



# **ECONOMIC IMPACT OF THE 2014 SOCHI WINTER OLYMPICS**

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The main question is “**Will the Olympic Games boost the economy – at the time when Russia’s growth slowed down to only 1.3 per cent last year?**”



Back in 2007, Vladimir Putin said that Russia would spend **twelve billion dollars** on the Games. **The actual amount is more than fifty billion.**

By comparison, Vancouver’s Games, in 2010, cost **seven billion dollars**

# Costs and direct revenues of selected Olympic Games



=2,4% of GDP

# Created jobs



Russia's low unemployment rate and a tight labour market suggest a limited scope for creation of new employment and any demand for labour may have just pushed up labour costs – another factor that may have contributed to rising costs of the event.

# Impact on the infrastructure

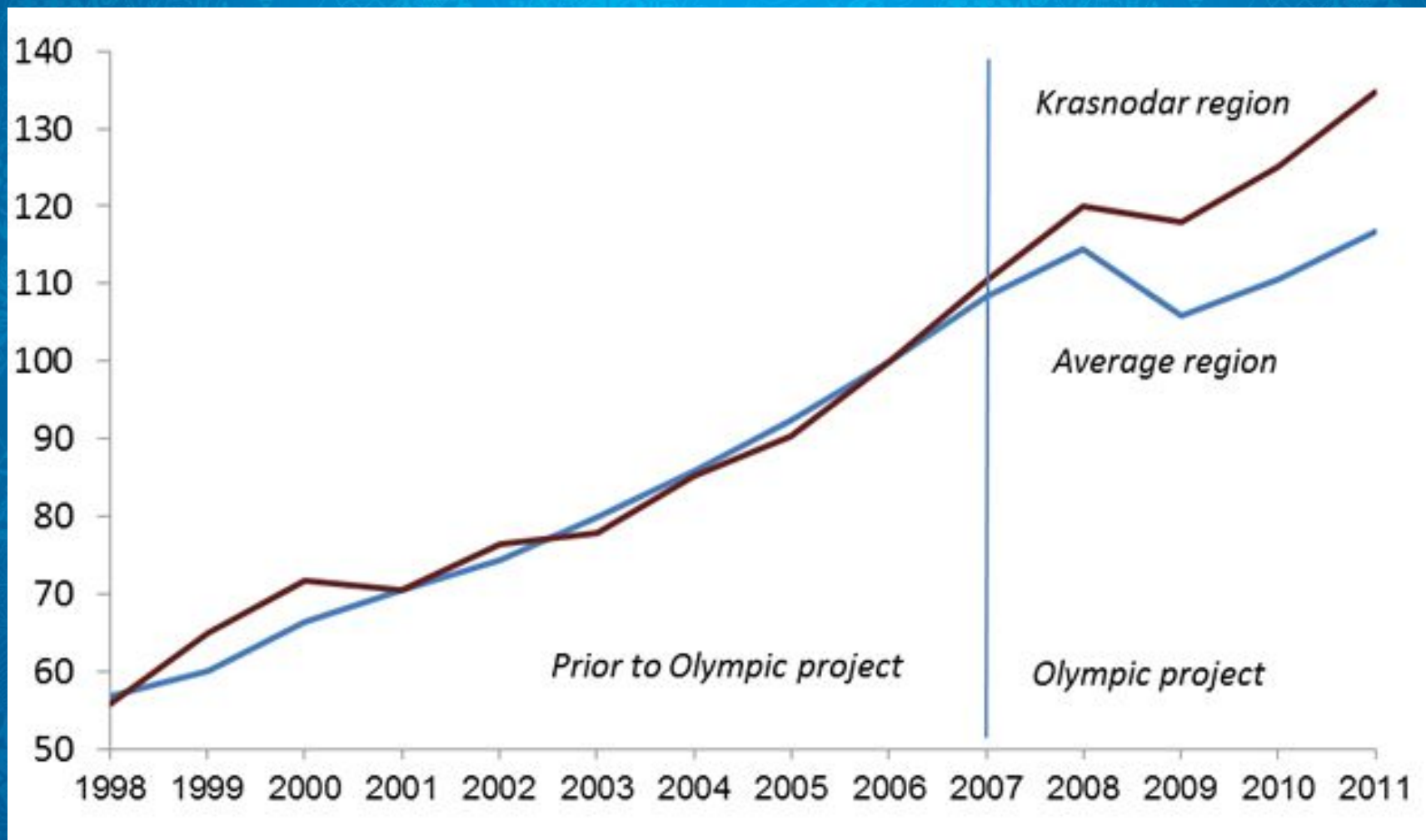
**Business Environment and Enterprise Performance Survey** conducted by the EBRD and the World Bank



