

# Economic Benefits of Hosting G8 and G20 Summits

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## Overview

As with reporting costs of G8 and G20 summit, it is very difficult to estimate the economic benefits that come with hosting summits. The benefits include: 1) the immediate, visible short-term stimulus of higher spending at hotels, restaurants and shops; creation of temporary jobs; 2) longer-term economic benefits such as increased tourist traffic and investment resulting from increased global name recognition thanks to media and advertising coverage; 3) new, permanent, public infrastructures and upgrades; and 4) the training for security forces and other first responders to prevent and respond to mass emergency events, such as terrorist attacks, infectious disease outbreaks, earthquakes and extreme weather events including hurricanes and tsunamis. Many of these benefits are difficult to quantify, especially before or immediately after the summit ends. The systemic calculation and reporting of summit benefits are often limited and difficult to compare across countries.

In general, the benefits are much greater for the smaller communities and cities that lack the global visibility and infrastructure that the capital cities of the imperial powers of the past several centuries have. London, Paris, Tokyo and even Washington are household names around the world; Huntsville, Kananaskis, Toyako, Heiligendamm, L'Aquila and Sea Island are not. Even in the case of Toronto, which hosted the G7 summit in 1988, evidence suggests that among the journalists covering the 1999 summit in Cologne, Toronto had a fragile image, if a favourable one.

For the 2010 G8 Summit, Huntsville has already received a substantial economic boost. C\$50 million has been allocated for a G8 Legacy Infrastructure Fund for projects in the area. The aim, in addition to enhancing the setting for the summit, is to improve economic generation in the region. Canadian prime minister Stephen Harper has stated that international media attending the summit will introduce millions of potential tourists to the many attractions of Huntsville through the media coverage, although most will be located in the media centre in downtown Toronto. Claude Doughty, mayor of Huntsville, and Tony Clement, the member of Parliament for Parry Sound–Muskoka, have frequently talked about how the infrastructure has created jobs and economic activity in the region. Some projects that are being completed through the Infrastructure Fund include road upgrades, signage, landscaping and office building construction. The impact and use of many of these projects will last much longer than the summit itself. The official current estimate of economic benefits from this G8 spending is C\$300 million.

The last G8 summit hosted in Canada in 2002 in Kananaskis, Alberta, with the media centre in Calgary. The economic benefits from the Kananaskis Summit are estimated to be \$300 million. By comparison, for the 2005 G8 Summit in Gleneagles, Scotland,

identified short-term media coverage as worth £66.4 million and the longer-term pattern of coverage was valued at £618 million. Public sector expenditure and spending by visitors generated £64.7 million in sales and contracts for businesses.<sup>1</sup> Together these benefits totalled about C\$1.59 billion.

The benefits from the G20 Pittsburgh Summit in September 2009 have been valued at approximately \$135 million, which included \$35 million of local spending and \$100 million in advertising coverage, while current projections for the upcoming summit in Toronto is C\$100 million.

### Overall Benefits: G8

Year	Country	Benefits	Benefits (in US\$ at time of summit)
2001	Italy	NA	NA
2002	Canada	C\$300 million <sup>2</sup>	\$199 million
2003	France	NA	NA
2004	United States	\$200 million <sup>3</sup>	\$200 million
2005	United Kingdom	£749.1 million <sup>4</sup>	\$1.3 billion
2006	Russia	NA	NA
2007	Germany	NA	NA
2008	Japan	¥37.9 billion <sup>5</sup>	\$353.1 million
2009	Italy	NA	NA
2010	Canada	C\$300 million <sup>6</sup>	\$286.2 million

Notes: all figures based on publicly available information on reported costs. All numbers are rough estimates. For details see below.

### Overall Benefits: G20

Year	Country	Benefits	Benefits (in US\$ at time of summit)
2008	United States	NA	NA
2009	United Kingdom	NA	NA
2009	United States	\$135 million <sup>7</sup>	\$135 million
2010	Canada	C\$100 million <sup>8</sup>	\$95.4 million

Notes: all figures based on publicly available information on reported costs. All numbers are rough estimates. For details see below.

