

Impact of Expo on economy in case of Lisbon 98 and Zaragoza 2008.



Almaty, 2013

Table of Contents

INTRODUCTION.....	- 3 -
Acronyms & Abbreviations	- 4 -
Problem tree	- 6 -
I. EXPO LISBON - 1998	- 7 -
I.I Macroeconomic impact of EXPO.....	- 7 -
I.II Employment.....	- 11 -
I.III Impact on tourism	- 15 -
II. EXPO ZARAGOZA – 2008	- 19 -
II.I MACROECONOMIC IMPACT	오류! 책갈피가 정의되어 있지 않습니다.
II.II EMPLOYMENT.....	- 19 -
II.III IMPACT ON TOURISM	- 21 -
III. RECOMMENDATION FOR KAZAKHSTAN GOVERNMENT	- 26 -
References	- 28 -

INTRODUCTION

Our students group works on a case-study on promoting MDG and SDG awareness in Kazakhstan and in the region through students involvement in large public event – EXPO 2017 (to be held in Astana in 2017). As we know Millenium Development Goals (MDGs) stem from the Millennium Declaration, which was signed by 191 states, including Kazakhstan, and captures the common aspiration of all nations to build a better and safer place for the twenty-first century. The MDGs are set of clear, numerical targets with assigned indicators to which the international community has subscribed - by 2015 to halve poverty, reduce child and maternal mortality, expand educational opportunities for all, promote gender equality, halt the spread of HIV/AIDS and other major diseases, and improve the environment.

Kazakhstan has achieved the first three Millennium Development Goals and has set more ambitious ‘MDG+’ goals and targets: halve poverty among the rural population; achieve universal secondary education; ensure gender mainstreaming in national planning and budgeting; prevent violence against women; and increase women’s representation in legislative and executive bodies.

The main objective of our work is to evaluate the impact of EXPO on sustainable development studying two cases - EXPO-98, Lisbon and EXPO-08, Zaragoza and comparing the economic situation in these countries before and after EXPO.

EXPOs take place every few years, in different cities around the globe, varying in size and length. Each has a unique theme, offers unique experiences, and generates new information and perspectives for the global community.

The capital of Kazakhstan got the majority of votes and won the Belgian city of Liege following the secret voting that took place at the 152nd General Assembly of the International Exhibition Bureau.

Astana was announced as the place to hold EXPO 2017.

Acronyms & Abbreviations

GDP: Gross domestic product

PPP: Purchasing power parity

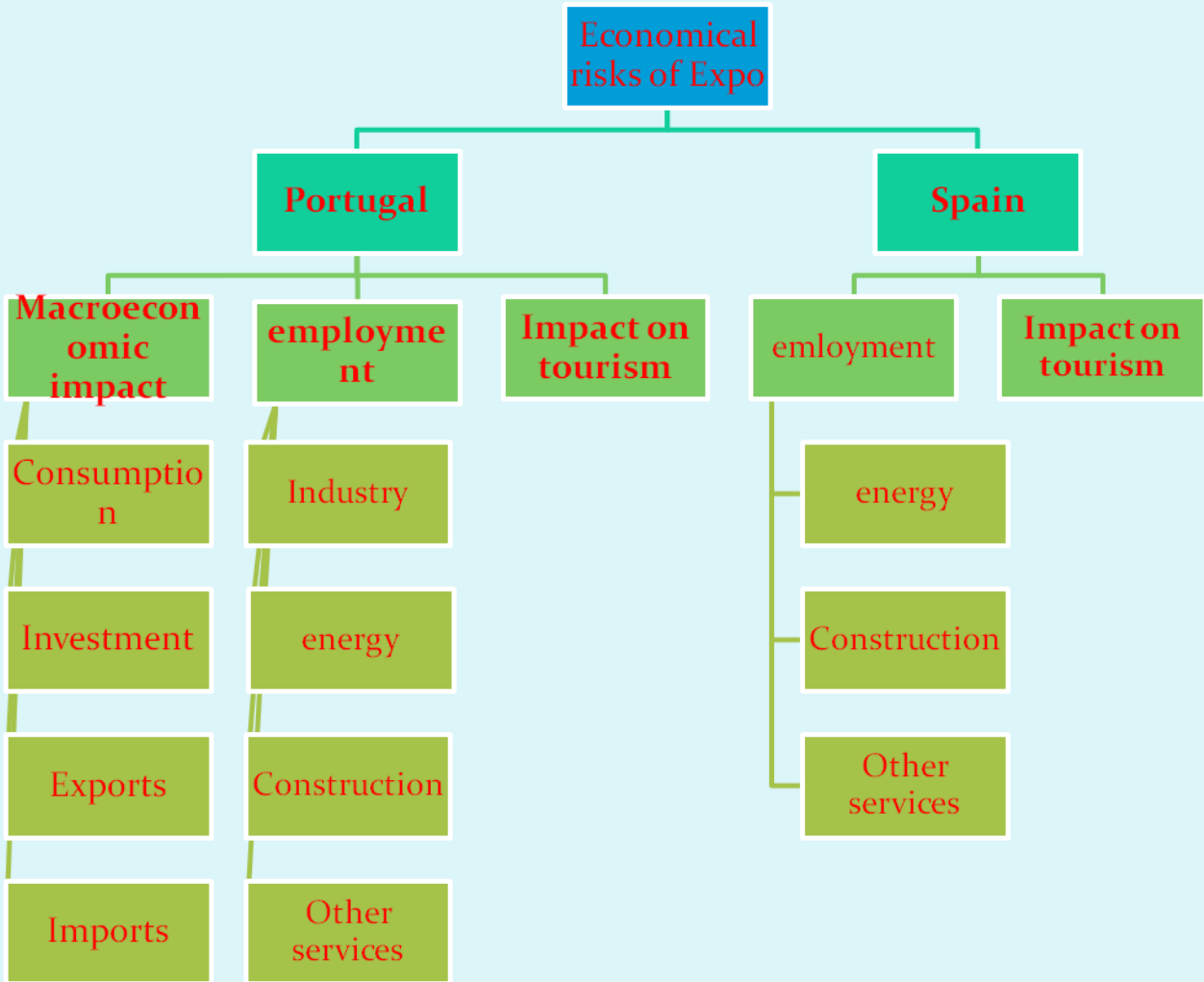
EU: European Union



The following report was written by students at Al-Farabi Kazakh National University (KazNU) of Kazakhstan:

Saule Suleimenova, Marzhan Nurzhan, Timur Xembay

Problem tree



I. EXPO LISBON - 1998

I.1 Macroeconomic impact of EXPO

Commemorating the 500th anniversary of Vasco de Gama's discovery of a sea route to India, Expo '98 brought Portugal its first world's fair. Ocean themes were also explored at Okinawa, Japan's Expo '70 and at Yeosu, South Korea's Expo 2012.

