



**SURVEY REPORT**

# **THE SPORTS ECOSYSTEM IN AFRICA: FROM POTENTIAL TO A DRIVER FOR DEVELOPMENT**

**PRELIMINARY RESULTS**

**A STUDY CONDUCTED BY**  **MAZARS** &  **ASCI**





## ACKNOWLEDGEMENTS

We would like to thank the 500 women and men who took part in this survey, for welcoming our initiative with such enthusiasm, and for promoting this survey to their networks. Observing and listening to local professionals was a privilege and a source of inspiration for our teams.





# FOREWORD

Can sports be a driver for not only economic but also social development in Africa?

Statistical data analyzing the sports ecosystem is scarce, if not non-existent. According to the Business France report published in February 2020, the global sports industry represents approximately 2% of global GDP.

Africa barely benefits from this windfall, equivalent today to an estimated 0.5% of its GDP. Strengthening infrastructure and equipment, organizing national and international events, training, laws and regulations governing the sector, and the political will and commitment of governments and financial institutions to provide additional funding, are all key elements for this sector to contribute more proactively to the economic and social development of African countries, and to the inclusion of youth in value-added projects. Africa (in its own right) has not hesitated to leave a mark, over the years, on the world sports scene. This dynamic is characterized by the emergence of champions in various disciplines (athletics, football, basketball, etc.), and much more!

Africa organizes major national and international events of high caliber. For example, the Democratic Republic of Congo will host the Francophonie Games in 2021, Ivory Coast will host the Africa Cup of Nations in 2023, Ghana will host the African Games in 2023, Guinea will host the ACN in 2025, and Senegal will host the Youth Olympic Games in 2026. Countries like Morocco have also shown their full capacity to organize the football world cup (five candidacy attempts). Also, prestigious leagues like that of American basketball, the NBA, took an interest in the continent to launch the "Basketball Africa League", the first professional pan-African championship club. Events of this magnitude can only have positive results. Africa is demonstrating it is capable of strengthening its gradually evolving sports industry. Sports can be a tool for social cohesion, by bringing together youth, and it can also be a good driver of economic and social development - if only a sound development policy is designed.



# EXECUTIVE SUMMARY

To understand the perspective of stakeholders in the African Sports sector, as well as the challenges and opportunities that present themselves, Mazars and the African Sports & Creative Institute (ASCI) conducted a qualitative and quantitative survey giving voice to various economic players from the public and private sectors, thereby representing the rich diversity of the sports value chain in Africa. The mission was to lay the foundations for a rich dialogue, ultimately leading to solutions that create value.

For this, this survey first established the current state of affairs of the sports industry in Africa to best understand the challenges and opportunities facing the sector today. Africa can, for example, reposition itself post Covid-19 by devising inter-African events and developing approaches that are more suited to this unique market. Secondly, proposals could be submitted to stakeholders within the ecosystem to present avenues for a new model of governance and economic development for the sports industry.

From the data collected from 500 actors in the African sports ecosystem, it clearly emerges that much remains to be done for the sports industry to accelerate its development, realize its full potential, and better contribute to economic and social development at the national level, regional level, and also continental level.

Various components of this ecosystem are still underdeveloped and several players are not well established. Some regions remain less developed than others. The survey also sheds light on all the levers that must be activated in order for sports to transform. Connectivity and communication between countries needs to be improved. Institutional barriers, financial barriers, and barriers linked to human capital, still need to be removed. But, there are immense opportunities to be seized upon to strengthen the sports ecosystem by focusing on more appropriate public policy strategies, more relevant and adaptive funding methods, investments in training, innovation and digitalization, and the engagement of the private sector and investments in infrastructure and equipment.



# METHODOLOGY

Mazars and ASCI have opted for a study based on two approaches - qualitative and quantitative - in order to assess the state of the sports ecosystem across the African continent and identify the main opportunities to be seized in its different facets.

We undertook an unprecedented approach, which, through its diversity, gave voice to all stakeholders involved in the African sports ecosystem - coming from various backgrounds, disciplines, and responsibilities throughout the continent and all regions.

The qualitative study was undertaken with 30 well-known figures from the sports ecosystem in Africa. They are athletes, equipment manufacturers, and also heads of federations, leagues, financial institutions, research institutes, public institutions etc.

