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A Comparative Study of Sports Industry Between China and Developed Countries

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Abstract

China is a populous country, accounting for about one-fifth of the world's population. China has great potential in economic development of sports industry in the future. But there is a large gap between China and other developed countries in the sports industry. How to bridge the gap becomes an important issue to solve. This article makes a comparative analysis of the current situation between China and other developed countries. At the same time, some impact factors are summed and development strategy is provided, which is reference for the healthy development of China's sports industry.

Key words: China; Sports industry; Economy; Development

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INTRODUCTION

Our country's economy has exceeded Japan, and it is after the United States. But compared with developed countries, the development of sports industry in China is very backward at the primary level. According to experts, in 2007 the amount of sports industry of United States and the European Union is closer to \$800 billion. Their sports consumption is 300-300 dollars every year, and China only has 100 yuan RMB, a far cry from the developed countries. With the economy development of

our country, relevant departments come to realize that the sports industry has played an important role in the national economy. The intensity of development should be gradually increased. The successful 2008 Olympic Games in Beijing has promoted the development of the sports industry of our country. We can say that there is huge potential in future economic development of sports industry in our country. Therefore, how to make the economy on sports industry developed better is the problem that needs to be solved by us.

1. THE CURRENT SITUATION OF SPORTS INDUSTRY IN OUR COUNTRY

Our country in the eighty's started to reform and open up. That is to say that our country's economy is gradually on the right track. Before this period, our country suffered from the Anti-Japanese War, civil war, a series of wars and the influence of the Cultural Revolution. It is coupled with the developed countries to our country's economic blockade. The economy has been in a state of depression, and it lags far behind the developed countries in economic development. The economic development of the sports industry is struggling. In the 1990s, professionalization of sports in China has entered a rapid development stage. Table tennis, football, basketball, volleyball and other sports are successively into the league of the track; According to statistics, since 2005, the output value of our country's sports industry keeps more than 16% of the growth every year, which is "leapfrog development" for five consecutive years. During 2003-2004 sports competition season, the development income of the CBA market is about 27 million yuan. After three sports competition season it will increase to 150 million yuan. At present our country sports industry has begun to take shape, and it forms the sports industry with a business institution. The total investment is more than 200 billion yuan and the annual turnover is more than 60 billion

yuan in the sports market. But due to the Midwest and the economic development of coastal areas, there is a big gap which caused great imbalance between eastern and western regions in the sports industry development.

1.1 The Present Situation of Our Sports Industry Development in Eastern Region

Because economy of eastern coastal areas of China developed relatively better, its development of sports industry is much better than that of the Midwest. The typical cities with better development of sports industry are Beijing, Shanghai, Guangdong, Zhejiang, Jiangsu, Liaoning, Fujian. They are in the leading positions in the domestic. Let us take Beijing for an example. In 2009, the relevant statistics show that Beijing's sports industry comes to realize the total income of 50.02 billion yuan. This realized the added value of 9.14 billion yuan and absorbed the employment of 103000 people. The added value of sports industry grows nearly by more than 15% a year in the near four years which is more than the overall national economy growth. The celebration of the Olympic Games for the development of sports industry had a positive role in promoting Beijing's sports industry in 2008. It came to realize the added value of 15.4 billion yuan, accounting for 1.39% of GDP. The sports industry has contributed to 5.24% of GDP growth. The added value of Beijing's sports industry between 2006 and 2009 account for the proportion of GDP between 0.7% and 0.8%. But there is still a very big difference by 2% from the developed countries. So the target to the development of sports industry during the "twelfth five-year" is needed to make a plan. By 2015, the added value of the sports industry of the whole city area has increased from 0.8% in 2010 to 0.8% of the total GDP. Beijing's sports consumption level is higher than the national average, according to statistics. Beijing sports culture consumption per capita in 2001 was 14.313 billion yuan last year, and it is in the trend of increasing. The improvement of people's living condition and the improvement of material and cultural life provide more space for development of the sports consumption market. Fitness centers, commercial sports venues, sports lottery and other sports industry have developed in various degrees.

All these data shows that Beijing's sports industry is booming, but at the same time there are also shortcomings in the development, such as the incomplete sports industry management and incomplete supervision mechanism. The potential of invisible assets sports industry cannot be fully tapped and the development of sports service industry lags behind relatively.

1.2 The Present Situation of the Sports Industry in Western Region

Because of its special geographical location, the western region is in the leading position in our country's economic development during the twenty years of reform and

opening up. Compared with developed provinces the southeast coastal areas the change is not very big. For example, the people who are engaged in the sports in the western region account for only about half of the country's population who are engaged in the sports. Sports infrastructure, sports consumption, sports services, manufacturing, and related to the development of sports industry are lower than the national average. *The Instructions on About Further Strengthening and Improving the Sports Work in the New Period of Central Committee of the Communist Party of China* clearly points out that we need to vigorously develop the sports industry and the economy for developing sports market. We need to expand domestic demand, promote employment and stimulate economic growth to make due contributions for achieving the development of modern China construction. With our country's development policy for the west, our countries are stepping up economic construction in the western areas. As the third industry, sports industry has development accordingly. For example, the CBA Honghe team is from Yunnan, the CBA Guanghui professional team is from Xinjiang, the CBA Zhongyu and the CBA Dongsheng professional teams are from Shanxi. The professional teams mentioned above are all from the Midwest. This shows that the central and western regions are gradually speeding up the development of sports industry, but also it faces many problems. At the same time as development needs the government and related departments to make targeted sports industry policy and encourage private capital to participate in the development of sports industry. The government and related departments should establish a reasonable market and create favorable conditions for sports industry development. The government needs to improve the physical infrastructure, strengthen the sports consciousness of people and promote the development of western region sports enterprise better and faster.

