

The impact of the Paris Olympics on third-quarter 2024 economic activity and payments

The overall impact on the French economy of staging the Olympic and Paralympic Games in Paris during the summer of 2024 was positive, contrary to certain misgivings that were mentioned beforehand. GDP growth in the third quarter of the year was boosted by an estimated 1/4 percentage point, thanks to sales of tickets and broadcasting rights in particular. However, the impact was transitory and – excluding any subsequent windfalls – limited to the third quarter.

With regard to payments, cash withdrawals recorded in Paris were higher than usual due to the arrival of large numbers of foreign tourists. However, the transactions remained relatively limited and did not pose any problems for cash industry players. Overall, against a backdrop of considerable visitor numbers, the Banque de France was able to put in place a specific organisational framework capable of averting any crisis situation.

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+0.25 percentage point

the impact of the Olympic and Paralympic Games (OPG) on third-quarter 2024 GDP growth

+360,000

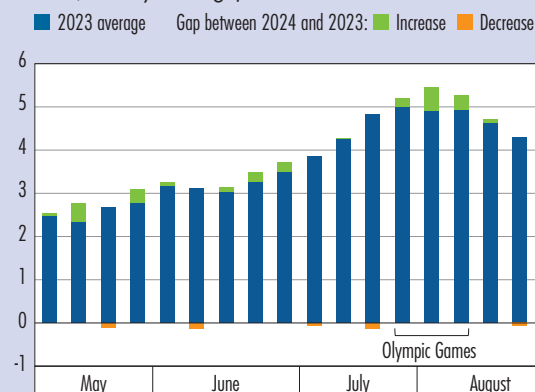
the daily number of additional non-resident visitors during the OPG compared with 2023

60

the number of automated teller machines (ATMs) installed at Olympic venues for the OPG

Non-resident visitors in metropolitan France between May and August: the gap between 2024 and 2023

(in millions; weekly average)



Source: Mobile telephone operators.

Note: Estimates based on mobile telephone data.

1 The impact of the Olympic Games on economic activity: a demonstrable boost in the third quarter

The organisation of major events such as the Olympic and Paralympic Games (OPG) has an impact on a country's economic activity over several years, particularly in the lead-up to the event and during the competition. This paper focuses on France's economic activity during the Games.

The Olympic Games drove a temporary boost in activity during the third quarter

The Olympic Games began in an economic context of modest growth in activity for the past several quarters

(INSEE, 2024b), and severe uncertainty following the dissolution of the National Assembly on 9 June 2024 (Banque de France, 2024a). In the monthly business surveys carried out by the Banque de France in the lead-up to the event, business leaders mentioned misgivings that the Olympic Games would have a negative impact on their activity. However, their concerns appear to have been overstated (see Box 1), and it appears that only the construction sector experienced a temporary slowdown in activity. The same surveys concluded that the net effect on the French economy was positive, with three regions benefiting most from the upturn in activity: Île-de-France, Centre-Val de Loire and Provence-Alpes-Côte d'Azur.

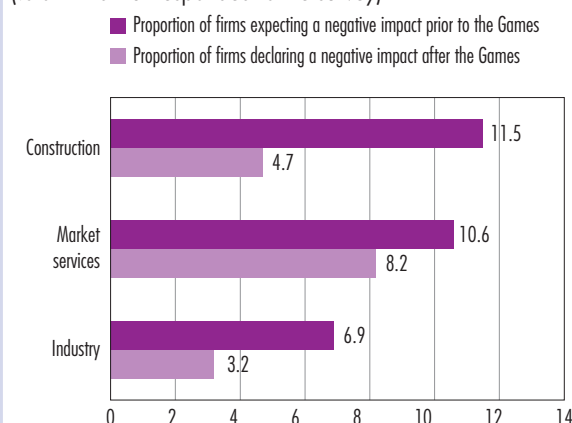
BOX 1

The short-term economic impact of the Olympic and Paralympic Games: from initial misgivings to reality

