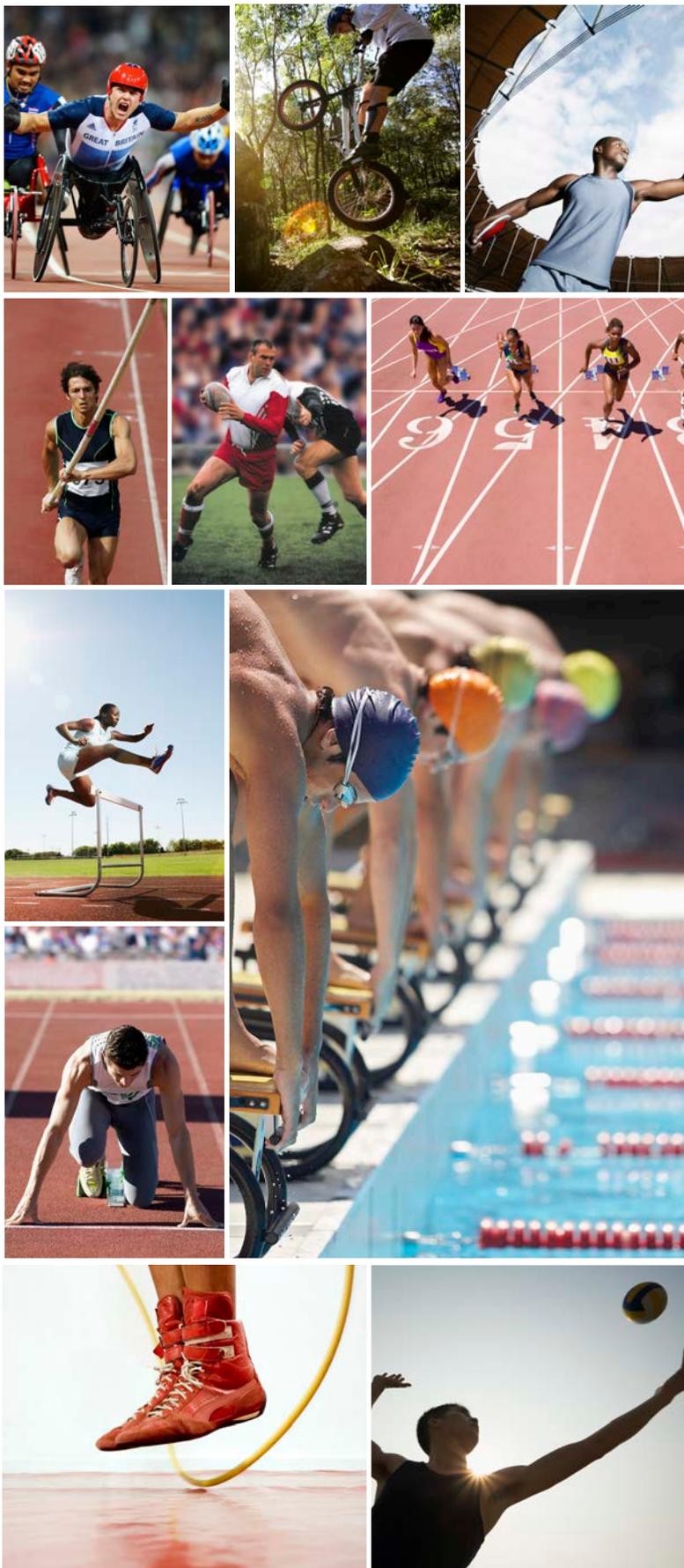




Economic Impact 2022 Commonwealth Games South Africa: Durban Host City



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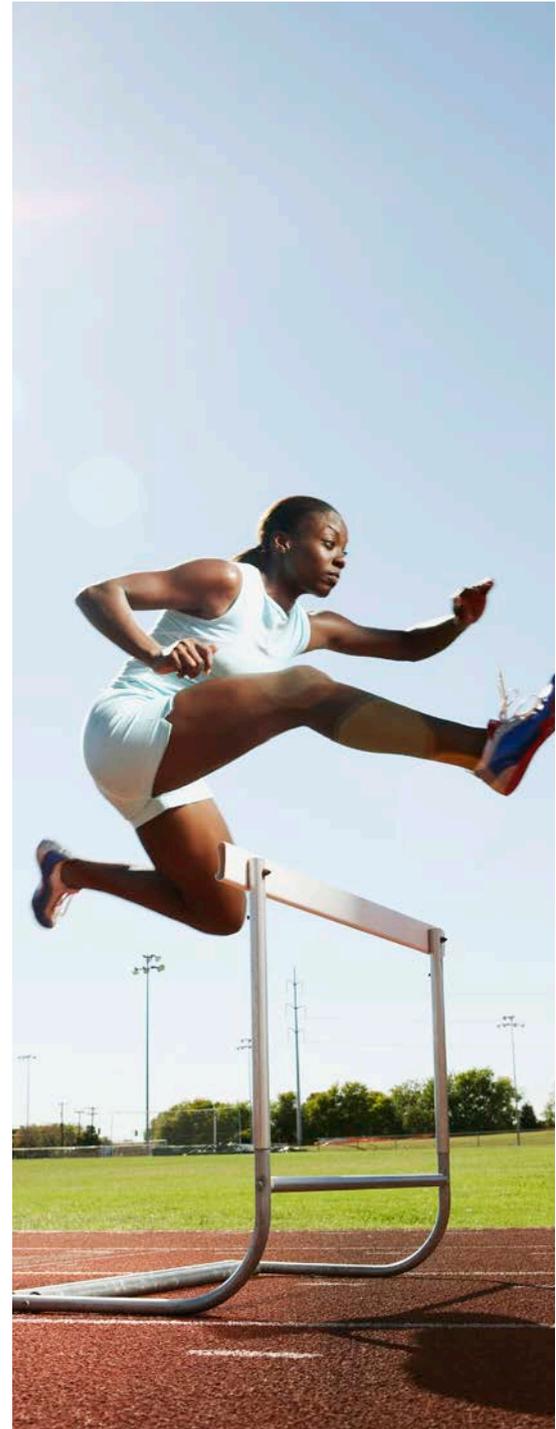
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Executive Summary

Since its inception in 1930, the increasing scale and reach of the Commonwealth Games has attracted a global audience and provided each Host Nation with significant opportunities to develop infrastructure, create sustainable job opportunities and enhance the skills of its people. In addition, the Games has helped to attract international investment and tourism, leave a lasting legacy for its people as well as increased participation at various levels and codes of sport.

The 2022 Commonwealth Games is expected to attract more international visitors than any previous Games, with up to 200 000 visitors expected over the duration of the Games. These visitors will bring with them significant incremental spending to the economy, from purchasing tickets to travel costs, accommodation expenses, entertainment, meals and beverages, visiting local tourist attractions and procuring other goods and services. In total, international visitors are expected to contribute up to R12 billion in direct expenditure.

Investment in infrastructure for the Games is expected to contribute to the lasting benefits of the Host City. The added exposure to global markets will also provide opportunities to attract and enhance tourism and foreign direct investment. In total, the 2022 Commonwealth Games is expected to deliver up to R20 billion in output to the economy, translating into an estimated R11 billion GDP growth.



Our South African story

“We are Africans, we are an African country and are part of a multi-national region. We are an essential part of the African continent. Being Africans, we are acutely aware of the world around us which is embedded deeply in our past and present history. South Africa as a country took its Destiny in owns hands, brought about Equality amongst its people and put Humanity at the foundation of its nation”