The Parque das Nações (Park of the Nations) was the site of the Expo '98. This exhibition has been the engine of a complete remodelling of this former industrial area, and the result is astonishingly and positively surprising. It is true that the most prestigious architects of the world built here many superb buildings like the Oriente railway station, the 14km long Vasco da Gama Bridge and Tower or the Portugal Pavillion. But after the Expo, the area also kept its full activities and attractiveness for both locals and tourists with the Oceanarium of Lisbon, the Pavilhão Atlantico with major top star concerts and Casino Lisboa recently opened. It also became the new heart of the business city with plenty of headquarter offices, restaurants and shopping areas. Not to be too isolated from the historical part of the city, the Expo offers good transportation facilities with metro or bus links with other part of the capital.

Portugal has become a diversified and increasingly service-based economy since joining the European Community - the EU's predecessor - in 1986. Over the following two decades, successive governments privatized many state-controlled firms and liberalized key areas of the economy, including the financial and telecommunications sectors.

In this chapter we will consider state of the economy in Portugal before and after Expo-1998, view Central hypothesis of Macroeconomic impact of EXPO'98 and compare plan and real results.

Investment

Investment: This entry records total business spending on fixed assets, such as factories, machinery, equipment, dwellings, and inventories of raw materials, which provide the basis for future

production. It is measured gross of the depreciation of the assets, i.e., it includes investment that merely replaces worn-out or scrapped capital.

In the plan of Planning Ministry of Portugal (*table 1*) which was made in 1994, we can see presumable annual growth of investment.

(Table 1)

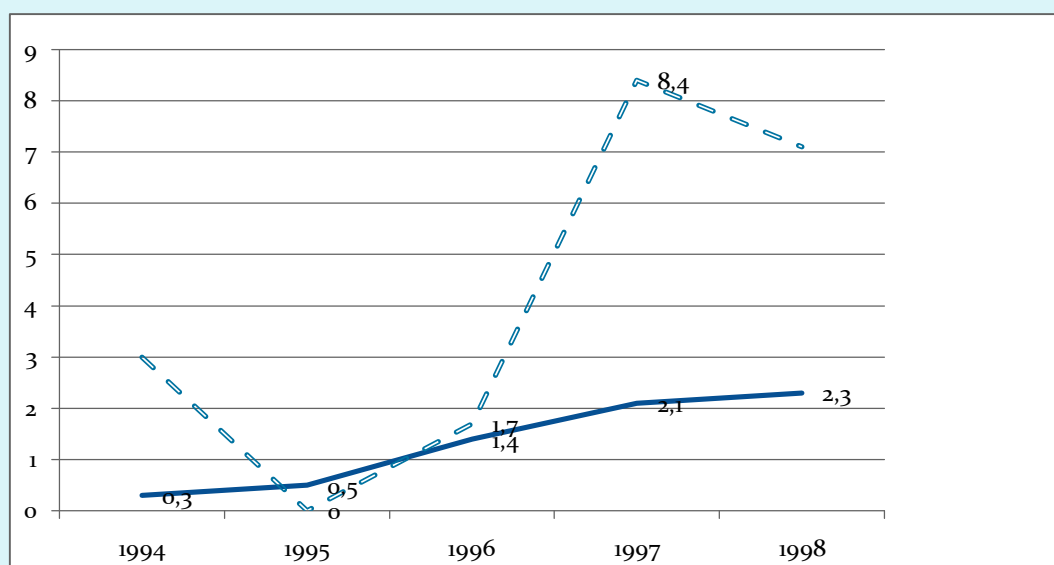
	1994	1995	1996	1997	1998	1994-98
Investment	0,3 %	0,5 %	1,4 %	2,1 %	2,3 %	1,4 %

How we can see on *table 2* total percent of investment growth per 5 years (1994-98) actually was 3, 5 % that on 2, 1 percent more than was planned. But in next four years after Expo-1998 we can observe decrease of investment in economy.

(Table 2)

Year	Investment	Percent Change
1994	24.543	3.16 %
1995	23.835	-2.88 %
1996	24.242	1.71 %
1997	26.287	8.44 %
1998	28.177	7.19 %
1999	28.784	2.15 %
2000	28.499	-0.99 %
2001	27.785	-2.51 %
2002	25.819	-7.08 %

The comparative table expectation (blue line) and results (line)



Consumption: Data on household income or consumption come from household surveys, the results adjusted for household size. Nations use different standards and procedures in collecting and adjusting the data. Surveys based on income will normally show a more unequal distribution than surveys based on consumption. The quality of surveys is improving with time, yet caution is still necessary in making inter-country comparisons.

