



Geopolitical Risk Index | Case Studies | 2024

Geopolitics of **Sports**

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Sports have been used historically to establish diplomacy and display statecraft



Olympics 776 AD

Ancient Greece called **Olympic Truces** to allow the safe passage of athletes to games. **Displayed the size strength of the nation.**



World Cup 1934

After WW1, Italy hosts the world cup as a unified nation. Helped **foster a shared identity of Italy.** As a display of strength, Italy wins the World Cup again four years later.



Ping Pong 1971

People's Republic of China (PRC) had **no diplomatic or economic relations with US for 20 years** after entering Korean War. Invited US player during 31st World Table Tennis Championship Japan. **Paved way for Richard Nixon's visit to Beijing in 1972**



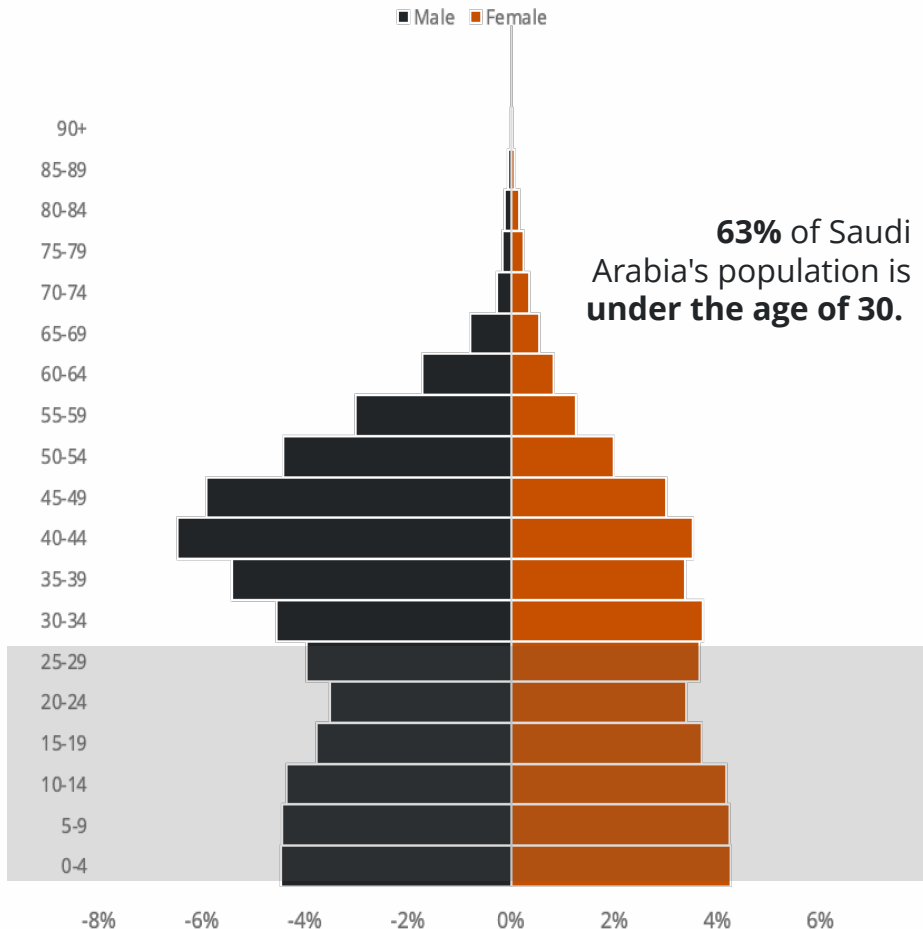
US President Richard Nixon and China's Communist Party Chairman Mao Zedong



Saudi Arabia must divest from an oil-based economy

Saudi Arabia needs to simulate economy to prepare for the large upcoming workforce

Saudi Arabia Population Pyramid 2022



Sources: United Nations, Reuters

The long term future of Oil production is in decline



Inability to keep Oil prices high

Disputes over production quotas, revenue distribution, and geopolitical rivalries among member states have hindered OPEC's effectiveness as a unified bloc, diminishing its geopolitical clout.