South Africa has had a long and turbulent history as part of the Commonwealth Nations, following its exclusion in 1961. It rejoined the Commonwealth Nations in 1994, to stand tall amongst its peers. Our story is one of unity, diversity, forgiveness, rise and affirmation of its peoples. It's a story of reconstruction and development to accelerate progress and build a more inclusive and an empowered country.

South Africa has made remarkable progress since the advent of our democracy in 1994. It is up to all South Africans to continue the journey in building an even brighter and better future. The National Development Plan which outlines South Africa's 2030 comprehensive national strategy sets out key interlinked priorities of which the following are of fundamental importance:

- ▶ Improving infrastructure
- ▶ Re-engineering spatial patterns/human settlements
- ▶ Uniting all South Africans around a common programme to achieve prosperity and equity
- ▶ Bringing about faster economic growth and higher investment.
- ▶ Focusing on key capabilities of people and the state

Equally the city of Durban has aligned its Integrated Development Plan to the National Development Plan and thus aims to ensure that “by 2030, eThekweni (the greater Durban Metropolitan area) will enjoy the reputation of being Africa's most caring and liveable city”. To this end the city has developed an 8 point plan to accelerate economic growth, job creation and service delivery.

Whilst hosting the games in Africa for the first time will give the Commonwealth Games Federation (CGF) the opportunity to showcase its values about humanity through the South African story, the core theme is around inspiring African youth to take charge of their Destiny and make this place liveable and caring. The opportunity of hosting the Commonwealth Games in Durban, South Africa in 2022 will be the catalyst and a game changer in the lives of many ordinary people.