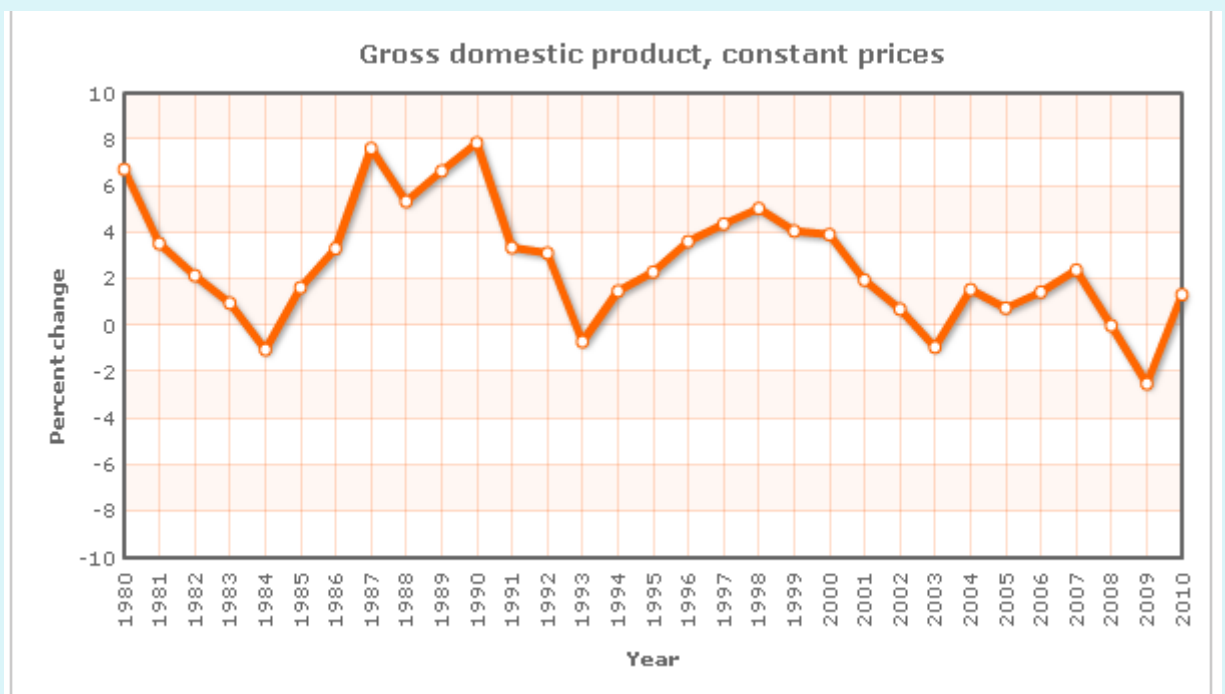
Changes in consumption during Expo-1998 (Central hypothesis)

	1994	1995	1996	1997	1998	1994-98
Consumption	0,0 %	0,1 %	0,2 %	0,4 %	0,7 %	0,3 %

	1994	1995	1996	1997	1998	1994-98
GDP	0,1	0,1	0,3	0,6	1,0	0,4

Year	Gross domestic product, constant prices	%
1994	1.489	3, 3%
1995	2.307	6,4 %
1996	3.619	5, 6%
1997	4.383	1, 9%
1998	5.05	1,6 %
1999	4.077	2 %
2000	3.926	- 2,5 %
2001	1.967	- 5, 1%

*



Exports

Exports. This entry provides the total US dollar amount of merchandise exports on an f.o.b. (free on board) basis. These figures are calculated on an exchange rate basis, i.e., not in purchasing power parity (PPP) terms.

	1994	1995	1996	1997	1998	1994-98
Exports	0,0	0,0	0,0	0,0	1,1	0,3

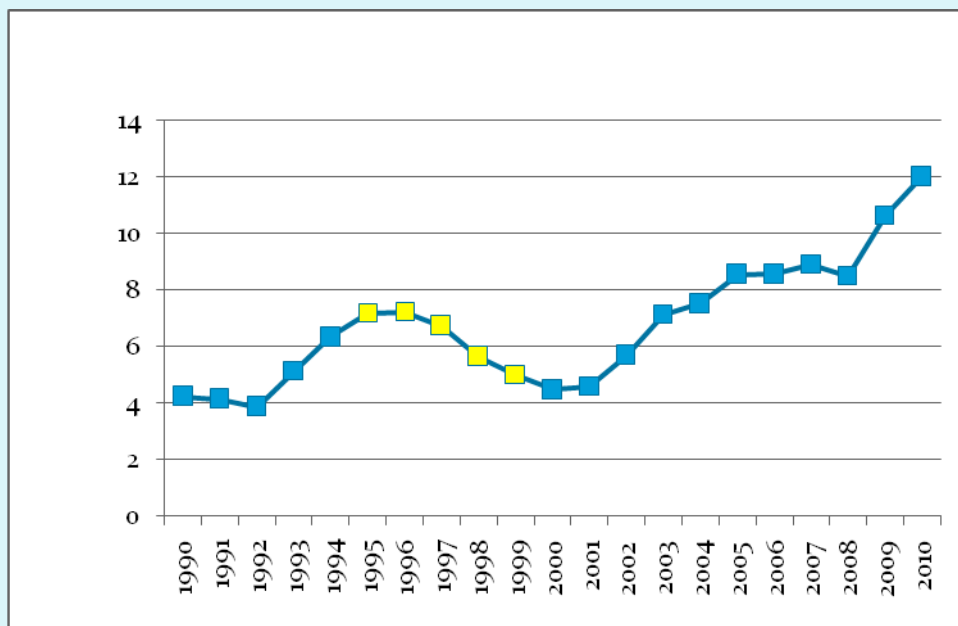
I.II Employment

Employment is one of essential characteristics of economy, welfare of the people. The employment rate is very important macroeconomic indicator. However, employment is not purely economic phenomenon. It is also a part of social policy, caused by demographic processes. Therefore it has the demographic and social contents as well.

As the economic category, employment represents set of the relations concerning participation of the population in the labor activity. It shows the degree of population's involvement in labor as well as degree of satisfaction of public requirements for workers and personal needs, interests in paid workplaces, in obtaining the income. From this perspective employment acts as the most important characteristic of a labor market.

