

The economics of big-5 league transfers: past decade and post-pandemic

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1. Introduction

Since its creation in 2005, the CIES Football Observatory has been monitoring the transfer of players through information published by clubs and the media. This Monthly Report analyses from a financial perspective paid transactions having taken place during the last decade which involved teams from the five major European leagues: the English Premier League, the Spanish Liga, the German Bundesliga, the Italian Serie A and the French Ligue 1.

The study analyses the sums committed in transfer indemnities by big-5 league teams (chapter "investments"), the clubs and championships who benefited from these investments (chapter "receipts"), as well as the net balances for both big-5 league teams and the five major European leagues themselves (chapter "net spending"). The period covered stretches from the winter 2012 transfer window to the last summer one.

The figures published in this report include fixed indemnities for permanent transfers, eventual add-ons, as well as sums invested for paying loans. The amounts paid in the case of loans with an obligation to buy are computed for the year of the transfer. Within the limits of the information available, the data on the beneficiaries take into account the possible resale percentages negotiated by former clubs.

As we do not have access to the information on the effective payment of possible add-ons, we use the term "committed" rather than "paid" by referring to investments made by clubs.

2. Investments

After having more than tripled between 2012 and 2019, the investments in transfer fees of teams of the five major European leagues have dropped considerably: -28% in the 2020 calendar year with respect to 2019 and a further -20% in 2021. However, for summer only, the 40% drop registered between the last pre-COVID (2019) transfer window and the first after-COVID (2020) one was followed by a slight increase between 2020 and 2021: +1%.

In relative terms, the fall measured in the calendar year 2021 in comparison to 2020 was particularly noticeable in the Spanish Liga: -37% (and -77% in comparison to 2019!). This situation is notably linked to the financial difficulties of the two biggest Iberian clubs: Real Madrid and Barcelona. A decrease in spending was observed in all of the championships. Even though having spent more than the teams from other leagues, the English Premier League clubs are no exception (-13% between 2020 and 2021).

Figure 1: transfer fees committed by big-5 league clubs, € million (2012-2021)

year	winter	summer	total
2012	287	1,669	1,956
2013	387	2,331	2,718
2014	390	2,516	2,906
2015	484	3,366	3,850
2016	501	3,732	4,233
2017	789	5,287	6,076
2018	1,042	4,769	5,811
2019	820	5,830	6,650
2020	1,295	3,486	4,781
2021	309	3,513	3,822

Figure 2: transfer fees committed per big-5 league, € million (2012-2021)

	Premier League	SERIE A	LIGUE 1	BUNDESLIGA	LaLiga
2012	721	484	264	309	178
2013	922	582	447	311	456
2014	1,258	477	235	350	586
2015	1,504	849	370	499	628
2016	1,773	854	283	716	607
2017	2,100	1,266	1,117	799	795
2018	2,128	1,197	580	616	1,290
2019	1,880	1,483	851	906	1,529
2020	1,945	1,027	645	597	567
2021	1,684	774	509	498	358

The rankings for clubs having committed the most money in transfer fees since 2012 highlights the financial clout of a handful of dominant teams. Five English, three Italian, three Spanish and one French team are among the twelve having committed more than one billion euro. The vast majority of these clubs are part of those that were destined to take part in the aborted European Super League project.

Chelsea is the big-5 league club having committed the most in transfer fees in the three transfer windows since the pandemic: €403 million. Six teams from the English Premier League are in the top seven places of the rankings. This reflects the financial power of clubs from this competition compared to those of the other major European Leagues.

Figure 3: transfer fees committed by club, € million (2012-2021)

	Without add-ons	Total	
Manchester City (ENG)	1,552	1,680	
Chelsea FC (ENG)	1,530	1,628	
FC Barcelona (ESP)	1,333	1,563	
Manchester United (ENG)	1,334	1,545	
Paris St-Germain (FRA)	1,315	1,464	
Juventus FC (ITA)	1,295	1,453	
Real Madrid (ESP)	1,053	1,163	
Atlético Madrid (ESP)	1,020	1,095	
Liverpool FC (ENG)	971	1,070	
Internazionale (ITA)	925	1,041	
Arsenal FC (ENG)	960	1,027	
AS Roma (ITA)	885	1,002	
Tottenham Hotspur (ENG)	882	988	
AS Monaco (FRA)	905	975	
Milan AC (ITA)	813	881	
Everton FC (ENG)	757	857	
Bayern München (GER)	739	815	
Borussia Dortmund (GER)	733	806	
SSC Napoli (ITA)	730	791	
Sevilla FC (ESP)	601	690	