The quantitative study was based on a representative sample of sport stakeholders in Africa. 2000 people were interviewed (500 respondents) in accordance with the following criteria of profession, nationality, experience (at least five years in the African sports sector),

seniority (50% senior managers and 50% for middle-level managers, employees and individual entrepreneurs) and nationality (representing all sub-regions) and gender.

These were also managers of federations, clubs, schools and academies, public agencies, leagues and rights holders for fans, performance staff and professionals, the media, equipment manufacturers, infrastructure developers and operators, event organizers, marketing and communication agencies, sponsors and research institutes.

The questionnaire consisted of open and closed questions mainly aimed at:



Evaluating the sports ecosystem in Africa (state of the market, nature of relationships amongst key stakeholders, ecosystem value, impact of Covid-19, regional interactions)



Outlining challenges faced and opportunities to be seized upon





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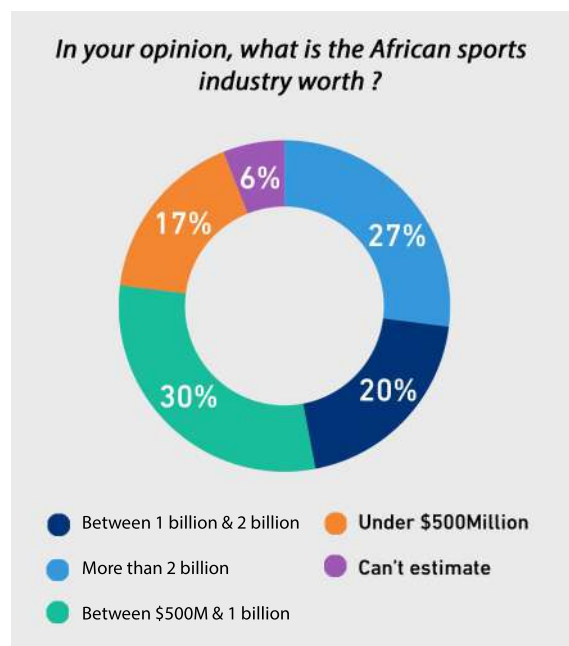


# 01


**STATE OF AFFAIRS: THE SPORTS ECOSYSTEM IN AFRICA IS FRAGILE AND ITS STAKEHOLDERS ARE NOT WELL ESTABLISHED**



# Valuation of the Sports Economy



In the absence of official statistical data, survey participants could only estimate the value of the sport economy in Africa according to proposed valuation levels. About 30% estimated that the value is between 500 million dollars and 1 billion dollars, while 27% estimated that it is over 2 billion dollars.



**Kelvin WATT** – South Africa  
Director of Nielsen Sports SA

“  
The greatest obstacle to the growth of our sector is a lack of data and quality data analysis.»

# The components of the sports ecosystem

The majority of respondents operating in all segments of the sports value chain have a very critical view of the components of the ecosystem, which they consider to be "underdeveloped" and sometimes even "non-existent." Whether referring to school and university sports, elite professional sports, governance and management, the legislative framework, training, career management, the promotion of niche and mass (grassroots) sports, sports tourism, innovation or infrastructure & equipment... the conclusion is the same. In some cases, more than a third of those interviewed qualify career management, the promotion of niche sports, sports tourism and innovation as being non-existent.

## Weak spots

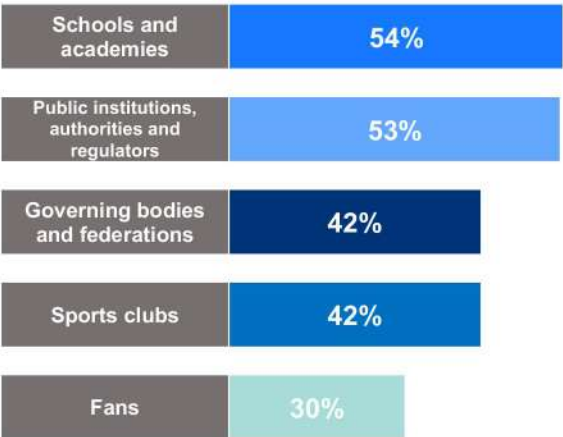
Respondents either answering «non-existent» or «under developed»

Innovation	84%
Career development	82%
Infrastructure	77%
Education	71%
Legal framework	69%

# The stakeholders of the sports ecosystem

The same is true of the views on sports professionals who, according to the respondents, are not well established or are moderately established in Africa. Clubs, fans, schools and academies, leagues and rights holders, performance staff and professionals, public authorities and regulators, broadcasters, equipment manufacturers, textile industries and distributors, infrastructure managers and operators, event organizers, marketing and communication agencies, technology providers, or research and science institutes are also considered not to be well established.

