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## **KPMG Golf Business Forum is now the leading international industry event**

*Global golf industry honours golf legend Jack Nicklaus*

**KPMG's fifth annual Golf Business Forum held in Ireland in May, brought together more than 310 industry professionals from 46 countries to learn, network and do business. The forum's agenda included presentations about Ireland, Dubai and China, sessions on golf course development, planning, design, successful project management and operation, as well as financial and tourism aspects of the golf business. Moreover, Jack Nicklaus, world's most celebrated golfer, was awarded KPMG's Lifetime Achievement Award.**

"This was the biggest and most successful Golf Business Forum yet, and over the years, the GBF established itself as the leading international event for the golf resort and community industry. The measure of our success is given by the continuous support we are receiving from past and new sponsors, from returning delegates, as well as from the quality of the media covering the event, including the Financial Times and CNN," said Andrea Sartori, founder of the GBF.

GBF also honoured golf legend Jack Nicklaus, who received KPMG's Lifetime Achievement Award this year. Nicklaus, 18-time Major Championship winner is the chairman and founder of Nicklaus Design golf course design practice, which is responsible for 328 golf courses in 32 countries, with even more projects currently under development.

Andrew Smith, KPMG's Chief Economist, offered a word of warning to the wider golf business by pointing out that the global credit crisis brings fading confidence in consumer markets and in several services sectors, a trend likely to result in slower growth globally in 2009 as well. "However, outside of the main areas and in the emerging markets, economies have a lot of momentum and there is a lot of domestic demand generated. The good news is that these economies should continue to rack up strong growth. We are seeing a middle class, perhaps golfers, emerging quite quickly in countries around the world," he explained.

The presentations and panel discussions at the forum showed no pessimism either, allowing that with property development being seen as more risky, funding more difficult and discretionary spending falling, especially in the West, both stakeholders in the business of golf and golfers themselves are likely to turn to emerging markets.

### **Spectacular developments – from rags to riches**

In regions where financing is almost unlimited and developers also enjoy local administrative and/or political support, the most spectacular developments can make unknown areas popular international golf destinations almost overnight.

Mission Hills Golf Club in China, the world's largest golf resort with 12 championship golf courses, and the host of golf's World Cup until 2018, put the country on the world's golf map, and helped golf tourism in China grow at 7% a year. The \$625 million resort is primarily seen as a residential development with golf being used as the driver for real estate. With a population of over 100 million within an hour's drive from Mission Hills, the resort will no doubt attract many locals as well as help make the game more popular on the local front.

Similarly, hosting major tournaments can add to the publicity and attractiveness of some of the breathtaking developments in Dubai, now a new prime golf destination. As David Spencer, CEO Golf of Leisurecorp, developers of the Jumeirah Golf Estates, Dubai, revealed: "We wanted to enter the global golf market and saw the European Tour as the perfect partner to establish the Race to Dubai culminating with the richest golf tournament in the world at Jumeirah Golf Estates. We had talks at the KPMG Golf Business Forum last year in Budapest and took the concept forward. The sum being invested is \$173 million, which is vast. But the publicity Leisurecorp has already received from this deal and the benefits to Jumeirah Golf Estates, one of the most important golf developments of the past 20 years, makes me think we have seen our money come back already."

### **Boost demand with more supply**

Several examples quoted at the GBF revealed that making golf more available to the public can give a major impetus to either golf tourism in more mature markets, or to golf penetration in emerging markets. Ireland, a golfing nation with rich tradition in the game, has implemented a government backed 15-year golf development strategy, and made golf a priority of the overall plans for growing tourism. Within ten years, 32 brand new golf courses were built and 29 older ones enhanced, only to transform Ireland from a mature golf market to one of the world's most sought after golf destinations. As a result, the number of international golf tourists has grown almost 6 times.

In Russia, following the success pattern of creating a pool of world-class tennis players by making the game more accessible, the city of Moscow aims to develop some 15 new public courses, most of them via Public Private Partnership (PPP) financing constructions.

The conference offered several further techniques to help penetration grow. Making golf a preferred sport among juniors, and incorporating the game as part of sports education is another way of attracting new generations to the golf course. With more and more women and juniors playing, for whom the average round of golf is often too long and tiresome, shorter rounds on courses with 3 x 6 holes could be a more attractive option.

### **Hungary – progress slower than expected**

"While in Central and Eastern Europe the number of golfers and golf courses has tripled since 2000 and while there are significant business opportunities, the pace of development in Hungary is slower than we projected five years ago," Sartori said. Sartori believes it is due to the lack of basic strategy to include golf in national tourism development plans, the slowing economy and the fact that playing golf is still an expensive pastime – yearly fees in Hungary are four times higher than in Sweden for example.

"In the past five years, there have been only two new courses built in Hungary – there are now 8 courses in operation, and a few more in different phase of planning or construction. As a comparison: in the Czech Republic the number of courses has grown from 39 to 71 in the past 7 years, while in Poland from 19 to 25 in the same period of time – the two countries give today 68 percent of the 135 courses of the whole region, while Hungary accounts for only 6 percent of the regional supply," Sartori argued. Several other countries in the region – Croatia, Romania and Bulgaria, where some 20 courses are under development – are also growing faster; however, the pace of development is often hindered by slow legal procedures and overcomplicated regulations.

According to Sartori, in these countries, helping local demand, penetration growth could lead to more supply, which in the end might result in creating an attractive tourism offering as well.

And there are many who could be attracted: "according to WTTC (World Travel and Tourism Council) by 2020 nearly every third visitor to Europe is expected to choose a CEE destination. Golf tourists in particular are always looking for new golf destinations and are also keen on combining sport with culture and heritage, something the CEE region is rich in and still undiscovered by many," Sartori added.

## Notes to editors:

- For more information on GBF, please visit <http://www.golfbusinessforum.com>.



- [The European Tour](#)

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