

INFLUENCE OF SPORTING EVENTS ON THE ECONOMY OF HIMACHAL PRADESH

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ABSTRACT

Sporting events in Himachal Pradesh significantly impact the local economy by attracting tourists, producing revenue, and encouraging infrastructure growth. These events attract visitors from neighboring states and countries, contributing to the local economy through hotel, dining, travel, and entertainment. The influx of spectators boosts the demand for hotels, resorts, and guesthouses, meanwhile organisation of the main events also boost the avenues for the allied sports and tourism activities which in turn would ultimately end up in the numerous means of the revenue generation for the scenic, holy land of mountains Himachal Pradesh. These sporting events further also encourage government, semi-government, corporate and non-government sector investment in the sports as well as mainstream infrastructural development. They also tend to generate temporary job openings, lower unemployment rate and attract corporate sponsors and advertising revenue. The rationale of this paper is to discuss how the economic offshoots of the national and international sporting events will assist Himachal Pradesh in developing its sports as well as general infrastructure, attracting tourists, creating employment, and building and strengthening the state's economy.

Keywords: *Sporting Events, Tourism, Economy and Himachal Pradesh.*

Himachal Pradesh has incredible natural beauty, towering snow-capped mountains, lush green forests, and flowing rivers and streams. They provide a range of tourist activities, such as hiking, trekking, camping, and skiing. Himachal Pradesh is a famous adventure tourist destination offering rafting, climbing, and paragliding activities. The state also has various trekking paths with breathtaking views of the Himalayas (Balokhra, 2017).

Sporting events may directly and indirectly influence the Himachal Pradesh's economy by attracting tourists, generating cash and promoting infrastructural development. In Dharamshala, cricket matches are an excellent example of this. Significant sports events, such as cricket matches or adventure sports

championships, attract tourists from neighbouring states and nations. These visitors help the local economy by spending money on lodging, food, transportation, and entertainment (Kamal and Khan, 2020). Himachal Pradesh's scenic beauty and mild climate make it an appealing sports tourist destination. Sporting events frequently raise hotel room and lodging demand. The flood of spectators and participants benefits local hotels, resorts, and guesthouses, improving occupancy rates and increasing income. During sporting events, restaurants, cafes, souvenir stores and local sellers all see increased business. When important events are held in Himachal Pradesh, people are more inclined to consider travelling there. Due to this, all forms of tourism activities, including related sports, may see a rise

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in demand. While visiting Himachal Pradesh, these travelers could be interested in engaging in additional activities like trekking, motorcycling and seeing religious sites (Experts, 2018). The State provides a variety of sports-related activities. This area had widespread participation in sports during British control. This period saw the development of sports-related infrastructure, as noted in 'The Wonderland Himachal Pradesh' (Balokhra, 2017). The most well-known of these is Annadele, which played home to the Durand Cup's first competition in 1888. British builders also created the renowned Naldehra golf course, among the oldest in India. The ice-skating rink in Shimla was also constructed during the British administration. Historically, Himachal Pradesh has created paragliding, hockey, cricket, and other sports infrastructure (Kamal and Khan, 2020).

Sporting events generate temporary work openings in various industries, including event management, security, catering, and hospitality. Residents may find work during these events, contributing to lower unemployment rates. Corporate sponsors and advertising agencies are frequently driven towards sporting events. This infusion of sponsorship revenue may help the local economy by funding advertising agencies, media businesses, and promotional activities. Sporting events can bring in taxes for the state government. This money can be used to pay for other programs and services. Also, these events boost the profile of Himachal Pradesh and attract new companies and tourists (Kumar and Sharma, 2022).