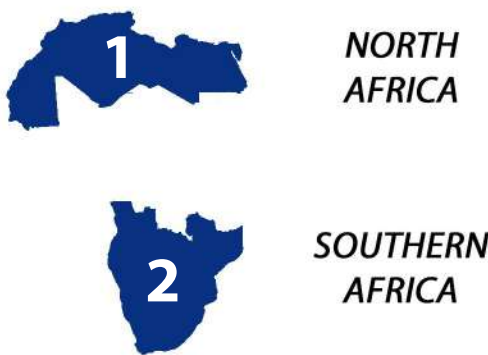
*The stakeholders of the ecosystem*  
Respondents answering «under developed»



# Regions: ranking and interdependence

To assess the state of sports at the regional levels, survey respondents were asked to rank African regions from the most developed to the least developed. Some regions were found to be doing better than others, such as North Africa (49%) and Southern Africa (31%). Central Africa (39%) and East Africa (35%), according to the respondents, seem to have less developed ecosystems. For 40.3% of those surveyed, the region where they work is perceived to be less developed than the others, primarily due to the state of infrastructure and the poor public sector and sports policies implemented. However, at this stage, the current ranking features some nuances: within each region, we see a diversity of country profile, some highlighting a more advanced environment, mature market, population size than others.

*Regions where the sports ecosystem is the most developed*







Initiatives such as the school sport development strategy presented in 2019 by the International Sport Federation (ISF) shows the willingness of states and institutions to promote regional or even pan-African collaborative projects. However, the reality on the ground is quite different. Around 83% of respondents believe that sports stakeholders in their country or region do not collaborate and do not exchange good practices. Much of it mainly justifies its response due to the absence of a context conducive to sharing, the lack of regional or pan-African communication, the national and regional divide. 34% of respondents work only once a year with sports stakeholders in their

region (outside their country) and 26.3% work every week with them, sometimes even every day.

*The 3 main reasons for the lack of exchange of good practices between regions*

1	Lack of communication
2	Lack of information
3	National or regional divide



**Evelyn WATTA - Kenya**  
Vice-President of the International Sports Press Association (ISPA) and Producer at the Olympic Channel



*Africa does not really have a sports ecosystem because we still consider sports to be just leisure.»*

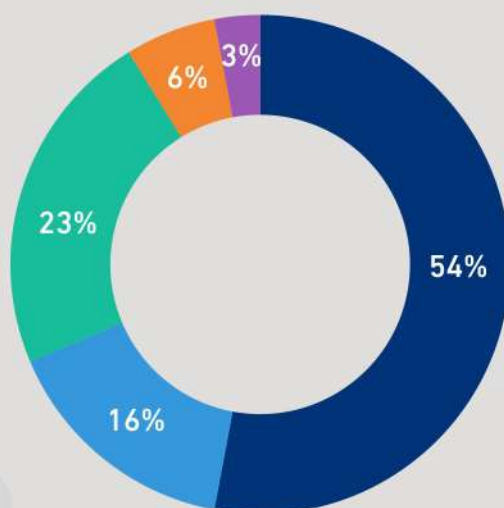


## The Impact of the Covid-19 Crisis

Poor human capital development, a lack of funding and the political will to make sports a real driver for development are the reasons which, according to the participants, qualify our sport ecosystem as fragile. The crisis caused by the Corona virus pandemic has negatively acted as an accelerator. Covid 19 has accelerated the fall of weak players, but it has also accelerated structural changes in the sector, particularly in the way sports is practiced and consumed.

53% of respondents saw their activity decline. For 23%, its impact led to layoffs and 16% suffered permanent closures. Unfortunately, we have not yet seen all the consequences of Covid-19 yet. Moreover, a majority of them think that this crisis will have a "very negative" impact on the practice of sports, the consumption of sports, on sponsorship, training and for the players themselves. Despite this crisis, certain market segments are showing their resilience and prove to be real opportunities: E-sports, gaming and content on OTT.

