Chapter 5

Sport and development in Hungary and the Central and Eastern European region

The development of the leisure sport industry

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Introduction

Leisure activities are gaining an increasingly prominent position in the social landscape, recognised as a crucial component of a healthy lifestyle. The leisure industry is a significant part of the global economy and is experiencing rapid expansion (KPMG, 2019). An important subsector is the leisure sport industry. It includes all the products and services concerning leisure sport activities and the total operational activities related to these products and services.

In this chapter, we will focus on the leisure sport industry in the Central and Eastern European (CEE) region. Over the past 30 years, CEE living standards and its service sector have seen significant improvements due to the transition from state socialism to a market economy and the benefits of European Union membership. Forecast revenues for 2020 from sport and outdoor activities in CEE amount to USD 953.4 million, 5% of the European total (Statista, 2020).

The aim of this chapter is to analyse the development of the leisure sport business from the perspective of consumer participation, consumer spending and corporate revenues in the CEE region from 2010 to 2019. Eight countries are involved in this investigation: Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. Our target countries have very similar historical, economic and social backgrounds. We present data on the development of market activity (supply and demand) in these countries' leisure sport sectors.

We pay special attention to the economic opportunities for leisure sport companies. In addition, we offer suggestions to governments on how they might help increase public participation and spending in the leisure sport sector. The academic relevance of this research lies in the fact that there has been no serious regional examination of the topic to date. Since international firms usually make investment decisions based on regional data, private business leaders stand to benefit from a detailed investigation of supply and demand for leisure sport in emerging markets. CEE is a relatively fast-developing area of the world economy. As in other developed and developing countries, the region's service sector saw a significant increase in revenue between 2015 and 2019, according to Eurostat

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(2020) data: Expenditures on services increased by about 25% in Slovakia, Croatia and Bulgaria, by 43% in Romania and by 64% in Hungary. Sport – specifically leisure sport – is essentially a service-oriented area that is experiencing intense growth, thanks to an increase in people's free time and disposable incomes. Due to low baselines, growth in the CEE leisure sport industry is particularly rapid. Using regional and national data, we examine trends in physical activity along with supply and demand for leisure sport. We pay special attention to Hungary.

We have found seemingly paradoxical data with respect to private spending on leisure sport and physical activity and the health of the society. Cornia and Paniccia (2000) described this Central European health paradox, arguing that the region's poor health status cannot be explained solely by economic performance – mental, and especially historical factors, play a decisive role. The following sections review the key issues in the development of leisure sport activities in Hungary and CEE.

Short historical and social background

In the Eastern Bloc countries, the political elite strictly controlled politics and the economy. In the same way as other subsystems, sport also lost its autonomy. Elite sport was in a privileged position during state socialism, while other areas of sport were very much neglected. After the change in political systems, all Hungarian governments between 1990 and 2004 also supported elite sport to a greater extent than leisure sport, and the situation has not changed considerably since. Over-politicisation gained ground in Hungarian sport and in the CEE region because neither civil society nor the market could counterbalance the over-dominance of the state (Földesi, 2008).

In socialist Central and Eastern Europe, there was a lack of individual responsibility and self-care, thanks to the regime's "welfare policy", which provided a wide range of "free" services to citizens. That was one of the main reasons why it was difficult for providers to start operating health or fitness services at the time of the political system change (Neulinger, 2007; Simonyi, 2015). In the middle of the 2000s, in Hungary, the business sector was not strong enough, even 15 years after the change of political systems (Földesi, 2008). But after 2005, the business sector gained more strength and significance and could contribute to the development of sport.

Concepts, markets and value creation through leisure sport

The separation of leisure and professional sport happened in the 20th century. There are several reasons for the emergence of leisure sport in societies and also in the economy: (1) the amount of leisure time in society has increased, (2) people have become more health-conscious, (3) people are recognising the importance of a healthy lifestyle, (4) instead of competition and records, active people's main goal is recreation and fitness, (5) some parts of society have some discretionary income for leisure sport (in more immature markets, including Eastern Europe, the growth has actually been driven by an increase in real disposable income), (6) leisure sport could become a branch of the service industry and (7) the growing involvement of a corporate sector that considers employees' well-being.

