

## Financial analysis of the transfer market in the big-5 leagues (2010-2018)

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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 report analyses the paid transactions having taken place since 2010 involving teams from the five major European championships: the English Premier League, the Spanish Liga, the German Bundesliga, the Italian Serie A and the French Ligue 1.

The first chapter studies from a historical perspective the sums paid in transfer fees, while the second analyses the clubs and leagues having benefitted from these investments. The third chapter presents the financial balance sheets for both teams and leagues over the period stretching from 2010 to 2018.

The figures published in this report include fixed transfer fees, eventual add-ons, as well as sums paid in the context of paying loans. The sums involved in the case of loans with an obligation to buy are included in the figures for the year in which the agreement was concluded. Within the limits of the available information, the data on recipients take into account the resale percentages negotiated by former clubs.

## 2. Sums invested

For the first time since 2012, transfer fees paid out by big-5 league clubs were less than for the previous year. In 2018, a drop of 2.4% was recorded in comparison to 2017: €5.82 billion instead of €5.96. The strong increase observed during the 2018 winter transfer window did not continue through to the summer one. However, over the whole year, the amounts invested were clearly above those paid out in 2016: +€1.59 billion (+37.6%).

Throughout the period studied, the investments of Premier League clubs represented 37.4% of the total measured for the big-5 leagues. A slightly lower proportion was measured in 2018 (36.5%). Since 2010, the English top division teams have spent 1.6 times more than the Italian clubs, 2.1 times more than the Spanish, 2.8 times more than the German and 3.1 times more than the French.

In 2018, a new spending record was established in two leagues: the English Premier League and the Spanish Liga. In the first case, the increase was rather limited (+2.1%). In the second, the increment in comparison to 2017 was very marked (+80.4%). Thanks to a better distribution of television rights and international success, the Liga is now well-established as the second force of world football.

**Figure 1: transfer fee investments of big-5 league clubs, € million**

Year	summer	winter	total
2010	1'393	148	1'541
2011	1'817	522	2'339
2012	1'667	287	1'954
2013	2'334	386	2'720
2014	2'511	390	2'901
2015	3'359	484	3'843
2016	3'731	499	4'230
2017	5'178	782	5'960
2018	4'713	1'107	5'820

**Figure 2: spread of transfer fee investments between big-5 leagues**

	2010-2018	2018
Premier League	37.4%	36.5%
Serie A	21.5%	20.6%
La Liga	16.7%	22.7%
Bundesliga	12.7%	10.3%
Ligue 1	11.8%	10.0%

**Figure 3: transfer fee investments by league, € million**

Year	ENG	ESP	ITA	GER	FRA
2010	475	305	415	178	169
2011	843	431	643	215	207
2012	722	177	482	309	264
2013	922	457	578	311	453
2014	1'256	585	476	350	235
2015	1'504	624	845	499	370
2016	1'773	607	851	716	283
2017	2'079	731	1'236	796	1'118
2018	2'122	1'319	1'197	600	583

The rankings of clubs having invested the most in transfer fees since 2010 highlights the incredible financial power of a handful of teams. The top three comprises Manchester City, Chelsea and Barcelona. Four other teams have spent over a billion € over the eight-year period analysed. Among the heavy hitters of European football, only Real Madrid (€912 million) and Bayern Munich (€554 million) are situated below this threshold.

As for 2018, Barcelona has pipped Liverpool and Juventus in the rankings of the clubs who spent the most. Ten English teams are in the top twenty places. Borussia Dortmund and Monaco are the only representatives of the German and French championships. This result is largely related to the financial gaps existing between leagues of the big-5.

