

# THE BUSINESS OF SPORT IN ZAMBIA

A Ministry of Youth, Sport and Child Development presentation to the British Chamber of Commerce by Ms. Bessie Chelemu, Director of Sport

# Introduction/ Background information

- The Ministry is charged with the responsibility of developing, coordinating, implementation and monitoring policies on Youth, Sport and Child in the country.
- In sport, the Ministry's mandate is drawn from the portfolio functions as outlined in Gazette Notice Number 183 of 2012 and as reinforced by Gazette notice number 561 of 2012.

# Portfolio functions and subjects

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Specifically, in sport the portfolio functions and subjects are as follows:

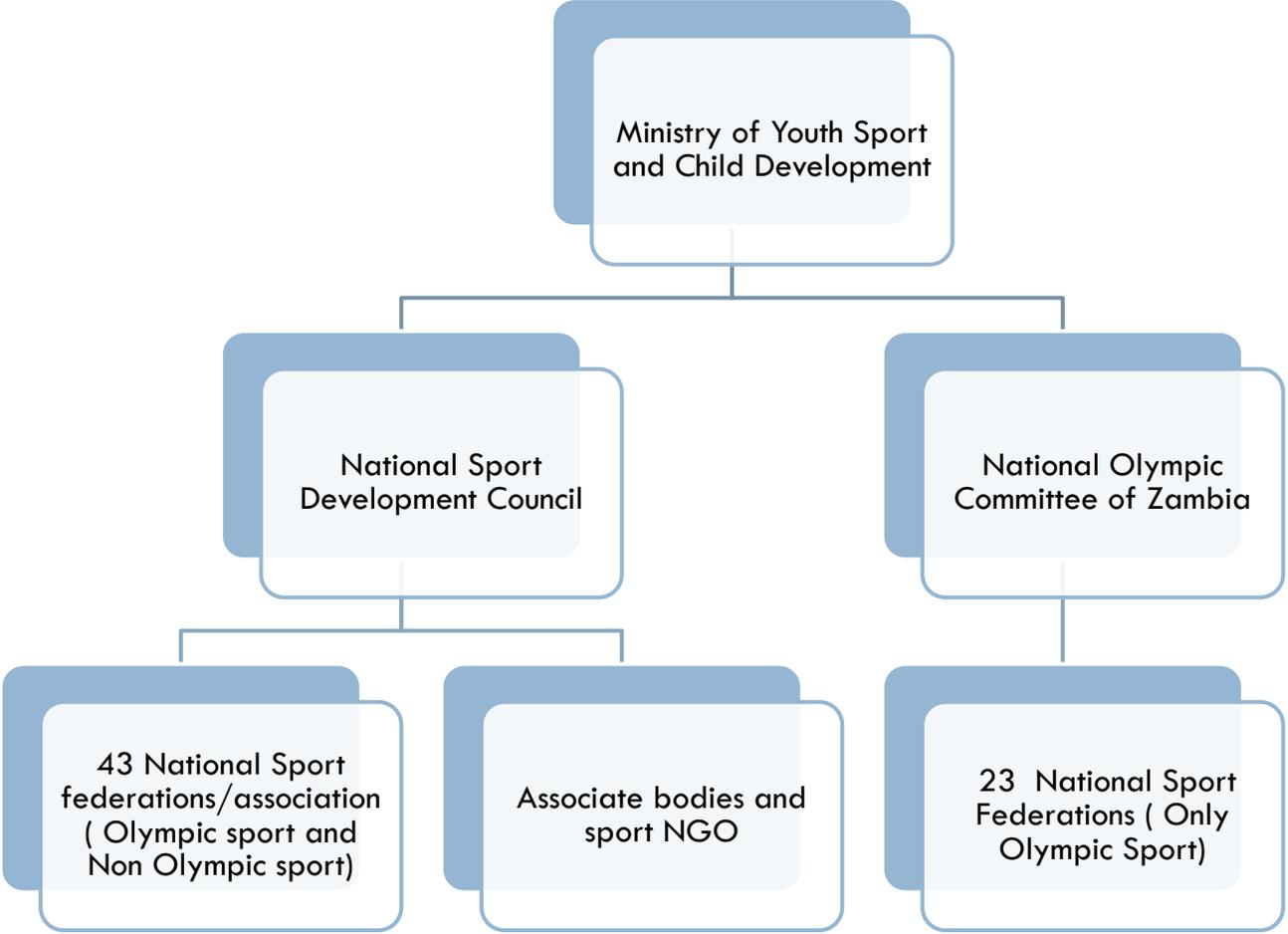
- Sports Policy
- Sports Development
- Coordination of Sports Organizations

# Statutory Bodies and Institutions

The Ministry is responsible for the following Statutory Bodies and Institutions:-

- i. National Sports Council of Zambia (Statutory body)
- ii. Zambia Professional Boxing and Wrestling Control Board (Statutory body)
- iii. National Olympic Committee of Zambia
- iv. National Paralympics Committee of Zambia
- v. Special Olympics Zambia.