*How has Covid 19 impacted your organisation ?*



- Layoffs
- Permanent shutdown
- Revenue loss
- No impact
- Revenue increase





# 02

## **A MULTITUDE OF CHALLENGES TO OVERCOME**

# The challenges of the sports economy in Africa

Sometimes rare, often non-existent, a strategy combined with solid public policies for the sports industry on the continent is mostly lacking. There is a myriad of challenges related to the structuring of this ecosystem and its execution by key stakeholders. The latter must deal with often constraining legal and institutional policy environments (lack of an overall strategy or coherent policy, slow and complex legal and administrative procedures), inadequate infrastructure and difficult access to financing (insufficient public subsidies, difficulties in identifying and convincing private investors, high cost for borrowing loans).

## *Top 3 barriers linked to the development of sports in Africa*

1	A constraining political, legal, and institutional environment
2	A weak physical infrastructure
3	Difficulty to access funding

## **Institutional, political, and legal barriers**

### *Top 3 Institutional, political, and legal barriers*

1	No coherent strategy
2	Tedious legal and institutional processes
3	Insufficient public subsidies

## **Obstacles Linked to Human Capital**

Human capital is certainly Africa's greatest asset. Aware of this potential, the majority of survey participants believe that education is vital. Indeed, populations generally do not know the sports business, the "talents" have serious gaps in their training, and finally the identification and the recruitment process of qualified personnel is still difficult.

### *Top 3 obstacles linked to human capital*

1	Lack of understanding of sports business
2	Gaps in education
3	Identify and recruit qualified staff





**Robins TCHALE WATCHOU - Cameroon**  
**CEO of Vivendi Sports**



*If they want to address the needs of African consumers, large foreign companies must work with local service providers, even if it implies assuming responsibility for enhancing their competency levels.»*

## Financial hurdles

*Top 3 financial barriers to the sports development in Africa*

1	Challenges in identifying and convincing private investors
2	A lack of public subsidies
3	Economic downturn



**M.M - Algeria**  
Director of the French Development  
Agency in Morocco



*The potential of the sports economy in Morocco is tremendous.*

*According to the most recent estimates, the sports economy represents 1.1% of the GDP. It could reach between 2% and 3% with the mobilization of investments, particularly private investments. Consolidating a sports ecosystem, particularly at a local level and in particular in the fields of training, could be a strong lever for the attractiveness of the Moroccan sports economy.»*

## Barriers linked to the commercialization and the capture of revenues generated by sports in Africa

The African sports ecosystem must also meet the major challenges of marketing and capturing the income it generates. On this point, the survey participants consider that the African media should play a critical role; specifically in providing a wider and better coverage of events. They also believe that companies need to better understand sponsors. Therefore, presenting a commercial offering better suited to the strategies, objectives, and constraints of advertisers and sponsors in order to generate more trust and credibility.

*Top 3 barriers linked to the commercialization and the capture of revenues generated by sports in Africa*

1	Lack of coverage by African media
2	Lack of understanding of sponsorship
3	Lack of professionalisation of rights holders (leagues & federations)





# 03

## KEY DRIVERS TO AFRICAN SPORTS ECOSYSTEM GROWTH

# The Africa of tomorrow: Attracting Private Investment, Training, and E-sports...

The African sports ecosystem has a very bright future. Despite the current crisis, Covid-19 has made it possible to accelerate certain structural changes in the sector as well as to emphasize the strong need for innovation: new models of practice and consumption of sports, the growth of OTT content offering, the need for regional or pan-African collaboration, and the ability to attract investment are very much at stake for the ecosystem's growth.

## *3 major trends in redefining the practice and consumption of sports in Africa*

1	New ways of consumption
2	Digitalisation
3	OTT offering

According to the survey respondents, the future of African sports will rest on human capital training and the facilitation of recruitment, the development of grassroots sports as the foundation of the industry, innovative commercial offering and better sports infrastructure (especially those in close proximity), all while supporting youth in their entrepreneurship initiatives. Youth development must be a key priority for us all. Youth and more specifically youth

entrepreneurship must be a top priority. Development efforts should also, according to respondents, focus on "public sports authorities and regulators (governments, federations, etc.)", "sports clubs and leagues", "broadcasters" and "the merchandising industry".