**Figure 4: transfer fee investments by club, € million (2010-2018)**

1. Manchester City (ENG)	1'470	
2. Chelsea (ENG)	1'310	
3. FC Barcelona (ESP)	1'258	
4. PSG (FRA)	1'242	
5. Manchester Utd (ENG)	1'102	
6. Juventus (ITA)	1'085	
7. Liverpool (ENG)	1'071	
8. Real Madrid (ESP)	912	
9. Roma (ITA)	809	
10. Atlético Madrid (ESP)	764	
11. Internazionale (ITA)	748	
12. Monaco (FRA)	706	
13. Milan (ITA)	678	
14. Arsenal (ENG)	671	
15. Everton (ENG)	597	
16. Tottenham (ENG)	589	
17. Napoli (ITA)	579	
18. Valencia CF (ESP)	555	
19. Bayern München (GER)	554	
20. Dortmund (GER)	531	

**Figure 5: transfer fee investments by club, € million (2018)**













	winter	summer	total
1. FC Barcelona (ESP)	178	143	321
2. Liverpool (ENG)	86	212	298
3. Juventus (ITA)	1	255	256
4. Atlético Madrid (ESP)	66	148	214
5. Chelsea (ENG)	65	137	202
6. Monaco (FRA)	25	143	168
7. Real Madrid (ESP)	0	167	167
8. Everton (ENG)	54	112	166
9. Manchester City (ENG)	74	86	160
10. Valencia CF (ESP)	13	140	153
11. Arsenal (ENG)	68	82	150
12. Roma (ITA)	1	147	148
13. Fulham (ENG)	3	136	139
14. Leicester (ENG)	5	123	128
15. West Ham (ENG)	13	104	117
16. Southampton (ENG)	22	90	112
17. Dortmund (GER)	26	77	103
18. Brighton & Hove (ENG)	17	86	103
19. Sevilla FC (ESP)	11	90	101
20. Napoli (ITA)	0	100	100

### 3. Recipients

The spatial analysis of teams that benefited from transfer indemnities invested by big-5 league clubs between 2010 and 2018 shows that most of the money stays within these championships: 66.6% of the total. This percentage reached 69.9% in 2018. This increase indicates that the most expensive transfers involve more than ever players who have already proved themselves in the five major leagues.

AS Monaco heads the rankings of teams having received the most indemnities for transfers to big-5 league clubs between 2010 and 2018. The team of the principality earned almost one billion € in eight years. Many wealthy clubs also figure in the top twenty, while Benfica and Porto are the only two teams outside the five major championships in the top positions of this ranking.

**Figure 6: recipients of transfer fees invested by big-5 league clubs**

	2010-2018	2018
Clubs in the same league	32.1% 	26.4% 
Clubs in other big-5 leagues	34.5% 	43.5% 
Lower division clubs in the same country	7.8% 	7.8% 
Lower division clubs in other big-5 league countries	1.5% 	2.0% 
Clubs in other UEFA associations	18.1% 	16.2% 
Non-UEFA clubs	6.1% 	4.1% 

**Figure 7: clubs having received the most fees for transfers to big-5 league teams, € million (2010-2018)**

1. Monaco (FRA)	950	
2. Liverpool (ENG)	683	
3. Roma (ITA)	680	
4. FC Barcelona (ESP)	628	
5. Real Madrid (ESP)	625	
6. Chelsea (ENG)	624	
7. Juventus (ITA)	620	
8. Benfica (POR)	618	
9. Dortmund (GER)	564	
10. Valencia CF (ESP)	514	
11. Porto (POR)	510	
12. Sevilla FC (ESP)	505	
13. Tottenham (ENG)	486	
14. Atlético Madrid (ESP)	449	
15. Manchester City (ENG)	388	
Internazionale (ITA)	388	
17. Southampton (ENG)	371	
18. Napoli (ITA)	370	
19. Udinese (ITA)	367	
20. Genoa (ITA)	358	

### 4. Financial assessments

To have an optimum understanding of the economics of the transfer market, aside from sums spent and recipients, it is essential to study the net balance sheet for operations at both league and club level. Between 2010 and 2018, big-5 league clubs recorded an accumulated deficit of €7.29 billion. The Premier League is single-handedly responsible for 78.3% of this deficit. This percentage was 85.7% in 2018.