International popularity of The Commonwealth Games continues to grow

The start of Commonwealth Games

The commonwealth Games first took place in 1930 in Hamilton, Canada and has since been held every four years.

11 **member nations** initially participated in the Games, which has since grown to 71 member nations as of the 2014 Games in Glasgow

11
1930

71
2014

A growing number of athletes are **competing in the Games** and global audience base is increasing

Athlete participation has increased from 400 in 1930 to 7300 as of the 2014 Games in Glasgow. In addition, the strong international profile of the CWG is reflected in television audiences across the world which have grown significantly over time.

400
1930

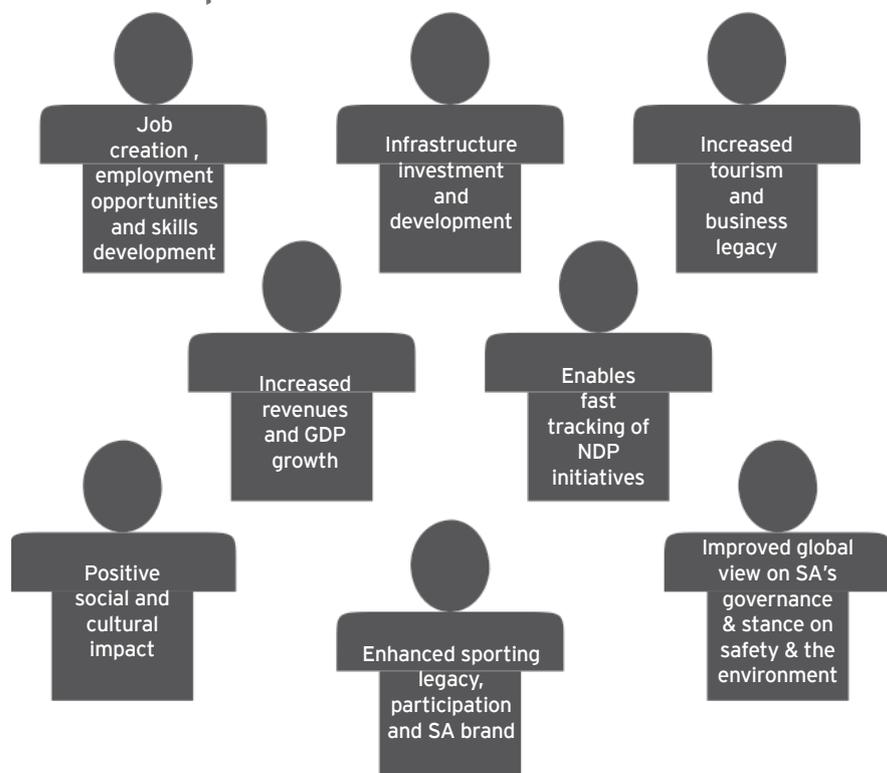
7,300
2014



The Commonwealth Games attracts millions of people and will generate significant economic benefits to the Host Nation



The benefits to the Host nation are varied and widespread:



Legacy will play a critical role

The impact on GDP shows the economic benefits of the games in the short term. However, there are also important broader benefits that are expected to leave a lasting legacy. Tangible legacy, will be derived through infrastructure development, additional housing, stadium and facilities upgrades, urban mobility and improved telecommunications, amongst others.

The social legacy benefits include improved self-esteem of all people hosting the Games, the gains in education and training provided through the Game's experience, temporary and permanent jobs, the social inclusion of underprivileged youth and elderly people under the volunteer program the inclusion through sports, the improvements obtained with investments in health, safety as well as income generated by increased economic activity.

Institutional legacy will be derived through the experience of managing a mega event, under tight schedules, involving various public entities and government departments in unprecedented joint efforts, together with the private sector.

The Games will support job creation, employment opportunities and enhance skills development

The Games are expected to create and support a variety of jobs across the country as well as ensure sustainable skills development

The hosting of the Games will create a wide range of opportunities across sectors and importantly for a variety of demographics of the population ranging from skilled to unskilled individuals. In addition to full-time employment, flexible jobs will be supported which may include part-time, contractor work prior to, during and post the Games.

The delivery of 2022 Games will require the hiring of an estimated 1,000 full time staff members at its peak, who will work to ensure the successful delivery of the Games as part of the organising committee.

The infrastructure investments will also require a number of employees to implement infrastructure upgrades as well as fast track new construction for example the Athlete's Village. These may be in the form of full-time, part-time or contractor work in the construction industry.

The increased demand in the tourism, hospitality, entertainment, food and beverage sectors will also increase demand for more staff and additional hours for existing staff.