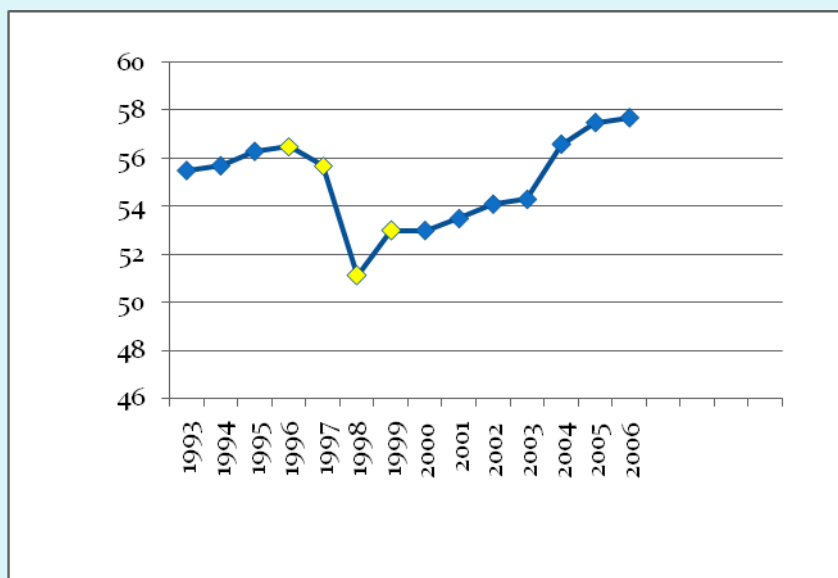
In this chapter we will consider state of the Employment in Portugal as one of the most important macroeconomic indicator before and after Expo-1998. view Central hypothesis of Macroeconomic impact of EXPO'98 and compare plan and real results.

Total unemployment rate in Portugal.



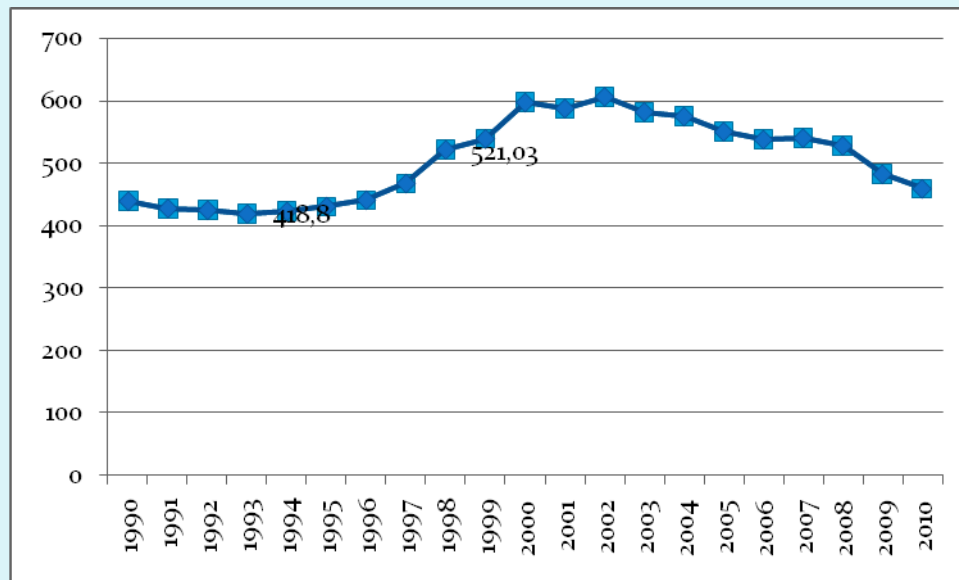
According to this graph, we can see that unemployment level decreased from 1996 to 2000. In 1996 unemployment rate was 7.246%. Then during the years when there was preparation for EXPO unemployment level declined. Thus, in 1998 it was 5.625% of total labor force.

Employment in services, % of total employment



In this line graph we can see the percentage of people employed in services in Portugal. Firstly it rose from 1993 to 1996. However percentage of people employed in services was dropped during 2 years and in 1998 51.1% people of total amount of population engaged in this sector.

Employment in construction, Portugal, thousands of workers



Now we will consider the Employment in construction. As we can see from this line graph there was an upper trend in number of people engaged in construction between 1994 and 2000. So in 1994 the number of construction workers equaled 418800 people. In 1999 it was 521030 workers.

Table 2. Total labour in the “Accommodation and Restoration” sector, 1995-2002.

Regions (NUTs II)	Years							
	1995	1996	1997	1998	1999	2000	2001	2002
	Thousands							
Norte	47.7	48.8	51.7	55.0	57.8	60.5	62.5	65.6
Centro	34.4	34.4	37.2	41.7	44.2	43.9	44.8	47.3
Lisboa e Vale do Tejo	73.2	76.6	78.2	85.8	87.8	87.7	91.3	92.7
Alentejo	13.4	13.5	14.6	15.6	16.1	16.6	17.2	17.5
Algarve	17.3	18.3	19.9	20.3	21.1	22.2	23.1	23.5
Continent	186.0	191.6	201.5	218.4	227.1	230.8	239.0	246.6
R. A. Açores	2.0	2.2	2.3	2.7	2.9	2.9	3.0	3.2
R. A. Madeira	7.1	7.3	7.9	8.2	8.6	8.8	9.1	9.6
Portugal	195.2	201.2	211.8	229.4	238.5	242.5	251.0	259.3

Data Source: INE, National Institute of Statistics, Regional Accounts, various issues.

On the table above there is the total amount of labour force involved in such service sector as accommodation and restoration over the period between 1995 and 2002. As we can see here is the upper trend of people

Employment in services (% of total employment)

