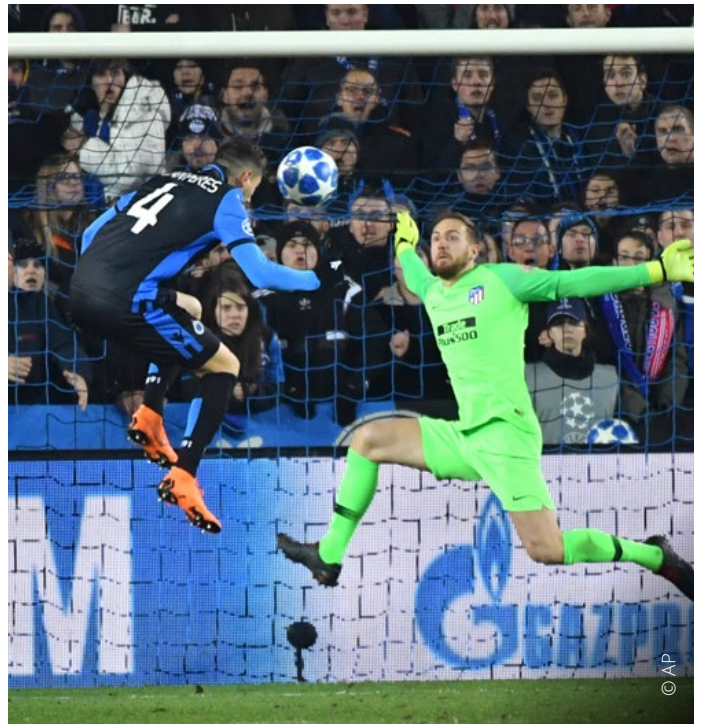
### Season 17/18



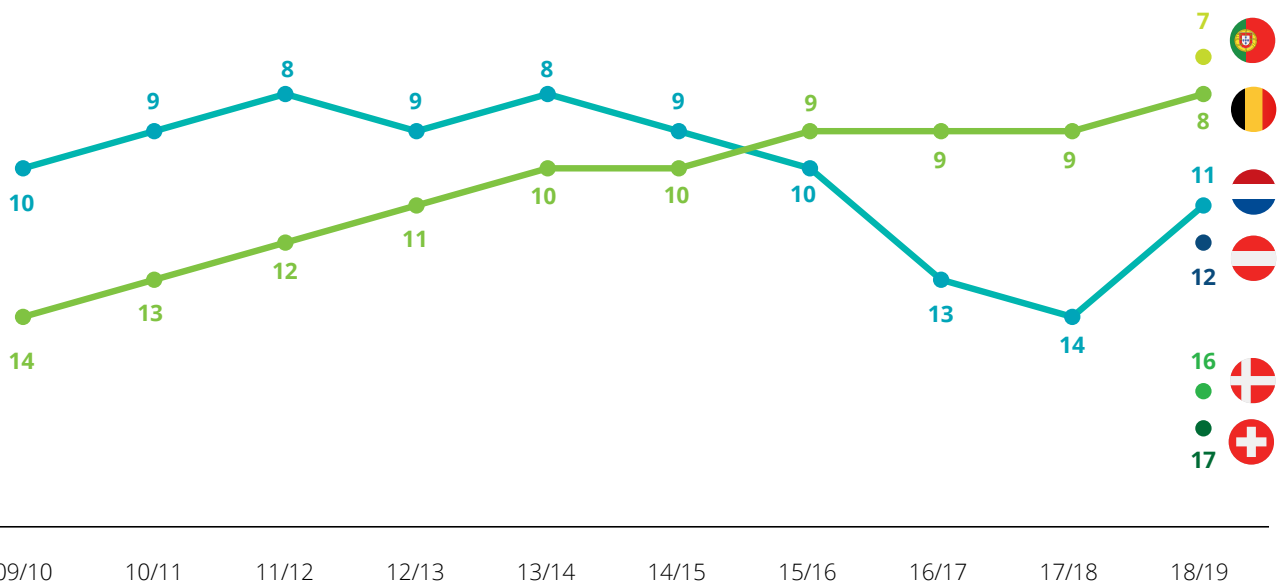
4 4Deloitte Sports Business Group (2019): Football Money League

Some memorable performances from that campaign were KAA Gent eliminating Tottenham Hotspurs or RSC Anderlecht forcing Manchester United to extra time at the Old Trafford Stadium. After eventually beating RSC Anderlecht in the quarterfinal, Manchester United won that year's edition of the UEL.

Belgium maintained the 9<sup>th</sup> place on the UEFA ranking for the third consecutive season in 17/18. This puts Belgium amongst other European sub top contenders, like Portugal and Russia and just behind the 'Big Five' leagues. The relatively poor campaign in the 17/18 season had limited impact on the UEFA ranking, and Belgium even is up one place in the ranking in season 18/19. The computation of the coefficient takes into consideration performance in the five previous UCL and UEL campaigns<sup>5</sup>. The figure below shows the rankings of the European pool of countries with similar size and GDP as Belgium. Only Portugal obtained a higher spot in the ranking. The chart also illustrates how Belgium has performed consistently over the last ten years, as opposed to the Netherlands for example, performing less consistent and dropping in the ranking over the past ten years. Belgium's ability to qualify with multiple teams for the group stage is an important driver for this upward trend.



UEFA ranking



<sup>5</sup> UEFA Association Club Coefficients <https://www.uefa.com/memberassociations/uefarankings/country/about/>

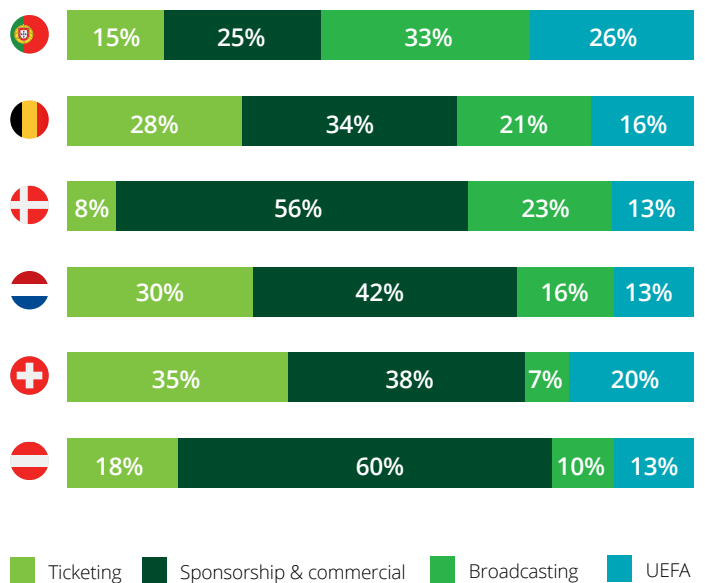


## Football club revenues in EU countries

The previous report section shows a clear growth of Belgian clubs' revenues. By comparing this revenue growth of the Belgian competition with competitions in our subset of European countries, we put the numbers in perspective. Of the six competitions, the Belgian competition achieves an annual revenue growth (from season 13/14 to 16/17) of 11%, with only the Portuguese competition recording a more impressive growth in revenue. This comparison includes only the revenues for clubs playing in the primary league in each country (so in Belgium's case, the numbers exclude the revenues of the Proximus League clubs).

Comparing the different revenue sources, we see that ticketing revenues contribute proportionally more in the total revenue compared to most other competitions. For sponsorship & commercial revenues, there remains an opportunity for the Belgian clubs to grow. The opportunity for Belgian clubs is twofold, both in the commercial space (e.g. increased merchandising sales) as well as in sponsoring (e.g. extending to sponsors outside of Belgium).

### Revenue breakdown 16/17



Primary League	Revenue 16/17 (€ million)	Revenue Growth*
Portugal 	379	13%
Belgium 	298	11%
Denmark 	152	7%
Netherlands 	473	4%
Switzerland 	193	3%
Austria 	157	2%

\* Revenue growth from season 13/14 to 16/17 (CAGR)

# Belgian football club costs



## Player salaries

Player salary is one of the primary cost drivers for all football clubs. With ever-increasing pressure from foreign competitions, Belgian clubs are required to pay higher player salaries, in order to retain Belgian talent and attract foreign talent.