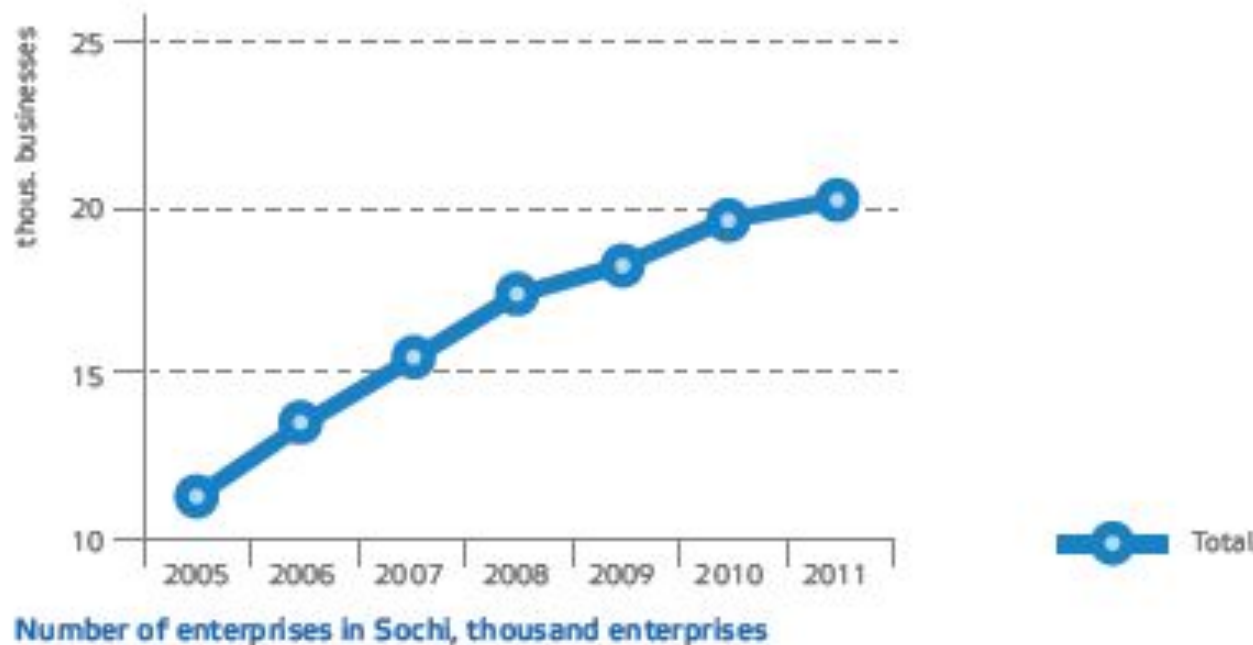
**2008-2009:** *the infrastructure is the key obstacle in the region*

**Today:** *infrastructure is no longer an obstacle*

# Index of real gross regional product



# Change in business and investment activity



In preparation for the Games, in 2008–2010 there was a steady growth in the business activity of companies and entrepreneurs in Russia in general, including the Krasnodar region and the city of Sochi

# Moody's: Sochi Games unlikely to boost Russian economy in the long-term

Even before the start of the Olympics, it had become obvious that the Russian ruble would not become any firmer because of the hoped-for Sochi investment effect.



The national currency had declined by 5 percent against dollar since the start of the year

Moody's said that while the Games would have a neutral impact on Russia's debt rating, **many private investors looked unlikely to cash in on the event.**







**Thank you for your attention!**