Definition: Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

2. Estimated employment creation by the EXPO'98 project by economic sector (Central hypothesis) (thousands of workers)

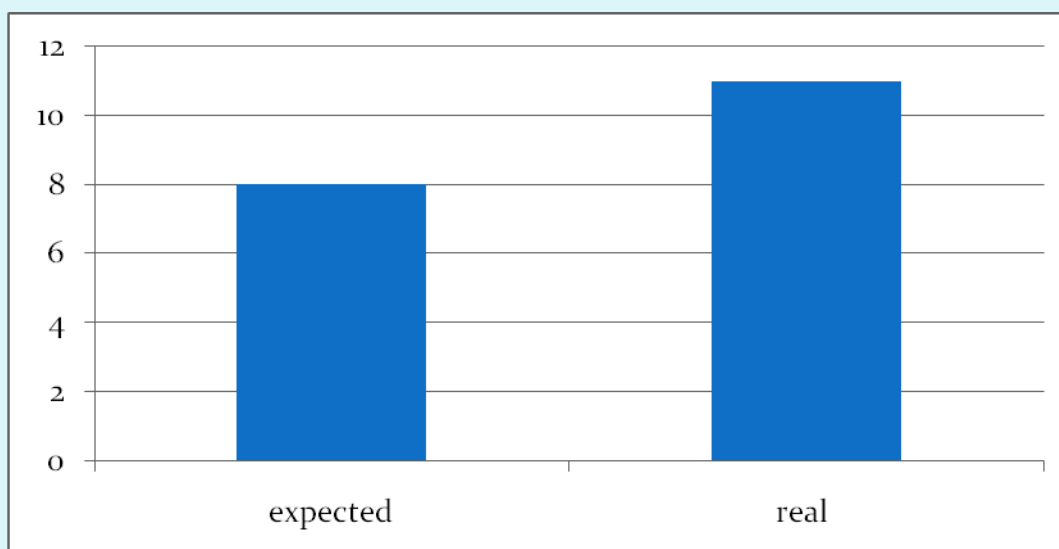
Industry and energy

Construction

Shops, restaurants and hotels

Other services

I.III Impact on tourism

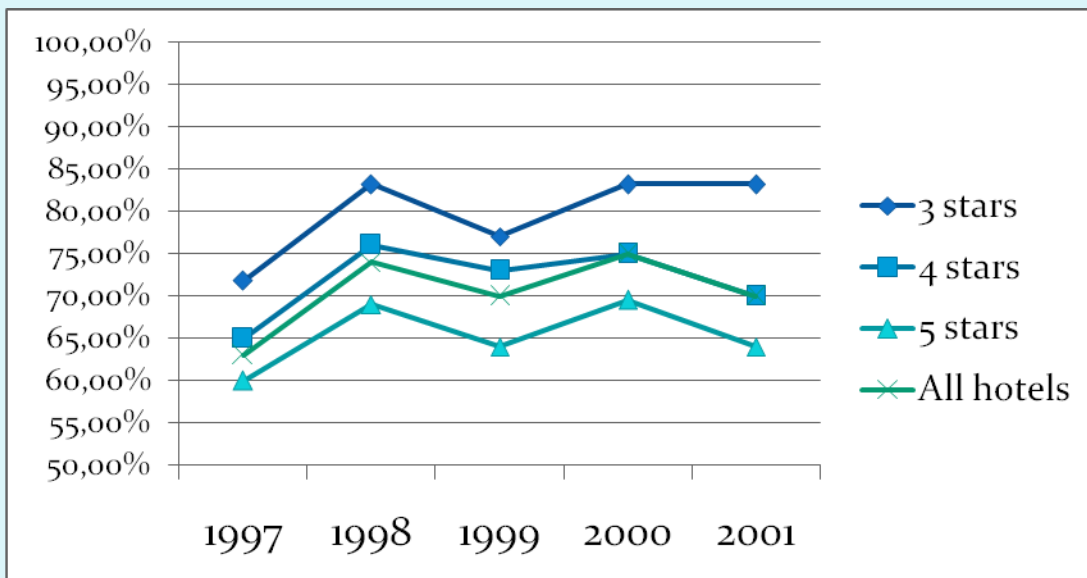


Comparison between results and initial objectives of Expo'98

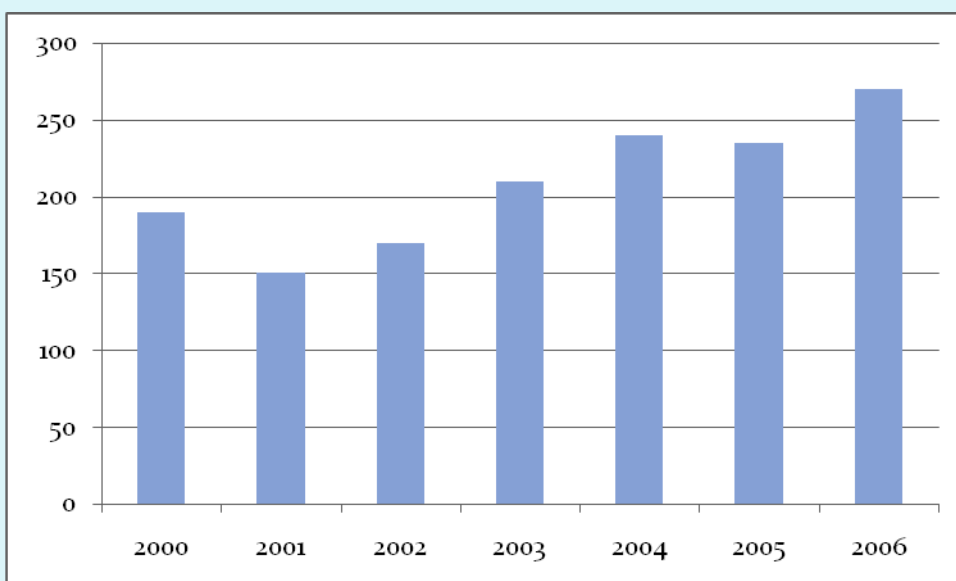
	Number of visits (thousand)			Number of visitors (thousand)			Rate of repeated visits	
	Real	Forecast	Deviation	Real	Forecast	Deviation	Real	Forecast
Portugal	7940.5	10349.7	-23.3%	3100	4600	-32.6%	2.56	2.24
Abroad	1873.7	4533.9	-58.7%	1700	2900	-41.4%	1.10	1.36
Spain	871.0	3521.9	-73.2%	750	N/A	N/A	1.16	N/A
Others	1002.7	1282.0	-21.8%	950	N/A	N/A	1.06	N/A
Emigrants	314.0	750.4	-58.2%	N/A	N/A	N/A	N/A	N/A
Total	10128.2	15634.0	-35.2%	N/A	N/A	N/A	N/A	N/A

