

**AN ECONOMIC ASESMENT
OF
CONTRIBUTION OF TOURISM
TO
CORK CITY AND ITS HINTERLAND**

Report

by

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Executive Summary

1. This report, commissioned by Cork City Council, is an assessment of the contribution of the tourism sector to the Cork City and its hinterland in 2003.
2. The study has been undertaken by Dr. Richard Moloney and Mr. Donagh O’Sullivan of the Centre for Policy Studies, University College, Cork.
3. The report contains:
 - A description of the methods of analysis used;
 - An estimation of the *overall contributions* of the tourism sector to Cork City and the rest of the Metropolitan Area are provided separately.
4. Table 1 provides the overall contribution of the tourist sector to Cork City and its hinterland. Tourism is worth €17 million and 2,325 full time equivalent jobs to Cork City and a further €7.3 million and 639 full time equivalent jobs to its hinterland.

Table 1		
Overall Contribution of Tourism to Cork City and Its Hinterland (2003)		
Cork City		
	Receipts (€Millions)	Employment
Overseas Tourism	156.0	1162
Domestic Tourism (over night)	42.9	337
Domestic Tourism (same day)	118.1	826
Total	317.0	2,325
The Rest of the Metropolitan Area		
Overseas Tourism	38.1	281
Domestic Tourism (over night)	15.6	123
Domestic Tourism (same day)	33.6	235
Total	87.3	639

5. Table 2 provides break down Tourist coming to Cork City and its hinterland and their direct spending.

Table 2		
Breakdown of Tourist Numbers Cork Metropolitan Area (2003)		
Area	Numbers (000s)	Revenue (€Millions)
Total Overseas		
Cork City	210	113.9
Cork City Hinterland	78	38.1
Total Metropolitan Cork	288	152.0
Total Domestic (at least 1 over night)		
Cork City	91	31.3
Cork City Hinterland	53	15.6
Total Metropolitan Cork	144	46.8
Total Same Day Visitors		
Cork City	1767	88.4
Cork City Hinterland	807	33.6
Total Metropolitan Cork	2574	122.0
Total Visitors		
Cork City	2068	236.6
Cork City Hinterland	938	87.3
Total Metropolitan Cork	3006	320.9

6. Overnight Tourist Spend by Category for Cork City and the rest of Metropolitan Area (Table 3) and Same Day Tourist Spend (Table 4) is provided in €millions (%).

Table 3¹			
Direct Tourist Spend by Category for Cork and the Rest of the Metropolitan Area (2003)			
€Millions (%)			
	Cork City	Rest of Metropolitan Cork	Total
Category			
Accommodation	21.8 (15)	6.4 (12)	28.2 (14)
Retail shops	39.1 (27)	8.6 (16)	47.7 (24)
Catering	55.2 (38)	11.8 (22)	74.0 (34)
Transport	10.2 (7)	2.7 (5)	12.9 (6)
Heritage and Cultural sites	4.4 (3)	18.8 (35)	23.2 (12)
Festivals and special events	8.7 (6)	1.6 (3)	10.3 (5)
Conventions & Confer's	5.8 (4)	3.8 (7)	9.6 (5)
Total	145.2 (100)	53.7 (100)	198.9 (100)

¹ Does not include same day visitors.

Table 4 Direct Same Day Tourist Spend by Category for Cork and the Rest of the Metropolitan Area (2003) €Millions (%)	
	Cork City and Rest of Metropolitan Area
Category	
Retail shops	53.7 (44)
Catering	43.9 (36)
Transport	5.9 (5)
Heritage and Cultural sites; Festivals and special events	12.2 (10)
Other Tourist Services	6.3 (5)
Total	122
Note: Data limitations restricted reporting to the Metropolitan Area as a whole.	

7. Same Day Tourist Spend by Category for Cork City of Metropolitan Area in € millions (%) (Table 5):

Table 5 Direct Same Tourist Spend by Category for Cork and the Rest of the Metropolitan Area (2003) €Millions (%)	
	Cork City and Rest of Metropolitan Area
Category	
Retail shops	53.7 (44)
Catering	43.9 (36)
Transport	5.9 (5)
Heritage and Cultural sites; Festivals and special events	12.2 (10)
Other Tourist Services	6.3 (5)
Total	122
Note: Data limitations restricted reporting to the Metropolitan Area as a whole.	