In our understanding, any physical recreational activity may be considered leisure sport if done regularly or irregularly in our free time, and if the goal is maintenance or restoration of health, recreation, amusement or a feeling of physical and spiritual well-being, both during and after the exercise (Szabó, 2012). We can identify the following prerequisites for leisure sport consumption (Budai, 1999; Laki and Nyerges, 2004): sufficient free time, adequate living standards and money and the right attitude. In our opinion, the most important element is the right attitude, since leisure sport is not a basic need. Consumer-oriented services and satisfied customers could be key factors (Szabó, 2012).

Based on the models of Gratton and Taylor (2000), Parks, Quarterman and Thibault (2007) and the works of András (2003, 2006) on professional sport markets, Szabó (2012) gave a description of leisure sport markets. The consumer, sponsorship and merchandising markets are relevant not only for professional sport but also for leisure sport. In addition, leisure sport includes markets for sports equipment, sportswear and sport professionals. Consumers, sponsors and merchandising markets are the direct sources of income (Szabó, 2014). Most research claims that men, younger people, those with higher income, those living in big cities and the better educated do more sport in their leisure time (Neulinger, 2007; Paár, 2013; Szabó, 2012). An increase in the consumer market would bring growth in the markets of sports equipment, sportswear and sport professionals, sponsorship and merchandising markets (Szabó, 2012).

There is big potential in leisure sport to create value on the micro- and macro-level. The most important micro-level factors are the development of health, abilities and skills, feelings of excitement and lower health-care expenses, both for individuals and companies. The main macro-level factors are lower health-care and sick-pay expenses, lower mortality and disability rates, increased life-expectancy, new jobs and new tax revenues. Micro- and macro-level factors could contribute to national economic competitiveness through the development of human capital, improved health conditions, productivity and the development of social capital (Szabó, 2012).

The development of leisure sport in Hungary and the CEE

Most studies on global sport economics deal with professional sport, while leisure sport does not receive the same attention. The current situation in Hungary is the same as it was in the 1990s when the first 'economic' or 'business' studies typically dealt with various issues of professional sport, with a particular focus on football (András et al., 2019). András et al. (2019) examined 116 peer-reviewed Hungarian sport management articles written from 2003 to 2018 and only 30% of the articles dealt with leisure sport, mostly within the consumer market.

Szabó (2012) introduced the operation of leisure sport markets, assessed the value creation of leisure sport and described the characteristics of the three spheres (state, business and non-profit sectors), their tasks and their shortcomings. Based on her research, the key to a well-functioning Hungarian leisure sport sector lies in the formation of attitudes and boosting consumer demand. Service providers' operation was not problem-free in the 2000s. In many cases, they lacked professionalism (i.e., investors with knowledge of the industry, credible, reliable managers and realistic business plans), while the club system did not work either. Fitness centres did not have enough sponsors, money or energy for marketing activities. Many smaller fitness centres did not even have the software to keep clients' records, and only a third of fitness centres were profitable.

Research by Paár (2013) analysed the trends in sport consumption since the political transition. Paár (2013) stated that, in a micro economic sense, sport consumption in Hungary is a luxury good. He found that living in a bigger settlement type (for example in a bigger city), having a higher level of education, a higher number of children and better income lead to Hungarian households' increased possibility and measure of sport expenditures. By international standards, Hungary belongs to the group of countries with poor health status and a low level of sport expenditure (Paár, 2013). Vörös (2019) carried out a cluster analysis based on Eurostat data and had similar results as Paár (2013). According to Vörös (2019), the CEE countries spent much less money and time on exercising than the EU average. Consequently, they had worse HDI-indexes, health conditions and life expectancies. Hungary spent 7% of its GDP on health, which is 3–4% below the EU average. The life expectancy of Hungarian people is six to eight years shorter than that of their Western European counterparts, and their cancer mortality is the highest in Europe. Apart from the Baltic countries, the population of Central and Eastern Europe has the lowest average life expectancy at birth as well as the lowest healthy life expectancy (Vörös, 2017). At the macro-level, an increase in physical activity may contribute to lowering health care expenditures, and a healthier society may potentially have higher productivity. A 10% increase in physical activity would result in savings of more than 28 billion HUF (ca. 73.7 million GBP) for the Hungarian economy (Ács et al., 2011, 2016).

According to Ács et al. (2018) in the V4 (Visegrad) countries (the Czech Republic, Poland, Hungary, and Slovakia), only 21–35% of the population exercise on a weekly basis. However, their results stress that the population of university students provides more favourable data on physical activities than working adults: 43.8% of female and 57.3% of male students can be classified as highly active.