Figure 4: transfer fees committed by club, € million (three post-COVID transfer windows)

	Without add-ons	Total	
Chelsea FC (ENG)	367	403	
Manchester City (ENG)	288	323	
Manchester United (ENG)	230	286	
Arsenal FC (ENG)	257	281	
Juventus FC (ITA)	222	272	
Aston Villa (ENG)	203	236	
Tottenham Hotspur (ENG)	198	232	
Leeds United (ENG)	152	187	
Stade Rennais (FRA)	150	180	
RB Leipzig (GER)	156	174	
Paris St-Germain (FRA)	149	171	
AS Roma (ITA)	135	163	
Bayern München (GER)	128	147	
Liverpool FC (ENG)	126	144	
Atalanta BC (ITA)	128	140	
Leicester City (ENG)	124	139	
West Ham United (ENG)	122	137	
Sevilla FC (ESP)	102	128	

3. Receipts

The analysis of teams having benefited from transfer fees committed by big-5 league clubs over the past ten years shows that most of the money stays within the five major championships: 65% of the total. The percentage measured for 2021 is even greater than that recorded for the last decade: 67%. The high level of these percentages reflects the fact that the most expensive transfers generally occur between clubs of the five biggest leagues.

The top Portuguese division is the one outside of the big-5 leagues that has benefited most from transfer fee investments of clubs from the five major European championships. It has collected more than two billion euro over the last ten years. Next, we find the English Championship and following further back, the Dutch, the Brazilian and the Belgian top divisions. The Argentinean and Uruguayan leagues are the only other two non-European competitions in the top 20.

Figure 5: beneficiaries of transfer fees committed by big-5 league clubs

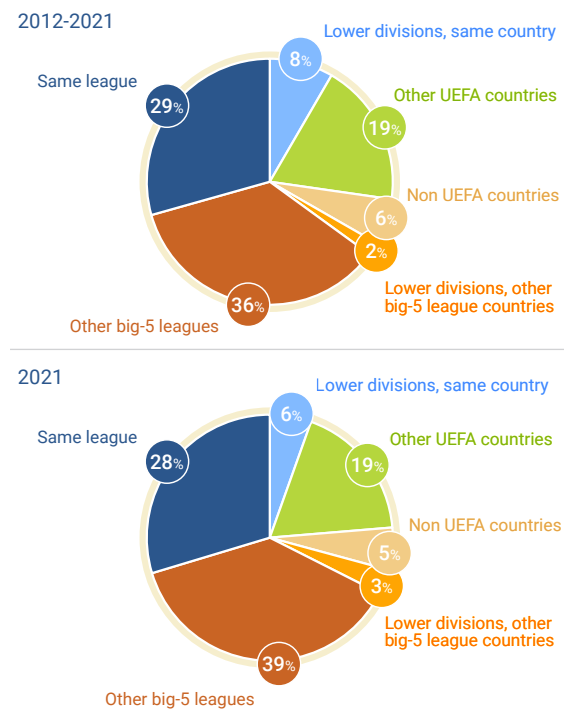


Figure 6: main non big-5 leagues beneficiaries of transfer fees committed by big-5 league clubs, € million (2012-2021)

	Primeira Liga (POR)	2089
	Championship (ENG/2)	1994
	Eredivisie (NED)	1460
	Serie A (BRA)	1177
	Pro League (BEL)	970
	Serie B (ITA/2)	571
	Ligue 2 (FRA/2)	517
	2. Bundesliga (GER/2)	507
	Liga Profesional (ARG)	480
	Premier League (RUS)	441
	Segunda División (ESP/2)	424
	Super League (SUI)	381
	Bundesliga (AUT)	379
	Süper Lig (TUR)	323
	1. HNL (CRO)	315
	Premier League (UKR)	286
	Superliga (DEN)	248
	Super League (GRE)	213
	Premiership (SCO)	195
	Primera División (URU)	148

With over a billion euro since January 2012, Monaco is the team that has benefited most from transfer investments made by big-5 league clubs. Only three teams outside of the five major European championships figure in the top 20: Benfica (7th, €792 million), Ajax (12th, €617 M) and Porto (14th, €592 M). Though several wealthy clubs, such as Chelsea (2nd, €1,037 M), are in the top 20, as shown in the following chapter, their transfer operations are, without exception, in the red.