## *Top 3 priorities to strengthen the ecosystem and economy of sports in Africa*

1	A better state strategy
2	More funding
3	More investment in staff training



**Beatrice AYIKORU - Uganda**  
Secretary General of the National  
Olympic Committee



*We must professionalize all aspects of the value chain so that youth and their parents can seriously consider careers in sports.»*





**Teta NDEJURU** - Rwanda  
Sports Partnership Expert and Head  
of Rwanda Film Office - Rwanda  
Development Board



***58% of the Rwandan population is under 25 years old so we view sports as a vector of employability of youth and for the retention of talent on the continent »***

Yes, the future of the African Sports business is bright.

Driven by structuring public policies, the professionalization of all key stakeholders in the value chain and the ability to build relationships of trust with financial institutions and other investors; the private sector will be the solution!

#### ***Top 3 strategic pillars to strengthen the ecosystem***

<b>1</b>	<b>A better state strategy</b>
<b>2</b>	<b>More funding</b>
<b>3</b>	<b>More investment in staff training</b>

Its human capital, its amazing capacity for innovation and the size of its market are Africa's competitive advantages in seeking to achieve the real leap forward that is needed.

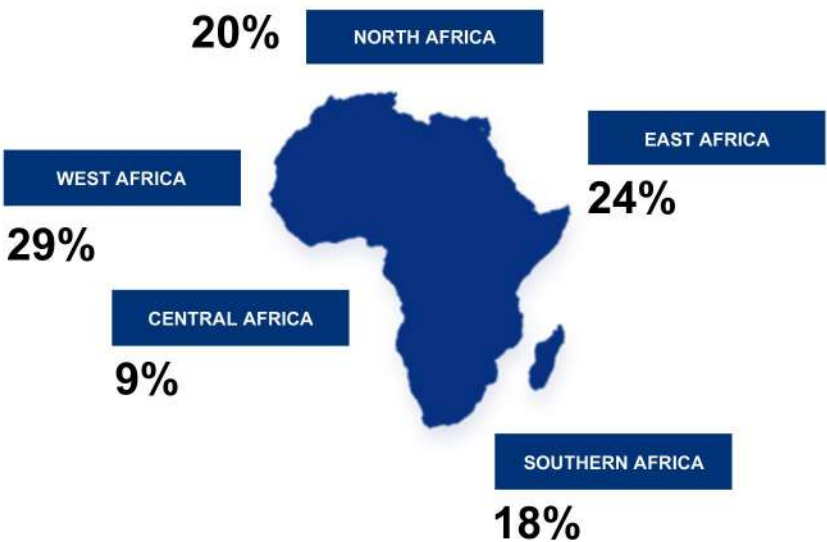
The sport ecosystem is entering a digital era where sports are more followed on multiple screens (triple screen phenomenon: TV, computer, tablet or phone) and other social media. E-sports and gaming are (slowly) making their marks. Morocco has, for example, nearly 3 million active gamers, but their participation in international competitions is still low and official events organized in Morocco by publishers are rare. These activities would benefit from being professionally supervised, managed and organized if the continent wishes to position itself.

#### ***Top 3 entities of the sports ecosystem to focus on***

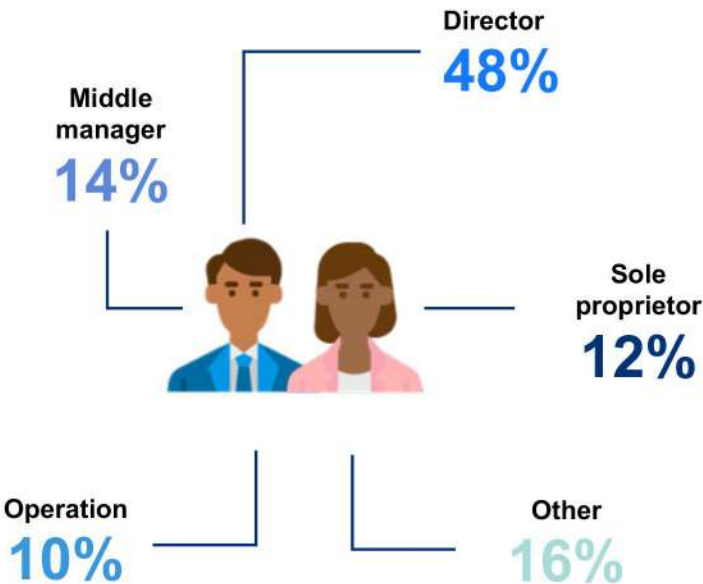
<b>1</b>	<b>Public sports authorities and regulators</b>
<b>2</b>	<b>Clubs and leagues</b>
<b>3</b>	<b>TV broadcasters and media</b>

# Profile of the respondents

## Regional breakdown



## Role & organisation type



Federation, Club, school, and academy, League, events manager, and rights holder, TV broadcaster and media, Consultancy and research institute, Public authority and regulator, Sporting goods and distribution, Infrastructure builder and operator, Marketing and communication agency, Technology company...