After reviewing the Hungarian literature on the topic, we investigated it in the other seven examined CEE countries. In Bulgaria, Ignatov, Popeska and Sivevska (2015) defined leisure time similarly to Szabó (2012). Ilieva (2016) involved 153 experts from government, municipalities, public and private companies in a study about the engagement and attitude of professionals in the field of the programme Sport for All (SFA). The report stated that, “the priority funding of the sport of excellence by the state, as well as some negative economic trends in our country in the recent years, have led to gaps in the provision of SFA resources” (Ilieva 2016, p. 227). Having reviewed a number of studies in Poland, Sniadek and Zajadacz (2010) concluded that a very important factor determining the so-called “successful ageing” is regular physical activity. Previous studies have shown that Poles belong to the group of the least active EU citizens. The main reasons behind low physical and tourist activity of Polish seniors are their poor financial standing, lack of active leisure habits and – all too often – an insufficient supply and promotion of sport and leisure activities targeted at this age group.

A Croatian study’s results showed that engagement in leisure activities contributes to subjective well-being, while the pattern of important leisure activities somewhat varies across different age and gender groups (Brajša-Žganec, Merkaš and Šverko, 2011). Lipovčan et al. (2018) also examined these correlations and found similar results. According to Romanian research, constant and continuous practice of various types of physical exercise represents a significant factor leading to the improvement of social health (Georgian and Lorand, 2016). Sekot (2013) was looking for what Czech society expected from sport. Relevant data reflects a growing tendency of passive attitudes to sport in the Czech population.

In summary, research on leisure sport in the region has focused on the following topics: investigation of leisure sport habits of different consumers (e.g., seniors or college students), the relationship between leisure sport and well-being and the role the state should play in the development of leisure sport.

Relevant leisure sport data in the CEE region

To answer our research question about how the business of leisure sport has developed in the CEE region and in Hungary in the 2010s, we have done the following work. The leisure sport industry developed without relevant state subsidy in the CEE region. We show empirical data on the number of consumers and the level of consumption, considering sporting goods and services and equipment for sports between 2010 and 2019. Table 5.1 contains the collected regional-level data with details about the source and period of data collection. We used comparable data for the eight CEE countries listed in the introduction and, if available, the average EU-28 value. It is a limitation of our research that some data are not available for every year or the entire period.

After the examination of regional trends, we focused on Hungarian data about business trends in leisure sport (see Table 5.2). To discover the development of the Hungarian leisure sport industry, we concentrated on business results of leisure sport organisations (for-profit and non-profit) including service providers, traders and event organisers. In both the regional and the Hungarian case, we sought to link data collection to the leisure sport markets.

Table 5.1 Regional data collection (sample, data, source and period)

Sample	*Collected data*	*Source*	*Period*	*Related leisure sport market*
Physical activity	Sporting activity per week	Eurobarometer	2006, 2010, 2014, 2018	Consumer
Fitness club attendance	Proportion of athletes	Eurobarometer	2014, 2018	Consumer
Sporting goods and services by COICOP consumption purpose	Mean consumption expenditure of private households	Eurostat	2010, 2015	Consumer and sports equipment and sportswear
Recreational and sporting services	Annual average rate of change	Eurostat	2015–2019	Consumer
Recreational and sporting service	Annual average index	Eurostat	Changes 2015–2019	Consumer
Equipment for sport, camping and open-air recreation	Annual average index	Eurostat	Changes 2015–2019	Consumer and sports equipment and sportswear
Manufacture of sports goods	Number of enterprises	Eurostat	2008, 2013, 2018	Sports equipment and sportswear
Manufacture of sports goods	Turnover - million euro	Eurostat	2008, 2013, 2018	Sports equipment and sportswear

Development of leisure sport in the CEE region

Physical activity and consumer spending on leisure sport

Compared to 2010 and 2014, the proportion of active people has decreased in the region: Figure 5.1 presents the number of those who never do exercise or play sport, indicating that it increased everywhere in 2018, except in Bulgaria where the numbers are the highest (Eurobarometer, 2006–2018). In 2018, 46% of EU-28 people never did sport, with only Slovenia and the Czech Republic below this average. Except for the Czech Republic (15%), the use of health and fitness centres is also below the EU average in this region. However, sport or physical activity at home is popular in Eastern Europe, with more than half of the respondents in Slovakia (62%), Romania (60%) and Hungary (59%) reporting.