N/A*: not available

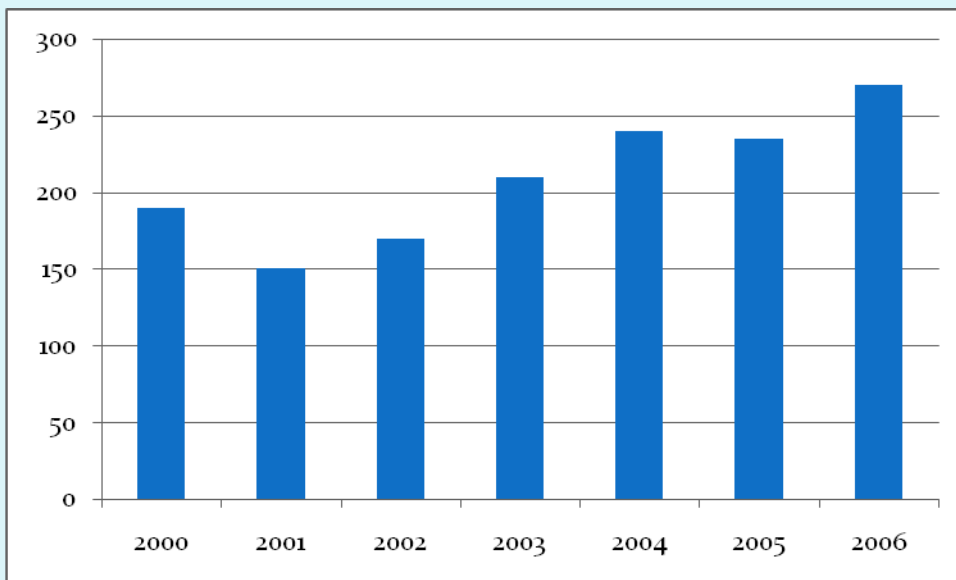
Occupancy rates 1997/2001



Passengers disembarking at Lisbon International Airport, 2000-06



Passengers through the Port of Lisbon, 2000-06



Main attractions of Expo '98: During Expo VS After Expo

THEMATIC INSIDE OFFER	
During Expo	After Expo
Portuguese Pavillion	Retained with a non tourism/leisure function
Knowledge of the Seas Pavillion	Retained as "Knowledge Pavillion – living science centre
Ocean Pavillion	Retained as Oceanarium
Pavillion of the Future	Retained
Utopia Pavillion	Retained as "Atlantic Pavillion"
Territory Pavillion	BIL – Lisbon International Bowling Centre
Virtual Reality Pavillion	Retained
THEMATIC OUTSIDE OFFER	
During Expo	After Expo
Nautical Exhibition	Ended
Water Gardens	Retained
Garcia de Orta Garden	Retained
Services	
During Expo	After Expo
Wide range of restaurants, from luxury to fast-food	Most of them retained
2 police stations	1 retained

Information Centres	1 retained
Child care centre	Ended
Sanitation facilities	Retained
Banks	Retained
Mall and communication	Retained
Press Centre	Ended
Health Centre	Replaced by new hospital

Main services provided at the EXPO'98 site: During Expo VS After Expo

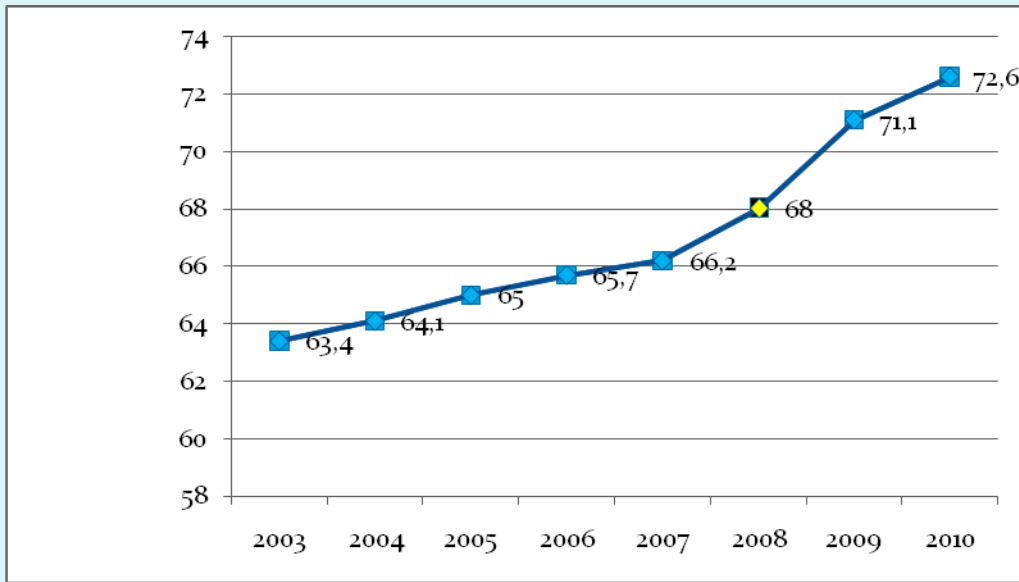
II. EXPO ZARAGOZA – 2008

II.I EMPLOYMENT



According to this graph, we can see that unemployment level decreased from 2003 to 2007. In 2003 unemployment rate was 11.3%. Then during the years when there was preparation for EXPO unemployment level declined. Thus, in 2007 it was 8.3% of total labor force. But then unemployment level was increased sharply from 8.3 % to 11.3%.

Employment in services, % of total employment



Employment in construction in Spain.

Over the last 15 years, the construction sector has played a central role in the Spanish economy and, to a large extent, in its employment model. There are different reasons that justify this supposition.

Table 1. The weight of Spanish Construction Sector

Year	GDP	Employment	Male Employment
1995	6,7%	9,2%	13,3%
2005	10,4%	12,4%	19,6%

Source: INE National Accountancy 1995-2005
 INE Employment Survey
 (www.ine.es)

Firstly, there is the weight of the construction sector within the national economy as a whole. Any of the indicators that can be used to measure its volume (employment, share of GNP, etc) suggest that the sector carries far greater weight than in most nearby economies. The sector has also experienced growth rates that are higher than those of the economy as a whole.

