

Canada Olympics

(Analysis)

By winning the bid to host the Olympic Games, it has been regarded by many as a major win. Fans believe that hosting the Olympic Games can increase valuable tourism, boost local economies, and grow a host country's global trade and stature. But is that really the case?

There is another side that the Olympics are believed to be a financial drain on host cities which force them to create expensive infrastructure and buildings that fall into disuse.

With tourism being the focus, The Olympics can contribute to an increased amount of spending on accommodation, dining, transportation, and through merchandise because of its large number of international visitors. Let's look at the bar-graphs drawn:

Slide #1 with the bar graphs (transportation)

In 1976, food consumption and transportation were the major factors that saw drastic changes. Food consumption being at 3% and transportation being the highest at 9%. The similar trend can be found with transportation being the highest in the other years.

Pros#2: The Olympics increase a host country's global trade and stature

By looking at this slide it is important to note that the non-durable goods are the most sought-after item. And as we all know many, living in Canada there are items that we cannot acquire or manufacture, due to climate, affordability, quality, or specific consumer preference. By doing so, the importation of non-durable goods allows consumers to access a wider variety of products and brands that may not be locally available or produced.

Looking at the graphs, we see an increase of 3% during the year in 1976.

Looking at the last column regarding the expenditure by non-residents in Canada is shown as a negative number, I would assume it typically indicates a trade deficit in the balance of payments. This means that the amount spent by non-residents in Canada is less than the amount spent by Canadian residents abroad.

Cons#1: The Olympics are a financial drain on host countries.

The reason why the Olympics are a financial drain on the host countries is because hosting the Olympics will divert the funds away from health care services, education and etc. Looking at the graphs noticeable change is for rent but also an increase of insurance and financial services due to people being unsure of what the future holds.

Cons#2: Displacement of residents and disruption of communities

With the Olympics being hosted, there is no doubt that the presence of large corporate sponsors and foods chains may dominate the market while the local business do suffer. This can be interpreted in the expenditure by the Canadians abroad drastically increasing from quarter 1 to quarter 4.