

World Cup: It's the winning, not the hosting, that delivers an economic boost

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Winning the FIFA World Cup significantly increases GDP growth in the two quarters following the competition by up to 0.25 percentage points, according to new research from the University of Surrey.

However, hosting the event—often seen as a glittering prize for a nation's economy and reputation—does not deliver a boost in GDP growth, and may even lead to a negative economic impact.

The research discovered that the winning country's increase in GDP is primarily led by an increase in exports growth, rather than driven by consumption growth or growth in investments. The evidence is consistent with a greater appeal of national products and services on the [global market](#) after the victory of a major sporting event.

Dr. Marco Mello, author of the study and Economics Postdoctoral Research Fellow at the University of Surrey, said, "The evidence strengthens the idea that success in one of the most viewed and prestigious international sporting competitions has the potential to affect the business cycle."

The paper used data from the Organization for Economic Co-operation and Development (OECD), starting from 1961, to examine whether winning the FIFA World Cup boosts GDP growth. The analysis pooled together all countries who have won the tournament and compared them with a set of countries who, by contrast, did not win.

With regards to the host country, previous research has found that the 1994 World Cup hosted by the US was more of a burden than an economic opportunity—concluding that US host cities might have experienced up to \$9.3 billion of cumulative losses, contrarily to the expected \$4 billion gain.

Considering the current economic crisis, Dr. Marco Mello also said, "If England were to win the FIFA World Cup in 2022, it may help alleviate the current economic crisis for British trade and exporters, who have recently faced the shock of Brexit."

This study has provided novel evidence on a publicly debated issue that, cyclically, ends up influencing macroeconomic forecasts and, consequently, policy making. This evidence is particularly relevant considering the recent proposal by FIFA to make the football World Cup

a more recurrent event, taking place every two years instead of four.

A working paper of the research is available in the *SSRN Electronic Journal*.

More information: Marco Mello, A Kick for the GDP: The Effect of Winning the FIFA World Cup, *SSRN Electronic Journal* (2022). [DOI: 10.2139/ssrn.4226179](https://doi.org/10.2139/ssrn.4226179)

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