

To the national associations  
of FIFA

Seoul, 27 May 2002

Dear Sir or Madam

It was with great surprise that I discovered that, just days before the presidential election, FIFA Vice-President David Will had written an open letter to the national associations, casting doubt on the FIFA financial report, and misrepresenting and sensationalising the future of FIFA's finances in a purely subjective manner. In doing so, David Will has compromised both the Finance Committee and the Executive Committee. He fails to mention that since March 2000 the topic of securitisation has been considered by the Finance Committee and the Executive Committee on eight and six occasions respectively, or that the transaction ultimately received unanimous approval. As an Executive Committee member, David Will was present at all of these discussions.

During the 1999-2006 period, FIFA will receive revenue totalling CHF 4.73 billion. Of this amount, securitisation drew on only CHF 336 million from future revenue, representing 7.1% of the overall revenue for the period. Bearing in mind that FIFA has marketed the television and marketing rights for this period (1999-2006) in a joint package, it is not only reasonable but also appropriate to view the 8-year period as a whole. It is only logical that the greatest proportion of revenue will be received in the final year of the contracts, i.e. World Cup year, as was also the case in the past.

Routine outgoings for the periods 1999-2002 (CHF 1.847 billion) and 2003-2006 (CHF 1.872 billion) are largely identical. However, during the 1999-2002 period, FIFA incurred extraordinary one-off expenses totalling CHF 979 million – an amount that includes supplementary payments to the JAWOC and KOWOC local organising committees (CHF 330 million), recapitalisation measures (CHF 277 million), as well as the creation of reserves (CHF 193 million), which good financial policy demands given the size of FIFA's revenue.

Although he confirms that FIFA employs a system of accounting that is reliable and meets all the requirements laid down by Swiss law, David Will now believes that this system is not suitable for FIFA. He has only chosen to express his criticism in this regard in recent weeks. For many years, FIFA has managed its accounts successfully and correctly in accordance with these principles, without any concern being expressed by the legal authorities or our auditors. This system is based on viewing the finances for a period of several years, which for commercial reasons is both sensible and conventional. To ensure the support for the member national associations, FIFA has, as in the past, relied on future income, but, whereas previously bank loans were used, FIFA has this time chosen securitisation – a contemporary option that poses no risk whatsoever to FIFA. David Will's fear that FIFA will not be able to continue existing development programmes in the future is unfounded. Securitisation is a tool that allows FIFA to ensure these programmes will not be interrupted.

As long as FIFA receives sufficient revenue to support the national associations, as will be the case until 2006, I as FIFA President will be more concerned with protecting the finances for the associations than with the method of accounting that is used.

I would also like to mention the case of Roger Milla. Few have done so much for African football as Roger Milla and he fully deserves a worthy farewell from the game of football. However, it is now taken amiss that I gave him CHF 25,000 to organise two matches in Cameroon. Would anyone have acted differently in these circumstances and refused Roger Milla this amount?

At the two forthcoming Congresses, there will be further opportunities to redress the allegations my political opponents continue to make against me publicly during this election campaign.

Thank you for your trust and I look forward to seeing you at the Congresses in Seoul.

Yours faithfully

Joseph S. Blatter