Table 5.2 Leisure sport business trends in Hungary

Sample	*Collected data*	*Source*	*Period*	*Related leisure sport market*
Companies providing fitness services	Number and financial performance	Hungarian Central Statistical Office	2011–2017	Consumer Sport professionals
Sports foundations and non-profit organisations	Number and revenue	Hungarian Central Statistical Office	2011–2018	Consumer Sport professionals
Largest sportswear and sports equipment in Hungary	Net revenue	Financial statements of involved companies	2010–2018	Consumer Sports equipment and sportswear
Biggest leisure sport event organiser company	Net revenue and operating profit	Financial statements of the company	2011–2018	Consumer Sponsorship
Most popular running events in Budapest	Number of runners	Futanet, 2019 (Budapest Sport Office)	2010–2019	Consumer Sponsorship

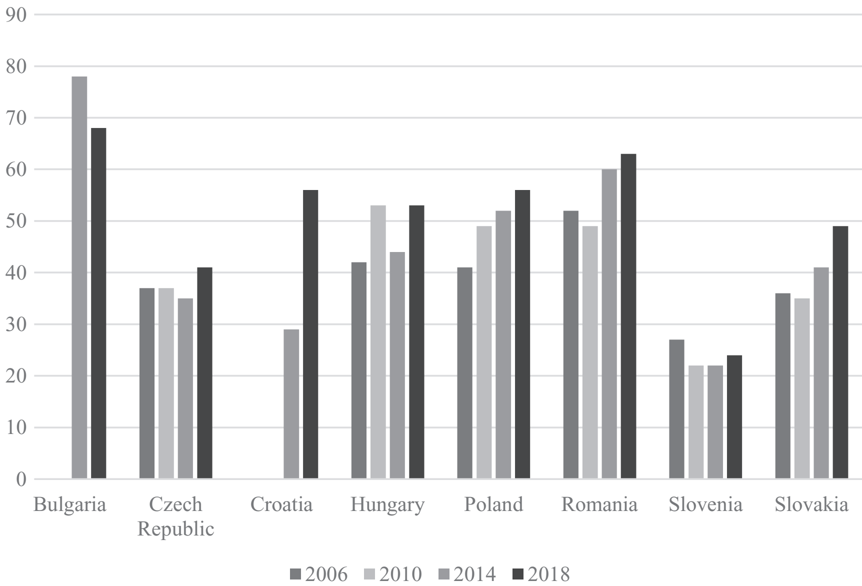

Figure 5.1 How often do you exercise or play sport? – Never (percentage).
Source: Edited by the authors based on Eurobarometer (2006, 2010, 2014, 2018).

According to the Hungarian Central Statistical Office (KSH), sales in sporting goods and equipment increased by 43% between 2010 and 2017. Compared to the Czech Republic and Slovenia, Hungarians spent half as much on sporting goods, sports equipment and sports clothing (Gősi, 2019). Between 2012 and 2016, purchases of sporting goods per capita increased from 30 EUR to 50 EUR in Hungary which is a huge growth in demand considering the development of sport business (Bácsné et al., 2018).

In Poland, the average annual household spending on sport and recreation is PLN 458 (€105), which is an increase of PLN 40 (€9.2) over the last four years. Poles are spending gradually more on sport and recreation, but their physical activity is decreasing (The First news, 2019). The Polish fitness market is one of the top ten markets in Europe and one of the most dynamically developing. The fitness market in Europe and in the CEE region is developing towards the growth of low-cost clubs.

The number of those who attended fitness clubs had increased by 50% from 2014 to 2018 in Hungary and Romania (Table 5.3). The average growth rate in the CEE region was 14%, while in EU-28 there was stagnation, so it suggests a significant development in CEE. Fitness club usage could be one of the most important indicators of business development, people do sports on a business basis, paying for sports service and do not do sports at home or outdoors. However, it is

Table 5.3 Percentage of athletes who attend fitness clubs in CEE

	2014 (%)	*2018 (%)*	*Change (%)*
Bulgaria	12	14	+16
Czech Republic	17	15	−12
Croatia	9	7	−22
Hungary	6	9	+50
Poland	9	11	+22
Romania	6	9	+50
Slovenia	6	6	0
Slovakia	13	14	+8
EU28	15	15	0

Source: Edited by the authors based on Eurobarometer (2014, 2018).

a sad fact that only the Czech Republic reaches the EU-28 average of 15% (and in the case of Czech Republic and Croatia there was a decrease). Engagement in leisure sport (especially in fitness clubs) was primarily the domain of young, well-educated urban people who were satisfied with their financial situation. The total number of members of fitness clubs in Poland may increase to a million in a few years, including a large proportion of older people. Fortunately, even more women and older people are attending fitness clubs, and wider sections of society are involved. The fitness services market seems to be becoming more professional and better organised (Cieślikowski and Kantyka, 2018).

