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Spatial Economics Research Centre

Friday, 19 July 2013

Economic Impact of the Olympics

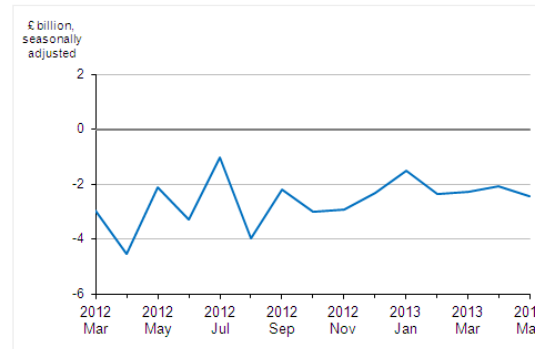
The government has announced a [£9.9bn boost to the economy as a result of the Olympic Games](#).

The 'detailed' [UKTI report](#) on which these numbers are based suggests this breaks down to include £5.9bn of *additional* overseas sales and a £2.5bn boost in inward investment. Unfortunately, it provides no information on how these figures are calculated. It is certainly not possible to figure out whether they are in any sense additional (i.e. would not have happened if the games had not taken place).

One thing we can do, to start to figure this out is to look what happened to the [overall balance of UK trade in that period](#):

To my eyes, there is little evidence of a trend change around the time of the Olympics (individual components don't look much different as you can see from the [original report](#)).

In short, you should take these numbers with a pinch of salt. If anyone knows of more rigorous analysis I'd be happy to receive a pointer.



Posted by [Prof Henry G. Overman](#) on [Friday, July 19, 2013](#)

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2 comments:

Britmouse said...

Without some useful model of what determines UK aggregate demand (e.g. monetary policy) these studies are always completely daft.

That said, Sterling appreciated 6% yoy to mid-2012, so insofar as there could possibly have been an unexpected "shock" to export demand (inward tourism) from the most widely advertised "fiscal stimulus" in the last decade, one should consider that it was at least somewhat offset by currency movement.

19 July 2013 at 11:01

oldcobbler said...

Wouldn't you expect a serious analysis entitled "Regeneration of East London" to contain some assessment of how employment / unemployment / incomes etc have changed absolutely or relatively in the last 10 years ? (If Acrobat is to be trusted, the word "unemployment" does not occur in the entire document)

19 July 2013 at 14:54

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