8. There were over **one million** visits to heritage centres in 2003, 320,000 of these visitors went to the 6 city attractions (see Table 2.5). These visits supported up to **90 full time jobs and 90 part time jobs**. Overall 191 full time equivalent jobs are linked to activities of heritage centres.

9. Nine major festivals are held in the Cork City Area. These attracted a total of **100,000 people**. Approximately **30,000** of these were from abroad and other parts of Ireland. They generated directly a total of **€10 million** in revenues for the area and **€4 million** indirectly. These revenues supported **70 full time equivalent jobs**.
10. Cork City attracts approximately 10% of tourism business in the Cork/Kerry Region. This is lower than the equivalent percentages for Dublin City and Galway City
11. In 2003, 31 cruise ships visited the Port of Cork. The total direct and indirect spend of these visitors in the Cork Metropolitan Area was **€19.79 million**. The number of **full time equivalent jobs** involved was **149**.
12. Conference Business was worth over **€9 million** to the area and was linked to **77 full time equivalent jobs**.

1 Introduction²

This study provides an economic assessment of tourism in Cork City and its hinterland. Cork City has undergone significant and positive change in recent years. The rapid changes in the tourist market are the major challenge facing Cork City. The primary aim must be task to plan for change and to reconcile the demands which are inevitable at a time of remarkable economic development such as experienced in the recent past.

The changes are everywhere to be seen - in new roads and services infrastructure, in high quality and sensitive urban renewal as well as environmental enhancement. Many of the changes particularly those infrastructural changes, which have had such positive influences on the local economy, have stemmed from the long term strategic planning of Cork City Council, notably in the landmark Land Use and Transportation Study (1978). The implementation of the Study's proposals has made Cork a much more economically vibrant and a tourist friendly location.

Cork City and its hinterland are defined as the Metropolitan Area as set out in the Cork Area Strategic Plan (CASP). CASP defines the Cork City Metropolitan Area as the towns and areas in the immediate hinterland of the City of Cork as a single integrated unit. It consists of Cork City and the towns of Ballincollig, Blarney, Carrigaline, Douglas, Glanmire, Glountane, Carrigtwohill, Midleton and Cobh. The area has a population of 257,000 and is the second largest urban area in the Republic of Ireland. The City of Cork has a population of 123,000.

The study details the nature of tourism in the Cork City and the overall Metropolitan Area and provides estimates of both income and employment related to tourist activities in the areas. All contributions are measured in quantitative terms. The main economic contribution of tourism arises from visitor spending in the area.

² The authors wish to thank Julie Deasy and Donal Moloney for their help in the collection and collating of the data.

Such spending takes place in:

- ❖ Accommodation
- ❖ Retail shops of all types
- ❖ Catering establishments
- ❖ Conventions and conferences
- ❖ Visitor attractions and venues
- ❖ Transport services
- ❖ Festivals and cultural events.

The above expenditures increase income to local enterprises and increased wages and employment opportunities for local labour. The increased income generated produces indirect impacts when it is re-spent. The economic contributions will be reported in terms of total income generated and employment linked to these operations. The impacts, both direct and indirect, vary according to the type of tourist involved. The study differentiates tourists by origin, both domestic and foreign, by activities and reports impact magnitudes for each type. The results also disaggregate the tourism impact of the various tourism sub-sectors and into two distinct geographical areas. These are the overall contribution of tourism to the Cork City and to its hinterland in the rest of the Metropolitan Area.

A wide variety of sources including direct interviews and surveys are used in producing the estimates provided in this report. The results should be seen as giving orders of magnitudes and relative importance of the various tourist market indicators.

1.1 Overview of Study

The next section gives a description of the tourist industry. Firstly, it deals with various definitions of tourism. Secondly, the section gives detailed information on current resources employed by the various actors in the region.

Section 3 presents the direct and indirect contributions of tourism to the Cork City and its hinterland in terms of income and employment for various categories.

Section 4 presents some concluding remarks.

A description of the methodology is provided in the Appendix. It provides a description of the actual data collection. Input-output techniques are also reviewed.

2 Description of Tourist Industry

Tourism by its nature is difficult to define as it involves many different sectors of the economy. In general it can be said that people demand tourism and those living in the receiving area supply whatever need is required. For example, there is no point in people arriving in Cork City demanding suitable hotel accommodation if the appropriate services are unavailable. What follows defines tourism more precisely. Firstly presenting an overview of issues which arise in tourism in general. This is followed with a description of international tourism, tourism in Ireland and regional tourism in the Southwest of Ireland and in the Cork City Metropolitan Area.