The value of the global sports equipment and apparel market is expected to reach USD 619,279 million by 2023, growing at a compound annual growth rate (CAGR) of 7.1% (2017–2023). The equipment segment generated the maximum revenue in 2016. However, the apparel and shoes segments are expected to grow exponentially, especially in running, fitness, bike, team and water sports (Allied Market Research, 2018). There are important factors behind these trends. The market drivers in Europe are as follows: (1) people's increased awareness of a healthy lifestyle and the availability of a growing middle class purchasing power (in more immature markets such as Eastern European countries, the growth is driven by an increase in real disposable income), (2) the expansion of offerings in the value segment (the fitness market in Europe, and in the CEE region is developing towards the growth of low-cost clubs with limited customer support), (3) growing involvement of the corporate sector (concern for employees' well-being) and (4) increased incidence of medical problems.

The Central European home fitness equipment market was expected to grow at a CAGR of 8.2% from 2017 to 2020, with Poland forecasted to experience the highest growth rate of 11.9%, the Czech Republic was in third place behind Slovenia at 11.3%, followed by Slovakia in sixth place with an 8.4% growth. In 2016, the home fitness equipment market in Central Europe was worth $2.14 billion (Cesport, n.a.). Waśkowski (2017) found a massive increase of running events in Poland, going from approximately 500 to 4,000 between 2000 and 2016. The growth of the fitness equipment market could be another good signal of business development on the demand side.

Romania has the fastest-growing health and fitness market in Europe, driven by both penetration and price increases. In Poland, customers, and as a consequence club formats, are rather budget-driven and focused on functionality, while in Romania, customers are more interested in premium offers and are motivated by the overall experience (e.g., the look and feel of the location, and the quality of equipment and trainers) (Kearney, n.a.). As the economy and services improved, so did leisure sport services, and consumer spending could be more significant. The development of the business sector could lead to the development of leisure sport.

In the following section, we analyse the data provided by Eurostat. Figure 5.2 shows the mean consumption expenditure of private households on sporting goods and services in CEE countries between 2010 and 2015, which is a good cumulative indicator of business development on the demand side.

Although there was growth in every country, Bulgaria (34%) and Slovakia (29%) stand out, showing the highest growth rates between 2010 and 2015, while Slovenia has the highest average consumption expenditure of private households on sporting goods and services, with only a 1% growth rate. In Hungary, the growth rate was 14%.

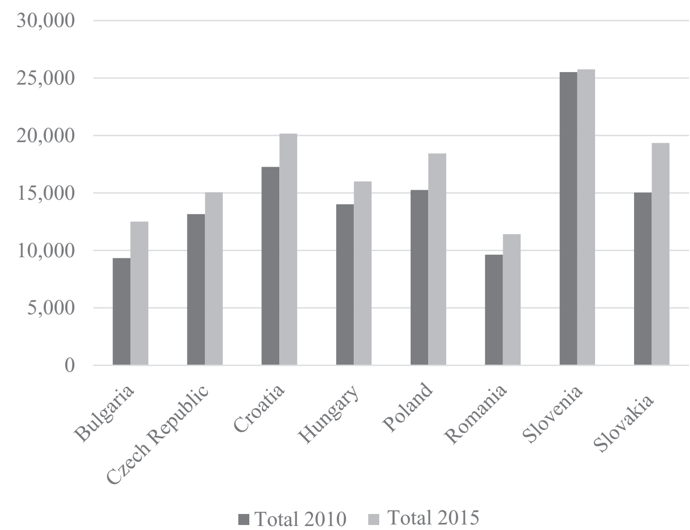

Figure 5.2 Mean consumption expenditure of private households on sporting goods and services by COICOP consumption purpose 2010 and 2015 (PPS).

Source: Edited by the authors based on Eurostat (2019).

Goods manufacturing and service providing in leisure sport

In Figure 5.3, it can be seen that in the region there has been an approximately 2% annual average shift in spending on recreation and sporting services between 2015 and 2019. Four countries in the region also outperformed the EU-28. Slovakia and Hungary show the greatest changes in growth. In Croatia, there was a peak in 2015, followed by a downturn.

