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Subject: Draft Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on sport as a driver of innovation and economic growth
- *Adoption*

During the course of several meetings, the Working Party on Sport has prepared the abovementioned set of Council conclusions, with a view to their adoption at the Education, Youth, Culture and Sport Council on 25 November 2014. The text now meets with the agreement of all delegations.

The Permanent Representatives Committee is accordingly invited to forward the text to the Council for adoption and subsequent publication in the Official Journal.

Draft

**Conclusions of the Council and of the Representatives of the Governments
of the Member States, meeting within the Council,
on sport as a driver of innovation and economic growth**

The Council of the European Union and the Representatives of the Governments of the Member States,

I. RECALLING

1. That the Council Conclusions of 26 November 2013 on the contribution of sport to the EU economy, and in particular to addressing youth unemployment and social inclusion, recognized the potential of sport in creating jobs and in supporting local economic development, together with “spill-over” effects on other sectors¹.
2. That the Council on 21 May 2014 adopted a second European Union Work Plan for Sport for 2014-2017 which highlighted the important contribution of sport to the overall goals of the Europe 2020 strategy, given the sector’s strong potential to contribute to smart, sustainable and inclusive growth and new jobs, and included, to this end, the economic benefits of sport and innovation as one of its priority themes².

¹ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/educ/139733.pdf

² http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/educ/142704.pdf

3. That sport represents an economic sector of significant importance to the European Union, accounting for 1.76% of the EU Gross Value Added (GVA)³ with a share in the national economies comparable to agriculture, forestry and fisheries combined. In addition to these direct effects, a share of 1.22% of the EU GVA is generated indirectly through multiplier effects. Regarding the labour market, sport-related employment represents 2.12% of total employment in the EU. Furthermore, the economy linked to the sport sector has proved to be exceptionally resilient during economic crisis⁴.

II. CONSIDERING THAT

4. Sport, the largest non-governmental movement in Europe, is an important driver of innovation. Spurred by intense competition, sport has an in-built and inherent incentive pushing participants towards constant improvement in performance and excellence.
5. Many sports attract considerable financial resources through sponsorship and the sale of media rights, and are thus able to invest heavily in the development of innovative equipment and materials that provide to participants or teams a competitive advantage.
6. This combination of intense competition and the availability of financial resources has resulted in a sport industry characterised by constant and rapid waves of innovation. Innovations have made sport technology a leader in certain fields of applied science: textile technology, mechanics of human motion, new materials, sensors, actuators, human-oriented design, and others.

³ Study on the contribution of sport to economic growth and employment in the EU, November 2012. <http://ec.europa.eu/sport/library/studies/study-contribution-sports-economic-growth-final-rpt.pdf>

⁴ [http://www.oecd.org/mcm/C-MIN\(2013\)1-ENG.pdf](http://www.oecd.org/mcm/C-MIN(2013)1-ENG.pdf)

7. It is also apparent that innovations in sport can have relevant spill-over effects to other sectors of the economy. There are already good examples of transferable innovation from sports that can be found in other sectors, thus becoming available to a wider range of consumers. For instance in manufacturing, electronics, IT/software, health and healthcare, food and drinks, tourism, education, entertainment and automotive sectors.
8. Sport is a highly intensive research and innovation sector as it is driven by increasing demand for performance enhancement, injury prevention, personalised design and mass customisation as well as the need to integrate sustainability across the entire supply-chain. Furthermore, through design and analysis, it utilises and integrates many disciplines, including materials science and engineering, aerodynamics, hydrodynamics, thermodynamics, biomechanics, electronics, computer science and others.
9. Major sport events can have potential for considerable input to the local, regional and national economy. Major sport events can, therefore, serve as a platform to launch and develop new products and services including social innovations.⁵

III. RECOGNISE THAT

10. Sport can contribute to the EU's efforts to recover from the ongoing economic difficulties since sport is a developing industry and is largely resilient to the economic cycle.
11. Weaknesses in research and innovation systems in the EU can hold back growth potential, and sport could represent an important driver to narrow the gap in EU innovation.

⁵ Social innovations are to be understood as new strategies, concepts, ideas and organizations that meet social needs of all kinds — from working conditions and education to community development and health — that extend and strengthen civil society.

12. Horizon 2020, the new EU programme for research and innovation implementing the Innovation Union (the EU 2020 flagship initiative aimed at securing Europe's global competitiveness) recognises the key importance of strategic investments in technologies and advanced materials⁶. It is therefore a useful tool in the field of sport. Furthermore COSME, the EU programme for the competitiveness of Enterprises and Small and Medium Enterprises, can contribute to business creation and growth by supporting inter alia cluster creation and internationalisation in the field of sport.⁷
13. Sport clusters can provide a favourable environment not only for promoting sport and physical activity but also for product innovation and business creation.⁸
14. Intellectual property rights (IPR) in the area of sport represent important sources of income for sports. Infringements of intellectual property rights (IPR) could discourage investments in innovation⁹.
15. A better understanding of the implications of sport-related activities for the European economy, directly and indirectly, can lead to the better exploitation of the potential of sport in terms of growth and employment and as a driver for innovation, as well as to the maximisation of the spill-over effects of spending and investing in sport and the maximisation of exploitation of the existing sport infrastructure through innovative and cost-effective approaches.