<sup>1</sup> To see a detailed report of the benefits from the 2005 G8 Gleneagles Summit go to <http://www.scotland.gov.uk/Resource/Doc/933/0020709.pdf>

<sup>2</sup> [www.g7.utoronto.ca/evaluations/2010muskoka/2010plans/2010-g8plans-081208.pdf](http://www.g7.utoronto.ca/evaluations/2010muskoka/2010plans/2010-g8plans-081208.pdf)

<sup>3</sup> [www.georgiaencyclopedia.org/nge/ArticlePrintable.jsp?id=h-3043](http://www.georgiaencyclopedia.org/nge/ArticlePrintable.jsp?id=h-3043)

<sup>4</sup> [www.scotland.gov.uk/Resource/Doc/933/0020709.pdf](http://www.scotland.gov.uk/Resource/Doc/933/0020709.pdf)

<sup>5</sup> [www.japanfocus.org/-Philip\\_Seaton/2972](http://www.japanfocus.org/-Philip_Seaton/2972)

<sup>6</sup> [www.cottagecountrynow.ca/news/article/821338--mp-tony-clement-announces-muskoka-ready-for-g8](http://www.cottagecountrynow.ca/news/article/821338--mp-tony-clement-announces-muskoka-ready-for-g8)

<sup>7</sup> <http://www.theglobeandmail.com/news/world/g8-g20/news/toronto-the-reluctant-summit-host-city/article1601255/> [www.guardian.co.uk/news/blog/2009/sep/24/g20-summit-pittsburgh](http://www.guardian.co.uk/news/blog/2009/sep/24/g20-summit-pittsburgh)

<sup>8</sup> [www.globalmaritimes.com/money/concerns+distraction+Toronto+tourism+pitch/3057895/story.html](http://www.globalmaritimes.com/money/concerns+distraction+Toronto+tourism+pitch/3057895/story.html)

## **Details**

### **G20**

#### **2010 Toronto, Canada**

“The G20 summit is expected to generate about \$100 million in economic activity for Toronto. City officials said the decision to schedule the summit over a weekend would minimize disruption to business. After taking several questions on security preparations, Tourism Toronto president David Whitaker sought to steer journalists back to a discussion about "celebrating" what the city had to offer.”

([www.globalmaritimes.com/money/concerns+distraction+Toronto+tourism+pitch/3057895/story.html](http://www.globalmaritimes.com/money/concerns+distraction+Toronto+tourism+pitch/3057895/story.html))

#### **2009 Pittsburgh, United States**

“But Rob McGrath, president and chief executive officer of VisitPittsburgh, the city's tourism office, said that, despite the violent images broadcast from the clash, the G20's benefit to the rust-belt city, population 335,000, has been profound. ‘We wanted to tell a story about this destination and we had a tremendous opportunity to do that,’ he said. ‘We're still feeling the PR connects.’ That means all press is good press. Mr. McGrath said five professional conventions booked the city's David L. Lawrence Convention Center after seeing it used as the summit site. The city has also hosted large visiting delegations from Toronto and Seoul, this year's two host cities of G20. (Seoul's is in November.) During the G20, Mr. McGrath said the city pulled in \$35-million in hotel bookings and restaurant bills. And the roughly 7,000 stories written by 3,000 journalists who covered the meeting, many of whom focused on the city's revitalization, filled the equivalent of \$100-million in advertising space in publications around the world, he said”

([www.theglobeandmail.com/news/world/g8-g20/news/toronto-the-reluctant-summit-host-city/article1601255/](http://www.theglobeandmail.com/news/world/g8-g20/news/toronto-the-reluctant-summit-host-city/article1601255/))

“Pittsburgh's 29-year-old mayor, Luke Ravenstahl ... is wandering around the convention centre. He said the city is spending \$18m on public safety during the summit but expects \$20m to \$30m in economic benefit from visitors filling hotels and spending money locally.”

