

Will Asia lead the football industry?

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With its young and growing population of four billion people and an ever-increasing group of football fans, Asia is considered the next frontier of football. Asia is increasingly attracting players and managers as well as major European clubs, to catch opportunities and explore its potential for global expansion. Manchester United, Liverpool, Arsenal, Barcelona, Real Madrid, Juventus and Paris Saint-Germain have huge followings and have established regional offices. More clubs are planning to set up regional bases and are regularly scouting opportunities in Asia. With Japan, South Korea and Australia being the most mature markets in Asia Pacific, Chinese football is set to grow by leveraging on Beijing's renewed support.

The economic rise of ASEAN (the Association of ten South Asian nations) is having a knock-on effect on the development of local leagues, with the rebranded Liga 1 in Indonesia, Philippines Football League, Singapore Premier League and V.League 1 in Vietnam topping the list of best developing leagues. Spanish La Liga, for example, said to be targeting to double its viewership in Asia by 2020, has an office in Malaysia and is co-operating with the Malaysian League to develop a local industry. The Malaysian and Philippines leagues have been recently privatised. The gradual increase of intra-Asian transfer of players/managers within some leagues, as well as Asian and non-Asian investors developing commercial ventures in football, may be a contributing factor. Asian investments into European football are also set to increase, encouraged by current favourable factors and several precedents such as Leeds, Atletico Madrid, Real Madrid, and Inter Milan are likely to inspire more acquisitions, investments and sponsorship deals from Asia.

China and possibly ASEAN expressions of interest to host FIFA World Cup 2034 is a result of this growth as well as a driver for further development. The official bidding process is yet to start, but China has already expressed interest to host the 2034 FIFA World Cup and most recently, Singapore announced that it will join Thailand, Indonesia, Malaysia and Vietnam as part of a joint five-nation bid, which may develop in an ASEAN's bid to host the 2034 World Cup. Meanwhile, FIFA has confirmed that an expanded version of its Club World Cup, featuring 24 teams, will take place in China in June and July 2021.

Not only traditional football is booming in Asia. The "beautiful game" is also being supported and boosted throughout the continent by the increasing interest in football-centred esports competitions and, specifically, video games such as Electronic Arts' FIFA 20 and Konami's Pro Evolution Soccer. In recent months, more international football clubs have collaborated with esports teams in order to get a slice of the cake. This includes European football clubs' continued interest in having an esports presence across Asia. Earlier this year, Chinese esports club Weibo eSports Club announced a partnership with Wolverhampton Wanderers Football Club (and Wolves eSports Club) to form a new esports team in China called Wolves Weibo eSports. More partnerships like this are expected to be formed in the years to come.

The biggest challenge faced by the football industry, including in Asia, is how to grow the game and monetise the fans. Another challenge is to develop women's football. Perhaps the biggest challenge is connected with the allegation that China's ambitions are also an opportunity to 'sportswash' its international reputation on human rights and risks of boycott from EU and US stakeholders. Asia, and China in particular, can prove to be as much a golden opportunity as a slippery rock, as demonstrated in the recent reaction of Chinese authorities against the NBA, following a comment by Daryl Morey (General Manager of basketball team Houston Rockets) on Hong Kong's upheavals.

From a legal perspective, the main principles such as those regulating the transfer of players, are international in character. Specialized lawyers and football agents/intermediaries are vital in acting for a player or club in cross-border transactions throughout European and Asian countries. Increasingly, in addition to assistance on legal, tax and business affairs, top payers and clubs require advice on wealth and career management, brand and web design, social media and PR. Some of the legal aspects of commercial and contract law, torts, regulatory and employment law, fiduciary duties, licensing, agency, personal injury, immigration and dispute resolution change significantly according to the jurisdictions involved. Thus, having local experience and possibly a local presence is an advantage. The same applies to other aspects, such as acquisition of ownership, sponsorship, tax, intellectual property, reputation management, immigration, creation of charitable foundations, negotiating a partnership with a sports body, as well as acquiring, developing and upgrading real estate and stadiums.

As two of the leading financial business hubs in Asia, Hong Kong and Singapore are ideal places to do business. They are frequently ranked among

the world's most open countries. Both inherited the English common law tradition and enjoy the benefits of stability, certainty and internationalisation inherent in this system, at least in the commercial sphere, being international centres for the provision of (inward and outbound) legal services. In particular, in Singapore the emphasis is on encouraging foreign parties to choose the Lion City as a partner for 'legal solutions in Asia' promoting Singapore as the 'natural choice' venue for dispute resolution, especially mediation and arbitration.

Withers' growing global sports teams in Europe, Asia Pacific and North America are constantly monitoring the development of the sports industry. With offices located in key jurisdictions worldwide, including Singapore and Hong Kong, Withers regularly advises corporate clients, including sports leagues, football clubs, sports marketing agencies and other holders of sports-related media rights, on a range of sports and commercial matters.

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