



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

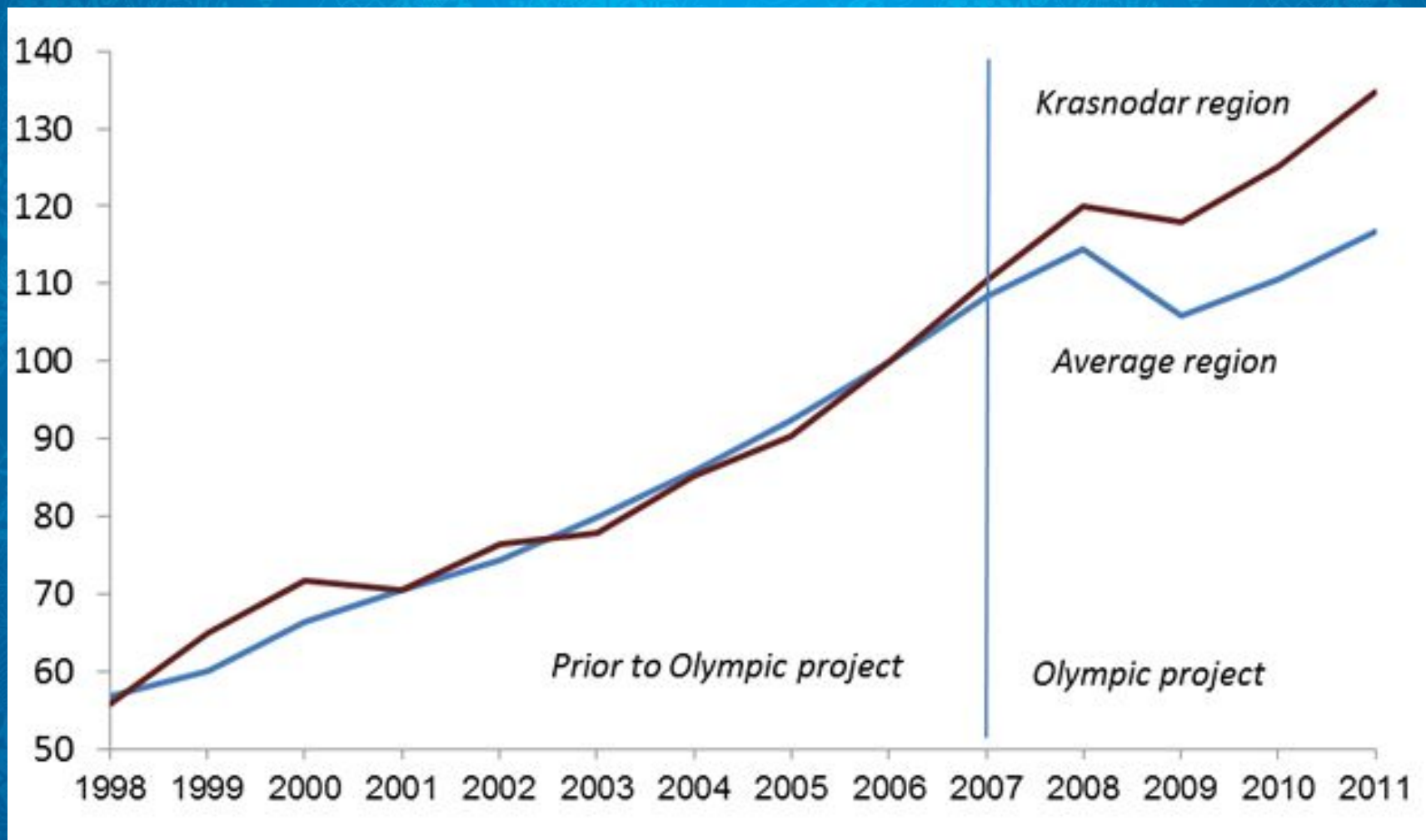
Business Environment and Enterprise Performance Survey conducted by the EBRD and the World Bank



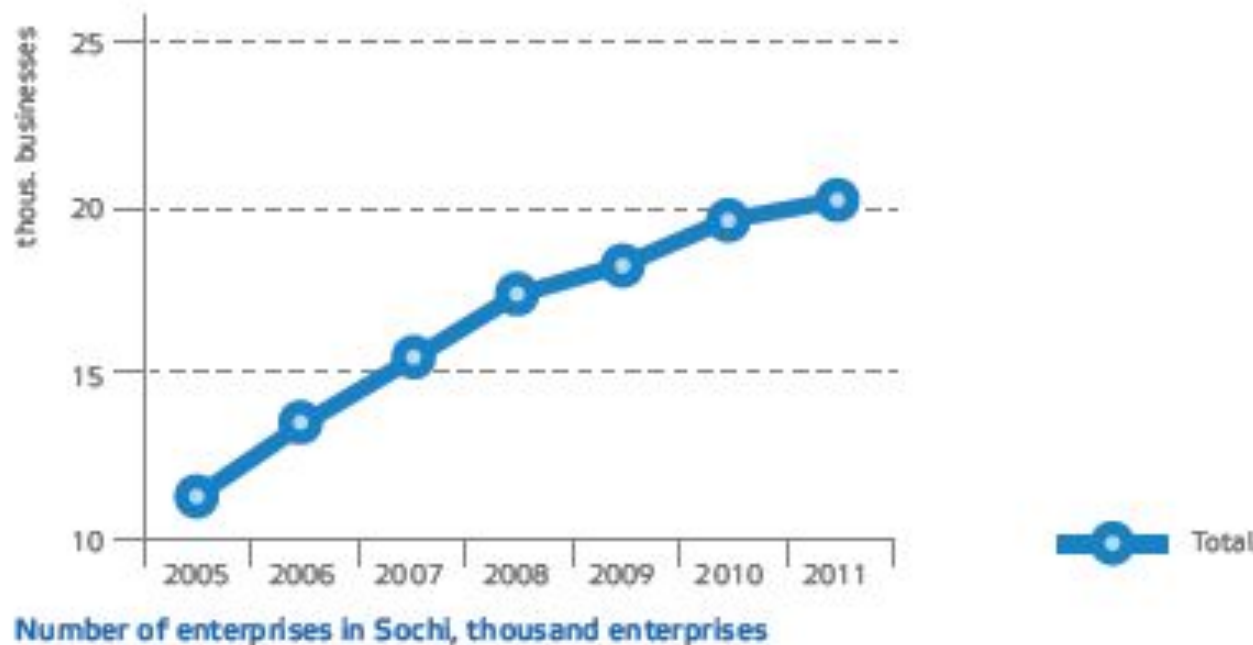
2008-2009: *the infrastructure is the key obstacle in the region*

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!