([www.guardian.co.uk/news/blog/2009/sep/24/g20-summit-pittsburgh](http://www.guardian.co.uk/news/blog/2009/sep/24/g20-summit-pittsburgh))

### **G8**

#### **2010 Muskoka, Canada**

“The minister and the mayor had just emerged from a meeting with the Department of Foreign Affairs, organizers for the G8 and local representatives. The local mayors were given a package at the meeting with information about business compensation plans. Clement said the economic benefit to communities from summits of this size has historically been around \$300 million. That number includes security costs. The

government will publish the total costs incurred by the event after its conclusion. He went on to talk about the economic spinoffs of the summit, saying the ongoing benefits to the community will include an infrastructure legacy that will be used for both recreation and commercial purposes. Clement applauded the University of Waterloo building as a soon-to-be centre for learning, environment and health. This, he said, will open Huntsville up to two of the greatest areas of job growth: the environment and health. ‘It is a benefit to all Canadians, when we can create job growth,’ he said. The minister sees the summit as an opportunity for Muskoka to market itself to the world. ‘This is the biggest tourism campaign associated with the G8 ever,’ he said of efforts put together by Muskoka Tourism and other organizers working to coordinate business and tourism promotion.”

([www.cottagecountrynow.ca/news/article/821338--mp-tony-clement-announces-muskoka-ready-for-g8](http://www.cottagecountrynow.ca/news/article/821338--mp-tony-clement-announces-muskoka-ready-for-g8))

### ***2009 L’Aquila, Italy***

“Italy’s Prime Minister Silvio Berlusconi decided to host this year’s G8 summit near L’Aquila to highlight the plight of the people in the area. The head of Italy’s Civil Protection Agency, Guido Bertolaso, says that can make a difference. ‘Can you imagine what does it mean to have here the President of the United States of America, of the Russian Federation, of the Peoples’ Republic of China. The worldwide attention will be focused for a week on L’Aquila,’ he said. ‘This is the best guarantee for the homeless people that they will not be forgotten.’”

([www1.voanews.com/english/news/a-13-2009-07-06-voa21-68828682.html](http://www1.voanews.com/english/news/a-13-2009-07-06-voa21-68828682.html))

“‘The G8 in L’Aquila represents a message of hope for the entire region struck by the earthquake,’ said [Silvio] Berlusconi at the end of the Ministry Council meeting, today. ‘The No Globals will not be so though to strike a city that has already been wounded by the earthquake,’ also claimed our President of the Council, ‘I really don’t think that they’ll have the will and the nerves to come here for protesting in the hard way,’ he added. Although, there is also another important reason why this decision was taken: ‘comparing to La Maddalena — Berlusconi told the press today — we will save 220 millions.’ In other words the money that were previously budget for setting up the island will pass over to L’Aquila.

([www.loccidentale.it/articolo/the+g8+in+l%27aquila,+will+save+220+millions+and+keep+the+no-globals+away.0070302](http://www.loccidentale.it/articolo/the+g8+in+l%27aquila,+will+save+220+millions+and+keep+the+no-globals+away.0070302))

### ***2008 Hokkaido-Toyako, Japan***

“Hosting the summit, it was hoped, would inject new life into the hotel, Toyako and Hokkaido. The Hokkaido Economic Federation estimated that the spin offs from the summit would provide a ¥37.9 billion economic effect in the five years following the summit. Hokkaido’s share of the total summit budget of ¥60 billion was ¥2.2 billion (MNH 3 July), so the prefecture was potentially going to get a good return on its money. As the G8 leaders were criticized in the international media for their splendid surroundings while they discussed poverty in Africa, therefore, as befits Japan’s “economistic” approach to summits (Endo Seiji) outlined above, the summit was an opportunity to alleviate some of Hokkaido’s own economic problems. NHK’s coverage featured many businesses attempting to cash in: a gift shop selling summit manju (sweet

bean cakes), a craftsman producing engraved souvenir swords, and even “summit takoyaki” (octopus in batter balls, but with eight different fillings representing each of the G8 countries) (MNH 4 July). When interviewed again at the end of the summit, the takoyaki vendor looked happy: he had been ‘busy’ (MNH 10 July). Such boosts to local business would be no miracle cure to Hokkaido’s economic woes, but they could certainly be a shot in the arm.”

