



Athenà Phèvos

Ancient Greek toys served as the basis for the design of Athena and Phevos—the Athens 2004 Olympic Games mascots

opportunities entailed hard work and required that Greek companies redefine their strategy, strengthen their technological capacity, and develop productive business partnerships.

Different Studies Same Results

According to an OECD study, published in November 2003, the Olympic Games will serve as a catalyst for the Greek economy in general and for business development within the Athens metropolitan area, specifically. The Athens region provides plenty of investment and business opportunities, in areas previously overlooked, such as health (spa) and alternative forms of tourism (archaeological, cultural, conference, etc.), the report stated. Furthermore, the various projects in progress actively endorse the country's construction sector, providing impetus for future investments in Greece.

The Business-Related Benefits of the Olympics

The Olympic Games fuelled investments in various sectors. Involved in many, large and significant projects, such as the building of sports facilities, road networks, transportation systems, and redevelopments, the construction sector was one of the Games' greatest beneficiaries. The industrial and commercial sectors also achieved significant gains, since their contribution in equipment, machinery, food products, clothing, and other merchandise was required.

After an intense crisis, following the Sept. 11 attacks, the Iraq war, and the greater economic recession prevailing in major world markets, tourism also benefited from the Games, as it prepared for the arrival of the Olympic Family and thousands of sports fans, investing in service and facility upgrades. The country's workforce also benefited, gaining valuable training in the Olympic preparation process.

Other sectors belonging to the winners' circle, include energy and telecommunications as they heavily invested to upgrade their infrastructure and improve service quality. Also fortunate were advertising agencies, car rental agencies, and the building materials sector.

The extent to which business opportunities were exploited differed among sectors. Furthermore, capitalizing on the

The OECD report also forecast an increase of exports in the post-Olympic period. If the above-mentioned opportunities are exploited, Athens can easily serve as an international hub, year-round, hosting major sports, cultural, and professional events, and encouraging participation from the country's regional economic sectors.

In 1999, the Institute for Economic and Industrial Research (IOBE) forecast the economic benefits the Olympic Games would create for each sector. For the tourism sector, IOBE predicted a turnover of \$140 million or 2 million overnight stays. For manufacturing, the expected increase in turnover was estimated at \$650 million, primarily owing to building materials. According to the report, the construction sector would be affected significantly, since Games-related projects ranged between \$500-\$600 million. Additionally, the construction sector would also acquire know-how and expertise that it could possibly export later. The report forecast an increase in demand for services in the telecommunications, transport, banking and finance, and commercial sectors, as well as increased demand for translation and consultancy services.

The Centre of Planning and Economic Research (KEPE) also conducted a study which arrived at similar conclusions. The study, titled "The Economic Effects of the Olympic Games," (in Greek) was carried out on behalf of the Ministry of the Economy and Finance in September 2001. The KEPE study reported that the sectors to benefit most from the Athens Olympics would be tourism, employment, and construction. Total economic activity is to double between 1998 and 2010. The Olympic Games had a stronger effect on GDP growth during the preparatory period, and especially in 2001-2002. The extent of the Games' positive effects on the economy will depend on three factors, according to the report: the success of the event and the impression it will leave behind, the extent to which growth opportunities will be exploited, as well as the international, political and economic conditions prevailing in 2004.

In order to quantify the Games' expected benefits, KEPE made hypotheses based on three scenarios, which are briefly mentioned below, simply because they served as a basis for other, more detailed studies. The first scenario is the most pessimistic, assuming the staging of the Olympic Games would be mediocre, the exploitation of opportunities limited, and the international economic backdrop negative. If this scenario comes to pass, than the balance between costs and benefits would be just about even. The average, annual impact on GDP in scenario 1 would be 0.93% for 2004 and 0.07% for 2005-2010.

The second scenario is more optimistic, assuming that staging of the Games would be satisfactory, exploitation of opportunities extensive, but with a negative international, economic climate persisting. In this case, the economy would receive a boost, but long-term

benefits would be fairly insignificant. The average, annual impact on the country's GDP for this scenario would be 1.20% in 2004 and 0.29% for 2005-2010.

The third is the best-case scenario, whereby the Games would be staged successfully, with a significant net benefit for the country. In this optimistic scenario, GDP would increase by an additional 1.34% in 2004 and 0.5% between 2005 and 2010 because of the Games. However, given the state of the national and international economic environment, and the extent to which both the state and individuals have taken advantage of the opportunities presented, the best-case scenario seems unlikely, while scenarios 1 and 2 seem more likely. However, since the final assessment of the Games is not yet possible, in either costs or benefits, any attempt at accurate prediction would be inherently flawed.