When surveyed at the beginning of July 2024, 11.5% of construction sector firms expected the Games period to have a negative or very negative impact on their business. After the Games, only 4.7% declared that this had been the case. The same dynamic applies to industry and market services. This observation is supported by the fact that the business activity levels reported by firms during the Games were very slightly down, but overall remained very close to the levels normally achieved for the time of year. In particular, only the construction sector seems to have been affected, with activity down 2.5% on normal for the period. This decline was due to interruptions on building sites and transport difficulties encountered as a result of the Games, which forced certain firms to reorganise their operations over the summer. Overall, this "instantaneous" effect probably overstates the negative impact over the year as a whole, inasmuch as firms were able to adapt to an extent, for example, by pushing back construction activities until after the Games. Moreover, this sector may well have benefited from the Games before they were held.

Ca Negative impact of the 2024 Olympic and Paralympic Games on activity: expectations in June and the reality

(% of firms that responded to the survey)



Source: Banque de France, *Monthly business survey*, start of July 2024.

Key: In June, 11.5% of firms in the construction sector predicted that the Olympic Games would have a negative or very negative impact on their business during the period. Ultimately, only 4.7% of firms declared that they had actually recorded a negative or very negative impact on their business while the Games were being held.

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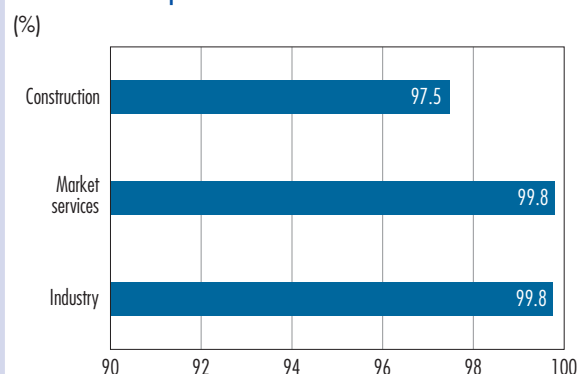
The survey also reveals significant regional disparities, as one would expect in the context of the Olympic Games, with the Île-de-France region logically reporting the strongest positive effects: 12% of market services firms cited a favourable impact after the Games. Centre-Val de Loire and Provence-Alpes-Côte d'Azur also stand out: in both regions, 10% of market services firms reported a positive or very positive impact, which is consistent with the distribution of tourist arrivals (see Box 2). The proportion of businesses that declared a positive impact was higher in these three regions than the national average of 5.4%, which can be explained by the location of sporting events (shooting in Châteauroux and sailing and football in Marseille) as well as by the increased use of accommodation and food services. In the Île-de-France region in particular, where most of the Olympic and Paralympic events were held, one in three firms in accommodation and food services reported a positive or very positive impact.

These findings highlight at least three phenomena.

- Against a backdrop of heightened uncertainty, firms' perceptions prior to the Games of their impact on their business were rather pessimistic, but the actual effects were significantly less negative than expected in all sectors of activity.
- In the short term, the impact of hosting the Olympic and Paralympic Games on business activity was rather limited, concentrated within a few sectors, and highly heterogeneous between sectors.
- The short-term economic impact of the Games also centred on those regions most directly involved in the events or regions in the immediate vicinity.

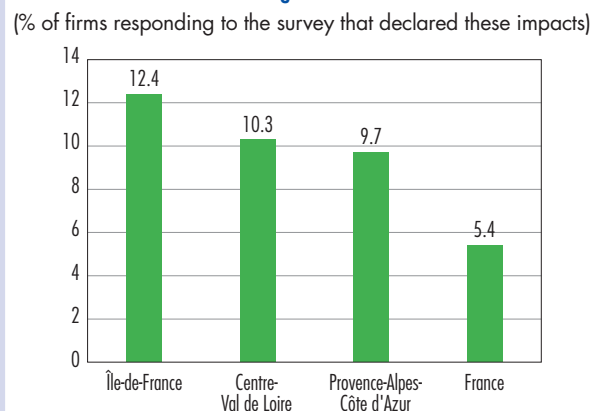
Lastly, business leaders mentioned without prompting the Olympic flame passing through a host of towns and cities prior to the Games as being a boost to local business.