Figure 7: main clubs beneficiaries of transfer fees committed by big-5 league teams, € million (2012-2021)

	Without add-ons	Total	
AS Monaco (FRA)	886	1,039	
Chelsea FC (ENG)	960	1,037	
Real Madrid (ESP)	870	948	
FC Barcelona (ESP)	803	910	
Juventus FC (ITA)	842	883	
Borussia Dortmund (GER)	727	813	
SL Benfica (POR)	731	792	
Atlético Madrid (ESP)	739	767	
AS Roma (ITA)	681	749	
Liverpool FC (ENG)	569	660	
Sevilla FC (ESP)	572	621	
AFC Ajax (NED)	549	617	
LOSC Lille (FRA)	554	609	
FC Porto (POR)	570	592	
Olympique Lyonnais (FRA)	508	590	
Manchester City (ENG)	506	571	
Internazionale (ITA)	532	561	
Tottenham Hotspur (ENG)	508	542	
Valencia CF (ESP)	458	527	
Atalanta BC (ITA)	422	518	

4. Net spending

For an optimum understanding of the transfer market, beyond the sums spent and received, it is relevant to study the net balance of operations. With an accumulated deficit of over €8 billion, the English Premier League stands apart from the rest. Conversely, despite Paris St-Germain’s very negative balance (-€957 million), the French Ligue 1 is the only competition from the big-5 with a positive net transfer spending (+€158 million).

The net balances by league during the three transfer windows since the pandemic show that English Premier League clubs continue to accumulate large deficits through transfer operations: -€1.9 billion. Despite a difficult financial situation, Serie A teams also recorded a negative net spending. This occurs within the framework of a headlong rush with payments increasingly spread over time. Conversely, Spanish clubs modified their strategies and have a positive net balance: +€196M.

Figure 8: net transfer spending per league, € million (2012-2021)

2012	-338	+14	-124	+43	-59
2013	-568	-33	-74	+69	-142
2014	-509	-41	-134	-6	+31
2015	-721	-197	+38	-155	+97
2016	-1,038	+63	-185	-19	+148
2017	-772	-144	-100	-63	-215
2018	-1,204	-272	+18	-230	+329
2019	-723	-418	-167	-432	+134
2020	-1,365	-257	-149	+156	-124
2021	-852	-34	-19	+2	-41
Total	-8,090	-1,319	-896	-635	+158

Figure 9: net transfer spending per league, € million (three post-COVID transfer windows)

		Invest.	Receipts	Balance	
	Premier League	3,304	1,326	-1,978	
	Serie A	1,451	1,163	-288	
	Ligue 1	1,002	890	-112	
	Bundesliga	831	825	-6	
	Liga	720	916	+196	

Two French clubs, LOSC Lille (+€342 million) and Olympique Lyonnais (+€225 M), are at the top of the rankings for big-5 league teams with the most positive net balances on the transfer market since January 2012. Three Italian teams specialised in the trading of players follow them: Genoa, Udinese and Atalanta. Athletic Club stands out among Spanish Liga teams, as well as Hoffenheim in the German Bundesliga.

Manchester United, Manchester City and Paris St-Germain have the most negative net transfer spending over the past decade. The other teams are clearly further behind, with thirteen clubs from the English Premier League in the top 20. All of the current English top division teams have negative net transfer balances, except for freshly promoted Brentford (+€42 M).

Figure 10: most positive net transfer spending, current big-5 league clubs, € million (2012-2021)

	Inv.	Rec.	Balance
LOSC Lille (FRA)	321	663	+342
Olympique Lyonnais (FRA)	421	646	+225
Genoa CFC (ITA)	262	472	+210
Udinese Calcio (ITA)	248	415	+167
Atalanta BC (ITA)	368	532	+164
Montpellier HSC (FRA)	88	205	+117
Athletic Club (ESP)	109	224	+115
TSG Hoffenheim (GER)	229	340	+111
AS St-Etienne (FRA)	113	223	+110
Empoli FC (ITA)	73	164	+91
Borussia Dortmund (GER)	806	892	+86
Girondins Bordeaux (FRA)	136	221	+85
AS Monaco (FRA)	1,023	1,096	+73
SC Freiburg (GER)	126	192	+66
Sampdoria UC (ITA)	360	425	+65
Real Sociedad (ESP)	176	233	+57
Hellas Verona (ITA)	120	175	+55
Angers SCO (FRA)	55	109	+54
FC Lorient (FRA)	96	149	+53
FC Metz (FRA)	53	103	+50

Figure 11: most negative net transfer spending, current big-5 league clubs, € million (2012-2021)