2. THE CURRENT SITUATION OF SPORTS INDUSTRY IN DEVELOPED COUNTRIES

Economically developed countries such as Europe and the United States, the sports industry is in a pivotal position in the national economy. British sports industry added economy value of 15.2 billion pounds in 2000, accounting for 1.8% of the UK economy and attracting employment population of 450000. And the British government gets tax out of the sports leisure industry 2.4 billion pounds every year, which is five times as much as the government for sports expenditure. The added value of the sports industry of America in 2001 was \$194.64 billion, accounting 2% of American GDP and attracting employment of 2.949 million people. According to expert's analysis, in 2007 the United States and the European Union, the output value

of the two economies sports industry is \$800 billion, plus that of the economic developed countries such as Canada and Japan, the output value of global sports industry must be more than \$800 billion. But China's share is very few. The sports consumption per person in Europe and the United States is between \$300 to \$500, more than 100 yuan (RMB) per person in our country according to the average consumption level.

Our country is a sports country, but from sports terms it is not a sports power. We got the first position in the gold medal of Olympic Games, but there is still a gap in the popularity of sports and involved spirit, the national fitness and health life concept with some developed countries. Overseas people who are engaged in sports generally can account for 50% to 60%, even more than 70%. While restricted by economic development level, our country's people who are engaged in sports are still a gap compared with developed countries. According to a survey, in 2000 people who regularly participate in physical exercise account for 34% in our country. In addition, those developed countries such as Europe and the United States, have their own famous sports events, such as the U.S. professional baseball league, NBA, hockey, golf, football and boxing. These countries obtain commercial packaging and publicity through these sports events to attract a large number of audiences and guide the audience to consume. At the same time, it improves catering, entertainment, transportation, tourism and so on to develop.

From the sports industry development abroad, the higher the sports industry develops, the greater the proportion of sports services account. At present in the United States and Britain and other western developed countries sports service industry developed much faster than the manufacturing industry. The development of sports industry in developed countries is not funded by the government but by private capital investment. The government and related departments will provide policy support. The development of sports industry drives the other industries to develop such as traffic, tourism and catering service industries, which will promote the development of national economy.

3. FACTORS AFFECTING THE DEVELOPMENT OF SPORTS INDUSTRY IN CHINA

3.1 Disparity in Regional Development

In the early stages of the economic reform and opening up in China, the coastal areas due to the geographical advantage take the lead in economic development, which led to the development of sports industry. But the economic development in the central and western regions lags behind, so that the sports industry development lags

behind, too. Now our country has paid attention to this point and gradually strengthens the western region to open up and reform. In the near future, the development of sports industry in the western regions will bridge the gap with the coastal regions, which will increase vitality for China's economic development.

3.2 Lack of Professional Operation and Management Talents

There are many sports talented people in our country and there are many excellent athletes and coaches. But in the aspect of the sports industry we need professionals. On the one hand, the talent cultivation need to be strengthened, on the other hand, we can invite some foreign masters with rich experience of operating sport industry to help us manage and operate some big events, so that we can learn the advanced way of business and accumulate experience to promote the healthy development of sports industry in our country.

3.3 Incomplete Sports Industry System

At the early stage of reform and opening up, due to the western developed countries made economic blockade to our country and our country does not have operation and management experience in the sports industry. Sports industry system is not sound and perfect. We can only accumulate experience in the process of development. We need to constantly improve and establish a sound system, but there is still a big gap with the developed countries. How to make our country's sports industry development gradually walk on the right track is a urgent problem that needs to be solved.

3.4 No Way to Attract the Private Capital

In the late eighty's and the early ninety's, our country sports enterprise mainly rely on the government. All the sports events, for example, depend on the state and local governments and all sports facilities are also determined by the central and all levels of governments. There is hardly no possibility for the private capital to participate in, while the developed countries in the west try their best to find ways to attract private capital, which is contrary to us.

4. DEVELOPING STRATEGY TO OUR COUNTRY'S SPORTS INDUSTRY

China's sports industry compared with developed countries started very late and is still in the exploratory stage. Our country is a populous country with nearly 1.3 billion people. Our country needs a healthy and harmonious society. Only people are healthy enough and live comfortably, we can have a stable and harmonious living environment. However, from the current development of China's sports industry, there are many problems. The development of sports industry policy and the system is not perfect. There is uneven development

between regions. Sports industry layout is not reasonable. The government should strengthen guidance to avoid waste and duplication on capital construction and other defects, try to make rational use of resources. We should establish fair competition in the sports industry market mechanism and actively guide private capital to participate in the development of sports industry. While guiding coastal areas to improve the competitiveness of the sports industry, we should speed up development of sports industry of western region which is backward in economy. We should strike the balance between the west and the east in sports industry. The potential of sports industry of the western region can be fully tapped. The advanced management system and operational concepts can be learned.

CONCLUSION

We have to admit that there are gaps between China and developed countries in the present stage about the development of sports industry. But with our country's economic development and social progress, the huge

market potential of China's sports industry will be reflected. In the near future, our sports industry economy will become an important part of the national economy and fresh blood will be added to China's future economic development.

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