Cb Level of business activity during the 2024 Olympic and Paralympic Games compared with normal levels for the same period



Source: Banque de France, *Monthly business survey*, start of October 2024.

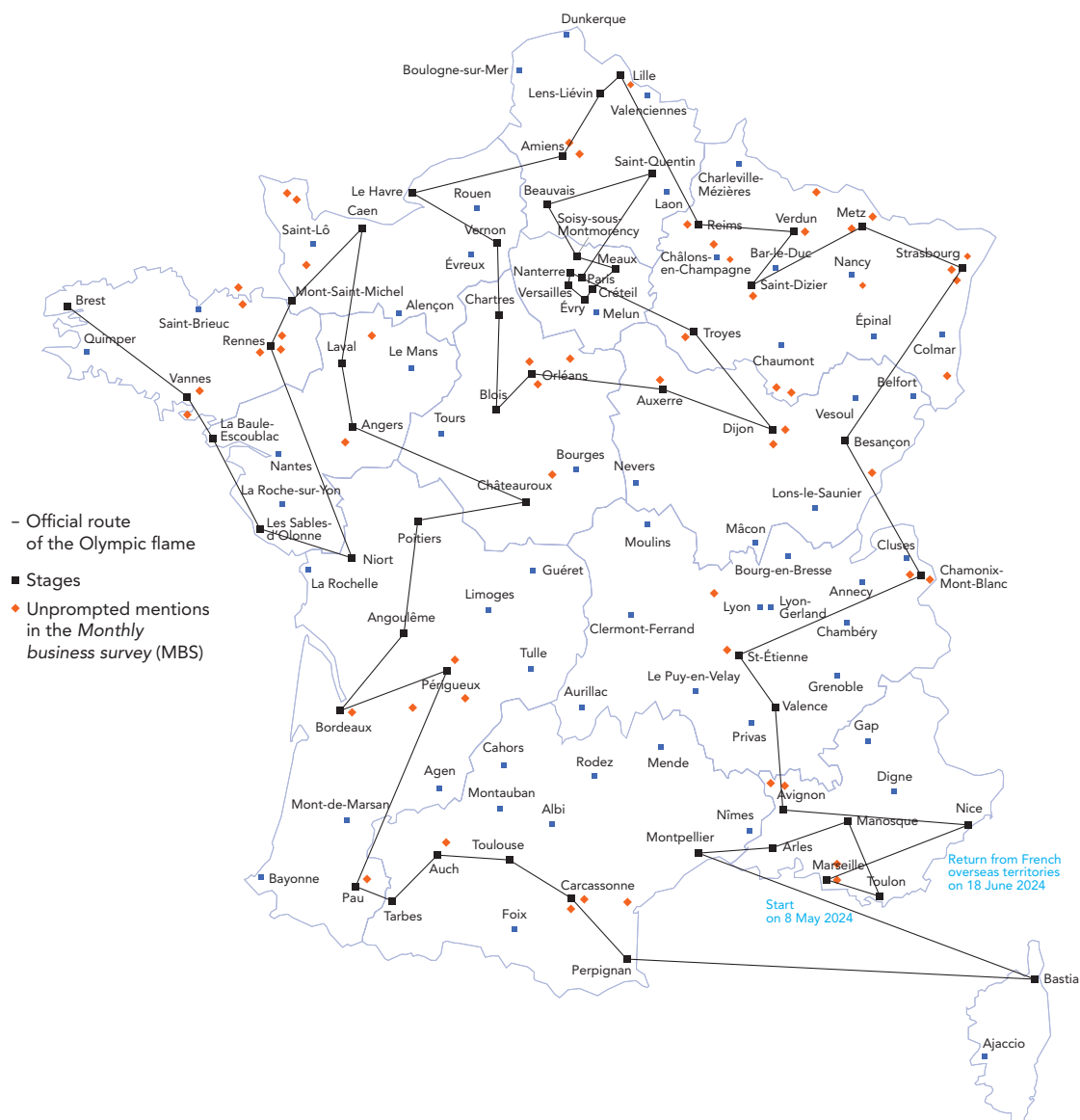
Cc Positive or very positive impact of the 2024 Olympic and Paralympic Games on activity: the three most affected regions



Source: Banque de France, *Monthly business survey*, start of October 2024.