Across the world, sporting activities are now a significant economic engine for many nations and areas. The state has served as home to several major international sporting events in recent years, including the 2023 International Cricket Council (ICC) World Cup

and the Paragliding World Cup (2015). The state's economy has been significantly benefited from these events, which have increased tourism, produced income, and created employment. To entice tourists, the state has been pushing adventure sports, including hiking, skiing, water sports and paragliding. The host region may suffer a great deal economically from these sporting events. The Indian sports business is expanding and in 2015, the market for sports sponsorship rose by almost 12.5% year over year to reach INR 5,190 crore, according to research published by KPMG India. The potential for the sports sector to create jobs and boost the national economy is also highlighted in the study.

Objectives

- To analyze the direct economic impact of sporting events on the local economy of Himachal Pradesh.
- To assess the role of sports tourism in promoting economic growth in the region.
- To identify the employment opportunities created by sports events.
- To explore the socio-economic benefits arising from increased participation and engagement in sports activities.
- To evaluate the potential for future sporting events to contribute to the sustained economic development of Himachal Pradesh.

Major Events

Events classified as major ones draw a lot of participants, local interest, and money from the tourist industry. Through increased tourist spending in the area and net extra investment by event organizers in the area leading up to the event, these events may have a direct economic impact on the host region.

- **Mega Events-**The most remarkable events

aimed at the global market are called mega-events. Mega-events have the potential to boost the local economy and bring in a sizable amount of money from tourists (Banjo, 2011).

- **Hallmark Events**-Through yearly events, hallmark events aim to enhance the allure of specific tourist sites or areas. These

occasions have the potential to draw tourists to the host area and encourage private developers to spend money there.

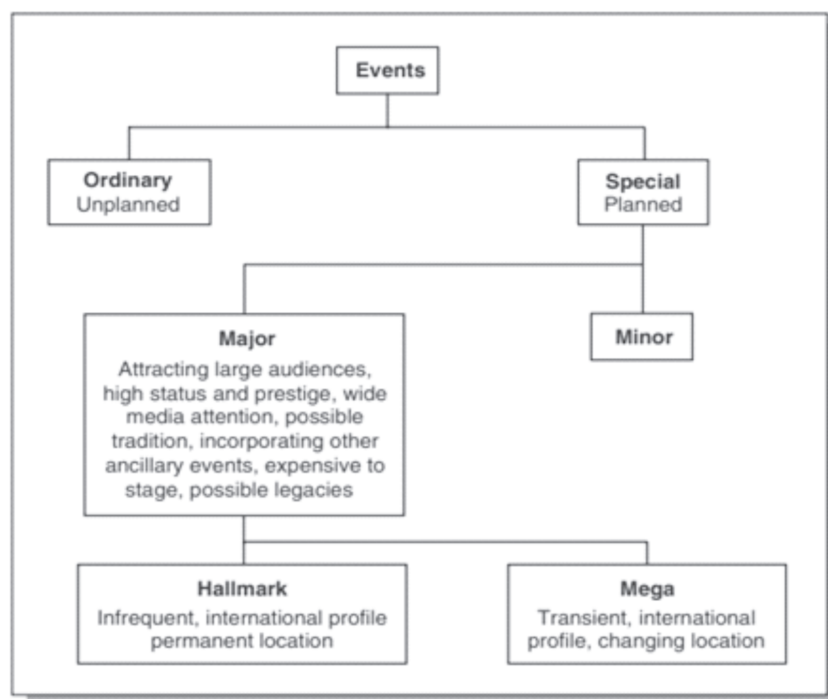


Fig.1.1 Ranking Structure of the Event

Minor Events- This category includes most events, such as conferences, parties, celebrations, award shows, and athletic finals. Even though minor events might bring in less money from tourism than larger ones, they can directly affect the host region's economy by increasing tourist spending there.

Economy, Society and Politics Impacted- The economy, society, and politics of Himachal Pradesh are greatly impacted by sporting events.

Sporting Events Social Effects- Himachal Pradesh can benefit socially from sporting events.

Big events can inspire a lot of people and have a significant influence on their lives in a variety of ways. Sports-related activities can serve as stimulants to enhance the way locals view their town and to improve their quality of life.