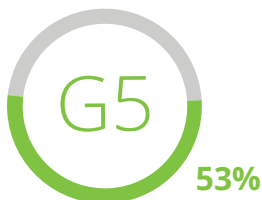
Total player salary cost is on the rise over the last 3 seasons; in the season 15/16 the payroll cost / revenue ratio<sup>6</sup> was 51,2%. This number increased to 56% in the 17/18 season. While the previous report section shows revenues grew the last 3 seasons, this growth was not sufficient to compensate the increasing cost for clubs on player salaries. (for comparison: the payroll cost/revenue ratio for Bundesliga teams in 17/18 season was 34,6%)

For the 17/18 season, total amount paid for player salaries is €214 million<sup>7</sup>, with an average yearly gross salary of €211.000<sup>8</sup>.

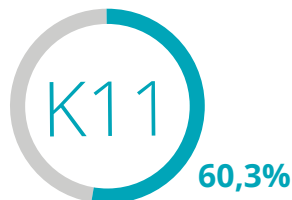
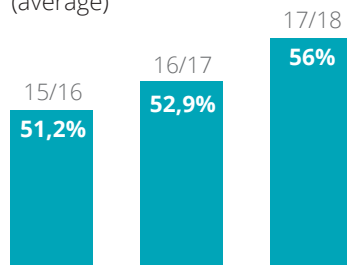
A significant difference in yearly average salary exists when comparing G5 / K11 / Proximus League clubs. With the G5 paying an average salary of €323.000, they are well above the K11 (€187.000) and clubs in the Proximus League (€90.000). This translates into 52% of total player salaries paid by the G5 clubs.

While player salaries consume on average 56% of a club's revenue, this percentage differs strongly between clubs. G5 clubs, who are paying highest player salaries, have a payroll cost / revenue ratio of 53%, which is lower than the K11 (60,3%) and the clubs in the Proximus League (80,5%). The G5 teams achieve a lower percentage thanks to their ability to generate high revenues coming from sponsoring and UEFA prize money, which is a bigger challenge for the other clubs.

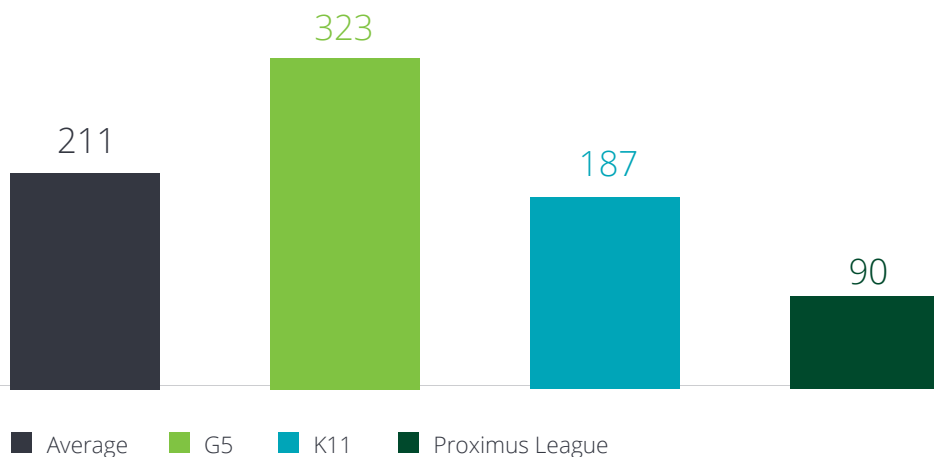
Payroll cost / revenue ratio



Payroll cost / revenue ratio (average)



Average yearly gross salary (€ .000)



<sup>6</sup> payroll cost = total cost for player salaries (including government subsidies); revenue = total revenue excluding transfers

<sup>7</sup> Total salary cost includes gross salary + contributions to group insurance

<sup>8</sup> Note that this data does not include payroll costs for Lommel SK

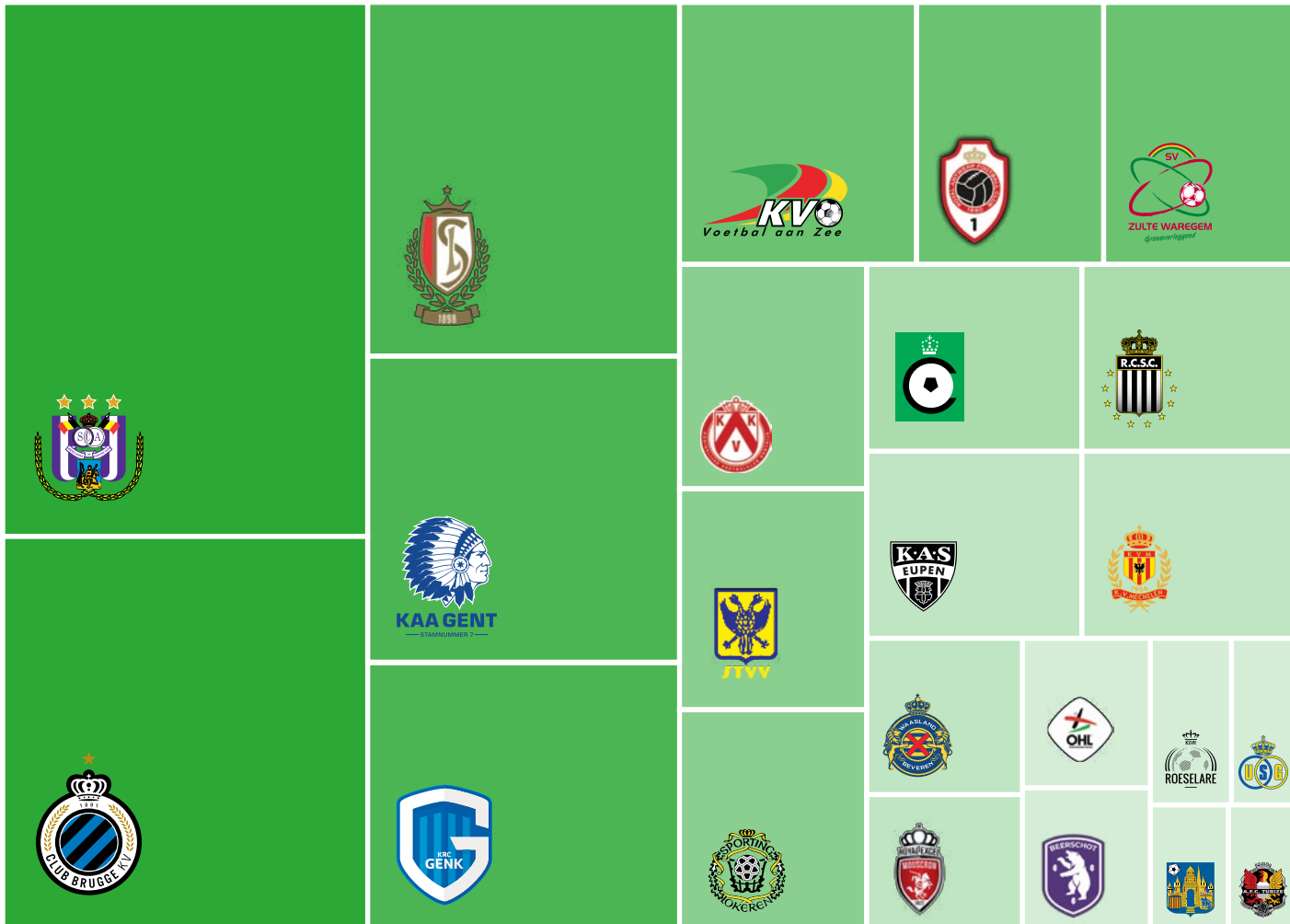


While players from the European Economic Area (EEA), including Belgium, are close to the average of €211.000, players from outside the EEA score an average salary of €247.000. The average salary for Belgian players is €160.000. This significant difference in average salary comes from the majority of Belgian players (56%) being <23. Salaries for these younger players are traditionally lower. Another explanation is that almost one fourth of the Belgian players (23%) are active in the Proximus League, where the previous analysis showed that salaries are equally lower.

