



Sprucing up for the Games

The Commonwealth Games, to be held in New Delhi in 2010, has led to a slew of infrastructure projects that could change the face of the capital. **N Chandra Mohan** takes a look at what's going on

On a wintry, fog-laden morning in mid-February, traffic was held up on a busy thoroughfare in south Delhi to enable a string of runners to pass through. Stray onlookers gazed in wonder as participants for the International Delhi Marathon pounded the streets towards the finishing line at the Jawaharlal Nehru Stadium. In the years ahead such sights will become more common at the approach of the Commonwealth Games to be held for the first time in New Delhi in 2010. Later, there is the prospect of hosting the Asiad in 2014 and bidding for the 2016 Olympics.

With the capital staging such mega sporting events, the buzz is that Delhi is on its way to becoming a world-class city. Twenty-four years ago, there was a similar feeling when the city hosted the Asian Games: the flyovers, hotels and stadia that were then constructed still serve the city. New Delhi got a major facelift for that event. The Commonwealth Games will do much the same as the capital city's bid succeeded on its promise to deliver the infrastructure needed. All of this, in turn, could lay the foundation to bid for the Asian Games in 2014 and the Olympiad in 2016.

A lot will have changed in the Indian capital by 2010. The mass transit Delhi Metro — which is partly operational — would have been fully in place by then, with the needed extensions to the airport for the vast numbers of people who will attend this mega event. A high-capacity bus system will also be in place by then, besides more flyovers and expressways.

“These international events are a big challenge as Delhi has to make extensive preparations for the Games,” says Delhi’s chief minister Sheila Dixit.

Much more will have to be done if New Delhi is to host the Olympics. For example, a ballpark estimate of the cost of expressways, modern stadia and related infrastructure for the Beijing Olympiad comes close to \$20 billion. Similar investments may be expected if India wants to be a serious contender for hosting the 2016 Olympiad. The tab for the Commonwealth Games is more modest: The 2002 Games at Manchester entailed spending 477 million pounds sterling. Delhi’s bid document puts a tab of \$422 million for the entire 2010 Games.

However, indications are that expenditures will snowball to \$1 billion to set up the necessary infrastructure for the Commonwealth Games. Delhi’s chief minister talks about 50 projects costing \$298 million — that is \$65 million higher than the \$233 million indicated in Delhi’s bid document for the Games. The document conservatively stated that only two indoor stadia were needed at a cost of \$21.8 million as Delhi had almost the entire infrastructure facilities for the event. But this could go up substantially as the need is felt for five new indoor stadia, besides an aquatic complex.

Delhi’s bid document also understated the costs of renovating the existing stadia at \$8.9 million. The latest estimates are 16 times higher as Jawaharlal Nehru Stadium’s tab alone is \$85.5 million while for Talkatora stadium it is \$54.4 million. The Sports Authority of India’s responsibility is





THE INVESTMENT FOR HOSTING THE COMMONWEALTH GAMES COULD SWELL TO \$1 BILLION: The Jawaharlal Nehru Stadium

to “upgrade all the five existing stadia in the city to world-class standards,” according to its director general Ratan Watal.

Delhi is expected to play host to 8,500 sportspersons and 17,000 tourists during the Commonwealth Games. The need is to build a Games village facility for the sportspersons and adequate hotel facilities to accommodate the tourists well in time. To raise funds for the village, the Delhi Development Authority (DDA) — which owns 70 per cent of commercial land — plans to auction plots for eight hotel plots in the 40 sq. km Games village area to raise \$224 million for housing the athletes. DDA also plans to auction plots for hotels in other parts of Delhi.

New Delhi-based hotelier Lalit Suri, who is also a member of the country's upper house of parliament, the Rajya Sabha, believes that the planners may have to work out another strategy as “hotel chains may prefer to site their ventures in upmarket south Delhi.” For his part, Suri is setting up a 300-room hotel in NOIDA, in the adjoining state of Uttar Pradesh ahead of the Games.

Hoteliers complain that time may be running out considering the quantum of hotel rooms that may have to be built. Despite a boom in tourism, only 300 rooms were added during the last three years with just one five-star hotel having been renovated. To cope with the influx of an anticipated 17,000 foreign tourists for the Games, there is a critical need to augment rooms in the 'star' category by an additional 10,000 rooms from the existing 6,500 rooms. And another 5,000 rooms in the no-frills, budget category. “Unless we do all of this at breakneck speed, there will be serious problems.” worries Suri.

The sense of urgency in bridging the gap in hotel rooms is also evident with respect to airport modernisation. It was perhaps the aspect of readying for the Games which was responsible for the Union government awarding the contracts for the modernisation of Delhi and Mumbai airports in early February to international consortiums, despite some political opposition. According to GMR-Fraport, the successful bidders for revamping Delhi airport, the new airport will be able to handle 80 million passengers a year by 2021 when compared to 12.8 million passengers in 2004-05.

WHY THE GAMES MATTER



STAGING THE Commonwealth, Asian and Olympic Games involves more than national prestige as big money is involved in setting up facilities like stadia, hotels and related infrastructure which boost overall economic activity. The successful delivery of the Manchester Commonwealth Games in 2002 was predicated on the regeneration of East Manchester, besides the prospect of 6,100 full-time equivalent additional jobs, according to a report prepared by the Cambridge Policy Consultants. The impact of the Manchester Games is also considered on par with the rate of return of economic benefits achieved by cities that hosted the Olympics like Seoul, Barcelona, Atlanta and Sydney.

With that sort of expectations from mature capitals, how much more would hosting the Games mean for emerging countries like India? Four years ago, China triumphed in its efforts to stage the 2008 Olympic Games in the hope that this event will accelerate its development. The big story to track is the economic multiplier effects that have been set in motion ahead of that event. That Olympiad is also expected to make

the political regime in China less repressive — much as hosting the 1988 Games triggered the transition from dictatorship to democracy in South Korea.

Emerging countries follow a 'fairly predictable' trajectory in this regard, argues the well-known management guru Kenichi Ohmae in the *End of the Nation State*. Mexico, for instance, staged the 1968 Olympics — the famous one


in which Bob Beamon leaped into long jump history — just as the country passed the threshold level of \$3,000 per capita GNP. Japan breached the \$5,000 per capita GNP barrier a year after the 1964 Games. Similarly, the Seoul Olympiad was associated with South Korea having crossed the \$5,000 per capita GNP level. South Korea went on to hit the \$10,000 per capita GNP threshold to join the rich OECD club.

Why is this so? As these countries steadily climbed the ladder of development, the 'pull of the global economy' became irresistible. Ohmae's take is that as they hit the \$3,000 per capita income threshold, “there is usually a strong, but steady, increase in the desire to achieve more active involvement with the global economy, both as a market and as a source for basic consumer goods...The strength of the wish to be part of the global economic system escalates rapidly.”

Midway to the \$10,000 per capita GNP level, the symbol of choice is hosting the Olympics Games. These economic stakes may actually far outweigh the ones based on national prestige and honour.

The prospect of cost and time overruns notwithstanding, the fact that the Games are fast approaching — there are less than 58 months to go for the event — is bound to perk up the realty sector. “The Games are there only for a short period of time but

the infrastructure remains, which creates business opportunities. The shortage of budget hotels will energise the real estate market and be good for the city,” says Anshuman Magazine, managing director of realty firm CB Richard Ellis.

With investments of \$1 billion kicking in, Delhi — already among the most picturesque capitals — will have ultra-modern ingress points and modern transport facilities. 

On the Web
Commonwealth Games Delhi:
www.cwgdelhi2010.com