Sporting Events Political Effects- Himachal Pradesh may prosper politically from sporting events as well. In addition to their social and economic functions, sporting events can have political implications. This is due to the alleged economic importance. Still, there are also beneficial political repercussions, such as

enhancing the nation's reputation abroad or, in the case of specific events, serving as a method of obtaining further political advantages like public exposure.

Sporting Events Economic Effects-

Himachal Pradesh may flourish to a great deal economically from the sporting events. Events related to sports can increase employment and boost the GDP of the nation. To draw tourists, the state of Himachal Pradesh has encouraged

adventure sports, including paragliding, hiking, skiing, and hand gliding. To promote sports tourism, the state's tourist agency has been planning various sports and non-sports events.

Sporting Events Impact on the Economy- The most important factors to take into account when assessing the impact of sporting events on the economy are outlined in a basic model.

1. Direct Impact
2. Indirect Impact

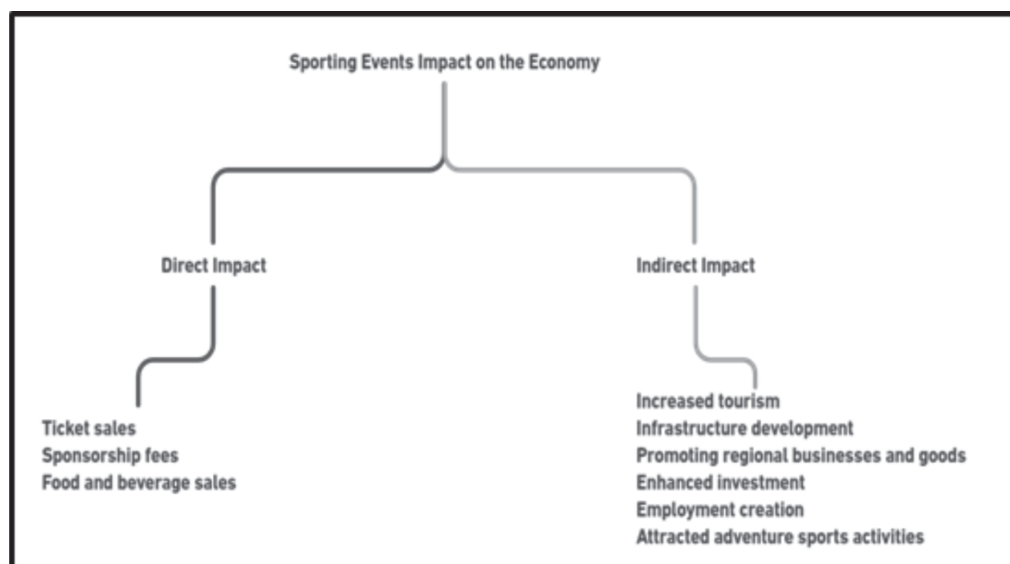


Fig.1.2 Basic Model Sporting Events on the economy

Direct Impact

Events related to sports may directly affect Himachal Pradesh's economy. For instance, the Himachal Pradesh State Olympic Games, which include 11 sports, including hockey, athletics, boxing, basketball, judo, kabaddi, volleyball, wrestling, weightlifting, kho-kho, and shooting, are held to encourage sports culture among the state's youth. The occasion draws sports fans from around the state and brings in money through ticket sales and other associated events.

- **Ticket sales:** The sale of tickets to sporting events is a major source of revenue for the state.
- **Sponsorship fees:** All commercial entities sponsor sporting events to promote their brands and reach a wider audience. The sponsorship fees generated from sporting events can be a significant source of revenue for the state.
- **Food and beverage sales:** The sale of food and beverages at sporting events is another source of revenue for the state.

Indirect Impact

Sports events might also have indirect effects on Himachal Pradesh's economy. The state has benefited financially from increased golfer tourists and related income.