2.1 The Tourism Industry

Before discussing tourism in general it is useful to describe and define what tourism is. The Heart of England Tourist Board (2001) define tourism as: “the temporary short-term movement of people to destinations outside the place where they normally live and work, and activities during their stay at these destinations; it includes movements for all purposes, as well as day visits or excursions.” Some other basic definitions used in this study are:

Tourism - The activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes.

Tourist – (Overnight visitor) visitor staying at least one night in a collective or private accommodation in the place visited.

Same Day Visitor (Excursionists) – Visitor who does not spend the night in a collective or private accommodation in the place visited.

Visitor – any person travelling to a place other than that of his/her usual environment for less than 12 consecutive months and whose main purpose of travel is not to work for pay in the place visited.

The tourism market includes sectors other than those on holiday for pleasure. It includes:

Visitors Friends and Relatives – VFR movements include friends and family making visits from anywhere in the country to the Cork City Metropolitan Area.

Educational tourism – include language schools, field courses and short courses in vacations at academic institutions. These mainly occur outside normal college time, where more residential accommodation is available.

Business trips – generally a higher spending segment, for a specific purpose, primarily for business/ conference/ exhibition purposes, rather than ‘pleasure’ led.

Eccles and Costa (1996) point out that a study of tourism requires specific themes to be addressed. These include:

- ❖ Sustainability of tourism;
- ❖ Transport Infrastructure
- ❖ Product Development;
- ❖ Future Trends.

Sustainability of tourism needs to be considered when analysing any actual or potential impacts. Developing a product that sits in harmony with the local environment is essential in ensuring maximum social and economic benefits of tourism for any locality. Over the last ten years South West of Ireland has seen a dramatic rise in the number of tourists visiting from up-market segments right through to the hostel using clients (CSO). As part of the South West Region, Cork has many differing attractions on offer, and if it is to remain successful, it needs to be integrated with a high-quality product that both considers and fits the local environment.

Transport Infrastructure is critical to tourism. Areas that are important are access and egress points such as airports, ferry ports, rail and road. The development of transport and increased competition are likely to be keys to improved tourist traffic. The Metropolitan Area has a very good transport infrastructure. It has airport, port, and direct rail facilities. Cork City’s current upgrading of its City Centre will also aid in advancing its tourist potential.

Product development is important as many tourist products can have short life spans. This provides new opportunities in the marketplace. The interface between shopping and tourism is crucial to maximizing benefits for the local region. Shopping is often referred to as being one of the most enjoyable leisure-time activities, and tourists may spend more money on shopping than other forms of entertainment.

World wide future trends in tourism are towards various niches or specialty tourism. Tourism needs to adapt and change in order to maintain market share and revenue levels. Examples of niche and specialty tourism include Cruise Ship Tourism, Eco-tourism and activity based tourism. All of which have been very successful in Cork. Combinations of shopping and cultural sites, such as heritage centres, are crucial generators for urban tourism. A close integration of leisure, recreation and tourism is needed in order to move away from seeing tourism journeys as isolated events.

2.2. International Tourism

Traditionally on the world stage at least it is common to gauge tourism activity by number of arrivals and receipts (Doherty, 2002). Between the years 1950 to 2002 world tourism numbers rose from a figure of 25 million arrivals to 700 million arrivals. The main destinations visited by tourist were the USA and Europe. Approximately 59.29% of world tourist arrivals visited Europe, with a further 21% visiting the USA. In terms of revenue generated European receipts amounted to 50% of tourist expenditure, while USA receipts amounted to 29% of the world total. In terms of regions Europe received \$234 billion in 2001. The USA is still the leading country receiving \$72.3 billion in 2001. However, in Europe, Spain has now passed out France in terms of tourist receipts receiving \$31.5 billion as opposed to France receiving \$30.8 billion (WTO: 2002). For the world as a whole the real value of receipts from tourism have consistently grown faster than numbers arriving.