Examining the details, compared to 2015, Slovakia, Hungary and the Czech Republic have a more than 10% growth in the annual average index of recreational and sporting services from 2015 to 2019 (EU-28 has 8%), while Croatia is the only one in the region with a decline, due to the peak in 2015 followed by a fall. Considering the annual average index of sports equipment, camping and open-air recreation, there was a 10% growth in Hungary and in Slovenia, a 5% growth in Romania and a 6% decrease in Slovakia (Eurostat, 2019). Just for comparison, according to KPMG (2019), the global fitness industry has shown compound annual growth of 4.8% between 2015 and 2017.

In this region, most manufacturers of sports goods are located in the Czech Republic (around 12% of all the EU-28 manufacturers) and Poland (10% of EU-28), while the biggest increase was seen in Slovakia and Bulgaria (starting from almost zero level). Considering the region as a whole, there was a 35% growth in the numbers of manufacturers between 2008 and 2018 (from 1,057 to 1,428), which shows the development of the supply side of leisure sport industry. As far as the turnover is concerned, the Czech Republic and Hungary have the highest revenues, but they are only around 3% of the turnover of all manufacturers within EU-28 (Figure 5.4). The biggest growth happened in Bulgaria and Romania between

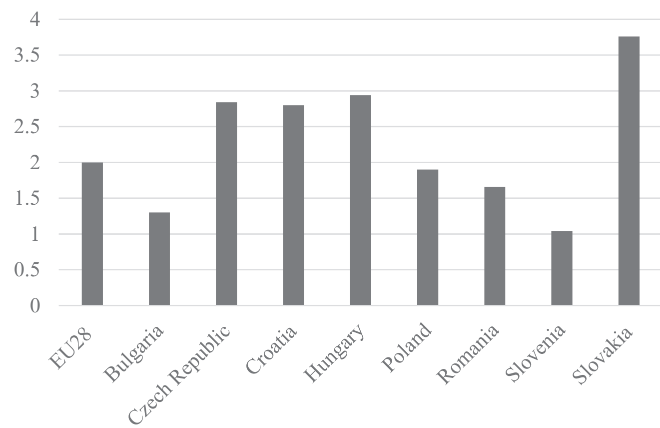

Figure 5.3 Annual average rate (percentage) of change between 2015 and 2019: Recreational and sporting services.

Source: Edited by the authors based on Eurostat (2019).

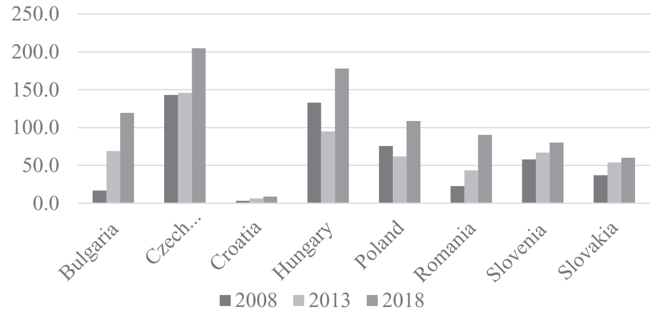

Figure 5.4 Manufacture of sports goods – turnover – million euro.
Source: Edited by the authors based on Eurostat (2019).

2008 and 2018 (Bulgaria is one of the poorest members of the European Union. Revenues of branded sports goods in Bulgaria were around €110 million in 2018, comparatively small for a population of 7.5 million people). In the region, there was an overall 74% growth in the turnover of manufacturers between 2008 and 2018 (from 488.8 to 850.1 million euro).

All the factors examined in the region have shown an increase (Table 5.4). Considering recreational and sporting services, the annual average rate of change between 2015 and 2019 was higher in four countries (Czech Republic, Croatia, Hungary and Slovakia) than the EU-28 average. Considering the annual average index of sports equipment, camping and open-air recreation, there was a 10% growth in Hungary and Slovenia between 2015 and 2019, and most countries show higher increases than the EU-28 average. The number and revenues of manufacturers of sports goods have also increased. The Czech Republic and Poland stand out in numbers, while the Czech Republic and Hungary have record revenues. This significant increase is partly due to the relatively low starting base, but our aim was to present the expected trends in emerging markets, which appear to be very positive both on demand and supply side. Our analysis can also provide many good lessons for investors and provide a strong example to other emerging markets.