**Average yearly salary for a European vs. non-European player**  
(€ .000)



**Share of each club to total salary paid in 17/18**



52% of total player salaries paid by the G5 clubs



### Player salaries in EU countries

The previous section in our report shows that a considerable amount of club revenues goes to player salaries. While high salaries are putting pressure on the financials, clubs need to make this effort in order to be competitive with other European countries in their everlasting war to attract football talent. Players with a high salary, who push the team to a higher level, will make up for that cost through, amongst others, successful European campaigns. The currently existing regimes for Belgian sports/football clubs (on the one hand the capped system of social security contributions and on the other hand the possibility to retain – under certain conditions - a part of the withholding tax) allows the clubs to pay competitive net salaries for the players. Thanks to these regimes, the total salary cost for the club remains in line with other European competitions.

When performing a number of simulations our Deloitte Tax and Legal team, has quantified that on average, in terms of total salary cost, Belgium ranks in the middle of the pack of most important European football countries (10<sup>th</sup> place out of 18 countries). The simulations are based on a hypothetical scenario for a 27 years old (single) football player earning a net compensation of €300.000 per year).

If however, the existing regimes in Belgium for Belgian football clubs & players would disappear, the Belgian competition would by far have the highest total salary cost of the 18 countries reviewed. Concretely, Belgian football clubs would be faced with a salary cost which would be more than 1/3<sup>th</sup> (38%) higher than the current highest cost country, being France.



## Safety & security

Recent publications in the press show that the costs of police officers for football games grew strongly over the last seasons. Local and federal police zones deployed 31.253 police officers for Jupiler Pro League games in the 17/18 season, with an additional 4.042 police officers for the Proximus League games, resulting in an estimated cost of €10,98 million.<sup>9</sup> The estimation does not cover any additional costs like the extra weekend hours and nightshifts.

With the introduction of the play-off system, especially Play-Off 1, the number of high intensity games, requiring additional police officers, increased. The 30 games in Play-Off 1 accounted for 16% of the total police officers during the 17/18 season.

The local police zone of the home club performs a dynamic risk assessment, taking into account input from the local police zone of the visiting club and the federal police, to determine the appropriate number of police agents. Although this collaboration on local and federal level exists, the local police zone of the home club holds the end responsibility for the number. Police zones rely on the experience from past seasons as a starting point for their decision. Each season, there are a few new teams (due to promotion/relegation), for which the police zones have no prior experience, and for which it is harder to make a proper estimate. Other factors like importance of the game, mood of the fans, time of the game and other local decisions can influence the police deployment.



On top of all these factors, stadium capacity and the safety measures already in place at the stadium (e.g. a secured and separated parking for the visiting team) affect the outcome of each risk assessment. Expressing the number of fans per police agent is in a way a misleading metric since it does not take into account those safety measures already in place.

Based on numbers for the 18/19 season, the clubs used 26.483 stewards<sup>10</sup> to guarantee safety, on top of the police officers. While stewards complement in a way the police officers, the roles and responsibilities remain slightly different. Stewards focus more on safety in the stadium, while the police will mostly take care of security outside the stadium, like traffic measures, separation of home and away fans, combined with overall monitoring and targeted intervention if needed.



# of stewards

**26.483**

for the regular  
competition of 18/19

<sup>9</sup> Parliamentary question 3812: police officers deployment at football games

<sup>10</sup> Numbers missing for RSC Anderlecht and Standard de Liège



# Transfers

We did not discuss results on transfers in the previous sections of the report, but they play a very important role for the financial performance of the Belgian clubs. While the net results from transfers decreased compared to 16/17, there still is a net accounting transfer result of €73 million. The €97 million from the 16/17 season was remarkable, driven by a few exceptional transfers, with some talented young players making the move to other competitions.

The clubs maintain a positive net transfer amount, but are at the same time increasingly spending money to attract highly valuable players. The value of the players on the clubs' balance sheet almost doubled from €79 million in 15/16 to €142 million in 17/18. The value of players on the balance sheet only reflects the players a club buys; the balance sheet does not record youth players going through to the first team.

Historically, Belgian teams spotted young talents abroad, which they could attract at a relatively low price and sell with a profit. Driven by technology and the global trading of broadcasting rights, this model is more and more pressurized. The increasing value of players on the balance sheet is a good example of this shift.

Belgian teams can cope with this by increased focus on forming youth players. Clubs gain significant advantages from retaining the players in their youth teams, which grow through to the first team. Eventually transferring those youth players is pure profit for the clubs and can thus play an important part in maintaining their financial health. A strong focus on youth also has a profound social impact, as discussed in further detail in the youth section of social impact.

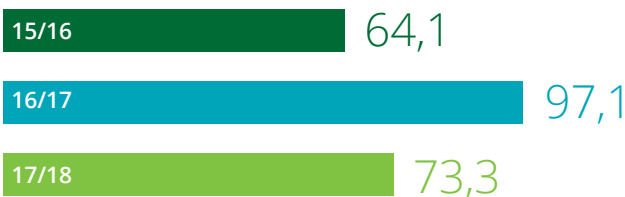
The importance of successful transfer campaigns becomes even more evident when looking at the profitability of the clubs. Where the teams reported aggregated profits of €14 million in the 16/17 season, the result for 17/18 is a loss of €48 million. Two drivers almost uniquely contribute to this shift:

- Net result from transfers €24 million lower
- Increase in salary cost (player salaries and other employees) of €37 million

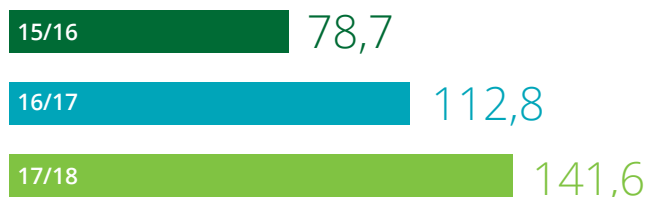
This negative evolution in aggregate profitability affects the number of profitable teams, with only 7 of our 24 clubs recording profits (after transfer results) in 17/18.



## Net transfer result (€ million)



## Player value on balance sheet (€ million)



### The role of agents

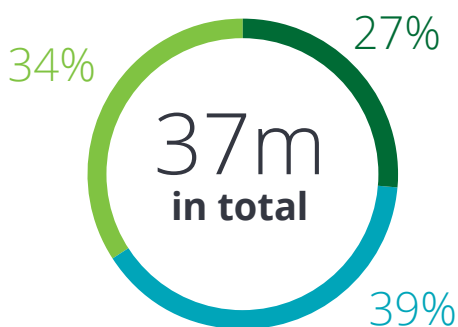
Player transfers are often, if not in most cases, linked with interventions from one or more agents, who serve as the intermediary between the player and the club. Agents have a network with clubs in our national and foreign competitions. The most common remuneration for agents is a percentage on the transfer amount (commission fee). Based on data from the annual reports received from 20 clubs<sup>11</sup>, total commissions paid to the agents for the 17/18 season amounts to €37 million. On top of the commission for incoming transfers (27%), and outgoing transfers (34%), a considerable amount flows to mediation (e.g. negotiating contract renewals). Evidently, the commissions paid to agents is an additional cost that comes with each transfer involving an agent and negatively affects the net transfer result. The regulation recently proposed by the Pro League, wants to limit the involvement of agents for incoming transfers, which represented €9,8 million in 17/18.

Many agents are active in Belgium, with 245 active (involved in a transaction) agents for 17/18. The majority of commissions is however paid to a few agents, with the top 5 agents capturing more than a third of the total commissions. The average commission for the top 5 agents is four times higher than the average commission for the agents from place 6 to 15.