⁶ <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/leadership-enabling-and-industrial-technologies>.

⁷ http://ec.europa.eu/enterprise/initiatives/cosme/index_en.htm

⁸ Clusters are groups of specialized enterprises and other innovation actors that are located near each other and that cooperate closely together. Clusters are important for job creation because 38% of EU jobs are based in such regional strongholds.

http://ec.europa.eu/enterprise/initiatives/cluster/index_en.htm

⁹ In 2012, custom officials in the EU seized counterfeit sport shoes worth more than EUR 36.5 million. Besides physical goods, IPR infringements also include the unauthorised broadcasting of copyright works contained in televised sporting events.

16. Measures aiming at improving access to international markets shall also benefit the EU sport sector.

IV. IN THIS CONTEXT, INVITES THE EU MEMBER STATES, WITH DUE REGARD FOR THE PRINCIPLE OF SUBSIDIARITY, TO:

17. Promote, where appropriate, the creation and development of both cross-sectoral and cross-border clusters involving local administrations, universities, research centres, industry and sport bodies, specialized in research and development, technology transfer and innovative solutions for sport, that actively contribute to the overall economy, facilitating the creation of spill-over effects. Such cooperation could be supported in particular by the cross-border programmes funded by the European structural funds.
18. Encourage initiatives which would contribute to boosting growth and better exploring the innovation potential of sport for the wider economy and to amplifying spill-over effects by encouraging and facilitating, inter alia, the transfer and take-up of technological innovations from the sport sector by other sectors of the economy. This could facilitate access for the sport sector to a wider range of funding sources, such as innovative financing and venture capital aiming at financial self-sustainability.
19. Foster and facilitate innovation, access to sustainable financing and the business environment for sport and the sport-related industries.
20. Disseminate information and exchange good experiences and best practices among themselves in a European context on ways to create and support strategic partnerships between key stakeholders in different fields aimed at strengthening the role of sport as a driver of innovation and economic growth.

V. INVITES THE MEMBER STATES, THE COMMISSION AND SPORT STAKEHOLDERS WITHIN THEIR RESPECTIVE SPHERES OF COMPETENCE TO:

21. Foster conditions for the creation of an environment favorable to the development of technological innovation in the field of sport and promote sport as a source of growth and employment in the relevant sectors.
22. Strive to develop strategies and cross-sectoral policies aimed at generating research and innovation in the field of sport and explore the possibilities of promoting public-private partnerships regarding sport infrastructure projects by supporting the exchange of best practices at EU level.

VI. INVITES THE MEMBER STATES AND THE COMMISSION WITHIN THEIR RESPECTIVE SPHERES OF COMPETENCE AND WITH DUE REGARD FOR THE PRINCIPLE OF SUBSIDIARITY, TO:

23. Raise awareness about the potential of sport as a "new source of growth and employment in Europe" , through information and co-ordination at national and EU level.

24. Encourage the use of EU funding instruments, where appropriate, including Horizon 2020, Erasmus+, the European Regional Development Fund (ERDF) and the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), to develop innovative solutions concerning the economic dimension of the sport sector¹⁰ for long term socio-economic impact; and assess if there is room for further improvement regarding the inclusion of research and innovation related to sport in existing EU funding schemes.

VII. INVITES THE EUROPEAN COMMISSION TO:

25. Support cluster collaboration in the sport sector across Member States, for instance under COSME¹¹.
26. Explore, within the context of the Expert Group on the Economic Dimension¹², the possibility of mapping-out existing research and collecting examples of best practice within the areas of innovation in sport, as well as the relationship between sport and economic growth, with a view to collecting and sharing successful experiences regarding the innovative and economic aspects of sport.

¹⁰ For instance, the use of tools such as Public Procurement for Innovation. Public procurement of innovative goods and services can be an important tool for regional authorities to improve the effectiveness and efficiency of public services and address their challenges and needs. Innovation encourages more efficient public services and can facilitate the delivery of vital infrastructure and services. Furthermore, the revised public procurement Directives (the Concession Directive 2014/23/EU, the Public Sector Directive 2014/24/EC and the Utilities Directive 2014/25/EU) provide additional tools through which Member States can pursue innovative, green or social public procurement.

¹¹ http://ec.europa.eu/enterprise/initiatives/cluster/internationalisation/index_en.htm

¹² As established by the European Work Plan for Sport 2014-2017.

27. Continue the collection of statistics and the analysis of the economic importance of sport.
28. Organise a high-level cross-sectoral event on the contribution of sport to innovation and economic growth, taking into account its spill-over effects on the wider economy based on identified transnational actions that can be promoted and become the basis for a relevant assessment.
29. In the context of the European Week of Sport, encourage initiatives by actors operating in sport-related business and research, in order for them to share their advances in the field.
30. Include, where appropriate, issues related to sport-related industry and innovations in the field of sport in the context of its bilateral contacts and relations with relevant third countries, in order to help EU industry to better exploit future opportunities.
31. Support transnational initiatives (e.g. exchange of good practices, studies, networks, projects) focussing on the implementation of national and international strategic actions on better exploring the innovation potential of sport for the wider economy within the framework of EU funding programmes with the focus on enlarging the spill-over effect of sport.