The increased demand throughout the national supply chain will also stimulate the level of employment directly and indirectly in a variety of supporting industries including SMMEs and the micro economy. The increase in employment and employee's hours creates additional wealth in the economy which further supports expenditure.

10,000

Volunteers from around the country including the youth and senior citizens

3,400

Additional employees directly linked to the Games

1,000

Full-time employees delivering the Games as part of the organising committee

2,750

Jobs created indirectly through the induced effect

4,500

Jobs will be supported along the national supply chain

Note: The above figures have been determined based on the latest information available and as provided by the various stakeholders

The Games will enable skills development through volunteer and other similar programmes

The preparation and hosting of the Games would require the assistance of a significant number of support staff. Based on the experience of past Games as well as in support of building a legacy, a number of volunteers would be recruited and trained in a manner which would equip these individuals with a sustainable level of skill which would increase their future employment opportunities.

History of past Games confirms that the excitement of being involved in the Games, together with the experience of being a volunteer creates invaluable experience and skills for the thousands of individuals from across the country who will have the opportunity to contribute to the 2022 Games through the volunteer and other similar programmes.

Investment in infrastructure and existing capacity to support a successful games delivery

Existing stadium and other sports facilities require minimum investment to host the 2022 Games in the city of Durban

Durban as the Host city is home to the world class Moses Mabhida stadium which has hosted the 2010 Soccer World cup and other mega events and requires minimum capital investment ahead of the 2022 Commonwealth Games. In addition, other sports venues required outside of the Moses Mabhida stadium, to host certain of the codes of sport are also in existence and requires minimum level of infrastructure upgrades as well as planned maintenance which has been budgeted for through the city and other government departments. The sporting precinct plan is spread over a 2.5km radius, where majority of the sporting events will be held. This creates a unique platform for the Games to be easily planned around all operational and legislative requirements. The Athlete's Village is planned to be constructed on an identified site which is easily accessible to the stadium.

Athlete's Village:

One of the major capital investment required for the Games relates to construction of the Athlete's Village. One of the priority initiatives in terms of South Africa's National Development Plan (NDP) relates to the provision of housing infrastructure. This capital investment in the Athlete's Village will be planned and executed in a manner which will benefit communities through fast tracking additional housing units, within the larger Durban area and integrating these individuals into the economic heart of the city in support of the NDP strategy.

Leveraging existing transport infrastructure plans:

The city of Durban has in place approved plans as part of its "Integrated Rapid Public Transport Network" which aims to provide a flexible, safe, cost effective and seamless transport experience within the greater Durban area. The implementation of these plans coupled with significant planned capital investment will significantly enhance the public transport system in and around the city prior to 2022. The Games will leverage and greatly benefit directly from this investment which will enable a successful delivery of the Games.

Durban has in place a well established support infrastructure:

Having hosted a number of major events Durban has well established infrastructure and high quality facilities in terms of air travel accommodation, hotels, healthcare systems, security of food supply, public and private security, hospitality and entertainment facilities, restaurants and other facilities to cater for international tourists from various parts of the world.

Improvement to facilities for of those living with physical disabilities will be greatly enhanced through the various capital and operational investment plans prior to, during and post the Games. As such the facilities at the games will be well equipped to support athletes competing in para sports.



Economic and social benefits aligned to South Africa's National Development Plan (NDP)

Fast tracking of certain National Development Plan initiatives:

As part of creating a Legacy, the Games will be designed, planned and executed in a manner that enables certain national priorities example housing infrastructure development. It is envisaged that the athlete's village will contribute approximately 1800 housing units within the greater Durban area, post the event, which could accommodate approximately 7 000 individuals. In addition, the magnitude of the Games pre, during and post the hosting of the Games will have lasting benefits both directly and indirectly for the people of South Africa, in a manner that supports the NDP strategy, objectives and initiatives.



NDP Priority Area	National impact	Provincial impact	Local impact
An economy that will create more jobs	✓	✓	✓
Improving infrastructure		✓	✓
Transition to a low carbon economy		✓	✓
An inclusive and integrated rural community			✓
Reversing the spatial effects of apartheid	✓	✓	✓
Improving the quality of education, training and innovation	✓	✓	✓
Quality healthcare for all		✓	✓
Social protection	✓	✓	✓
Building safer communities	✓	✓	✓
Reforming the public service	✓	✓	✓
Transforming society and uniting the country	✓	✓	✓