The majority of commissions is paid to a few agents, with the top 5 agents capturing more than a third of the total commissions. The average commission for a top 5 agent is €2,5 million.



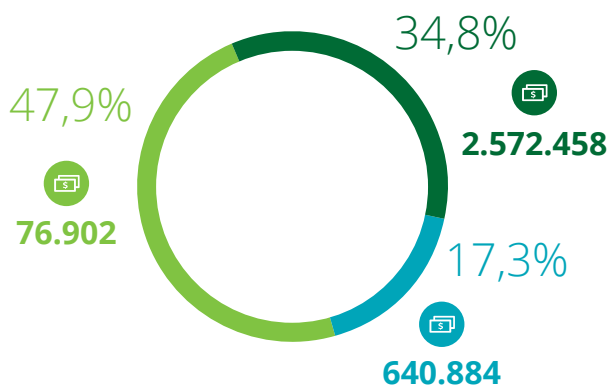
### Agent commission (€ million)



■ Incoming ■ Mediation ■ Outgoing



### Average commission (€)



■ 1-5 ■ 6-15 ■ 16-245 Average commission

11 Data missing for KFCO Beerschot Wilrijk, AFC Tubize, Lommel United & KSV Roeselare







# Case studies

## Team ownership

Over recent years, an increasing number of foreign investors became majority shareholder of a Belgian club. For the season 17/18, 10 clubs have foreign ownership, meaning that foreign individuals hold over 50% of shares. The 14 remaining clubs are still in Belgian hands (13 clubs are even exclusively Belgian-owned). The remaining owners are a wide range of nationalities, both European and non-European. The below figure shows the different clubs and corresponding nationality of the main shareholder. Overall, 61% of club ownership is still in Belgian hands.

The increased international ownership is a trend that also manifests in other European competitions. The Thai holding King Power is a good example, as they own both Leicester City FC in the English Premier League, as well as Oud-Heverlee Leuven in the Belgian competition. The foreign owners are investing in the clubs to make them more successful. In the 17/18 season, foreign owners injected €54,1 million, with the majority (€51,5 million) through capital increases and loans to the clubs. An additional €2,6 million was through sponsoring. Up until now, the owners did not extract any profits through dividends out of the clubs.

### Nationality of club's majority shareholder (situation on 30/06/2018)



14

Belgian clubs are Belgian-owned

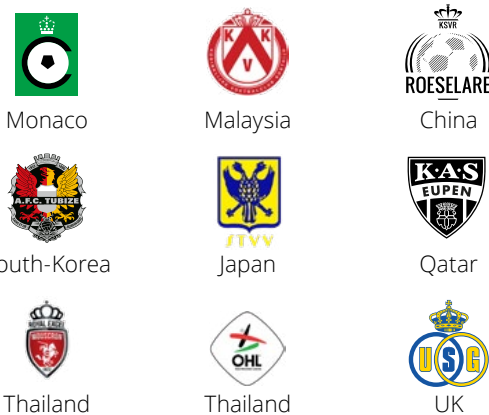


61%



10

Belgian clubs have a non-Belgian majority shareholder



50% Belgium  
50% Saudi-Arabia

39%

## eSports: Proximus ePro League

In today's entertainment world, eSports is gaining increased traction, with a growing fan base and estimated audience of 600 million fans globally. Stijn Jacobs explains: "Contrary to what many people think, eSports is not limited to practicing a particular sport on a gaming console, but it covers all online gaming like League of Legends or Fortnite. Those games are able to generate a lot of spectators who watch the game, even in stadiums."

Global eSports is expected to generate 1,5 billion USD in annual revenues by 2020<sup>12</sup>, mainly through sponsorship and advertising as main sources of revenue. Although a smaller part of the global eSports industry, the professional sports industry wants to play a role in this fast growing business. A good example is the NBA 2K league, which is an online franchise version of the world famous NBA<sup>13</sup>. Closer to home, the Pro League decided to investigate the possibility of an online Belgian football competition.

"When the Pro League decided to investigate the first online version of our Belgian competition, we had to agree on a format first," explains Stijn Jacobs, responsible for the organization. For online professional sports games, two models are common for organizing: a broadcast model, where the games are streamed live through a variety of channels (model for Dutch competition) or a fan competition, which is open for all gamers (model for French competition). The second model puts more emphasis on making the game accessible for all gamers.

"For our first edition, we decided to go for a mix of the broadcasting model and fan competition. The games were streamed live through multiple channels, but at the same time, the competition was accessible to all gamers."

Proximus became our official partner and owner of the broadcasting rights. Together with Electronic Arts sports (EA sports, owner of the FIFA 19 game) and Playstation, the Proximus ePro League was born."



**5000**  
gamers  
participated



**5**  
clubs working with a  
professional gamer

"The first step was a qualifying round in which 5000 gamers participated." Based on the outcomes of the qualifying rounds, each club selected a dedicated player for their team. The 16 remaining players competed against each other in a regular competition format, with the best 6 teams qualifying for the play-offs. Additionally, 5 professional gamers were included in the play-offs. "We wanted to recognize the efforts of the clubs who already work with a professional gamer (Royal Excel Mouscron, Sporting Charleroi, Standard de Liège, Club Brugge & RSC Anderlecht), while also keeping the gamers from the qualifying round involved." Eventually, Royal Excel Mouscron was the winner of this first Proximus ePro League. The play-off final had 100.000 live viewers on television and was broadcasted on Twitch, the world's leading platform for streaming online gaming.

Stijn Jacobs is optimistic for the future: "For next year we will keep a similar format, while some details might change. It is important we keep an open mind to new concepts or competition formats in this young discipline. For example, there are ongoing negotiations to create an online competition between the champions of the different leagues currently active (France, The Netherlands, Germany, Belgium...)."



<sup>12</sup> eSports graduates to the big league  
<sup>13</sup> <https://2kleague.nba.com/league-info/>

## RSC Anderlecht – cashless payment system

The digitalization journey of RSC Anderlecht started in 2015 when the club decided to reshape its digital landscape. “It was important for us to start from a single system containing all information, on which all our partners would be able to easily connect. The investment back then has proven very useful for the implementation of our cashless payment system in the 18/19 season,” tells Bert Van der Auwera (General Counsel) proudly. Together with Gert Boutsen (CFO) they were supporting every step of the way. “Many fans think that the decision to implement the cashless payment system was taken last year when the club’s ownership changed, but that is not the case. We had already selected our supplier in 2016.”

The cashless payment solution is one of the initiatives undertaken in the broader strategy of RSC Anderlecht to improve the experience along the entire fan journey: before, during and after the match.

“The system is a win-win, for both the fans and the club. Our fans only have to put money on their account once (they can be reimbursed at any time) and afterwards they pay at the different bars with a simple tap of their card. At the same time, we have also significantly improved the efficiency at our bars,” says Bert Van der Auwera.

“We can now even optimize the distribution of fans across the different bars during the half-time break, using digital signage in the stadium.”

The first results are promising. “While our provider warned us for a potential dip in consumption, we have seen the contrary. It is hard to say how much consumption has increased exactly, since catering on match days was previously outsourced, but the feedback we get from our food and beverage partners has been splendid. After all, they know best how much food and drinks are sold,” according to Gert Boutsen.



**30-40%**

Cash uploads to the card

Another important factor in the implementation is the acceptance by the fan base. “During the set-up phase, we involved a panel of fans to co-create the solution together with our developers. While we feel we could have done more from a marketing point of view, our fans quickly picked up the cashless payment solution, and the fan surveys confirm an overall satisfaction with the new system,” says Bert Van der Auwera.

Uploading money on the card is possible via digital payment methods as well as cash payments. Cash still represents a significant part. According to Gert Boutsen, figures have varied between 30 and 40% cash uploads to the card. “Fans still like to spend cash at the stadium, so we are happy we kept this functionality in as of day one. Especially towards our older fans, this has helped to make the transition smoother. There has been no generation gap in the adoption of the cashless payment system”

In a later stage, the cashless payment system can serve as the basis for other initiatives. “We want to evolve towards a single payment platform for the fan, through which we can build a loyalty program, including personalized promotions,” mentions Bert Van der Auwera. Opening up the system to third parties is also an option. “In the near future, payments in our fanshop will be possible through the card, and bars surrounding the stadium are in favor of getting in on our cashless payment system. One day, an Anderlecht fan might even pay for his Starbucks coffee with the cashless payment card. Although this is not likely to happen soon,” concludes Bert Van der Auwera.