Despite the considerable investments made by Paris St-Germain during the period studied (accumulated deficit of €874 million), Ligue 1 was the only big-5 championship with a positive balance (+€199 million). In 2018, the net balance sheet of transfer operations concerning teams from the French top division reached a historic record of +€333 million.

The rankings of big-5 league teams with the most positive balance on the transfer market between 2010 and 2018 again highlights Monaco's exceptional case: +€289 million (+€66 million in 2018). In the top ten places, we find five teams from Ligue 1, three from the Serie A and two from the Liga. No current English Premier League club presents a positive balance sheet over the period analysed.

Manchester City (-€1.03 billion) and Paris St-Germain (-€874 million) stand out among teams with the most negative net balance sheets for transfer operations between 2010 and 2018. Five Premier League teams are in the top ten places, as well as two Italians (Juventus and Milan), two Spanish (Barcelona and Real Madrid) and Paris St-Germain.

**Figure 8: balance sheets for transfers, big-5 leagues**

Year	ENG	ITA	GER	ESP	FRA	Total
2010	-263	-87	-29	22	18	-339
2011	-321	-99	-1	-95	-17	-533
2012	-339	15	-124	45	-59	-461
2013	-568	-36	-74	72	-148	-755
2014	-506	-40	-136	-5	31	-655
2015	-720	-197	38	-156	100	-936
2016	-1'042	67	-186	-20	151	-1'029
2017	-817	-135	-99	-2	-210	-1'263
2018	-1'131	-288	24	-258	333	-1'319
Total	-5'706	-799	-586	-398	199	-7'290

**Figure 9: most positive balance sheets for transfers, big-5 league teams**

	2010-18			2018
	Spent	Earned	Balance	Balance
1. Monaco (FRA)	706	995	+289	+66
2. Lille (FRA)	182	348	+166	+69
3. Udinese (ITA)	248	413	+165	+3
4. Genoa (ITA)	263	423	+160	+29
5. Sevilla FC (ESP)	414	558	+144	+5
6. Lyon (FRA)	267	397	+130	+32
7. Athletic Club (ESP)	103	221	+118	+86
8. Atalanta (ITA)	185	276	+91	-4
9. Montpellier (FRA)	58	146	+88	+20
10. Nice (FRA)	94	180	+86	+41

**Figure 10: most negative balance sheets for transfers, big-5 league teams**

	2010-18			2018
	Spent	Earned	Balance	Balance
1. Manchester City (ENG)	1'470	438	-1032	-113
2. PSG (FRA)	1'242	368	-874	+103
3. Manchester Utd (ENG)	1'102	330	-772	-52
4. FC Barcelona (ESP)	1'258	659	-599	-213
5. Chelsea (ENG)	1'310	772	-538	-76
6. Juventus (ITA)	1'085	676	-409	-120
7. Liverpool (ENG)	1'071	743	-328	-97
8. Milan (ITA)	678	382	-296	-19
9. Arsenal (ENG)	671	385	-286	-68
10. Real Madrid (ESP)	912	652	-260	-48

### 5. Conclusion

This report illustrates the incredible development of the transfer market having occurred over the last decade in parallel to the economic expansion of the five major European championships. The latter are in a position to invest increasing sums in transfer fees and salaries to attract and keep the top talents worldwide.

The English top division, more than any other championship, occupies a central position. The spatial analysis of the balance sheets of international transfers having involved big-5 league teams illustrates the key role played by the Premier League in the structuration of the market. Between 2010 and 2018, the six international relations with the greatest net monetary flows involve the English top division: -€905 million with France, -€831 million with Spain, -€645 million with Italy, -€582 million with Germany, -€412 million with Portugal and -€369 million with the Netherlands.

Despite the slight drop in spending observed in 2018 compared to 2017, the economic development of the top of the professional football pyramid suggests that a renewed increase of sums invested in transfer fees will happen in the near future. Established for thirty years, this process has led to a high concentration of talents in the richest clubs. This makes possible the assembly of top performing teams. At the same time, market concentration reinforces the imbalance of competitions.