.../...

Mentions of the passing of the Olympic flame by firms in the Banque de France's monthly business surveys between April and July 2024



Source: Banque de France.

The impact of the Paris Games in the third quarter of 2024 was positive and is estimated at around 1/4 percentage point of GDP at national level

While the period leading up to the Olympics is impacted by infrastructure developments and upfront organisational expenditure and the post-Games period is boosted by legacy and reputational effects, the Games period itself is the focus of revenues from ticket sales, tourist inflows and coverage of the events.¹ The impact on quarterly growth is transitory and followed by a backlash in the following quarter.

The main impact of the Paris Games was generated by sales of tickets and broadcasting rights

More than 12 million tickets were sold for the Paris Games, breaking the attendance record for the Olympics previously held by London in 2012. Ticket sales therefore had the greatest impact, contributing to a 3.7% increase in the value added of household services accounted for at the time of the events and recorded in INSEE's quarterly accounts for third-quarter 2024 (INSEE, 2024c). This represents 0.15 percentage point of quarterly GDP growth. The second most significant impact was from the sale of television rights to broadcast the event. The International Olympic Committee (IOC) allocated EUR 750 million in broadcasting rights to the Paris 2024 Organising Committee for the Olympic and Paralympic Games as part of the IOC's EUR 1.2 billion contribution to the organisational budget. According to INSEE, value added in the information and communications sector rose by 2.1% in the third quarter, and the Banque de France estimates that broadcasting rights raised third-quarter growth by 0.05 percentage point.

A more modest contribution from tourism

Activity in other market services was not very buoyant in the third quarter of 2024. Passenger transport by

non-residents was robust, illustrated by the 4.4% rise in exports of transport services, but was more than offset by a downturn in use by residents. In the accommodation and food services sector, the extra foreign tourists boosted economic activity. However, the example of the London Games shows that crowding-out effects come into play. For example, while a large number of international tourists came specifically for the Games, other tourists, who were otherwise likely to visit Paris, were discouraged from coming during the period. These two contrasting trends practically offset each other, even though the net balance of non-resident visitors was up on 2023 (see Box 2 below). According to INSEE, value added in this sector rose by 0.8% in the third quarter, although at this stage it is impossible to specifically isolate the effect of the OPG. Business services firms also benefited from the event, as either sponsors, suppliers, security providers or event managers.

Lastly, output from non-market services (as measured by the national accounts) also increased, with the inclusion of bonuses received by certain public servants, particularly police officers and *gendarmes*, linked in part to overtime worked. Consequently, INSEE's quarterly accounts show buoyant value added in this sector in the third quarter with a 0.5% rise.

Overall, the boost in activity for the third quarter of 2024 is estimated at around 1/4 percentage point of GDP (a 0.3% increase according to INSEE – 2024a). However, this is likely to be transitory, and a downturn of comparable magnitude is expected in the fourth quarter.

With regard to inflation, the impact of the Games on the headline Harmonised Index of Consumer Prices (HICP) is estimated at a 0.1 percentage point increase, year-on-year, in August. This is due to certain price increases in the accommodation and food services, transport and cultural goods sectors.

¹ See the work of Wladimir Andreff on the subject, particularly Preuß (H.), Andreff (W.) and Weitzmann (M.) (2019), *Cost and Revenue Overruns of the Olympic Games 2000-2018*, as well as INSEE *Economic outlook of July 2024* devoted to "Growth, Games and unknown factors".

