

## **As European football prepares for its big kick-off we assess the financial challenges facing the continent's Big Five leagues.**

*Matthew Glendinning*

*According to consultancy firm Deloitte, the Premier League stretched ahead of the chasing pack of Euro leagues by more than €1 billion for the 2007-08 season, despite a 15 per cent depreciation in sterling versus the Euro.*

As Deloitte senior consultant Alex Byars reflects, "To put that in context, if you took the total combined revenues of any of the three chasing leagues (La Liga, Bundesliga, Serie A), and added the French league revenues you still wouldn't beat the Premier League."

Despite its reputation for excessive spending on wages and transfers - and thanks largely to its broadcast revenues - the Premier League is also positioned as the most profitable of the big five European leagues, having lost this title temporarily to Germany's Bundesliga in the 2006-07 season.

But it has undoubtedly been the extraordinary spending of Real Madrid in this summer's transfer window that has been the talk of the sporting world. This coupled with the successes of the national team and Barcelona on European fields last season gives Spanish football a new lustre, but will it be able to maintain it? La Liga is, as Deloitte's Alex Byars points out, the 'most financially polarised' league among the Big Five. Imbalanced or on the verge of collapse, it remains to be seen how the Spanish debt story will play out. Real Madrid itself will clearly survive. The question is, will its mounting debt levels really allow it to thrive?

German club football has been feeling better about itself for some time. While still well behind Premier League revenues, the Bundesliga comes out as number one in terms of financial efficiency. Its Bundesliga's revenue from sponsorship is peerless in Europe and adding to the feel good factor, TV rights are finally beginning to reflect the size of Germany's population and economy. The big question now is whether the German club's inability to raise foreign capital (due to a rule which does not allow companies and individuals to control Bundesliga clubs) will stunt the Bundesliga's competitiveness on the international soccer stage.

Once the golden league of European football, today Serie A is a league running hard to stand still. But at least Italian clubs have recognised they need to take their destiny into their own hands by agreeing to sell their broadcast rights collectively from 2010-11 for the first time since the 1990s. "There appears to be an acceptance from within the game in Italy that there needs to be some sort of change," says Byars.

As for France's Ligue 1, the smallest of the Big Five, it should be noted that many growth lines, are trending upwards. The league clearly remains concerned about a long-term ability to compete at Europe's table. In a recent statement, the LFP's president Frederic Thiriez fell into line with UEFA's French president Michel Platini when he argued that the Premier League's financial power threatens to undermine justice in the sport, a development he called "financial doping".

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