“We estimate that consumption increased by a third.”



# Economic impact of the Pro League







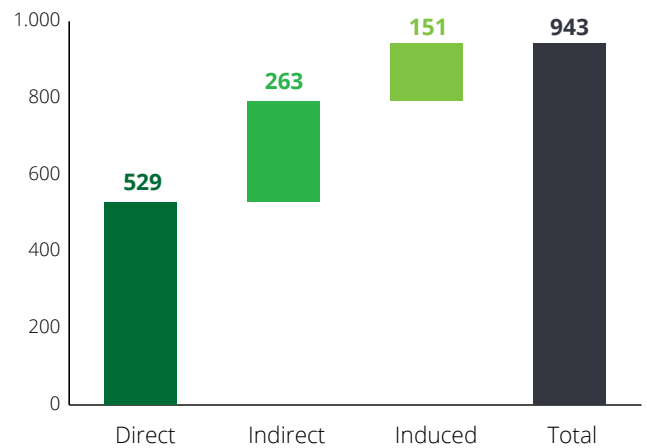


The comprehensive model that describes the economic impact of the Pro League and Belgian football clubs measures the direct, indirect and induced impact across four economic indicators: gross output, gross value added, employment and tax contribution. This captures the value generated by the industry and its supply chain, as well as households benefitting from these industries. The methodology section in the beginning of this report, as well as the Appendix provide a complete overview of the model and computations.

### Gross output

In the season 17/18, the total economic impact measured by the gross output was €943 million. This is an increase of €8 million or 0,8% compared to 16/17. The figure on the right shows the split of the gross output. The direct impact measures the revenues generated by the Belgian football clubs and Pro League. This is the operational output, meaning subsidies are not included. Direct impact includes transfer revenues, although they are not included in the indirect and induced gross output. The figure below shows a full breakdown of the direct gross output. It has increased from €526,7 million to €529,3 million since last season, despite the significant drop in UEFA prize money. An increase in broadcasting revenues, as well as some growth in other revenue categories compensate for this. The increase in direct gross output also boosted indirect and induced impact, increasing respectively to €263 million and €151 million, capturing the output from the rest of the supply chain and employee/player spending back into the economy.

Gross output (€ million)



Direct gross output (% of total)

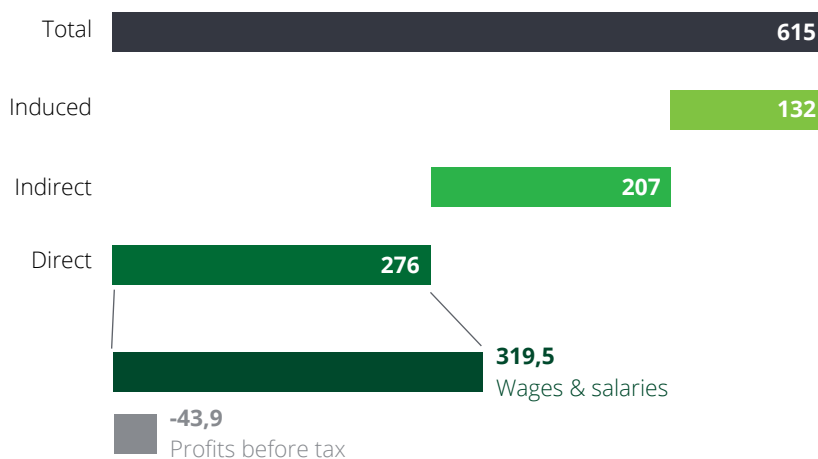




## Gross value added

The gross value added to the Belgian economy by the Belgian football clubs is €615 million in 17/18. This is an 9% decrease compared to the €669 million gross value added in 16/17, driven by the lower results from transfers in the direct GVA. The impact from the increase in wages and salaries returned to employees and players makes up the second driver of the direct GVA, as this number increased with 13% to €317 million. The figure shows this direct gross value added together with the indirect and induced impacts, as well as a detailed breakdown of the direct GVA, including the negative profits before tax.

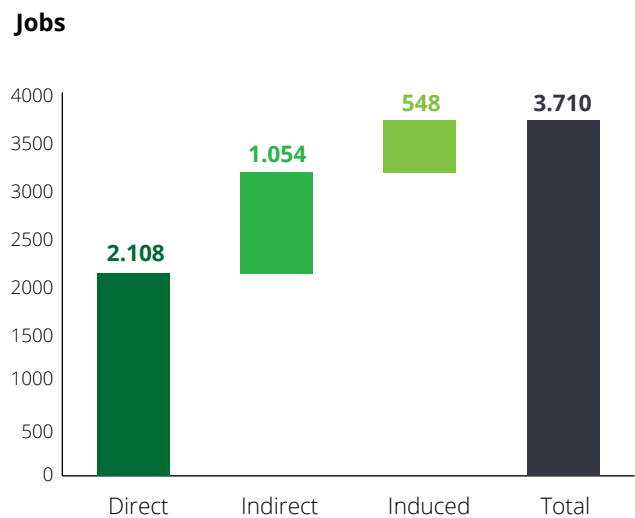
**Gross value added** (€ million)



## Job creation

The Pro League and Belgian football clubs created a combined number of 3.710 jobs in the Belgian economy in the season of 17/18. This is a significant increase of 15% compared to the 16/17 season. This increase in jobs and the subsequent increase in payroll costs largely explains the reduced profits of the clubs in season 17/18. The major part of the created jobs comes from direct job creation, although indirect and induced job creation accounts for 1.054 and 548 jobs respectively.

Of these jobs, 926 or 44% are football players. The remaining 56% are all the other employees of the club, which is the same ratio as last season.



## Tax contribution

As all organizations active in Belgium, the Pro League clubs contribute to the State's finances through corporate tax, payroll tax, national insurance (social contributions) and VAT.

Looking at corporate tax, the contributions of the clubs in 17/18 equals €3,7 million, similar to the amount paid in the 16/17 season (€3,4 million). The limited contribution on corporate tax is a direct consequence of the low and in most cases negative pretax profits of the clubs.

The clubs contributed €34,5 million on payroll tax, a 20% increase compared to 16/17. In the previous report sections, we elaborated heavily on the increase in payroll costs for the clubs (for both the players and the other employees), as well as the additional job creation thank to the clubs. This increased contribution in payroll tax links to this increase in job creation. The social contributions link also closely with this trend, resulting in €23,8 million, which is an even more significant increase of 43% compared to 16/17.

The VAT balance shows the direct contribution of the football clubs on their added value. The total VAT paid on the other hand stands at €111,8 million. This number gives us a good estimation of the VAT paid over the entire supply chain thanks to the existence of professional football. 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.

### Tax contribution (€ million)



Corporate tax  
**3,7**



Payroll tax  
**34,5**



Social contributions  
**23,8**



VAT  
**14,9**



# Social impact of the Pro League







# Community & Social Responsibility

## Introduction

Charitable and community-focused activities have become increasingly important for the Pro League and its clubs. A wide range of activities aim at improving overall fitness level, mental health, education and community cohesion. Both the Pro League and individual clubs share the ambition to do more around community work. On the individual club level, clubs can use the strong foothold and the fact that people in their region identify strongly with the team's image to organize community initiatives with high impact and engagement. The fact that a club has a strong foothold in its region and impacts many people becomes evident through the high number of volunteers supporting the clubs. Based on data for the regular competition of 18/19, 27.933 volunteers<sup>14</sup> assisted the clubs on match days. The total number would be even higher taking into account play-offs and other events organized by the clubs.

