

## POST WORLD CUP ECONOMIC STRATEGY

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*As the World Cup Competition goes on, there are some disappointments about the economic stimulation via the World Cup is not having as big of an impact as expected.*

*Despite the concern, Korea is already reaping immense and immeasurable benefits of World Cup.*

*Hosting the World Cup brings about numerous intangible benefits.*

World Cup fever is spreading all over Korea. What makes this World Cup competition even more interesting is the fact that traditional soccer powerhouse nations, such as France, are having difficulties playing against weaker-but-no-less-energetic newcomers. As the competition goes on, there are some voices of disappointments about the economic stimulation via the World Cup is not having as big of an impact as expected. There are plenty of hotel rooms that are not being booked because of less than expected number of visits from foreign tourists. Also, there are too many empty seats at the each of beautifully built world-class stadiums. Peoples general tendencies to slightly exaggerate expectations and complications during advance ticket sales process probably have caused rather disappointing situations that are mentioned above.

Does this mean there is no such thing as an economic stimulation due to World Cup? Regardless of a monetary value of its economic impact, Korea is already reaping immense and immeasurable benefits of World Cup by recording nations first-ever win at the World Cup tournament match on June 4th. The economic value of this win is beyond anyones wildest imagination. The materialistic value that represents an immediate recovery of confidence among forty seven million Koreans, who had to deal with prolonged economic difficulties and political turbulence, simply cannot be measured. It is not outrageous to suggest that the positive economic effect of this win, created by increase in peoples spending, an improvement in image of nation and its businesses, can worth over ten trillion Korean won. Regardless of the figures, this win is significant because it brought out a newfound confidence for people in Korea and furthermore, it also restored the pride in Asia. In other words, this win should put any uncertainty in economic stimulation via hosting the World Cup tournament to a rest.

Even though the profitability of hosting such an event is always causing a controversy, there must be good reasons why every country in the world tries so hard to host the World Cup tournament. This is due to the fact that hosting the World Cup brings about numerous intangible benefits that cannot be immediately estimated monetarily. The World Cup tournament provides joy and excitement to people all over the world. If the team Korea can get deep into the tournament, there will certainly be enormously positive economic benefits. Regardless of Korean teams performance, Korea can still enjoy prolonged economic benefits of the World Cup just by successfully hosting the event. Peoples confidence will come alive and there

will be an across the board increase in domestic spending and investment, foreign investment, and exports. Ten cities in Korea that are participating in one of the biggest sporting events in the world will each get an opportunity to become the world class tourist attractions, such as Nantes or Marseilles in France.

How can Korea and its people sustain this positive economic momentum created by hosting the World Cup, which can spread across every sector, after everything comes to the grand finale? First, Korea must establish a concrete vision and plan - based on improvement in global recognition and image - to foster Korea as the business center of Northeast Asia. Korea must also try to progress from its current image of being a good place to run a business to the best place for a foreigner to live in.

*Korea must establish a concrete vision and plan.*

Secondly, high tech industries in Korea must utilize new opportunities made available by hosting the World Cup, and become nations leading industrial sector that will provide a new base for the entire countrys economy to grow upon. Telecommunication industries that allowed digital satellite broadcasts, tourism industries, cultural industries, such as animations, and sports marketing industries are several examples of such industries.

*High tech industries must show growth.*

Thirdly, more balanced regional growth should be achieved by using the experiences gathered from hosting the World Cup tournament. For this, a foundation is needed in order to grasp and organize regional preferences of foreign tourists who visit Korea during the World Cup. After the World Cup, based on the foundation mentioned above, each regions own specialty industries and tourism products have to be further developed. At the same time, global publicity activities of each regions unique features have to be intensified in order to facilitate regional tourism industries and regional foreign investments.

*Balanced regional growth must be achieved.*

Fourthly, a plan has to be established to significantly improve the amount of domestic cultural capital by using the World Cup as a starting point. Cultural capital can include social aspects that have either direct or indirect effects on economic development, such as law, institutions, ideology, value and customs. In other words, international image of Korea will gradually improve if Korean citizens compliance to law and order spreads and intensifies all over the country, and cultural tradition of Korea is developed to a global level. After this process of image improvement, Korea can indeed become the center of Northeast Asia. Also, exports of domestic products will greatly increase due to an improvement in international brand recognition.

*Amount of domestic cultural capital must be improved.*

Lastly, there has to be a continuous usage of social infrastructures that are formed during the preparation process for World Cup. Permanently established volunteers and translators organizations can play important roles in attracting foreign investments or product promotions. Also, both central and local governments must come up with a solid plan to utilize the World Cup stadiums for developing national and regional economy and sports in general. Furthermore, a professional organization that maintains and improves Korean national image has to be established and it has to continuously work on improving image of the nation. When all these things happen, 2002 World Cup tournament will truly become a springboard that can take Korean economy to the next level. **VIP**