Table 2 Employment in construction 1996-2005

year	employment (thousands)	employment growth (thousands)	(%)	wage employment (thousands)	wage share (%)
1996	1.228,10			921,4	75
1997	1.305,80	77,70	6,3	986,1	75,5
1998	1.385,30	79,50	6,1	1.077,30	77,8
1999	1.572,20	186,90	13,5	1.245,10	79,2
2000	1.722,70	150,50	9,6	1.370,30	79,5
2001	1.876,20	153,50	8,9	1.502,30	80,1
2002	1.980,10	103,90	5,5	1.590,40	80,3
2003	2.101,60	121,50	6,1	1.706,60	81,2
2004	2.253,20	151,60	7,2	1.818,30	80,7
2005	2.357,20	104,00	4,6	1.877,40	79,6

Source: INE(Encuesta de Población Activa)

There is currently a widely accepted consensus among economic analysts that a large amount of the recent success of the Spanish economy comes down to the impetuous growth of its construction activity, partly associated to the other great driving force behind the national economy, tourism. References to the Spanish model as the “European Florida” are becoming commonplace in the local press. In whatever case, what cannot be denied is that it plays a crucial role in explaining the growth of the economy and employment.

Secondly, the construction sector maintains a model of employment organisation that influences in many relevant ways the employment system as a whole. Construction alone generates more than 20% of the total temporary employment in the country, and as this is a sector in expansion, it contributes to keeping the overall rate at a high level

II.III IMPACT ON TOURISM

Zaragoza

Zaragoza (Zaragoza) - the capital of the autonomous region of Aragon - the sixth largest city in Spain with a population of half a million people, developed industry, university.

However, as in all past slowly grows into the future, and in Zaragoza from now will be a new symbol - the Water Tower. This is the creation of architect Enrique de Teresa glassed tower stands 78 meters tall, with a viewing platform offering the best view of the Expo pavilions and grounds. Transparent, robust and dynamic tower at night turns into a glowing beacon. The content of the exhibition is located there - the argument in favor

of the person as a harmonious part of nature. The complex, which has an area of 25 hectares, is part of the City Water Park and is less than a twenty minute walk from the center of Zaragoza and seven hundred meters from the bus station and railway station.

The host country creatively approached the main character: thematic areas have poetic names. For example, here is the area of Inspiration water pavilion "Extreme Water"; area Thirst; exhibition Oikos, water and energy. A scientific and business program EXPO includes nine themed weeks, numerous interactive workshops, conferences and side events, which will be attended by the heads of official delegations, leading scientists, representatives of business and financial structures. For a total of 93 days of the exhibition is scheduled for 4200 events, the expected number of visitors - more than ten million people.

EXPO is visited by millions of tourists, and therefore each country seeks to create a unique pavilion, capable of expressing national identity of its culture and to show the world their level of economic and technological development.

Expo has already had its first effect, has become a tourist destination Zaragoza, tripling the number of tourists. The municipal tourism offices have responded during this first week more than 35,000 consultations, of which almost 20% were foreign visitors from France, Italy and the UK.

The Aragon Pavilion receives more than 100,000 visitors since the opening.

The Expo closes its second weekend with about 120,000 views.

The municipal tourism offices have served during the first week of the International Exhibition consultations totaling 35,638, up from 11,546 treated in the same period last year. From these consultations 19% owned by foreign visitors who come mostly from France, followed by Italy and the UK. Thus the combination of holding the Expo with cultural offerings already offered in itself Zaragoza, have made the capital of Aragon in a top destination cities for these summer holidays.

From the Tourist Offices maintain that "expectations are met in terms of number of queries", but added that the increase in visits is not only due to the holding of the Expo, but also that "Zaragoza has been prepared" with to open five more offices. "Obviously, the biggest infrastructure host makes it bigger and better," said the head of customer service of the City of Zaragoza, Eugenia Ferrer.

Specifically, spaces have been installed to cater to visitors in places "strategic" large influx of tourists, the Plaza del Pilar, the new terminal of Zaragoza Delicias, Zaragoza's Airport, Digital Water Pavilion (Pavilion entrance Bridge - Expo Zaragoza), as well as a tour in the Pavilion of the Expo Zaragoza.

Furthermore, in order to specialize the service desk telephone, after the experience arising from events such as the America's Cup held in Valencia or the Universal Exhibitions of Lisbon or Hannover, in which similar services were implemented, Zaragoza Tourism has underway since last service May 6 "Travel Phone", which, with an uninterrupted schedule of twelve hours a day every day of the week, three people simultaneously serve tourist inquiries in English, Spanish, French, Italian and German. This service has been used by 6,545 users, of whom 1,969 received assistance this past week.

Another offer to the visitor is the Tourist Bus, which has extended its opening hours after the exposure, 10 to 20 hours every day of the week, with a frequency of 12 minutes, and have already enjoyed A total of 2623 participants in 56 groups. This service is complemented by the activities of the Night Bus and Megabus (child Tourist bus).

Finally, more than 400 volunteers are working with Zaragoza Expo tourism in different parts of the city. They are strategically located in the vicinity of the Plaza del Pilar, banks of the Ebro, and Zaragoza-Delicias Station among others, support the work of tourist information Tourist Guides Team Zaragoza Tourism during the celebration of the International Exhibition.

The Councillor for Tourism of the City of Zaragoza, Elena Allué, expressed his satisfaction with the data obtained from the Tourist Offices last week, and explained that "are being confirmed, for now, the magnificent tourism prospects having our city in 2008 with the holding of the International Exhibition".

The French, they value the heritage Zaragoza

The 20% of the 35,638 inquiries last week were made by foreigners, a percentage that is expected to increase exponentially in the upcoming weeks and the San Fermin festival. "Foreigners of all nationalities go to Pamplona and then come here," said Ferrer.

As to the place of origin of these visitors, "by the ease of direct flights available" are the British and Italian foreign tourists more visit the Aragonese capital. Also, the French presence is also noteworthy, particularly because "traditionally, the French tourist knows Zaragoza heritage resource and much appreciated," remarked Ferrer.

On the other hand, parallel to the effect of the holding of the Expo, Zaragoza also is considered "Marian center of religious tourism" by many visitors from Latin America which, added responsible tourist offices, "come to visit the Pilar and stay a few days".

The Expo, the question star

Regarding the content of the consultations, most of the questions in this summer are related to the International Exhibition. "The Expo is the star question," said Ferrer, "so our staff knows all the intricacies of the event, not just price or buses.

Access for disabled people, what to do with pets, where to go if a child is lost, or how to use the boats along the Ebro to reach the exhibition are some "questions to note" that have been repeated over the last week .