- **Increased tourism:** Travelers from all over the world go to sporting events and spend money on lodging, meals, transportation and mementos. This stimulates the tourism industry and generates retail, hotel, and transportation jobs.
- **Infrastructure development:** new roads, stadiums and airports are frequently needed for sporting events. The state's economy may benefit in the long run from this investment as it will increase connectivity and draw in more firms and visitors.
- **Promoting regional businesses and goods:** Athletic events allow nearby enterprises to advertise their goods and services to a broader customer base. This can help these companies make more money and sales, strengthening the community's economy.
- **Enhanced investment:** Athletic events have the potential to draw capital into the state, the sports industry, and other areas.
- **Employment creation:** Athletic events employ several industries, including security, hotels, and transportation.
- **Attracted adventure sports activities:** The influx of spectators encourages related sports like skiing, water sports, hiking, paragliding, and wind gliding, which eventually leads to a variety of ways for the picturesque, revered Himachal Pradesh to generate income.

Revenue Generated from Cricket and Paragliding

Cricket

As far as we know, Dharamshala Cricket Stadium has drawn a lot of visitors and sports fans. The ICC World Cup and other international cricket matches have been held at the stadium, benefiting Himachal Pradesh's tourism sector and promoting the state.

Sector	Revenue
Direct Source	
Ticket Sales	13,80,00,000
Food Court	1,15,00,000
Indirect Source	
Tourism	98,29,00,000
Hotels and Restaurants	189,00,00,000
Promoting Regional Businesses and Goods	2,50,00,000
Attracted Adventure Sports Activities	5,00,00,000
Total	3,097,400,000

Table 1.1- Revenue from One Match Coming from a Direct Source and Indirect Source

The ICC World Cup 2023 is expected to draw 22,000 people per match, although this figure may need to be more precise because it is based on the number of tickets sold rather than the absolute number of attendees. The primary source of revenue gathered from direct sources is ticket sales, which bring in 13,80,00,000; the food court at the sports area, which brings in 1,15,00,000. The sponsorship or advertising revenue, which is mainly collected by the BCCI and ICC on the other side, revenue generated from indirect sources i.e., tourism came out to 98,29,00,000, hotels and restaurants 189,00,00,000, promoting regional businesses and goods 2,50,000 and attracted adventure

sports activities like hiking, paragliding and water sports gathered 5,00,00,000. The total revenue generated through the ICC World Cup's single match came out to be **3,097,400,000** approximately.

Paragliding

The Indian Paragliding Capital is Himachal Pradesh. The 2015 Paragliding World Cup took place in Himachal Pradesh. In addition to 500 free-flying pilots, about 150 of the world's finest pilots competed in the Kangra district World Cup. Adventurers from all over the globe come to Bir Billing for the Himalayan Paragliding Pre-Globe Event (Singh, 2022). Bir Billing hosted the **Paragliding World Cup Accuracy Championship** w.e.f. April 5 to 9, 2023. One of the world's top paragliding destinations, Bir Billing, is thought to have the most fabulous paragliding conditions. Participating were 125 pilots from the Indian Army as well as pilots from Macedonia, Kazakhstan, Malaysia, Nepal, India, Japan, and Spain. It is responsible for fairly assessing and selecting the competition's winners.

Major Paragliding Spots:

- Bir Billing in Kangra Valley
- Rohtang Pass near Manali
- Kothi below Rohtang Pass
- Bijli Mahadev near Kullu
- Bandla Ridge in Bilaspur

In Bir Billing, paragliding is an unforgettable experience that takes you past green tea plantations and leaves you with a breathtaking view of the snow-capped mountains.

Sector	Revenue
Bir Billing in Kangra Valley	16,87,50,000
Rohtang Pass near Manali	6,75,00,000
Kothi below Rohtang Pass	6,12,00,000

Bijli Mahadev near Kullu	5,85,50,000
Bandla Ridge in Bilaspur	3,47,00,000
Total	390,700,000

Table 1.2 Revenue from Spots for Paragliding During a Year

As far as we are aware, Bir Billing is the paragliding capital of India. The most significant revenue from this paragliding site is 16,87,50,000; the Rohtang Pass, which is close to Manali, earns 6,75,00,000, and the Kothi, which is below the Rohtang Pass, generates 6,12,00,000. Bijli Mahadev near Kullu generates 5,85,50,000. Bandla Ridge in Bilaspur, paragliding location, settles with the lowest revenue and produces 3,47,00,000. The total revenue generated through the different paragliding sites is **390,700,000**.