Sectoral contributions of the Olympic and Paralympic Games to third-quarter 2024 GDP growth

(in percentage points)

Contributing items	Area		Impact on GDP
	Supply	Demand	
Ticket sales	Household services	Consumption and exports of services	0.15
Broadcasting rights	Information and communications services	Exports of services	0.05
Bonuses to public servants	Non-market services	Government consumption	0.03
Other	Tourism, accommodation and food services, business services	Consumption and exports of services	0.03

Source: Banque de France calculations based on the INSEE *Economic outlook* (2024a) and initial INSEE quarterly account results (2024c).

Note: Sectoral impacts on GDP from Banque de France calculations. The impact of the OPG cannot be distinguished from the rest of third-quarter 2024 activity in INSEE's quarterly accounts.

BOX 2

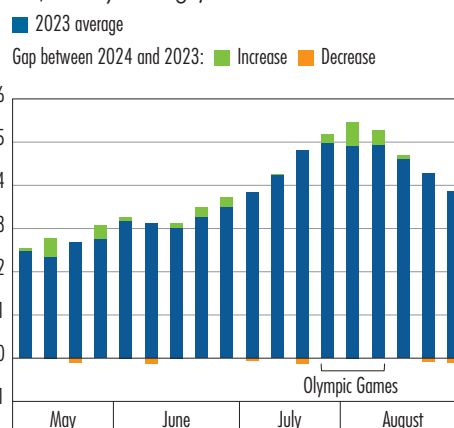
Impact of the Olympic Games on foreign tourism in France

During the summer tourist season from May to August 2024, the average daily number of non-resident visitors, measured on the basis of mobile phone data,¹ was up 3% on the same period in 2023 (see chart). The 2023 tourist season had already registered a 9% improvement after the strong post-Covid crisis recovery seen in 2022. The increase in 2024 mainly focused around the Olympic Games, which were held from 26 July to 11 August. Over this period alone, the average daily number of non-resident visitors rose by 7% – or almost 360,000 visitors – compared with 2023. However, the earliest available information on the Paralympic Games period suggests no net positive effect on international tourism.

From May to August 2024, almost 50% of the extra non-resident visitors were concentrated in a limited number of regions (Provence-Alpes-Côte d'Azur, Auvergne-Rhône-Alpes and Languedoc-Roussillon), even though they usually only attract less than 40% of non-resident visitors during the same period.

Non-resident visitors in metropolitan France between May and August: the gap between 2024 and 2023

(in millions; weekly average)



However, during the Olympic Games alone, the Île-de-France region, a major destination for foreign tourists, welcomed almost 40% of the additional non-resident visitors, compared with 5% across the tourist season as a whole.

Nearly 60% of the extra visitors during both the Olympic Games and the entire summer season came from Europe, with the majority arriving from neighbouring countries, despite a drop in visitors from the United Kingdom and Italy.

Tourist numbers before and after the Games were largely unaffected by this extra influx of visitors during the OPG.

2 The impact of the Olympic Games on payments: necessary forward planning and seamless execution

The smooth functioning of payment transactions during the OPG was a major priority for the Banque de France and the French government. Between 2023 and the summer of 2024, the Banque de France piloted a host of projects to ensure that, in terms of payments, the Games went off without a hitch. No notable incidents were reported.

Specific payment issues and cash challenges associated with the Games

As a key partner in the organisation of the Games, Visa had exclusive rights over all electronic payments made at the Olympic venues – only Visa cards could be used at payment terminals.² Cash was also accepted as a means of payment and its legal tender status, obliging retailers to accept it, was largely respected. Automatic teller machines (ATMs) compatible with all card types were also installed on an exceptional basis at the venues (see map below) to ensure that there were no shortages of cash. Given its importance, the authorities, including the Banque de France, specifically adapted the organisation of the cash cycle to the Games' requirements.

Cash supply by the Banque de France

As the Olympic Games in London in 2012 were the only recent European point of reference available, the Banque de France was in contact with the Bank of England in 2023

and 2024 to plan for the impact of the Paris Games on banknote demand. It was found that the impact of the Games on banknote movements and demand in the United Kingdom was very limited. For the Paris OPG, however, the Banque de France took steps to give its network a safety cushion (compared with a so-called normal year) in terms of banknote supply, adapting the annual delivery schedule ahead of the Games.