While the clubs focus on regional impact, the Pro League on the other hand has the ability to get significant national coverage with their initiatives, often thanks to the clubs who collaborate with the Pro League campaigns.

The community topic is equally high on the agenda in other European competitions. Looking at the future, initiatives could get a more international character, through collaboration and coordination between the different leagues. The recent Pro League campaign 'Football for All', is a great example of an initiative that has international potential.

“The Pro League uses its communication channels, in combination with those of the clubs to bring the message to our society that everyone is welcome in football and all fans should be able to enjoy their favorite sport”



Volunteers

**27.933**

for the regular competition of 18/19

<sup>14</sup> Numbers missing for RSC Anderlecht and Standard de Liège



## Pro League initiative: Football for All

In the weekend of 22 February 2019, the Pro League organized the first edition of the “Football for All” campaign, together with Voetbal Vlaanderen, ACFF and KBVB/URBSFA. This initiative wants to address the topic of homophobia, racism and other forms of inequality and encourages respect, diversity and tolerance in the sport. The message of the rainbow-weekend is clear: Football is for everyone.

“Football for All” is a project carried out by both the Pro League clubs, as well as Belgian amateur clubs. The captains of the clubs played their games with a rainbow-colored captain band during the campaign, while the fields also displayed rainbow corner flags. The first edition was a significant success: 224 clubs in Belgium participated. Although the rainbow colors usually link to the LGBT+ community, the initiative aims much broader than that and calls for respect and diversity in the broadest sense possible, including gender, culture, religion and race. While this was only the first edition, the campaign got international coverage. Towards the 19/20 season, the ambition exists to coordinate the campaign between a few European competitions.

The campaign did not stop with the rainbow colors on the football field, but is complemented with four testimonials giving a face to “Football for All”. David, a Jewish fan, Kenny, an LGBT+ supporter, professional football player Mbaye Leye and Brian Tevreden, CEO of KSV Roeselare, share their stories in short videos. They talk about their passion for football, sometimes overshadowed by discriminating slogans or chants targeting their identities.

At the closing of the weekend, players signed the captain bands and flags for auction. The proceeds went to two initiatives supporting equality: Kazerne Dossin, a museum focused on Holocaust education and human rights education, and foundation Ihsane Jarfi, an organization that battles intolerance and homophobia in Belgium.



Pro League  
clubs

**24**

participating to  
FFA campaign

Amateur  
clubs

**200**

participating to  
FFA campaign

## Other community initiatives (Club Brugge & KAA Gent)

Football clubs play an important role in the daily lives of their fans. Those fans come from a variety of backgrounds and social groups. "A football club should realize its importance towards all those different fan groups and create an open and inclusive community," informs Wim Beelaert, coordinator of the KAA Gent Foundation. The KAA Gent Foundation recently won the prize for the best football community working for the fourth time in six years. "A club's foundation is basically a separate legal entity, in which a club organizes all the initiatives to give something back to the broader community," explains Peter Gheysen, coordinator of the Club Brugge Foundation. Both clubs are highly active in Belgium for community work in their respective regions.

The two foundations organize a variety of initiatives, focused around two axes: getting people to exercise more and support for people from more disadvantaged groups. Examples for Bruges are Voetbalkraks, a football team for 60 children with autism, a G-team, walking football and a start-to-run, where fans get the opportunity to build up toward a 5k run, in and around the stadium. In Ghent, the initiatives focus on the neighborhood Nieuw Gent – Steenakker, where the KAA Gent Foundation became an important partner for community work, with a dance school (Buffalo Dance Academy) and local soccer tournament (Buffalo League). Together with the city of Ghent, the Foundation and KAA Gent developed an initiative to help grow other youth teams in the area, creating a community open to every young player. The initiative resulted in the initiative "Elk Talent Telt", affecting more than 3.000 young players in Ghent.

"Being able to leverage on the club's brand image creates a connection with our target groups. Putting a coach in a training suit of KAA Gent makes a huge difference in perception"

Football clubs wanting to give something back to society is common in many European competitions, especially in England, Germany and The Netherlands, to name a few. The clubs organize in an international network, the EFDN (European Football Development Network), uniting football clubs to share ideas and strengthen their social impact. The organization currently exists of +70 clubs. "One of the strengths of the EFDN is the willingness of clubs to share information with each other. For some of our initiatives, we could rely extensively on documentation and materials shared within the network. Being part of the network was a very enriching experience so far," concludes Peter Gheysen.

According to Wim Beelaert: "A foundation is a perfect way for any football team to provide a social return. We see it with all our initiatives: being able to leverage on the club's brand image creates a connection with our target groups. Putting a coach in a training suit of KAA Gent makes a huge difference in perception." Peter Gheysens confirms. "The biggest asset for the foundation is the fact that we can use the club's logo."

### The initiative "Elk Talent Telt" affected



**15**  
clubs



**200**  
trainers



**3.000**  
players



# Fans

## Introduction

The relationship between a club and its fans is an intense and at times emotional one. Together, they share the joy of the good times and the frustrations and disappointments of the bad ones. A healthy relationship with the fans, who fully get behind the team every game, can often make the difference between victory and defeat.

Clubs recognize the importance of their fan base through a variety of ways: opening up the stadium to all fans, organizing frequent interactions between club and fans, financial support for events organized by fan clubs or even a seat in the board of directors to help shape the long-term direction of the club.

While the impact of the fans on the club is significant, the other way around should not be ignored either. Fans identify strongly with their favorite club, which results in the club having an important impact on their daily lives. With 436 registered fan clubs and 4,3 million followers on social media, it is evident that the Pro League clubs reach many fans, nationally and internationally.

Clubs have a responsibility towards their fan community, especially through the fan clubs. For fans from more disadvantaged groups, football provides a sense of belonging and gives them the opportunity to be part of a group without any prejudgments about their background.



**436**  
registered fan clubs



**4,3m**  
social media followers





## KRC Genk – Blue Army On Wheels

When KRC Genk qualified for the cup final in the 99/00 season, many fans wanted to travel to Brussels to witness this event. “I have a nephew in a wheelchair, and he is a huge KRC Genk fan, so we absolutely wanted to be there when Genk played the cup final”, tells Maurice Bielen, who is one of the founders of Blue Army On Wheels (BAOW). “Unfortunately, back in the days there were hardly stadiums which had the capacity to welcome wheelchair users”. This is the moment Maurice and a few others set out to create BAOW, the first fan club in Belgium for disabled persons. It was the start of a success story: 20 years later the organization has more than 200 members.

“We are a community open to all fans, but with the objective to help disabled persons to enjoy the games in the same way all other fans do,” adds Stefaan Moors, who is on the board of BAOW.

Together with the support of KRC Genk and the city of Genk, BAOW took a leading role in making Belgian football more accessible. Stef Linsen, who is the point of contact between the club and the fan organizations, explains. “Over the course of the years, we have created more than 100 dedicated spots for wheelchair users, both for home and away fans. Also, we adapted the stadium entrances for easy access and even redesigned a bar to make it wheelchair friendly.” On top of that, there is a dedicated zone in the stadium where visually impaired fans who can follow the game through state-of-the-art commentary.

The continuous efforts of BAOW, on a local but also on a national level, combined with the positive attitude of KRC Genk, has paved the way for other clubs in Belgium. Although there remain many improvement areas, more and more clubs have realized the importance of being inclusive and accessible towards all fans. “An organization on a national level to define a structured approach would be another step in the right direction,” concludes Stefaan Moors.



100

spots for wheelchair users

“We are a community open to all fans, but with the objective to help disabled persons to enjoy the games in the same way all other fans do”

To set the right example on a European level, the UEFA decided in June 2015, as part of the UEFA Club Licensing and Financial Fair Play Regulations, that clubs are now required to have a dedicated Disability Access Officer.<sup>15</sup> There even exists a Centre for Access to Football in Europe (CAFE), which aims at creating a network across Europe for sharing advice and ideas on making football stadiums more accessible. “We have already attended a few of those CAFE sessions and these were really useful for us,” says Maurice. “Although other European experiences did not always go so well” laughs Stefaan. In 2016, BAOW went to Italy to watch the Europa League game Sassuolo-Genk with 40 of their members. “Although the sun was shining all day, by the time the game had to start, there was so much fog you could hardly see something and the game was postponed to Friday but we had to drive home Thursday night. Although many fans were disappointed we weren’t there to watch the 0-2 victory, it was a great trip for all of us that we will never forget” concludes Stefaan.