500

Respondents

48

Countries

35-40

Average age



Men

84%



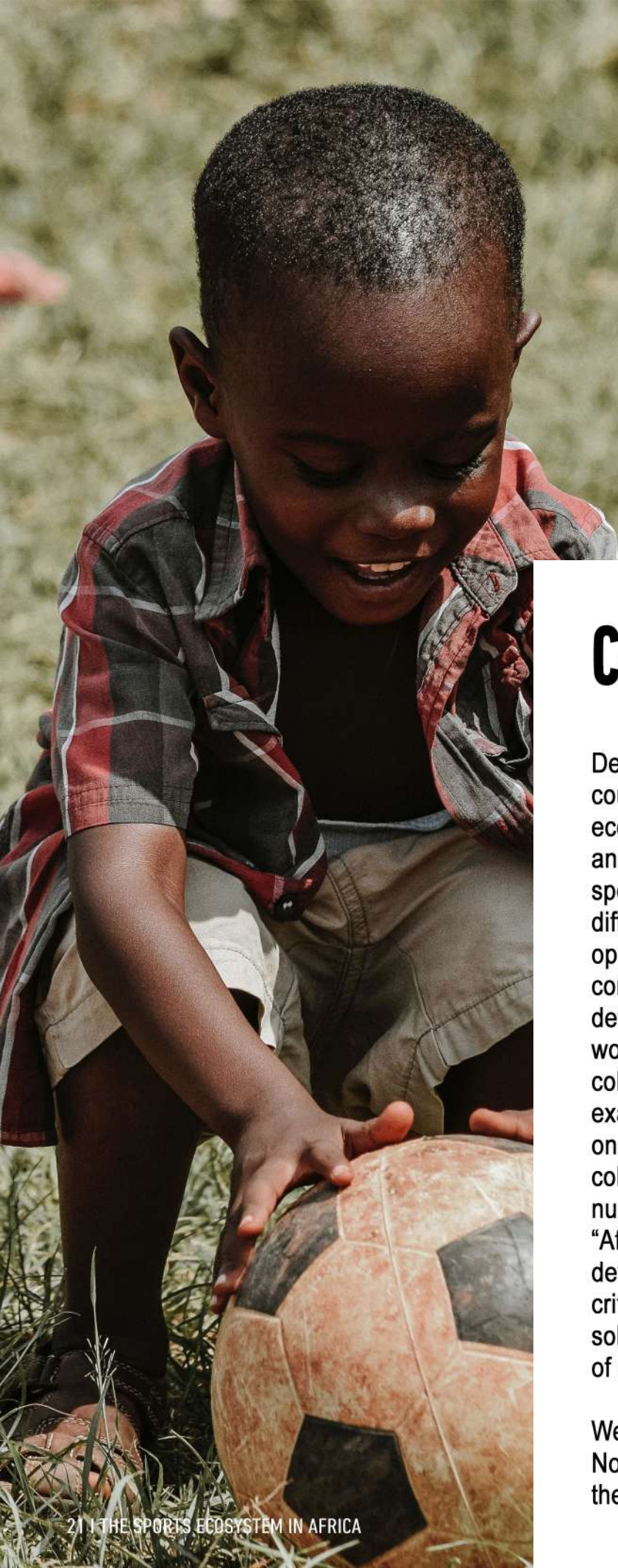
Women

16%



The whole value chain





## Conclusion

Despite the immense diversity of African countries in terms of history, culture and economic conditions, the preliminary analysis of the responses of the 500 sports professionals interviewed reveals difficulties, but also common areas of opportunities for the 54 countries of the continent. If this trend is confirmed after a detailed study of the data collected, would African countries benefit from collectively pooling their efforts, for example at the sub-regional level? If so, on what basis should this desired collaboration be established as cited by a number of our survey respondents? What “African” business models should we develop according to country or regional criteria? What short and medium-term solutions to accelerate the transformation of our ecosystem?

We look forward to seeing you in November 2020 for the presentation of the final report.

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