Increase of competition from Non-OPEC producers:

The emergence of new players and the expansion of unconventional oil extraction techniques have altered market dynamics, reducing OPEC's influence over global oil markets.



Energy landscape is changing

As the world shifts towards cleaner energy alternatives, the demand for traditional fossil fuel producers like OPEC is diminishing.



Saudi Arabia must change its image in order to attract tourists and businesses

Tourists have negative images of Saudi Arabia that hold them back from visiting

Negatives perceptions of Saudi Arabia by foreigners



Religious constraints



Lack of eco-consciousness



Disrespect of Human Rights

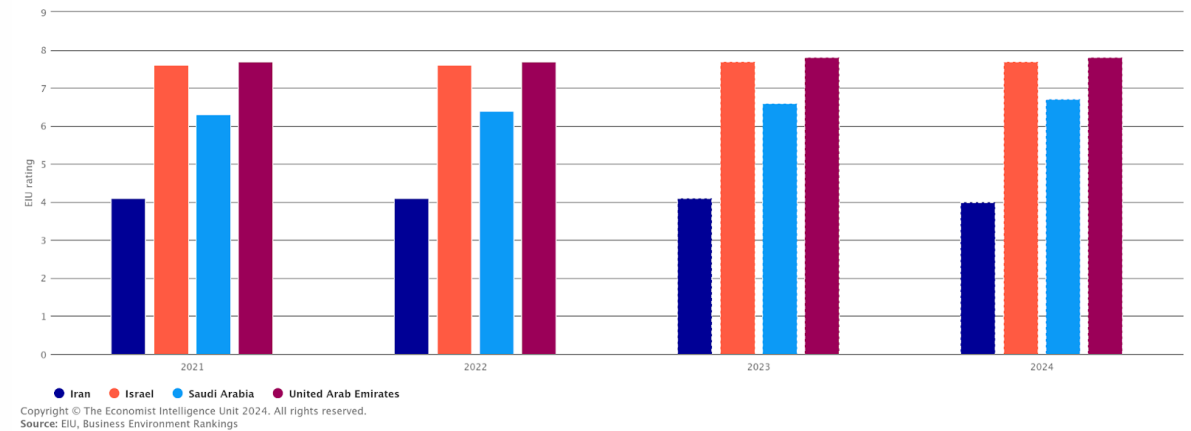
Efforts to reshape International Image being done:

- Lifting the ban on women driving, allowing concerts and the atres, and reducing the authority of religious police
- Hosting of entertainment events like concerts

Regionally, Saudia Arabia struggles to compete on its attractiveness to businesses

Business environment ratings
Overall business environment (scored 1-10)

Estimate Forecast



Graph representing Business Environments of Middle Eastern Countries (According to EIU)

- Investments in infrastructure supporting the new culture, such as sports stadiums and local parks
- Development of sports infrastructure and events as catalysts for attracting tourism and foreign investment



Saudi Arabia's Use of Sports as a Geopolitical Tool



Method of Statecraft

- Vision 2030 addresses the concerns of tourists while building infrastructure projects
- Fosters national identity in sports



Transcends Regional Geography

- Leverages Media and revenues
- Sports doesn't rely regional geography



Cultivates Soft Power

- Informal diplomatic opportunities
- Control of foreign Assets
- Builds shared infrastructure



Sports are a method of state craft for Saudi Arabia

VISION 2030, Economic Diversification

- Saudi Arabia's ambitious reform plan aims to **reduce dependence on oil revenues.**
- **Investments** in healthcare, education, infrastructure, tourism, and recreation for sustainable growth.