([www.japanfocus.org/-Philip\\_Seaton/2972](http://www.japanfocus.org/-Philip_Seaton/2972))

### ***2007 Heiligendamm, Germany***

“Hartmut Polzin, the mayor of Bad Doberan, said he is thrilled at the chance to show his town to the world. ‘The worldwide media attention will make this a marketing campaign which we could never afford if we had to pay for it,’ he said, rattling off a list of reasons tourists should visit Bad Doberan. He’s also excited about the influx of funds he said he hopes the summit will bring to a region that has struggled economically since reunification. ‘The G8 summit has already had positive effects on construction here,’ he said. ‘Our improved infrastructure will be of long-term benefit to the regional economy. It would normally have taken many more years to complete. But the G8-summit has accelerated the process.’ Kempinski hotel director Torsten Dressler is rolling out the red carpet and looking forward to demonstrating that the Grand Hotel Heiligendamm is the ideal venue for meetings with high prominence where international protocol and personal attention are of the utmost importance. ‘People are characterized by their individuality, their like and dislikes,’ he said. ‘One drinks a certain tea, the other a special wine. And a third doesn’t like a certain type of flower. As hoteliers, we need to find out who likes what. We want to be super hosts.’ To be a super media host, Fundus Investment Group and Kempinski Hotels tore down a classical villa and a former holiday residence of the Russian tsars to make room for a media center.

([www.dw-world.de/dw/article/0,,2346773,00.html](http://www.dw-world.de/dw/article/0,,2346773,00.html))

### ***2005 Gleneagles, Scotland***

“Hosting the G8 Summit was a major investment for Scotland. The benefits relate to a wide range of social, cultural, educational and political objectives and any assessment of its success or otherwise should recognise these factors. The economic benefit is only one of these strands and should not be seen in isolation. The full economic impact of hosting the G8 Summit will accrue over the longer-term, mostly beyond the timeframe of this study. Across 10 countries, between the 2nd and 11th of July 2005, the report estimates that the media coverage was worth £66.4 million. Using the longer term pattern of coverage achieved in the lead up to the Sea Island Summit in 2004, this would suggest a total value of £618 million over six months. The public sector expenditure and spending by visitors generated £64.7 million in sales and contracts for businesses in Scotland and in overtime payments for public sector employees. The most important impacts will occur over the next two or three years as the increased profile that Scotland generated takes effect and is used to create new economic opportunities.

([www.scotland.gov.uk/Resource/Doc/933/0020709.pdf](http://www.scotland.gov.uk/Resource/Doc/933/0020709.pdf))

### **2004 Sea Island, Georgia**

“Most observers of government concluded that the G8 Summit was successful. According to state officials, the economic impact was in the range of \$200 million. Security concerns were handled in a quiet manner, the Sea Island region received an economic boost, and Georgia was able to showcase one of its most attractive tourist destinations.”

([www.georgiaencyclopedia.org/nge/ArticlePrintable.jsp?id=h-3043](http://www.georgiaencyclopedia.org/nge/ArticlePrintable.jsp?id=h-3043))

### **2002 Kananaskis, Canada**

“Canada’s past experience hosting G8 summits has shown that they are substantial short-term economic benefits for the host community and surrounding region, plus long-term tourism-related benefits resulting from international media exposure. The 2002 Kananaskis Summit generated an estimate \$300 million in short-term regional economic benefits.”

([www.g7.utoronto.ca/evaluations/2010muskoka/2010plans/2010-g8plans-081208.pdf](http://www.g7.utoronto.ca/evaluations/2010muskoka/2010plans/2010-g8plans-081208.pdf))

“The G8 will create the equivalent of 1,500 ‘full-time’ jobs in the Calgary region and a total of 1,800 jobs in Alberta, worth more than \$499.5 million in wages and salaries for the province. Tax revenue from G8 related spending will exceed \$50 million, with \$29.7 million going to Ottawa, \$15.5 million to Alberta and \$5.1 million to Calgary and other local municipalities.” “Summit hosts told to expect multimillions,” *Calgary Herald*, May 31, 2002.

### **2001 Genoa, Italy**

“Thousands of protesters went on the rampage at the weekend as world leaders met to discuss an agenda of world poverty and globalisation. Early estimates put the total damage at 100bn lire (\$45m). Genoa had already received around \$110m ahead of the summit to improve the city's appearance and infrastructure and to fund security measures. While the area directly around the summit venue came off unscathed, surrounding districts have been devastated by the violence.”

([news.bbc.co.uk/2/hi/europe/1452725.stm](http://news.bbc.co.uk/2/hi/europe/1452725.stm))