

# FIFA World Cup 2014 - Unprecedented Growth And Investment Opportunities In Brazil



The 2014 FIFA World Cup is almost one year away, but the contest for tickets is already under way. Of the estimated 3.3 million tickets available, 2.3 million tickets were requested within 24 hours when the sale opened on August 20th, 2013. The tournament will be hosted across 12 venues spread all over Brazil. Salvador, the capital of Bahia, will be hosting six games.

The tournament, which arouses the passions of football fans all over the world, will surely create new records in publicity and viewership as it is being held in a country that just loves its football and has produced some of the best players in the world. Brazil is a place that people view more as an experience than just a country.

For visiting football fans and tourists, the World Cup is going to treat them to an entertainment bonanza - exciting competition, calm scenic beaches, great cuisine, parties, nightlife and celebrations.



The government is taking the right steps to make this a great experience for everyone with huge investments in infrastructure. Bahia is also receiving its share of the attention as Salvador prepares to host some important matches.

### World Cup 2014 - Bahia Plays Its Part

A total of 32 teams will be competing in the tournament, which starts on June 12th, 2014. The Taipava Arena Fonte Nova stadium in Salvador, Bahia will be one of the venues. There are 64 matches in all, 48 group matches, followed by 14 in the knockout stages, a third place playoff and the final.

Salvador, Bahia will host four of the group matches, one round of sixteen and one quarter-finals match. Here are the details:

Match: Group B: B1 versus B2.

Date: 3 June, 2014.

Time: 4 p.m.

Match: Group G: G1 versus G2.

Date: 16 June, 2014.

Time: 1 p.m.

Match: Group E: E1 versus E3.

Date: 20 June, 2014.

Time: 4 p.m.

Match: Group F: F2 versus F3.

Date: 25 June, 2014.

Time: 1 p.m.

Match: Round of 16: Leader of group H versus Runners up of group G.

Date: 1 July, 2014.

Time: 5 p.m.

Match: 3rd Quarter-finals.

Date: 5 July, 2014.

Time: 5 p.m.

A major tournament such as the football world cup needs a lot of infrastructure and considering that Brazil is going to host the next Olympic Games as well, the country is in the process of making huge infrastructure investments.

The draw will be held in <u>Costa do Sauipe</u>, a resort in the Bahia region of Brazil on December 6, 2013.

#### **An Overview Of the Infrastructure Projects Involved**

More than half of the stadiums hosting the tournament are brand new. Five others are being renovated. Some are ready and in the remaining, work is going on at a fast pace.

The investments involved are massive by any standards, with the construction or renovation of each stadium going to cost a few hundred million dollars. The National Stadium in the capital Brasilia is going to cost more than 500 million dollars.

Stadiums are not the only areas in focus. The world cup is going to see an unprecedented number of visitors and a lot of travel within Brazil as spectators move from one venue to another. Travel infrastructure, including roads, railways and airports are being added or renovated. Similarly, telecommunications infrastructure is also being modernized and enhanced.

The large number of visitors will also require other services such as hotels and food outlets.



Although Brazil is not lacking in either of these areas due to the popularity of the country as a tourist destination, capacity has to be augmented and the overall quality has to be improved.

The above investments are just a small fraction of the overall investment. In short, Brazil's entire infrastructure will see a major transformation. The country will continue to reap the benefits long after the World Cup and the Olympics are over. Some estimates from people in the Ministry Of Sports put the infrastructure investments close to about 18.7 billion US dollars.

#### **Huge Publicity, Advertising And Real Estate Opportunities**

As Brazil becomes the focus of the world's attention in the next two years, according to reliable estimates, the number of visitors is going to increase by about 80%, which means a million extra visitors in the span of two years. But that is nothing compared to the number of people who are going to watch the events on television.

According to FIFA estimates, the combined viewership of the 2006 World Cup in Germany was about 26 billion. The event created a total of 71,000 hours of television broadcasting. The last World Cup in South Africa was broadcast by 245 channels in



204 countries. It is not too difficult to imagine the kind of viewership the 2014 tournament will generate. Publicity, branding and advertising opportunities for Brazil and Brazilian businesses will expand on a scale that has never been seen before.

The increased attention is already being felt in the real estate market. There is already a rush to buy properties before the prices get pushed up due to the upcoming sporting events. The money-spinning opportunities that the events will offer for real estate investors has not gone unnoticed.

Many people, who are looking for homes, apartments and commercial properties, intend to cash in on the huge number of visitors and the subsequent boost that the infrastructure investments will give to tourism. The World Cup and Olympics give an unprecedented opportunity to real estate investors to give their income streams a head-start as accommodation facilities will see demand beyond what they can possibly offer. Once the games are over, the same facilities will be kept busy due to the boost these events will give to the number of tourists visiting the country, especially the coastal regions of Bahia.

#### The Impact Of The World Cup On The Economy

Calculations by Ernst & Young reveal some astonishing facts and figures:

- 1: Production of goods and services for the World Cup will be close to USD 56 billion, which is more than four times what the country is spending on it.
- 2: Additional 6% increase in the GDP of the country during the period.
- 3: Three million additional jobs.
- 4: Food and beverages industry, tourism and utilities are likely to be the biggest beneficiaries.



- 5: The economic growth will be tremendous in the cities and states hosting the tournament.
- 6: Construction and sales of real estate are likely to see a huge boost and the property market

is expected to see rapid expansion, especially in cities and states hosting the tournament, for example, Salvador and Bahia.

The reality is that no nation has yet organized two major world sporting events, in a short span of time like Brazil is doing with the FIFA World Cup 2014 and the Summer Olympics 2016. Investors in Brazil are going to see some never before opportunities for investment and growth. Real estate and the industries catering to tourism will be biggest beneficiaries and the impact will be felt for many decades after the events take place.

View real estate available in Bahia.

## MAIN OFFICE IN BAHIA - +55 (71) 3013 1413

Av. Tancredo Neves, 909 - Sala 507 - Edf. André Guimarães Center - Caminho das Árvores - Salvador-Ba - CEP: 41820-021

WWW.BRAZILBAHIAPROPERTY.COM - INFO@BRAZILBAHIAPROPERTY.COM



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