Did the 2022 World Cup Really Cost More than All the Previous Ones Combined?

As the World Cup final is played in Lusail, a city that did not even exist a few years ago, Qatar 2022 will go down in the history books for many reasons, not all of them exactly football-related. Nothing in the world exists as a separate entity in a vacuum: art, politics, philosophy, business, morals, economics, sports and everything else is and always has been interconnected, which is why the answer to the simple question in the headline is surprisingly sophisticated and uncertain. It might seem straightforward at first: take the data on the costs of all the previous World Cups, add them together and then compare the number you got to the cost of this World Cup. That is a task anyone with a basic knowledge of math and an internet access should be able to complete in minutes. The problem though, is not with the math itself. To answer the question, or more specifically, to find all the numbers necessary, one needs to make a myriad of assumptions and subjective judgements about what should and should not be considered a World Cup cost.

\$229 billion is an astronomical number. It is more than the GDP of most countries in the world, coincidentally close to Qatar's own GDP, but it is also a misleading number, overused in the run-up to this World Cup by the media, <u>citing it as the estimated cost of hosting it</u>.

In order to understand why this number can be misleading and not exact, it helps to paint a similar picture on a much smaller scale: from one person's perspective. Not to diverge very far from the topic, let's just say I wish to host a big World Cup Final watching party with 20 of my friends at my place and I want to understand how much that is going to cost me. This is where the issue of what should and should not be included in the cost calculation comes up. Some items on the costs list are going to be easy to classify as they go directly and solely into the creation of this event: examples would be buying a significant volume of beer and kilograms of chips, ordering food and soft drinks for 20 people and similar purchases meant to be consumed on the spot by the crowd. On top of that, though, I will have to make sure that it is possible to watch the game comfortably for 20 people, so if I have seating accommodations for 10, I will have to come up with ways to amend this: one way would be to borrow chairs from neighbors (hopefully at no financial cost); another would see me buy 10 chairs that will probably be left idle in my closet until the next grand event. If I already have a big TV, then that is one thing off the costs list, but if I don't and I buy one, that surely counts as a cost. Yet that would be a naïve approach: whether I was going to buy a TV anyway, regardless of this watching party happening, determines its inclusion in this calculation. If I opt for a bigger one for the sake of the party, the difference in prices definitely counts. If I choose to rent a projector for the night instead of buying a TV that will be used later, that surely goes down as a direct cost like the beers and chips.

Obviously, there are infinite possibilities and permutations of exactly how much this thing costs. The point is, there is no way of figuring out how much exactly the cost of this World Cup was. And trying to do so misses the point entirely. The benefits of this world cup are going to materialize sometime in the future, and depending on the trajectory that Qatar as a country and the world as a whole take is going to impact those benefits greatly.

Reports state that <u>\$31 bln was spent on transport infrastructure</u>, \$48 bln on hospitality improvements, another \$28 bln on the construction of the new city where the final will be played. All of this infrastructure is going to stay in place after the World Cup and serve the country for decades. Somewhere inside that \$31 bln is all the money spent on transforming the Hamad International Airport in Doha into one of the world's best and busiest airports. In the decade since Qatar got the right to host the World Cup, the airport and the country itself have become an international hub for numerous destinations. In tandem with the airport, Qatar Airways is now considered one of the best airlines in the world, so some of the things the \$229 bln bought are definitely staying for much longer than the tournament itself.

The \$6.5 bln that Qatar spent on building 7 stadiums from scratch and renovating the eighth one is a different story. For a country with close to zero in terms of football heritage or activity, the grandiose structures constructed for this World Cup will mostly sit idle as have some from previous ones in Brazil and elsewhere, so these billions are easy to write-off as direct and irretrievable costs.

On a separate note, when you read that <u>Germany spent only \$3.6 bln</u> on hosting the World Cup in 2006, while Brazil and Russia spent almost \$15 bln each in 2014 and 2018 respectively, you should realize just how much different the starting points were for all of these countries. Germany still is and at the time was one of the most developed economies in the world, it had a footballing heritage matched by only one or two countries and some of the best infrastructure, both footballing and transportation-wise, to host the tournament. Brazil and Russia were developing countries where everything was also developing, including stadiums, roads and hotels, which they improved vastly, something Germany did not have to worry about at all. Qatar had to build almost all of it from scratch. Back to the house party analogy, the cost of having the party would vary by orders of magnitude depending on the initial situation the house found itself in before I sent out the invitations.

One way or another, this World Cup has given Qatar immense visibility. Cities of the Persian Gulf like Doha, Manama or Kuwait were often overlooked as Dubai became the main international hub and the crown jewel of the gulf, so they try to make themselves visible to the world by unconventional means. Qatar hosted a Formula One race for the first time last year, as did Saudi Arabia, as have Bahrain, the UAE and Singapore been doing for more than a decade now.

Whatever the costs of this World Cup, the publicity that Qatar has gained is unparalleled among its peers. The next World Cup will be held in North America, in no less than three countries. Do not expect the cost of that to be anywhere near the numbers written in this article, except, maybe, for the \$3.6 bln German budget for 2006. The USA, Canada and Mexico have the stadiums, the transportation and the hospitality infrastructure to handle a few more millions of visitors and 104 more football matches. Qatar did not, now it does. For a country with more than a century's worth of natural gas reserves, it was probably worth it.