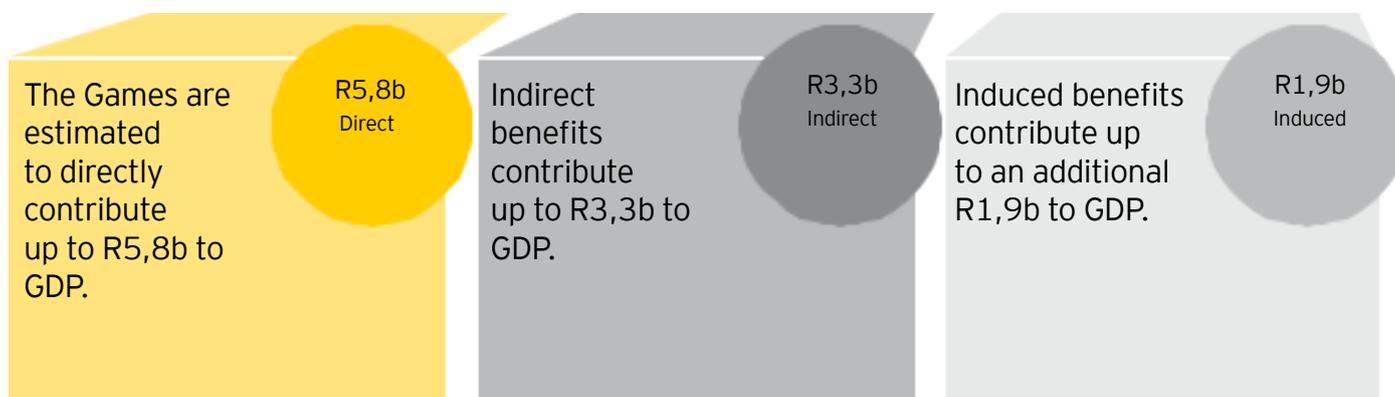
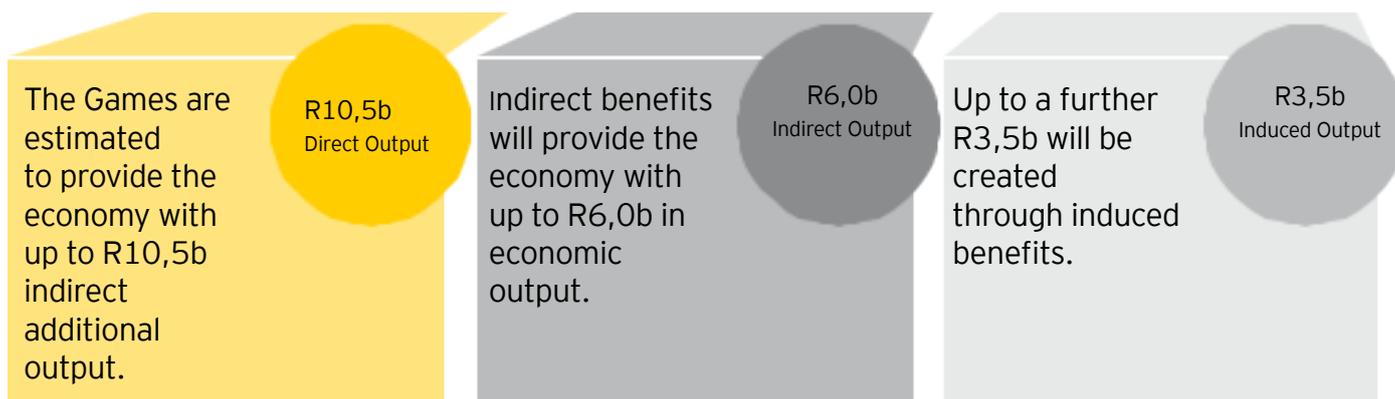
The Commonwealth Games 2022 will contribute significant GDP growth to the economy

National Economic Boost:

It is the vision of the bid company that the overall financial boost to the national economy will be significant and a major proportion of all contracts and expenditure will be secured through local companies via competitive bidding processes. This will support our BBBEE and local supplier development initiatives which are legislated and will be managed through effective governance and robust procurement mechanism and processes.

Estimated output represents the expenditure within the economy attributed to hosting the 2022 Games. It is projected that R20 billion in total will be spent within the economy. The correlating contributions towards GDP growth is also illustrated below.

In addition, exposure as a Host City attracts significant global business investment and tourists. The visibility of the host nation and city name in stadiums, on television and other media including social media provides an advertising platform for local campaigns.



Economic benefits of hosting the 2022 Commonwealth Games



The economic benefits to South Africa and in particular Durban will be generated in a variety of ways :

Direct revenues: It is estimated that approximately 1.3 million tickets to events, will be sold over a 11 day period at affordable average prices as well as entrance fees to fan parks, contributing significant to direct revenues. In order to promote the Games legacy and bring together foreign and local people, ticket prices to events as well as fan parks will be carefully determined to support this legacy.