DISPLAY OF POWER, Geopolitical Influence and Image Transformation

- Vision 2030 aims to bolster Saudi Arabia's geopolitical influence beyond oil
- Initiatives to **attract foreign investors, improve transparency, and enhance global image**



Sports can transcend regional geopolitical tensions

IMPACT OF MEDIA

- Emphasizes achievements and leadership for soft power projection
- Similar media control strategies as Russia
- Utilizes platforms like X, Facebook and YouTube for targeted messaging
- Saudi government controls major outlets like SPA, Al Arabiya, and Al Riyadh

TRANSPORT CORRIDORS

- **Paris Agreement** prompts reduced oil demand, impacting transport.
- **Mohammed bin Salman** leads diversification beyond oil.
- Rising tensions highlight **need for alternative routes**.
- Proposed **IMEC** aligns with Vision 2030 for economic growth.



Sports cultivate soft power that can prevent decoupling and geopolitical stagnation



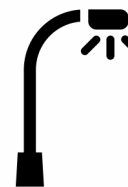
Informal opportunities for diplomacy

Saudi Arabia often invites foreign dignitaries, diplomats, and government officials to these sporting events, fostering bilateral relations and strengthening diplomatic ties through **shared informal experiences and interactions**



Control over foreign assets

Saudi Arabia's investments in football, including ownership or sponsorship of renowned clubs like Manchester City, Newcastle United, among others, **forge a powerful connection between the Kingdom and the countries** they are located in.



Build shared and unilateral infrastructures

Foreign investments in sport infrastructure development, technology and ensure a **strong interdependent relationship which prevent the country from isolation.**



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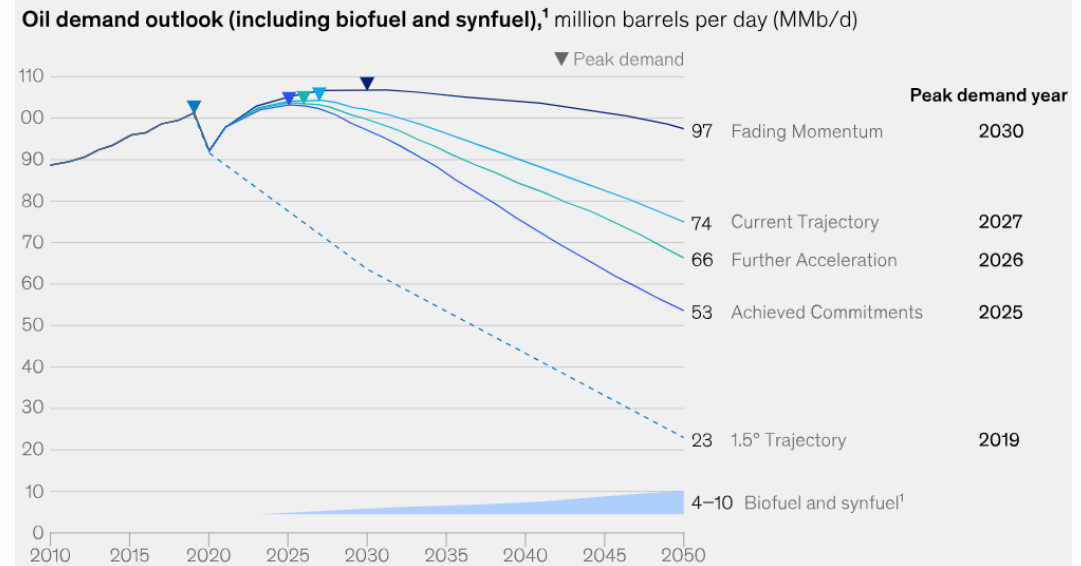




Green energy movement

In the context of Climate Change, Saudi Arabia has to join the Green energy movement