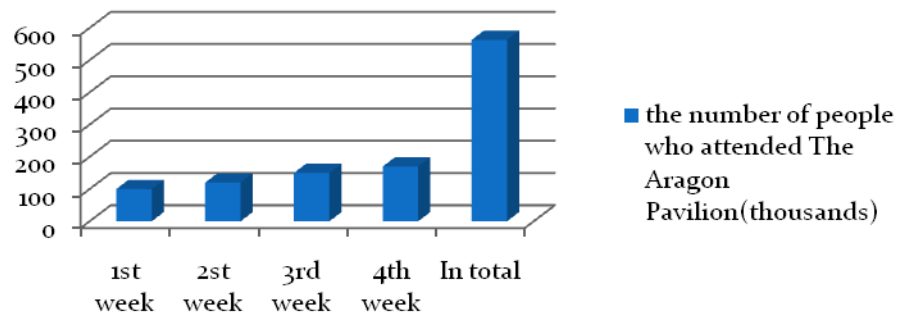
Of course, the city in any case wins. By the same Zaragoza brought a five-band highway. For a city with 600 thousand populations this seems even superfluous. Repaired the water supply, improved water quality - it was possible to drink from the tap. That is thanks to the Expo this city was able to get quickly what their own would be able to achieve only through the decades.

But what untapped potential! With 70 percent of the exhibit space, to which all communications are now empty. Even get an additional stream of tourists they could not: people come here except for a couple of hours to watch built for the Expo, Europe's largest river aquarium with fresh water.

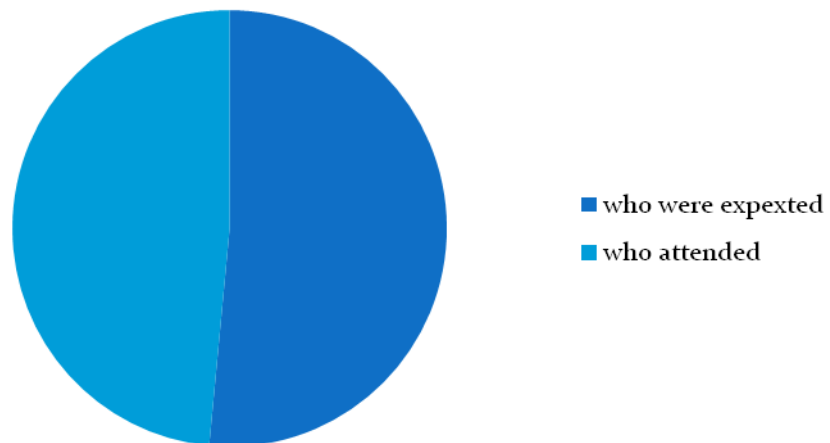
Expected to more than 6 million people.

In total, 562,588 people visited the UE Pavilion in Expo Zaragoza during its three months duration period. In total, the Expo Zaragoza received 5.65 millions of visitors. In addition, i would like to say that Spain experience can be big lesson for our Expo

the number of people who attended The Aragon Pavilion(thousands)



The number of people in million



III. RECOMMENDATION FOR KAZAKHSTAN GOVERNMENT

- 1) It will be better to build more three-star hotels than a five-star hotels, as they are available for most of the population, because the richest segments of the population make up a small part of it. The more the number of people visiting the exhibition the more the profit.
- 2) To improve the quality of different types of services, beginning from the hotel management to restoration and other services to make sure that our guests feel comfortable themselves. Moreover, such feature as a hospitality is very close to Kazakh people. It is well known fact that from the ancient Kazakh people were nomadic and every person who come to house must be welcomed by the host of the house.
- 3) We are all the representatives of our country. Therefore it is not just government's business to organize all the procedures of EXPO. On my opinion it will be very interesting to involve in such processes students as volunteers. Thus it should not be mandatory, consequently the result of their work will more significant and creative. At the same time our group suggest for the government to do some contests for students such this contest for UNAI. I believe such contests help us to show our best skills, such as developing analytical, practical, technical skills as well as ability of working team as part of group. The students interested to win as very ambitious future leaders of their country and they start to think rather deeply on things. It is profitable for government also because it is real good chance to discover fresh ideas for EXPO.
- 4) The prices for entrance ticket should be middle level, which means not very high and not very low to make it available for rest of the population. For example, In the EXPO 2008 in Zaragoza, Spain the entrance tickets were overprised so the organizers forced to reduce prices. Then tourists came there so the expenses for carrying out the EXPO partly paid off, which is good thing for the economy of the host country. It is very useful example for Kazakhstan how to avoid mistakes based on international experience.

- 5) Procedures to obtain visa support should be simplified at list for the period of EXPO.
Thus more people can come to visit such major event of the World. It is desirable not only for the government of Kazakhstan, but for all stakeholders and representatives from different part of the Globe, who will participate in EXPO.
- 6) It is necessary to make sure that exhibition's pavilions will used for different needs. For example, after the EXPO 1998 in Lisbon, Potugal Portuguese Pavillion Retained with a non tourism/leisure function, Ocean Pavillion Retained as Oceanarium, Knowledge of the Seas Pavillion Retained as "Knowledge Pavillion – living science centre. The main idea is to continue using it for variety of actions and didn't stop it. As we mostly concern economy issues we should think how on thing or another can bring us profit.
- 7) Government should support researching of new kinds of technologies and energy efficiency equipments by local research, give them all the conditions to develop it to prepare interesting projects for Astana EXPO-2017.

References

INE, National Institute of Statistics, Portugal, "Tourism Statistics", various issues.

International Labour Organization, Key Indicators of the Labour Market database.

INE, National Institute of Statistics, Portugal, "Regional Accounts", various issues.

SWITCH Training Kit C ASE STUDY Zaragoza, Spain

J Edwards M Moital and R Vaughan The impacts of mega-events: the case of Expo'98-Lisbon

LISBON- PORTUGAL THE EXPO'98 URBAN PROJECT João Cabral, Berta Rato, Julia Reis Departamento de Ambiente e Ordenamento, Universidade de Aveir

Tourism Statistics 2009

<http://indexmundi.com//>

<http://data.worldbank.org/>

Amazon.com

www.ine.pt

Urban Community Initiative Programme, Annual Report, Management Unit, May 1997