15 UEFA website (2017): Disability Access Officer handbook

## Standard de Liège – fan clubs

Back in the 08/09 season, Standard de Liège had 56 active fan clubs, resulting in more than 11.000 members. Ten years later, these numbers have evolved to 65 fan clubs, with more than 14.000 members. The fans of Standard are well known by all clubs, since they have a way of supporting their club in ways few other fans can. "A game at Standard is always a tough one for each team, and that is no coincidence," tells Quentin Gilbert, who is the official point of contact between Standard de Liège and the fan clubs (Supporter Liaison Officer). "Most of the fan club members have a season's pass. However, we registered all those members in our systems, so we know our fans well and they know each other well. They come together every week, for the home games and for the away games."

For the club it is a blessing to have the fans clustered in fan clubs, as it makes it easier for the club to interact with them. Fan involvement & engagement are becoming more and more important in the era of smartphones & social media, but the interactions should not be limited to digital only. "Through frequent communication between the club and the presidents of each fan club, we are able to keep a close connection and understand the wishes and needs of our fans." However, there is more: In 2001, the fan clubs joined forces by organizing under a single federation, called 'La Famille des Rouches', where the board is made up of 6 people (elected from the list of 65 presidents) + one representative for Standard de Liège. "For us this really is a way to bring our fans closer to the club and vice versa. It creates communication in two ways." The club will support projects, which the fan clubs want to undertake, or send players for a meet and greet when a fan club organizes its yearly event, like a barbecue. "We will never write a blank check, but if the fans can show us they are building a constructive project, we are more than happy to help."

Feeling part of a group is an important element for every fan club; this is no different for the Standard de Liège fans. When a new fan joins a fan club, the fit with the other fans is important, but all presidents confirmed that background, job or financial situation do not define this fit. "Fitting in the group follows automatically if you share the group's mutual passion, which is the love for Standard de Liège. When they are with their fan club, they can forget about their daily troubles, they get to understand each other's perspectives and for some it can even be a trigger to take action and improve certain aspects of their life." Mario Bronckaerts, a true Standard de Liège fan and president of both the fan club 'Club de Tienen' and 'La Famille des Rouches', met his girlfriend in his own fan club. "I was contacted by her to check whether we would be open to welcome her together with her son, who is a big fan. Although they lived in Sint-Niklaas, we found a solution to pick them up along the way and they joined us for all games. After a while we got closer and now we are living together in Leuven," tells Mario.

"Fitting in the group follows automatically if you share the group's mutual passion, which is the love for Standard de Liège."



**65**  
fan clubs



**14.000**  
members





# Youth

## Introduction

Youth players are the future of the club. Clubs work hard and invest time and money in their youth academies, with the ultimate objective to have some youngsters make it to the top of the football world. Based on data for 17/18, 231 Belgian youth players (<23) have a full-time or part-time contract. Together those 231 young Belgians played 82.464 minutes, 10% of total minutes played that season. In the other age categories, 23-26 and >26, Belgians played respectively 13% and 22% of the total minutes.

Through the 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 flow to salaries for youth players and youth trainers. In 2017, the clubs invested €42 million in youth salaries, which is 2,4 times more than they were legally required (€17,3 million).

Another stimulus for clubs to invest more in youth is the share in broadcasting revenues they receive, depending on the number of Belgians that play in the first team, and played in the youth academy of a Belgian club for at least three seasons before the age of 18.

Finally, investments in youth are becoming more relevant due to the economic impact as well. Youth players transferred to other clubs, preferably after a successful start of their career, represent pure profit for a club, an interesting source of revenue for Belgian clubs.



**82.464**

minutes played in 17/18



**231**

players with a contract





## Oud-Heverlee Leuven

The acquisition of Oud-Heverlee Leuven by King Power in 2017 triggered many changes around the club, not only for the A team but also for the youth academy. Over the last four seasons, more than 100 players joined the youth teams, totaling 804 players in the 18/19 season, of which 30 are girls. “We increased both the number of players per team for our national youth teams, while we also slightly increased the number of teams playing at the regional & local level,” mentions Peter Willems, CEO at Oud-Heverlee Leuven. “This would not have been possible without the recent investments in our youth infrastructure.” Over the last 2 seasons alone, the club invested 2 million euro<sup>16</sup> in their youth academy (including football fields, accommodation & technology such as GPS tracking devices and cameras).

“We try to work with our youth teams in a very professional setting as of day one,” tells Dries Bloemen, physical coordinator of the youth academy. This means leaving room for biometric data analyses of players (in partnership with the KU Leuven) and video analyses after trainings and game days to improve field position and decision taking. All of the recent investments are perfect facilitators to bring the way of working at Oud-Heverlee to a higher level.

While accommodation & technology are increasingly important for the development of a young player, Oud-Heverlee Leuven equally focuses on the broader context of support those young players need. On each training day, there will be qualified medical personnel to treat & prevent injuries of any kind. “The club

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also wants to facilitate the combination of school & football in every possible way,” adds Jeroen Trogh, who is responsible for the general management for the Oud-Heverlee Leuven youth academy. Initiatives organized by the club are transportation to and from the training (from Lummen and Brussels), offering the option of boarding school through a partnership with Heilig Hartinstituut Heverlee & Redingenhof, and finally yet importantly, dedicated contact people with a broad network of schools. “Those people have good relationships with the schools and will step in very quickly if needed. Thanks to this collaboration, we can prevent bad school results rather than having to punish our players. School is the clear number one priority for us as youth organization, but we do everything we can to keep enough room for football and personal development of our players on the pitch,” concludes Jeroen Trogh.

All of this personalized attention for the players, both on and off the pitch, is beneficial for the relationship between the player and the club. “Each year we see players who are contacted by other Belgian clubs, or even a big club from another competition. Despite all that pressure, only a handful of players leave our club,” informs Peter Willems. This relationship extends also to the player’s parents. “While the club has clear guidelines for parents, we keep at the same time an open and transparent communication, which parents learn to appreciate. They learn to trust the club,” says Jeroen Trogh.



**804**  
players in the  
18/19 season



**€2 million**  
was invested over  
the last 2 seasons

16 Based on numbers received from Oud-Heverlee Leuven for 17/18 & 18/19 season

## Royal Antwerp FC

The youth academy of Royal Antwerp FC (RAFC) currently counts 11 teams and 225 members. The club's ambition with the youth academy is to maximize the number of players that flow through to the A-team. "We stopped our youth teams playing in the regional and local categories as of 17/18, right after our promotion to 1A. This decision significantly reduced the number of players and teams in our youth academy. We now focus all our efforts on the national youth, playing in the Elite categories," explains Steven Smet, responsible for the formation within the RAFC youth academy.

The principles of the academy evolve around this ambition of preparing players for the A-team. For each age category, the club goes through a selective scouting process before attracting new players. The player profile, field position (as of U13) and personality traits need to fit with the 'RAFC-DNA'. The club realizes that, despite the many efforts to prepare their players for a life as professional footballer, not everyone will get to the finish. For those players, the club supports the reorientation to another club.

Recent investments made in infrastructure highlight the importance of the RAFC youth academy. "While we cannot disclose the exact figures, we are proud to say that we will start using our new youth complex in the 19/20 season," tells Sven Jaecques, Sports Advisor at RAFC. On top of the new infrastructure, the club already makes extensive use of technology, including filming of home games and trainings, to allow for personalized feedback to the players; and a central platform (Pro Soccer Data), for communication. "It is our main source for contact between club,

players & parents. For the older teams (+U18), we even use it as a tracking tool for their physical fitness," informs Steven Smet. This personalized support extends to the other age categories. Dedicated medical staff treats injuries, and designs for each player an RTP (Return To Play) trajectory, in collaboration with the physical coaches.