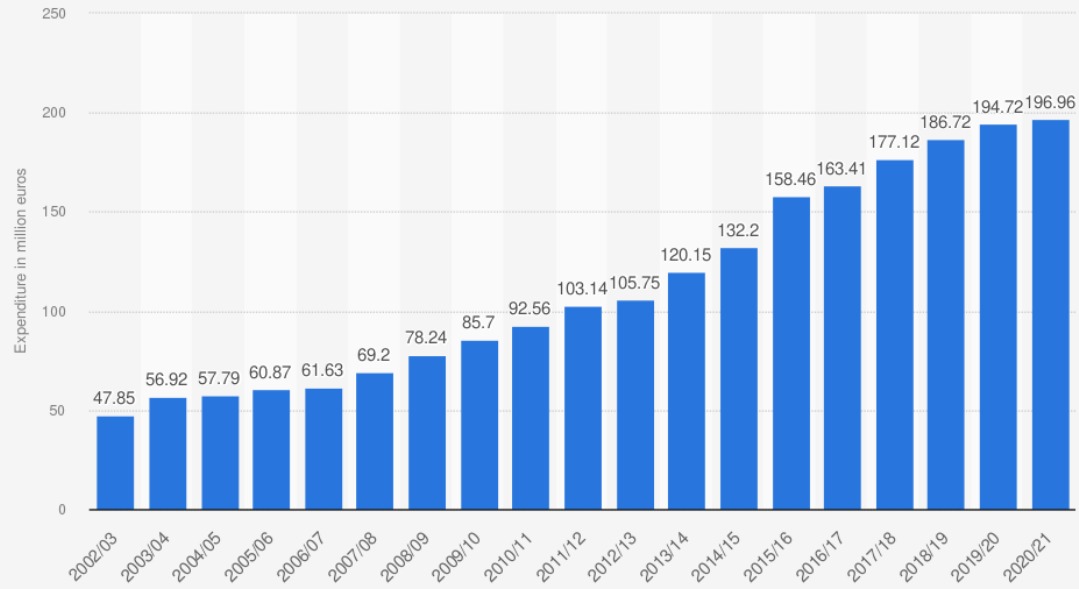
Oil demand is expected to peak by 2030 across all scenarios, with a wide variation of 2050 demand.



Graph from McKinsey, 2023



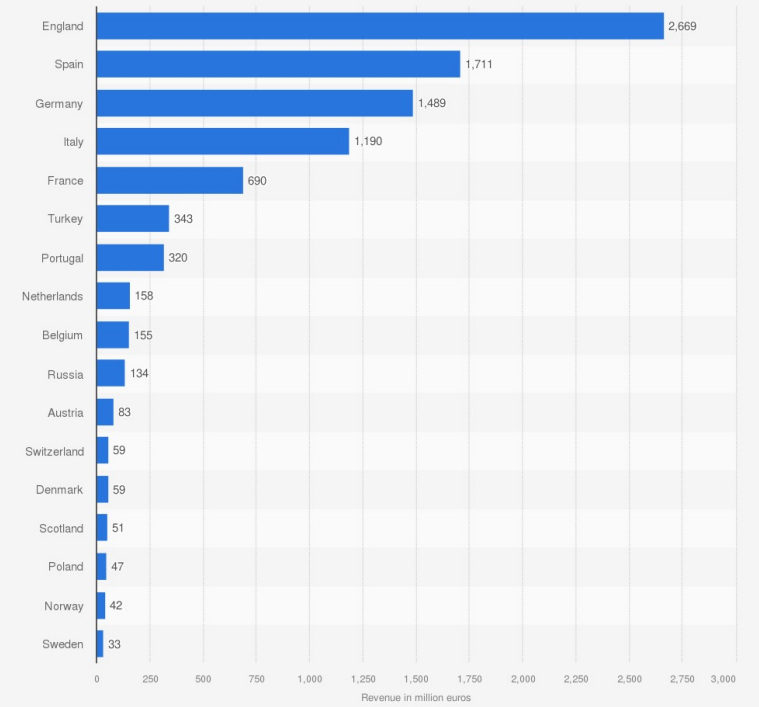
Spending of the German Bundesliga clubs on youth academies from 2002/03 to 2020/21 (in million euros)



Source:
DFL
© Statista 2024

Additional Information:
Germany; DFL; 2008/09 to 2020/21

Revenue from broadcasting rights of European soccer leagues from in 2019/20 (in million euros)



Source:
Deloitte
© Statista 2024

Additional Information:
Europe; 2019/20