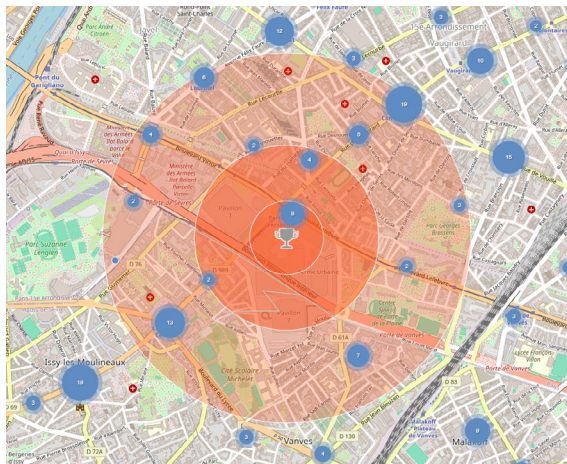
Supplying the ATM network

With regard to cash supply at the Olympic venues, the Banque de France carried out a statistical and cartographical study with the Paris 2024 Organising Committee to geolocate all the cash access points in the immediate vicinity (i.e. within easy walking distance) of the sites. There was a risk that given the exceptional circumstances these distribution points would be overwhelmed, leading to possible cash shortages (empty ATMs) and queues (which could trigger anti-social behaviour). The Banque de France shared the data from its findings (see map below) with all the parties concerned (cash-in-transit companies, banks, the Ministry of the Interior, etc.), which were thus able to make arrangements to time supplies appropriately despite the severe restrictions on convoy movements.

The Banque de France also provided statistical indicators so that the varying degrees of strain on ATMs located near the venues could be measured, taking into account expected daily footfall and the number of cash distribution points in the area concerned (see chart). The results

² Visa offered two alternative payment solutions to spectators who did not have a Visa card: loading a virtual card onto a mobile phone (e-card) before going to the Olympic venue, or purchasing a prepaid card on site. Both cards could be topped up to a maximum of EUR 150.

Automated teller machines near Olympic venues: the example of Arena Paris Sud



Source: Banque de France.

Key: The position of ATMs (blue markers) around the Olympic venue, with 200m, 500m and 1,000m-radius concentric circles.

Note: The Banque de France publishes a dynamic [map](#) of cash access points (ATMs and access points in retail outlets) on its website.

obtained showed that certain sites such as the Vaires-sur-Marne Nautical Stadium in the Île-de-France region were likely to be particularly busy.

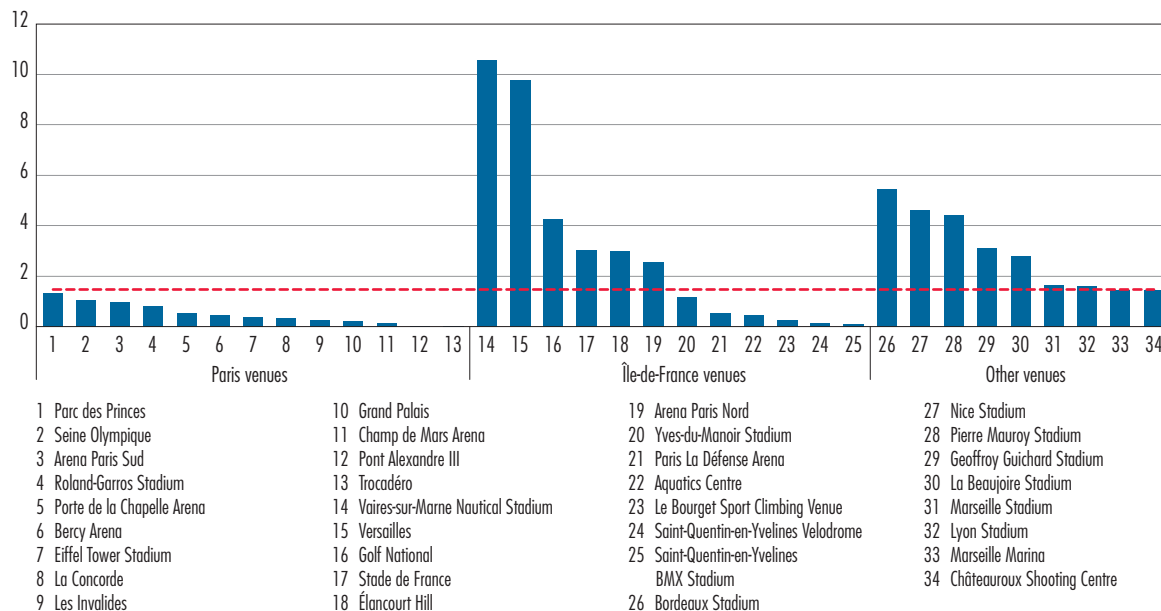
Sixty temporary ATMs were installed inside the Olympic venues to facilitate public access to cash, thus relieving the pressure on the ATMs nearby. Supplying these ATMs proved to be an organisational challenge for those responsible for their management (in terms of restocking times, security and troubleshooting, for example), as was organising cash distribution to points located on the “Olympic lanes” reserved for athletes and certain priority vehicles and closed to cash-in-transit companies.