Enhanced revenues: Positive revenue impact across all sectors will be derived as a result of increased economic activity prior to, during and post the Games including the construction, hospitality and entertainment, accommodation, food and beverage, safety and security, transportation services, tourism as well other commercial and public sectors either directly or indirectly.

Enhanced business opportunities through Tourism: It is estimated that 7 300 athletes, 1 000 technical officials as well as their families and other supporters will visit and tour the country prior to, during and post the Games, contributing to the national fiscal. The Games will contribute significantly to the overall tourism within the city of Durban which will support Durban to evolve into the tourist hub that showcases South Africa.

The economic benefits of hosting the 2022 Commonwealth Games will be derived from a number of elements as indicated below.

	Direct impact	Indirect impact	Induced impact
Pre- Games preparations	<ul style="list-style-type: none"> ▶ Infrastructure development and refurbishment ▶ Job creation and skill development ▶ Planning and delivery team costs 	<ul style="list-style-type: none"> ▶ Increased demand throughout National supply chains 	<ul style="list-style-type: none"> ▶ Spending across the economy stimulated by additional employment
Delivering the 2022 Games	<ul style="list-style-type: none"> ▶ Ticket revenue ▶ Match day spending ▶ Fanzones and stadia spend ▶ Tourist spending in local economies 	<ul style="list-style-type: none"> ▶ Job creation and skill development ▶ Enhanced TAX contributions 	
Legacy post the Games	<ul style="list-style-type: none"> ▶ Fast tracking national development plan initiatives ▶ Increased participation in sport ▶ Improved local infrastructure ▶ Lasting tourism effects and positive economic impact ▶ Business legacy - profiling of Host City for inward investment ▶ Enhance South Africa's brand global view in terms of governance, infrastructure, safety, and standards ▶ 'Feel-good' factor and the positive outlook in the minds of all South Africans 		

International visitors will generate activity throughout the economy

Visitor spending is the key component in enabling the host city economy from benefiting economically.

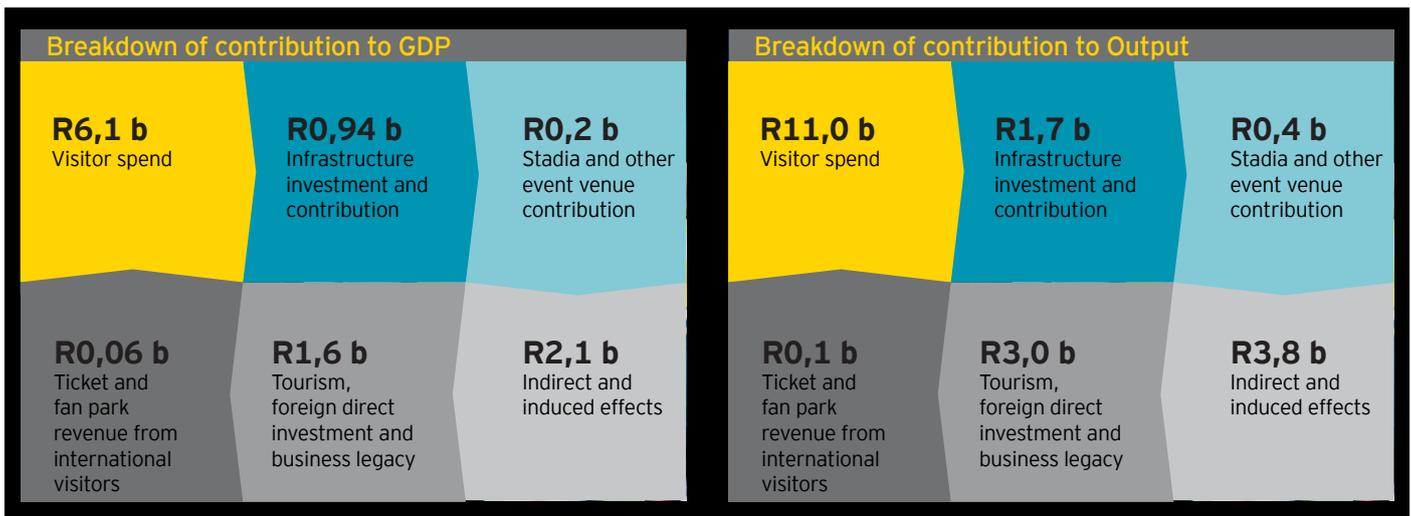
In addition, revenue from ticket sales to the various events as well as entrance to the various fan parks will also generate revenues to fund the Games delivery.

