

Editor's comment from *City Profiles* No. 13 – August 2003

A new, affordable way of assessing tourism's economic impact on cities ...

Two US tourism industry experts, Global Insight (formerly Wharton Econometric Forecast Associates) and DK Shifflet & Associates (DKS&A) have joined forces to provide a new service for North American cities that will help legislators, the media and other constituents better understand the economic value of travel and tourism.

Much simpler in concept than a tourism satellite account, which is extremely difficult for most cities to implement given the paucity of relevant data, City Tourism Impact (CTI) combines tourism marketing research (DKS&A's speciality) with tourism economic analysis (Global Insight's main area of expertise).

The full economic impact of travel and tourism is calculated from direct spending estimates based on primary travel research data collected at source and destination levels through DKS&A's continuous national travel survey, the Performance Monitor. In addition, international traveller impact is measured using modelled data from the US Department of Commerce's Office of Travel and Tourism Industries' database and inflight surveys. Comprehensive analysis includes direct, indirect and induced impacts.

The data on sales and employment by industry provides a real-world foundation that measures the economic impact of tourism across various sectors. Accommodation, transport, retail, entertainment, attractions all play a role in the economic value of tourism. CTI identifies the individual industry composition of tourism across these diverse sectors in terms of jobs, salaries and economic value.

... and one worthy of replication in Europe

In Europe and other parts of the world, city governments and tourist offices are obliged to contract with separate providers for primary tourism data and for economic impact analysis. And multiple contracts can be time-consuming to prepare and manage, as well as being expensive. Maybe European city authorities should start looking for suitable sources to replicate the Global Insight/DKS&A model in Europe? Munich-based IPK International could be a good source as it carries out the same kind of primary research into demand trends as DKS&A does in North America.

Such analysis would provide an important means of comparing the impact of tourism to that of other major industry sectors in the same city, as well as allowing for cross-city tourism economic impact analyses. And it would enable urban and transport planners to determine the feasibility of future tourism-related projects based on current and historical performance factors. In the long run, this could help save a large amount of wasted tax dollars – or euro, to be more precise.