Indicator of strain on cash distribution points at Paris 2024 Olympic venues

(number of visitors per day/number of ATMs within a 1,000m radius; in thousands)

■ Indicator of strain

--- Average daily strain in France



Sources: Banque de France and the Paris 2024 Organising Committee for the Olympic and Paralympic Games.

Key: The graph shows the indicator of strain, grouped according to cities that hosted Olympic events; the red dotted line is the national-level reference indicator.

Note: ATM, automated teller machine.

BOX 3

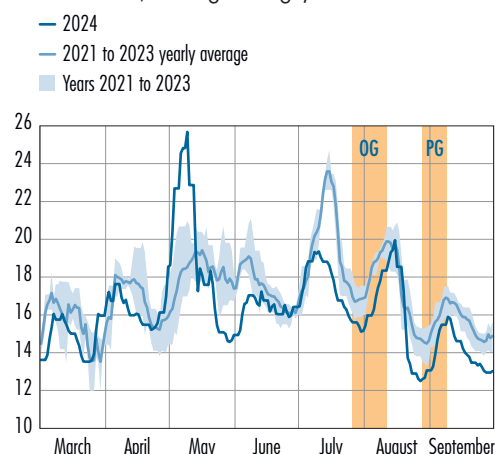
The impact of the Olympic and Paralympic Games on banknote demand

The Banque de France recorded a sharp increase in banknote orders in May – no doubt driven by commercial banks’ preparations for the Games – but did not observe any particular atypical demand during or just before the Games themselves.

As part of the scope of the Banque de France’s task of monitoring cashless means of payment, it very closely observed the changes in volume and value of ATM withdrawals during the Games and the days preceding, and compared them with the same calendar period in 2023. Furthermore, the cash-in-transit companies responsible for supplying the ATMs did not report any atypical movements during the Games. Based on the incomplete information they provided, and focusing on the most impacted area – Paris – withdrawals are estimated to have increased in value by 14% in July and August compared with 2023. This increase is considerable and can be explained by the arrival of large numbers of foreign visitors (see Box 1). However, it was contained in a limited area. Broadening the measure to encompass the whole of the Île-de-France, the increase comes down to 5%. Generally speaking, cash industry players encountered no operational difficulties as a result of these variations.

Volume of banknotes withdrawn from Banque de France cash centres between March and September 2024

(number in millions, moving average)



Source: Banque de France.

Note: OG, Olympic Games; PG, Paralympic Games.

Payment sector resilience

The Banque de France, aiming to ensure a coordinated response for the entire payments sector, turned to the *Groupe de Place Robustesse* (GPR – Paris Resilience Group), which it has chaired since 2005. The GPR brings together banks, market infrastructures and authorities. Since mid-2023, it had been working to pinpoint the challenges and risks related to electronic payments and cash, amongst others, associated with the OPG. It identified four major challenges for the Paris financial centre: (i) increased cyber risk, due to media overexposure of the Olympics (ANSSI, 2023);

(ii) human resources management;³ (iii) access to premises due to traffic constraints and public transport difficulties; and (iv) challenges specific to the cash industry (access to cash – see above – and bank branch security).