The Hungarian case of leisure sport development

After the presentation of CEE data, we will highlight the Hungarian trends of the leisure sport markets. We identified the increase in consumer interest by examining the performance of organisations that operate in the related markets: sport service providers (companies and non-profit organisations), sporting goods retailers and sport event organisers. The numbers and revenues of companies providing fitness services can be seen in Figure 5.5.

According to the data of the Hungarian Central Statistical Office, the number and turnover of companies providing physical exercise services has increased in

Table 5.4 Summary table of regional differences

		The direction of change	*"LEADERS" considering changes*	*"LEADERS" considering values*
Physical activity	Sporting activity per week	Decrease	Croatia	Bulgaria, Romania
Fitness club attendance	Proportion of athletes	Increase	Hungary, Romania,	Czech Republic
Sporting goods and services by COICOP consumption purpose	Mean consumption expenditure of private households	Increase	Bulgaria, Slovakia	Slovenia
Recreational and sporting services	Annual average rate of change	Increase	Slovakia, Hungary	Slovakia, Hungary
Recreational and sport services	Annual average index	Increase	Slovakia, Hungary, Czech Republic	Slovakia, Hungary, Czech Republic
Equipment for sport, camping and open-air recreation	Annual average index	Increase	Slovenia, Hungary	Slovakia
Manufacture of sports goods	Number of enterprises	Increase	Slovakia, Bulgaria	Czech Republic, Poland
Manufacture of sports goods	Turnover – million euro	Increase	Bulgaria, Romania	Czech Republic, Hungary

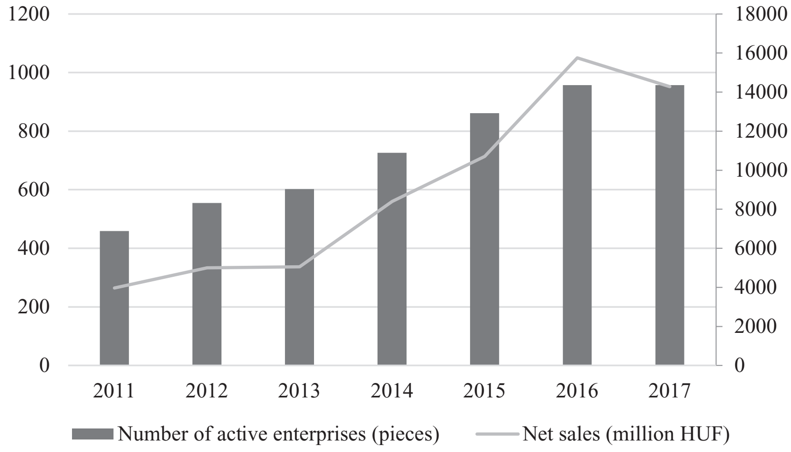

Figure 5.5 Number and financial performance of companies providing fitness services between 2011 and 2017.
Source: Edited by the authors based on KSH (2019).

Hungary since 2011. In 2017, there was a slight decline in revenue, but the number of companies remained at the same level.

Leisure sport organisations often operate in a non-profit form. Following the economic crisis that began in 2008, the number of sport-related foundations and non-profit organisations established with sport-related aims continued to rise after 2011 and, in 2017, exceeded 9,000. Between 2014 and 2017, the revenue of these organisations increased very significantly, tripling in three years, from 94.6 billion HUF to 290.8 billion HUF.

Figure 5.6 shows that between 2010 and 2018, the market for sportswear and sports equipment experienced a very strong growth. The sales revenue of the three top-selling companies (Decathlon, Hervis and Sports direct) almost tripled in the period under review.

The Hungarian market leader in organising leisure sport events, Budapest Sport Office (BSI), increased its net revenue by 76% between 2011 and 2018 (E-beszamolo, 2019), which indicates stepped-up purchasing power.

The three biggest running events in Budapest and in the country are *Vivicitta* in spring, the *Half Marathon* and the *Marathon* in fall. The number of foreign runners is increasing. In 2018, it was as high as 17% of all participants (Futanet, 2019). In addition, according to the data of the BSI (Futanet, 2019), it is a significant change in trends that the participation of women in the *Half Marathon* quintupled between 2008 and 2017.

Summarising the Hungarian results, it can be seen that after the period of economic crisis, the demand for leisure sport services and products in the private sector has developed significantly, mostly between 2013 and 2017. The question for the coming years is whether the leisure market could grow further, or has reached its limits, ending the rapid growth typical of emerging countries.

