



News release

Date 2 July 2012

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THE ECONOMICS OF SPORT: PwC STUDY SEEKS TO BENCHMARK OLYMPIC MEDALS TALLY

- **British team set to benefit from 'home town' effect**
- **Economic size matters in medal tally – but David can still beat Goliath**
 - **US and China to renew their top-of-the-table tussle in 2012**

EBENE, 2 July 2012 – Home advantage could once again play a part in how the Olympic medals are shared in August; but the superpowers of the US, China and Russia are again set to battle it out at the top of the Olympic Games medals table in London in August, according to a new analysis by economists at PwC.

This is the fourth time that PwC has published an analysis of how medal performance at the Olympic Games can be linked to such factors as past Olympic performance, economics and state support for sport. This paper updates these estimates to allow for actual results in Beijing 2008.

The following economic and political factors were found to be statistically significant in explaining the number of medals won by each country at previous Olympic Games before allowing for past performance (which subsumes some of these factors as explained in the paper):

- Population
- Average income levels (measured by GDP per capita at PPP exchange rates)
- Whether the country was previously part of the former Soviet/communist bloc (including Cuba and China) that tended to give significant state support to Olympic sports; and
- Whether the country was the host nation.

“In general, the number of medals won increases with the population and economic wealth of the country, but less than proportionately,” says the report’s author, PwC’s UK Chief Economist, John Hawksworth. *“David can sometimes beat Goliath in the Olympic arena, although superpowers like the US, China and Russia continue to dominate the top of the medals table.”*

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PwC STUDY SEEKS TO BENCHMARK OLYMPIC MEDALS TALLY/2...

In the extract below, our model estimates the top 10 medal-winning countries in London compared to Beijing 2008 – for the full table of 30 countries see later in the release.

Country	Model estimate of medal total in London 2012	Medal total in Beijing 2008	Difference
1. US	113	110	+3
2. China	87	100	-13
3. Russia	68	73	-5
4. Great Britain	54	47	+7
5. Australia	42	46	-4
6. Germany	41	41	0
7. France	37	41	-4
8. Japan	28	25	+3
9= Italy	27	28	-1
9= South Korea	27	31	-4

Some of the more interesting conclusions to be drawn from the PwC model are:

- Now it is no longer the host country, **China** may find it more difficult to stay ahead of the **US** (as it did in Beijing on gold medals, although not total medals won).
- The PwC model suggests that the **British** team could win around 54 medals this time around, beating an already exceptionally good performance of 47 medals in Beijing due to home advantage, which has proved significant in all other recent Olympics except Atlanta in 1996.
- **Russia** is projected by the model to continue to perform strongly relative to the size of its economy in third place (68 medals), but it does continue to drift down the table relative to the heights of its performance in the old USSR era.
- The model still suggests that **India** is a significant underperformer relative to its population and GDP, with a model target of around 5-6 medals for London after allowing for past performance. The most plausible explanation is that, with the exception of hockey, Indian sport tends to focus on events that are not included in the Olympics, notably cricket.
- The model estimates suggest that larger Western European countries such as **Germany, France, Italy, Spain** and the **Netherlands** might be expected to broadly match their Beijing 2008 performances – though they will no doubt hope to do better.
- Countries where the model targets for London are below those for Beijing include **Australia** (still in gentle decline from the heights of Sydney in 2000) and some former Soviet bloc countries where the legacy advantages of strong state support from the pre-1991 era may be gradually fading, such as **Ukraine** and **Belarus**.
- As well as Great Britain, countries that the model suggests have the potential to do better than in Beijing include: **Japan, Brazil** (in the run-up to being the host country in 2016), **Romania** and **Turkey**.

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PwC STUDY SEEKS TO BENCHMARK OLYMPIC MEDALS TALLY/3...

Notes to Editor:

1. Model estimates of London 2012 Olympics medal totals as compared to Beijing 2008 results

Country	Model estimate of medal total in London 2012	Medal total in Beijing 2008	Difference
1. US	113	110	+3
2. China	87	100	-13
3. Russia	68	73	-5
4. Great Britain	54	47	+7
5. Australia	42	46	-4
6. Germany	41	41	0
7. France	37	41	-4
8. Japan	28	25	+3
9. Italy	27	28	-1
10. South Korea	27	31	-4
11. Ukraine	21	27	-6
12. Cuba	20	24	-4
13. Spain	18	18	0
14. Netherlands	16	16	0
15. Canada	15	18	-3
16. Belarus	14	18	-4
17. Brazil	14	13	+1
18. Kenya	13	14	-1
19. Romania	11	8	+3
20. Hungary	11	10	+1
21. Jamaica	11	11	0
22. Poland	10	10	0
23. Turkey	10	8	+2
24. Kazakhstan	9	13	-4
25. Greece	8	4	+4
26. Norway	7	10	-3
27. Bulgaria	7	5	+2
28. New Zealand	7	9	-2
29. Denmark	7	7	0
30. Argentina	7	6	+1
Top 30 total medals	761	792	-31
Other countries	197	166	+31
Total medals	958	958	0

Source: PricewaterhouseCoopers model estimates

2. The information in this press release is drawn from the full study produced by the UK firm of PwC entitled **Economic Briefing Paper: Modelling Olympic performance**. This paper updates similar studies published at around the time of the 2000, 2004 and 2008 Olympics.
3. PwC firms help organisations and individuals create the value they're looking for. We're a network of firms in 158 countries with close to 169,000 people who are committed to delivering quality in assurance, tax and advisory services. In Mauritius, PwC is a 280 strong professional service firm delivering a wide range of advice. From risk to restructuring to taxation, wherever businesses need support, PwC has a range of services and solutions to offer. Visit www.pwc.com/mu for more information.



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