In order to promote the Games legacy and bring together foreign and local people ticket prices to events as well as fan parks will be affordable to support this legacy

Expenditure by international visitors is a net addition to the demand for goods and services in the national economy, with a multiplier effect that will ripple through supply chains, stimulating output and providing jobs across South Africa.

Visitor expenditure can be broken down into stadium and match related spend as well as general tourism spend example travel, accommodation, food and beverage. In addition, revenues from fan parks have the potential to generate significant revenue through food and beverages whilst creating a focal point for visitors and residents alike.

Between 1,2 and 1,4 million local and foreign visitors are expected to attend over the 11 day duration of the 2022 Games. In total, it is estimated that visitors will inject up to R12 billion of revenue into the SA economy.



Other key benefits of the 2022 Commonwealth Games

The experience of previous Games confirms that there is a lasting positive impact on the host economy, with increased exposure to potential visitors and investors supporting future growth ambitions.

Enhance South Africa's brand:

The successful hosting of the Games will significantly enhance South Africa's brand as a major events destination as historical data indicates major positive upswing in hosting other major events, post the commonwealth games, in various previous host cities.

This will further contribute to building upon the successful 2010 FIFA World Cup and in particular the "feel good" experiences for all players, visitors and residents of South Africa.

Global views and perceptions of crime within South Africa:

The successful planning, delivery and post Games events and activities creates a platform for South Africa to present to the world our crime prevention strategies, capability and mechanisms to create a safe environment for all people living and visiting our country at all times prior to, during and post the Games.

Improvements in technology and connectivity:

Previous host city legacies indicate several benefits in terms of enhanced and improved information, communication and technology (ITC) capability as well as capacity to the advantage of business and communities.

In addition, individuals are more connected through the benefits of Wi-Fi access. One of the aspects that most attract a country to host the Games is the tourist inflow generated by such an event, not only directly, with fans who will watch the games, but also indirectly, as a result of the international media exposure.

Enhance South Africa's position as Responsible African and Global citizen:

The nature of the Games from planning to delivery as well as post execution demands the highest levels of governance, effective controls and independent oversight. This is an area which is highly regulated by the CGF and creates an opportunity for Durban and South Africa to demonstrate the levels of governance, controls and independent oversight being practised and applied, a responsible African and Global citizens in all aspects of the Games.

Other
key
benefits

The Commonwealth Games 2022 can act as a catalyst for the further growth of the Games

The Commonwealth Games Federation (CGF) continues to leverage the exposure of each games held to create a sustainable legacy for sport, with major investments being made in building capacity and increasing participation in a manner that continually improves the level of sport across all disciplines.

South Africa is committed to seizing the opportunity that the 2022 games presents to help continue to grow the various codes of sport. Various initiatives, programmes and investment will be incorporated as part of the organising committee plans to ensure that this priority is managed throughout the process and importantly that this legacy will live on well beyond 2022.

Increasing participation and capacity building

Improved facilities

As part of the legacy of the games investment and capital infrastructure as well as upgrades to existing infrastructure will enhance participation in various codes of sport both at the professional as well as junior/ development levels. Awareness of these facilities during and post the games will further promote participation. A further spin off from the games revenue legacy programmes will ensure support to local clubs, rural areas, emerging sport and other basic infrastructure required to further support the interest, participation and love for sport.

Investing in people

South Africa has a number of world class athletes who's profiles will be further enhanced through the 2018 and 2022 Commonwealth Games. These individuals will be supported, coached and mentored to become brand ambassadors for the budding youth of the nation to promote sport in a manner and level of intensity that is a quantum leap from previous similar initiatives. Support to various clubs and rural/ informal sports facilities will continue as part of the legacy and the deployment of home grown coaches and retired players to promote and advance the level of sport across the country will be prioritised.

Sporting legacy

The Games provides a stage for local athletes to improve their own performances and enhance their personal brand especially in light of the home advantage. Further, the Games creates an opportunity to expose our citizens to less known codes of sport. The Games history indicates that citizens become more physically active during and post the Games and tend to participate in their chosen sport of preference. Ticket prices to events are planned to be set at an affordable level, in an attempt to attract a record number of local citizens.

Cultural engagement

Durban being the host city of choice is diverse and a multicultural destination. The Games creates a platform to showcase to the world this cosmopolitan city which is a reflection of South Africa's rich and diverse culture, heritage and history. The Games future creates a platform for us to show case that we are a creative nation with world class cultural experiences and the ability to deliver a world class experience. This opportunity will unify our nation in a manner that is stronger than any other major event, given the shared sense of passion by all South Africans as well as common sense of civic pride and upholding our international reputation.



