

Tomás Elías González Benítez: COVID-19 and soccer, Bayern München is the only profitable club

An analysis of the consequences that the pandemic has produced on the most loved sport sector in the world



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The **effects** of **COVID-19** were more evident only when we realized its global reach. Indeed, the pandemic has caused economic and social upheaval on a worldwide scale. The negative effects of the crisis have shown themselves in all areas. The **professional football** sector, with an **11 billion \$ loss**, was no exception.

The situation in Europe

The report carried out by the sports journalist [Tomás Elías González Benítez](#) analyzed the situation of **32 European teams**, focusing on the national champions in the 2019/2020 season of the six major European leagues: **Juventus** (Italy), **Paris Saint-Germain** (France), **Porto** (Portugal), **Bayern München** (Germany), **Liverpool** (England) and **Real Madrid** (Spain). Below, some of the most significant data, the [full article](#) on the Tomás Elías González Benítez website.

Unlike the previous year, when all the teams reported a positive **profit** except for Juventus, this year the figures were different:

- **FC Bayern München** and **Real Madrid CF** are the only two to record **modest profits**, 5.9 million and 0.3 million.
- The most significant **loss** was recorded by **PSG**, **-125.8 million**, due to the French championship's interruption (the only interrupted and not postponed).

Television revenues also decreased for everyone, recording a reduction of 937 million euros (-23%). However, this figure is also related to the results achieved in the UEFA Champions League:

- Finalists **Bayern München** and **Paris Saint-Germain** saw only a **4% decrease** in television revenues;
- **Real Madrid CF**, **FC Juventus**, and **Liverpool FC**, all eliminated in the round of 16, were **down** by **12%**, **19%**, and **22%**, respectively.
- The **63% drop** recorded by **FC Porto** is due to the early elimination from the competition.

Advertising has become the revenue stream that has ensured the **highest revenue** in five of the six clubs surveyed, while the **revenue** figures obtained from **commercial activities** are more varied:

- **Liverpool FC**, **FC Bayern München**, and **Real Madrid CF** **increased** their revenues by **14%**, **4%**, and **2%**, respectively.
- Juventus FC remained stable.
- **FC Porto** and **PSG** both recorded a **drop of 18%**.

With many canceled matches and empty stadiums, the **day's revenues** have plummeted sharply, **-17%** (a loss of 257 million euros):

- **Real Madrid** lost the most in absolute terms, **-34.9 million €**, down 22% on an annual basis;
- The decline of **4.2 million €** in **Porto** represented the highest annual percentage drop (**-34%**).

Although several clubs have been able to reduce player salaries, not all have lowered **operating costs**.

- **FC Bayern München** and **Juventus FC** managed to **reduce** staff costs (by **6%** and **13%**,

respectively) by agreeing on reducing the game staff's salary.

- In contrast, **Real Madrid CF** personnel costs **increased by 4%**, despite players temporarily reducing their wages by 10%.
- The **PSG** recorded an even more significant **increase** in personnel costs, **+10%**.

The last interesting fact concerns the market **value of the players**:

- Between February 2020 and January 2021, this **fell by 9.6%** for the 500 most valuable players.
- During the summer market, **transactions decreased by 43%** compared to 2019 in the top 5 European leagues (3.3 billion € against 5.8 in 2019).
- The percentage of **players transferred for free** increased from 26.2% to **32.3%**.

Towards the resolution of the problem

As we have already seen in part, worldwide governments have responded to the pandemic differently and at different rates.

More than **150 football associations** have already applied for the **1.5 billion \$ emergency relief fund** set up by **FIFA**. Therefore, as stated by **Olli Rehn**, chairman of FIFA's coronavirus steering committee, this relief fund Covid-19 is not subject to time limits and affects all confederations. While Europe has been the most affected in terms of absolute costs, non-European associations are the ones that have suffered the most due to reduced means.

Here are some **examples** of how the fund has already been used:

- In **Thailand**, it served to restart the national championship with the coronavirus's purchase of tests and the expansion of VAR technology.
- **Mexico** used all of the **1.5 million \$** for the **national women's league**.
- In **Brazil**, the funds are being used to **advance testing** in women's competition.
- In **Uruguay**, thanks to this fund, the federation could **take back the staff** who had been forced to lay off.

Conclusion

While the previous seasons had shown constant growth for most of the teams in the top leagues, the **2019-2020 season marked a decline**. In fact, the **pandemic** has shown the **weaknesses** of a widely

criticized system. A crisis almost always offers the opportunity to highlight the business model's main shortcomings and guide innovation and evolution. All that remains is to see how the **football industry** will react to this crisis.

About me

I am Tomas Elias Gonzalez Benitez, a Venezuelan journalist passionate about sports and especially about worldwide football. I have more than 20 years of experience in the world of sports business and I'm the creator of "Marketing Sport," the most read sports blog in 2020 and the first example of a Venezuelan newspaper's editorial committee in the market of journalistic information applied to the sports economy. Surrounded by the most famous athletes in the world, I am carrying out my mission to inform thousands of people worldwide and share the love for the sport. My main objective is to encourage young people to develop an interest in sports, to practice but also to study them for journalistic purposes.

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