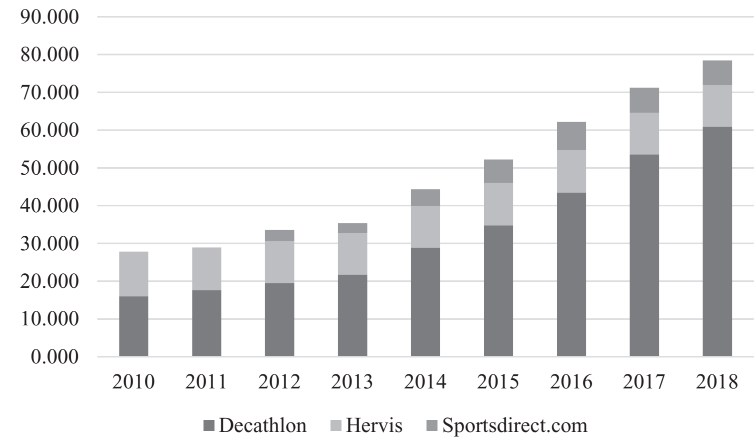

Figure 5.6 Net revenue increase (million HUF) of the three largest sport stores in Hungary.

Source: Edited by the authors based on E-beszamolo (2019).

Conclusion

The data presented in this chapter highlight a significant expansion of the service sector in the CEE region in the 2010s, including the leisure sport industry. We have focused on eight emerging-market countries in the region that have made significant strides in increasing both the value and the quality of recreational sport over the past few years. Leisure sport providers have flourished as consumers spend, more thanks to positive economic developments. Leisure sport creates value at both the micro- and macro-levels. Improvements in human capital, health conditions, quality of life, social capital and cohesion, productivity and GDP are value-creating factors that contribute to competitiveness.

However, it must be emphasised that not everyone has the aptitude or the money for leisure sport. This presents both an opportunity and a challenge for regional recreational sport companies. While international trends suggest that the CEE leisure sport sector can expect further growth, companies must concentrate on shaping public attitudes towards leisure sport. Since there has been a significant rise in expenditures on leisure sport in developed nations, we can assume that similar increases can be expected in CEE, even beyond 2023. But if these positive developments are to be realised, it is crucial for public attitudes to change. Specifically, CEE countries must 'overwrite' the old attitudes that persist from the era of socialism. As we have seen, this change is well under way. More and more business opportunities are opening up that will reinforce the development of sport.

An important lesson for governments is that the increase in demand for recreational goods, including sport services, is not primarily due to an increase in the number of athletes, but rather due to an increase in former athletes' sport expenditures. We are presently witnessing a net decrease in the number of people who are spending more on sporting goods and services. Eurobarometer data for the CEE region show that the number of people who never participate in any sport at all is on the rise. At the same time, we see growth in the number of sport providers as well as their revenues; sales at sports stores have also grown (although the pace seems to be slowing). This increase in leisure sport spending coupled with a decrease (or stagnation) in the frequency of recreational sport participation reflects a duality that has also been detected in earlier research. People in higher income brackets, city dwellers and people with higher levels of educational attainment are more likely to participate in sport than people in other sectors of society. A certain segment of the consumer class is able to exercise and spend more on leisure sports, while the 'masses' cannot. Trends vary in different geographic regions within CEE. Therefore, it is incumbent upon governments as well as the civil sector to promote recreational sport, stimulate the market and boost demand so that sporting goods and services will no longer be the 'luxury' of the few. Demand for leisure sport goods and services can remain relevant if governments, business and non-governmental groups focus on providing flexible opportunities that attract participants. This will ensure sustainable growth for the leisure sport sector and help achieve the highest possible rate of public participation.

As emerging-market economies continue to grow, demand for leisure sport products and services is likely to increase significantly. Data from the region and from Hungary indicate that the field of leisure sport events, equipment and services represent a major growth area for companies. This is something for which companies should be prepared in terms of capacity and know-how. However, government leaders must understand that the market cannot solve everything on its own. States should reach out to those who are 'lagging behind' in order to preserve the wealth and health of society.

In conclusion, the growth of the CEE leisure sport industry is bringing positive developments to society and the economy and vice versa. This chapter has sought to add to global knowledge of leisure sport development in CEE in hopes that it might serve as an example to other emerging-market regions and give useful inputs to investment decisions and governments. We believe our examination of regional data will help businesspeople, academics and the general public improve their understanding of leisure sport and the trends in different leisure sport markets.

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