Social impact of the Games

Athlete's Village: This significant capital investment, which has been identified as one of the priority initiatives under the National Development Plan (NDP), will benefit communities by fast tracking the construction of additional housing units within the larger Durban area and integrating these individuals into the economic heart of the city.

Job creation: As highlighted previously, job creation is a major legacy of the Games which not only extends to skilled and urban individuals but will also benefit rural, semi and unskilled individuals. All services directly or indirectly related to the Games, such as tour guides, volunteers, hotel and restaurant staff, taxi drivers, bus drivers, public servants will create opportunity for young and previously disadvantaged individuals.

Exposure of local promoters, artists, musicians and performers: The games creates an opportunity and global platform to showcase local talent to not only secure temporary work and income but also to expose these individual to the national and global economies within the fields of performing arts. The city is investing in programmes to develop artists by providing stages, gallery spaces, exhibition opportunities and commercial channels. These individuals will also be incorporated as part of the various cultural programmes aimed at stimulating social cohesion.

Significant benefits derived within the micro and small enterprises sector: Given the significant increase in demand for goods and services, micro enterprises and individuals especially within the rural and outlying areas as well as informal traders would benefit from the Games which is in direct alignment with the country's BBBEE legislation and supply development initiatives. In addition, internship programmes in association with certain suppliers and business partners will also be rolled out for the benefit of young people.

Impact of the volunteer program on individual's education and income: The Volunteer Program is one of the Games' legacy in the area of human capital development. It involves thousands of people, mostly students, but also a significant number of senior citizens who would support the fans, especially foreign tourists. Volunteers will receive training, speak different languages, wear specifically designed uniforms and are identified by badges. A number of volunteers will be selected from rural and previously disadvantaged backgrounds which creates the opportunity for skills development and future permanent employment for these individuals.

As part of the Games, significant investment in enhancing safety and security as well as implementing proactive policing mechanisms would support **reducing the level of violence and crime across the country.**

Improvement to facilities for those living with physical disabilities will be greatly enhanced , through the various capital and operational investment plans.

Enhance understanding of commonwealth countries: One of the Games benefits is the promotion and sharing of culture, diversity, heritage and history of each member country across all athletes, visitors and South Africans. In addition the Games promotes an greater understanding of global citizenship among children and young people.

Social-environmental impact of the Games

The analysis of socio-economic impacts cannot be dis-associated from the environment in a mega event such as the Commonwealth Games, which often serves as a mirror for future actions. Ensuring performance of sustainable development in this type of global event means contributing to a decrease in social and environmental costs, as well as inefficiencies and waste, contributing to a greater social integration and to the continued development of individuals, communities and relationships between the society and the environmental exposure.

Durban as a Host city has adequate systems, processes and mechanisms to monitor various environmental impacts and to proactively mitigate these risks at acceptably defined levels. A number of initiatives will be rolled out to reduce our carbon footprint. Through the capital investment plans, more community parks and green spaces in and around the city will be commissioned. In addition, vacant and derelict land will be improved.

Being socially responsible and with a clear objective to improve the quality of life for all residents, a number of environmental initiatives with defined criteria and indicators have been approved and will continue to be implemented long before the commencement of the Games and beyond. The key focus areas will include:

Energy conservation and climate change: minimise carbon footprint

Landscape and biodiversity: preserve biodiversity by promoting natural landscape

Water: promote water conservation through reduced use

Green buildings and sustainable lifestyles: promote awareness and sustainable lifestyle

Integrated waste management: reduce, reuse and recycle waste supported by landfill scavengers

Transport, mobility and access: attain energy efficiency, using universal accessible means of transport that minimises pollution

Happiness from hosting the Games - "Feel good" factor

The CGF hopes to replicate the carnival atmosphere of past Games to ensure the creation of a 'feel-good' factor which immensely benefits local and national communities.

A number of studies and past Games experience have provided evidence of 'well-being', 'feel good' or 'happiness' benefits from hosting major sporting events. This effect may be explained by residents gaining happiness from:

- ▶ The enjoyment of attending events
- ▶ Being involved as a volunteer and similar programmes
- ▶ Enjoyment of the proximity of the events
- ▶ Attending diverse cultural showcases
- ▶ National pride

The most important benefits included:

- ▶ Uniting people
- ▶ Feel good factor
- ▶ Motivating/inspiring youth
- ▶ Legacy of sports facilities
- ▶ More jobs and additional disposable income
- ▶ People empowerment through skills development and training
- ▶ Improving awareness of disability





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