In response, the Banque de France, as GPR Secretary, launched four initiatives that in hindsight proved to be effective: (i) an information meeting at the end of 2023 to present the risks, and the crisis management measures implemented by the government in the lead-up to and during the OPG; (ii) reinforced communication channels between specialist players and the GPR secretariat in

³ Particularly the availability of “critical” employees during the OPG, which coincided with the summer holidays (the Olympic Games) and the start of the new school year (the Paralympic Games).

order to share information on incidents, particularly during the Games; (iii) operational crisis management training covering incidents involving cash, electronic money and telecommunications and rolled out to all players in

April 2024; and (iv) a reinforced monitoring system during the OPG involving planned regular updates with the main players from the financial sector, the public authorities and government departments.

BOX 4

Actions of the *Groupe de Place Robustesse* specialised crisis units

The Banque de France relies on two specialised financial centre crisis units (CCPs – *cellules de crise de place*) to relay the actions of the *Groupe de Place Robustesse* (GPR – Paris Resilience Group) directly to the key players in the cash and cashless transactions sectors. The two CCPs constantly monitor any risks to business continuity and can be mobilised at any time to respond to an incident of systemic proportions.

Financial Centre Crisis Unit – Cash

An adapted organisational framework was put in place for the Games to ensure that the cash industry could cope with any crisis situations that arose during what is a unique period. The *cellule de crise de la place fiduciaire* (CCP-F – the Financial Centre Crisis Unit - Cash)¹ was placed on high alert during the lead-up to and throughout the Games in readiness to deal with any problems likely to seriously disrupt cash operations and to implement any measures required.²

Financial Centre Crisis Unit – Cashless means of payment

The cashless payments sector – in contrast to the cash industry – did not have a dedicated CCP. Given the continuity challenges associated with electronic payments and settlement by card in particular, a specific pilot CCP was set up during the lead-up to the Games to ensure that all parties involved were properly coordinated with regard to the operational continuity of cashless payments. This approach capitalised on the following existing mechanisms.

- The widespread co-badging of French cards, which facilitates payments via the French domestic CB network or an international network (Visa or Mastercard), structurally offers an alternative solution in the event that one of the networks becomes unavailable.
- At the point of sale, retailers have the option of switching their payment terminals to an “offline” mode, allowing them to continue to accept card payments even if the connection with the banking infrastructures is lost. In this situation, the payment terminal validates transactions by reading the card’s chip and stores them until the connection with the bank is re-established.

1 The CCP-F is chaired by the Banque de France and brings together representatives from cash-in-transit companies, banks and government ministries.

2 Back-up and bypass solutions exist and can be triggered in the event of a crisis. Some of these were tried out during the recent health crisis (2020-21).

.../...

- In 2020 the Observatory for the Security of Payment Means defined a mechanism for processing payment flows in e-commerce to ensure business continuity in the event of a failure of card payment authentication infrastructures (OSMP, 2020).

The Banque de France also carried out various monitoring initiatives alongside the key players in the payment chain in the lead up to the Games, rounding out the actions coordinated by the GPR and the CCP.

Lastly, given the specific challenges involved in ensuring payment continuity at the Olympic venues, and to take account of Visa's exclusive processing rights over the electronic payments made at the venues, a specific mechanism was implemented combining near-real-time alert systems and information sharing with the public authorities.

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Overall, no notable incidents for the financial sector were reported during the Olympic and Paralympic Games. The mechanisms put in place and the support provided to the sector ensured that coordination was sound and that information sharing was efficient, and also meant that the sector was ready to act at any time should an incident occur.

This organisational approach, set up in close liaison with the French Ministry of the Economy and Finance's Bercy Operations Centre, has provided a wealth of practical experience that will be useful in the future when dealing with similar scenarios or unforeseen crises.

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