Opportunities for Sports Events in Himachal Pradesh

- **Mountain Biking:** In the past, mountain biking has also grown a lot in popularity. The states of Shimla, Kangra, Kullu, Mandi and Lahaul & Spiti are home to several well-known bicycle routes.
- **Car Rallying:** Raid De Himalaya, a car rallying competition that began in 1999, is a well-known event that Himachal Pradesh organises. It is among the world's most renowned motorsport rally events and the highest rally raid in history.
- **Golf:** The Naldehra Golf Course, located around 23 miles from Shimla, is the most well-known and historic golf club in all of India. One of the hardest courses in the nation, the 18-hole layout is spread out across a long, sloping glade.
- **Trekking:** There is a lot of trekking in Himachal Pradesh. The State is home to several hikes that draw those looking

for adventure. Some of the well-known treks in the state are the Karol Tibba Trek (2240 metres) and Hatu Peak Trek (3400 metres) in Shimla; Shrikhand Mahadev Trek (5227 metres), and Hamta Pass Trek (4270 metres) in Kullu; and Thamsar Pass Trek (4665 metres) and Triund Trek (2850 metres) in Kangra.

- **Adventure Sports:** Rock climbing, mountaineering, and rappelling are other sports available in Kullu and Lahaul. The state's Spiti, Kangra, and Kinnaur areas.
- **Water sports:** Many rivers and lakes in Himachal Pradesh provide visitors with opportunities for water activities. Famous for water activities include Pong Lake in Kangra, Gobind Sagar Lake in Bilaspur, and Chamera Lake in Chamba. Activities such as white-water rafting, kayaking, canoeing, rowing, swimming, surfing, and kayaking are available. In addition, the Pabbar River in Shimla, the Sutlej River in Tattapani, and the Beas River in Kullu are well-known for their water activities.
- **Ice skating:** The Shimla ice skating rink is the biggest and only one of its sorts in all of South East Asia, and it is also the oldest in the nation. It's the ideal location for ice sliding and tumbleboarding. The location hosts several contests at the state and national levels from early December until the end of February.
- **Ice hockey:** Two ice skating rinks in the State provide ice hockey: the freshly constructed Spiti ice skating rink and the Shimla ice skating rink.

Conclusion

The research presented here shows the significant impact of sporting events on Himachal

Pradesh's economy. Through the sale of tickets, lodging and transportation, these events have the potential to draw tourists and bring in money for the state. Sports events have the potential to stimulate the economy of Himachal Pradesh and promote undiscovered travel locations. The state has been constructing athletic facilities to attract sports lovers and promote sports tourism. The host state may reap substantial economic benefits from sporting events, and adventure sports such as skiing, paragliding, and hand gliding boost Himachal Pradesh's economy. To encourage sports culture among young people, the government hosts several sporting events and the state provides a vast array of sports activities for adventure seekers. This paper promotes ongoing investment in the sports industry and emphasizes how important it is to acknowledge sports as a significant economic driver in the state.

Educational Implication for Stakeholders

This paper would provide valuable insights to various stakeholders involved in the development and promotion of sports, tourism, and local economies in the state. These stakeholders could include government officials, local businesses, sports organizations, educational institutions, and the local population. The educational implications of the paper provide a comprehensive learning opportunity for stakeholders to understand how sporting events can shape the economy of Himachal Pradesh. It encourages informed decision-making, policy changes, community involvement, and business innovation. Each stakeholder can adapt their approach based on the evidence presented in the paper to maximize the positive outcomes for both the economy and the people of the region.

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