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making business sense

The economic impact of Andy Murray

Andy Murray's quarter final Wimbledon victory over Juan Carlos Ferrero was watched by 4.5 million people in the UK. But the Sunday spectacular last year of Raphael Nadal's victory over Roger Federer in the Wimbledon final was watched by 14.1 million in total and an average of 8.6 million over the 5 hours that it was played.

On a humid Friday afternoon with a threat of rain, it seems reasonable to predict that Andy Murray's semi final this afternoon will be watched by a minimum of 8 million people in the UK, with about half of them (a tenth of the workforce) taking time off work in some way. Note that you can watch at your desk on the internet as long as your boss isn't standing behind you (or perhaps even if he/she is, if they turn out to be a tennis fan, too).

It would probably be reasonable to assume a loss of about 1½ hour's productivity from these people on average. Hourly GDP in the UK is £800 million so this would imply a loss of productivity of £120 million.

But given that the economy is pretty slack at the moment, it will be relatively easy to make most of this up. And much of it could well be taken in annual leave. So I don't think we economists should get too worried. GDP in Q1 was down by 2.4% - roughly £8,000 million so £120 million either way doesn't make that much difference.

On the other hand, it seems unlikely people would want to go thirsty while all this is happening. When England played Argentina in the soccer world cup on 7 June 2002 on a similar Friday afternoon, the England victory led to about £150 million extra being spent on food and drink (probably mainly the latter) in the pubs and clubs. Something similar could happen this afternoon. There will be fewer viewers than for the soccer, but the higher prices of drinks in 2009 could boost the number towards £100 million.

What if Andy Murray reaches the final?

One has to assume that last year's record viewing will at least be equalled.

But – on a Sunday – there will be little loss of productivity. One assumes that ministers and priests will perform their normal Sunday duties and indeed possibly pray harder.

A Murray victory would be a good excuse to crack out the champagne and help the hard pressed vintners. Perhaps another £150 million of additional spend.

And this of course excludes the long term effect of sponsorship deals and other benefits that would emerge from Andy Murray as Wimbledon champion. As a fellow Scot, I can only wish him good luck.

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