	Inv.	Rec.	Balance
Manchester United (ENG)	1,545	474	-1071
Manchester City (ENG)	1,680	655	-1025
Paris St-Germain (FRA)	1,464	507	-957
Arsenal FC (ENG)	1,027	446	-581
FC Barcelona (ESP)	1,563	985	-578
Juventus FC (ITA)	1,453	971	-482
Milan AC (ITA)	881	452	-429
Chelsea FC (ENG)	1,628	1,206	-422
Everton FC (ENG)	857	450	-407
Aston Villa (ENG)	669	277	-392
West Ham United (ENG)	679	301	-378
Bayern München (GER)	815	443	-372
Internazionale (ITA)	1,041	683	-358
Tottenham Hotspur (ENG)	988	660	-328
Liverpool FC (ENG)	1,070	779	-291
Crystal Palace (ENG)	438	157	-281
Leicester City (ENG)	663	386	-277
Brighton & Hove (ENG)	382	133	-249

The over-representation of Premier League clubs among those with the most negative net balances for transfers is also very noticeable since the pandemic. Manchester United (-€218 million) tops the table ahead of five other English teams: Arsenal, Chelsea, Leeds United, Tottenham and Manchester City. The best-ranked non-English club is Juventus, which has relied on payments spread out over time and a capital increase to strengthen its squad.

Figure 12: most negative net transfer spending, current big-5 league clubs, € million (three post-COVID transfer windows)

	Inv.	Rec.	Balance	
 Manchester United (ENG)	286	68	-218	■
 Arsenal FC (ENG)	281	64	-217	■
 Chelsea FC (ENG)	403	198	-205	■
 Leeds United (ENG)	187	0	-187	■
 Tottenham Hotspur (ENG)	232	53	-179	■
 Manchester City (ENG)	323	159	-164	■
 Juventus FC (ITA)	272	133	-139	■
 Paris St-Germain (FRA)	171	35	-136	■
 Bayern München (GER)	147	34	-113	■
 Aston Villa (ENG)	236	128	-108	■
 AS Roma (ITA)	163	61	-102	■
 Crystal Palace (ENG)	112	11	-101	■
 Everton FC (ENG)	99	21	-78	■
 West Ham United (ENG)	137	66	-71	■
 Sevilla FC (ESP)	128	59	-69	■
 Villarreal CF (ESP)	107	38	-69	■
 VfL Wolfsburg (GER)	86	18	-68	■
 Newcastle United (ENG)	77	10	-67	■
 Leicester City (ENG)	139	75	-64	■
 Olympique Marseille (FRA)	94	32	-62	■

5. Conclusion

After having more than tripled between 2012 and 2019, the transfer fee investments of clubs from the five major European leagues have swiftly decreased due to the pandemic. A 58% drop was recorded between the last full pre-COVID calendar year (2019) and the first full post-COVID one (2021). Per league, the decrease varied between -10% for the English Premier League and -74% for the Spanish Liga.

However, while a strong drop of 40% was observed between the first post-COVID summer transfer window in 2020 and the last pre-COVID one in 2019, this declining trend has stopped. In the summer 2021, big-5 league clubs paid 1% more transfer indemnities than in the previous summer. The strongest increase was recorded in the German Bundesliga: +31%.

The pandemic has reinforced the domination of English Premier League clubs on the transfer market. The percentage of transfer spending of the latter in comparison to the total big-5 league clubs' expenditure has increased from 36% between January 2012 and January 2020 to over 45% for the three post-COVID transfer windows.

The percentage of investments of the ten clubs having committed the most money in transfer indemnities has also increased between these periods (from 33% to 35% per transfer window on average), as that of the ten most expensive transfers in comparison to the total (from 30% to 33%). All of the indicators indicate a trend towards a concentration of spending from the richest clubs, and most particularly the wealthiest English Premier League teams.

Six English teams are at the top of the rankings for the most negative post-pandemic transfer net balances, with Manchester United heading the table (-€218 million) ahead of Arsenal (-€217 M) and Chelsea (-€205 M). Since the COVID crisis, English top division clubs recorded a total deficit of almost two billion euro in transfer operations. Conversely, teams from the second wealthiest league, the Spanish one, registered a positive net spending (+€196 million).

Within the context of a general crisis, the English Premier League is the only competition where a majority of clubs continue to invest massively in the recruitment of new players. This money has allowed many teams from the other big-5 leagues, and - in a cascade effect - further down, to limit the impact of the health crisis. This demonstrates the importance of a global transfer system as it currently exists, a system that the creation of a closed and self-regulated European Super League would put in jeopardy.

At the same time, the dependence of a growing number of clubs even within the wealthiest leagues on incomes linked to the transfer market highlights the weakness of the current professional football economic system. In a context of increasingly disparate wealth, the survival of more and more teams pivots on the profits generated through the transfer of their best players. This situation is both financially dangerous and sportingly limiting.