# Organogram of Zambia sports structure



# Statutory Acts of Parliament

The Ministry is also responsible for administering the following statutory Acts of Parliament:-

- Professional Boxing and Wrestling Control Act; and
- National Sports Council of Zambia Act.

# Highlights of Government Policy on Investing in Sport

- The 2012 Sport policy acknowledges sport as a tool for national development. It states that ‘Sport is a simple, low cost and effective means of achieving development goals’.
- UN General Assembly resolution 69/6, the 2030 Agenda for Sustainable Development and Africa Union Agenda 2063 all reaffirm promotion of sport as an important economic sector that significantly contributes to national development in areas of tourism, manufacturing, and infrastructure development
- The 2015 revised International Charter of Physical Education, Physical Activity and Sport recognizes that ‘sport can bring a variety of individual and societal benefits such as health, social and economic development, youth empowerment and reconciliation and peace’

# Policy Measures in the 2012 Sport Policy

Promotion of business opportunities in sport;

Promoting private sector investment in sport through provision of tax rebates;

Training sports administrators and persons on sports marketing;

Facilitation of the establishment sports lotteries;

Establishment of a national sport development trust fund

Advocating for the introduction of a tax regulatory policy on sport for companies supporting sports development

# Strategies for increased Investment in Sport

- Strengthen government policies on investment in sport (revised National Sport Policy addresses this need)
- Establish sustainable mechanisms to attract local and foreign investment in the sport industry
- Tax rebates for investors, manufacturers, importers of sport products
- Enhanced Public Private Partnerships in sport
- Strengthened stakeholder networks and partnerships

# Key revenue streams for sport

## Gate takings

- this is revenue generated from ticket sales for sports event.

## Sponsorship fees

- There are various segments of sports sponsorship — , team, franchise fee, athlete and on-air. Brands are increasingly leveraging new avenues across these segments to attract the attention of sports fans.

## Broadcasting Rights

Includes TV, internet and radio broadcasting rights.

## Merchandise

- Merchandise is a small, but high-potential revenue segment for the sports events market, of which it accounted for approximately three per cent share in 2013. Merchandise sales are directly proportional to the engagement level of fans with sports, sportspersons and teams.

# KEY TRENDS DRIVING THE SPORT SECTOR

- a) Rising importance of technology and data in sport
  - Technology is adding value to the sports business. Game officials are now using innovative technologies, such as video refereeing to check and correct game-related decisions
  - Teams and franchises are also increasingly using data collected through various modes, such as social media and ticket sales, to analyse fans' behaviour. These efforts are aimed at increasing the merchandise sales and stadium attendance during matches.
- b) Engagement through social media to promote brand equity

# Role of the private sector

**Private sector involvement can include;-**

- ✓ Sponsorship of teams and individual athletes
- ✓ Contribution to the Sport Development Fund
- ✓ Sports infrastructure development through Public Private Partnerships (PPPs) models
- ✓ Sport training either for-profit academies and strategic initiatives, and non-profit participation

# Investment opportunities for the private sector

Sport events

Sport tourism

Manufacturing  
of sport  
goods/products

Sport facilities

Sport fitness  
clubs

# Investment Opportunities continued

- Selling of Sports merchandise
- Importation of sport merchandise
- Consultancy
- Research and publishing
- Sport Medicine
- Sport Science
- Sport Schools
- Sports Leagues and Premier Teams

# Advantages of investing in Sport

- Huge demand for sport services and products increases or improves brand awareness
- Government policy supports for investments in sport as such provides an enabling environment.
- Potential local and international partners in sport industry
- Available local human resource
- Suitable platform for CSR

# Limitations to investment in sport

- Allocation of national resources to sport development remains below 1% of the national budget and as such few investments in the sport industry exist
- Inadequate research on investment in sport in Zambia as led to much of the sport industry in Zambia to remain untapped despite potential contribution to national GDP. There is lack of empirical evidence of sport's contribution to national development.

# Limitations to investment in sport

- Lack of data to appreciate benefits of investment in sport and its contribution to national development
- Lack of incentives for investment in sport.
- Poor partnerships and weak investment networks among key stakeholders
- Fewer qualified sport business professionals
- High costs of investing in sport

# CONCLUSION

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- The success of sport business in Zambia is in implementing its strategic plans and this is dependent on the true understanding of sport value as a brand that can enhance cooperate imagine. The role of technology remains critical for this understanding

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