School is another important factor where the club wants to make a difference. As of U12, dedicated study coaches facilitate the combination of school and football. They are the point of contact between the club and school, keep track of school results, and even support the homework on training days. This school support fits in the broader philosophy of the youth academy to prepare all players for a life outside of professional football.

The clubs sees the impact of its efforts in the results of their youth teams, across all age categories. In the 18/19 season, 5 teams finished within the top 3 of the Elite 2 youth competition, with 2 teams grabbing the title. The B-team even succeeded to secure a spot in Play-Off 1, in line with the example set by the A-team.

"We feel a lot of pressure from other clubs in Belgium, or even the Netherlands, who approach our players from a very young age (8 years old)," says Steven Smet. "As a youth academy we try to cope with this pressure by building a strong brand and product. We believe that sticking to our principles is the best way to retain our players. If they eventually decide to leave, we respect that decision," concludes Sven Jaecques.





## Sporting Charleroi

A change in Royal Charleroi Sporting Club's (RCSC) ownership in 2012 triggered a revision of the club's long-term objectives, both for the A-team and the youth academy. "The new management made a commitment to put more emphasis on the youth academy, and has a clear ambition to boost the quality," tells Alain Decuyper, head of the RCSC youth academy.

The youth academy currently counts 280 players, with teams playing exclusively on the national level. RCSC's youth teams never played on the regional or local level, a deliberate choice. "We don't have sufficient capacity to include teams on the regional or local level in our academy. Also, we do not want to drain our neighboring teams by taking over all their players." The idea of sustaining an ecosystem in the region lives very strongly at RCSC. "Our objective with the youth academy is to have a maximum number of players making it to the A-team. The surrounding teams are a perfect place for us to look for talents. While we do everything we can, we realize some of our youth players will not become professionals. Eventually, they end up playing in the A-team of one of our neighboring teams, which benefits them as well."

The commitment towards the youth academy, combined with a clear goal from management to increase the number of players making it to the A-team, came hand-in-hand with significant investments. "Over the years, millions have been invested in our academy. This has not been limited to infrastructure investments, as significant investments in professional staff were made as well." In 2015, the club hired 40 new people for the youth



academy, including a psychologist, dietician and medical staff. "All our coaches have a trainer's license (UEFA A/B), and have prior experience in pedagogy."

The investments in the youth academy start to show results. "We certainly see the quality of our teams and players increase. This increasing quality is unfortunately negatively impacting our retention." In 17/18, RCSC lost 23 players, the equivalent of nearly two teams, mostly to other Belgian clubs. "We need to replace those players, which is a challenge for us, but on the other hand we realize it is thanks to our efforts that other Belgian clubs come chasing our players."

Alain Decuyper sees two ways to increase retention. "Once we have some success stories of youth players who made it to the A-team, our story and promise towards players and parents will become stronger. A second element around which we work is creating that feeling of being a 'Carolo' for all our age groups. Players who can identify with our club and values will stay in the ranks longer. We had a recent example with a young player (10 years), who preferred to stay with us rather than transfer to a big Belgian club."

Retention is a key element the academy works on. The creation of a boarding school with 30 spots dedicated to RCSC youth players illustrates this as well. "This allows players from other parts of Belgium to play for us, while we also open up the doors for players from the neighborhood. Some parents feel it is better for the player to have professional support throughout the entire day." The club realizes not all parents are able to afford the significant cost of a boarding school. "For players coming from a financially vulnerable family, we are willing to cover the charges of boarding school, or other costs related to playing for a professional youth academy. Even though it is a challenge for us to make a distinction between our different players, we feel that as a club we should do as much as we can to give something back to our community," concludes Alain Decuyper.

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# Appendix

The Belgian football clubs have a direct impact on gross output, gross value added, full-time equivalent jobs and taxes, information needed to run the economic model. The annual reports of the football clubs and Pro League deliver the data for gross output and value added, while surveys provide the necessary information on employees in their different functions.

As economic activities in different industries are closely related, a change in one organization will have an impact elsewhere in the economy. Applying input-output models on direct effect quantify this additional impact. Wassily Leontief, Nobel Prize winner, developed this input-output model. It is a quantitative technique to measure interdependencies between different sectors in an economy. National economic bureaus often use the model to calculate different economic indicators, among them 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. It estimates household income and its effect on top of the original impact on the supply chain.

Three types of impact exist in the socio-economic impact assessment framework:

1. **Direct impact:** the industry itself produces a certain impact, by conducting business within the economy, creating gross value added, jobs and tax revenues.
2. **Indirect impact:** the industry's supply chain generates gross output, value added, jobs created and tax revenues as an indirect consequence of the industry itself
3. **Induced impact:** Households benefitting from the industry and its supply chain have increased spending power, which generates additional output, value added, jobs and tax revenues.

The computations in this report are conform to the guidelines outlined by the Belgian Federal Planning Bureau<sup>17 18</sup> The analyses also used working papers on the theory behind input-output model.<sup>19 20</sup>

Some caveats on the economic computations include:

Multipliers are calculated based on 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 generate direct effects, the initial impact. The last available financial year 2018 is used for gauging direct output and direct gross value added generated

## Direct gross output

The revenues of the football clubs generated by the following sources sums up to the direct gross output:

- Gate receipts & season passes revenues
- Broadcasting revenues
- Sponsoring & advertisement revenues
- Commercial revenues
- UEFA prize money

Subsidies received by the State or the benefits of the reduced payroll taxes enjoyed by athletes in Belgium, are not included, even though they appear as a revenue source.

## Direct GVA

The sum of profits before tax and total wages & salaries calculates GVA. As such, the GVA indicates the "value added" to the economy as an answer to the question: "How much value does this activity bring to participants in the economy?" These participants are (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 overlap with the gross output, as the cost of goods sold, which occurs as revenues for suppliers, is not taken into account.

## Direct jobs

The amount of FTEs working for the football clubs account for the direct jobs created. Additionally, a questionnaire filled out by the Belgian football clubs shed more light on the type of FTE's.

## Direct taxes

Annual reports and tax returns give an accurate estimation of the tax contribution of Belgian football clubs and the Pro League. The

17 Belgian Federal Planning Bureau (2016). Multiplicatoren: handleiding.

18 Belgian Federal Planning Bureau (2016). NAM-multiplicatoren: handleiding

19 Avonds L., Belgian Federal Planning Bureau (2013). Working Paper 10-13. Bijdrage van de componenten van de finale vraag tot het bbp 1995-2005.

20 Avonds L., Hambjé C., Hertveldt B., Michel B., Van den Cruyce B. (2016). Working Paper 5-16. Analyse van de interregionale input-outputtabel voor het jaar 2010.

total sum contributed to the State includes 4 relevant buckets of tax contribution:

- Corporation tax
- Payroll and income taxes
- National health insurance contributions
- Value added tax (VAT)
- 
- 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. Other side effects, such as a football supporter in need of a hotel room, generate an indirect impact as well. 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 turn to their suppliers for increased production. The Leontief input-output model provided by Belgium's national planning bureau in its open datasets can calculate his cumulated effect of direct and indirect revenues. The relevant sector for the professional football industry corresponds 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 every €100 generated in direct revenues in the sports industry, corresponds to €75 of indirect revenues 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 serves 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 official data from the Belgian Federal Planning Bureau shows

the indirect effect on employment, by looking 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.

### Indirect taxes

Indirect taxes are taxes generated 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 is located in the NAM-matrix, being 2.18 for Belgian sports industry (NACE code 93). Concretely, this means that every €100 generated in output by the professional Belgian football clubs, corresponds to a generation of €218 in total 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. This means that for every €100 generated in GVA by the professional Belgian football clubs, corresponds to a generation of €223 in total because of direct (€100), indirect (€75) and induced GVA (€48). Caution is necessary 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 is also 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 in the Belgian professional football clubs, an additional 0.5 FTE exists throughout its supply chain while 0.25 FTE exists 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.







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