Within the long-term growth trend in tourism there has been a large degree of variance. In general demand for travel has reacted quickly both to up turns and down turns in world economic circumstances. This aspect of tourism was highlighted for the years 2000 and 2001. In 2001 world tourist arrival figures stood at 692.6 billion,

which represents a growth decrease of 0.6% on 2000 when the figure was 696.8 billion arrivals (WTO: 2003). All regions in the world bar Africa and East Asia and the Pacific experienced a fall in the growth rate of tourism. The USA recorded the biggest drop of 6% while Europe on the other recorded only a small decrease of 0.7%. Europe remains the world's top destination. Understandably much of the slump in the tourist industry is being blamed on the events of September 11th. However the World Tourism Organisation³ points out that the decrease in tourist numbers is less than what was feared after the attacks. The organisation is confident that the growth of tourism will return to normal (WTO: 2002).

2.3 National Tourism

The general trend in tourism is one of growth. In Ireland considering 3 key indicators can readily see the growth of the tourism sector:

- ❖ Overall numbers of tourist arriving
- ❖ Revenue generated
- ❖ Employment generated

Between 1999 and 2003 the number of tourists arriving in Ireland grew by almost 5% to 6.4 million (CSO, 2004a and 2004b). These mainly comprised of British, North American and European tourists. Table 2.1 gives the overall tourist performance of the Republic of Ireland in 2003. During this period, North American arrivals fell from 18.1% of arrivals to 13.1% of arrivals, European arrivals increased from 15.5% to 21.8% of the total and Great Britain arrivals remained unchanged as a percentage of the total. Domestic over-night trips amounted to 6.66 million in 2003 and approximately 0.50 million visited the state from Northern Ireland in 2003.

Same day trips are difficult to estimate since no comprehensive data is available for the Republic of Ireland. Deegan et al (forthcoming) provide the most reliable estimates. They estimated that the ration of day visitors to domestic over-night trips at

³ The World Tourism Organisation should not be confused with the World Trade Organisation which also has the acronym WTO

approximately 14 to 1. This allows the total day trips by the domestic population to be estimates. The total number of same day tourist trips is approximately 93.24 million in 2003.

	Numbers - 000s (%)	Revenue - €m (%)
Out of State Visitors		
Britain	3,719 (54.1)	1,295 (37.7)
Mainland Europe	1,497 (21.8)	884 (25.8)
North America	904 (13.2)	784 (22.9)
Rest of the World	249 (3.6)	235 (6.9)
Northern Ireland	500 (7.3)	228 (6.7)
Total Out of State⁴	6,869 (100)	3,426 (100)
Domestic Trips		
Over Night Stays (at least 1 day)	6,660	970 (22.7)
Same day visits	94,290	3,311 (77.3)
Total Domestic Trips	100,950	4,282 (100)
Overall Totals	107,819	7,708

Source: CSO (2004a and 2004b) and Deegan et al (Forthcoming)

Excluding Carrier receipts, tourist expenditure in Ireland amounted to more than €7.7 billion in 2003. €3.5 billion (45%) was received from out of state visitors including those from Northern Ireland. Domestic tourism expenditure amounted to nearly €4.3 billion in 2003. In terms of employment the tourist industry supported 144,000 jobs in Ireland in 2000 or 8.6% of the participating labour force (Bord Failte: 2002, 141).

2.4 Regional Tourism

At a regional level Deane and Henry (1993) identify the most important benefits of tourism to regions as being its contribution to income and employment. Their study concentrates on counties. They indicate that of the five counties with the main cities, that is Dublin, Cork, Limerick, Galway and Waterford, Cork County is second only to

⁴ Same day visits accounted for 334 thousand of overseas visits (CSO, 2004a).

Galway as regards benefiting from tourism relative to population but much of this benefit is to the non urban area. Cork City attracts approximately 10% of tourism business in the Cork/Kerry Region. As shown later, this is lower than the equivalent percentages for Dublin City and Galway City.

Data reported by Failte Ireland (2002 and 2003, CSO 2004a and 2004b and Deegan et al, forthcoming)) support Deane and Henry's findings. For example, while the 4.5 million people visited the Dublin region (Dublin City and County) in 2002, generating revenue of €82.6 million, 2.6 million visitors to the region for more than 1 day generated revenue of €793 million in 2002. Table 2.2 shows estimates for 2003, nearly 3.0 million people the visited Cork/Kerry region for stays of more than 1 day generating revenue of €25 million. While Dublin region receives more visitors and therefore more revenue, when looked at per head of population the Cork/Kerry region does better in relative terms. At the same time, as stated earlier, Dublin City does better than Cork City in terms of tourism activity. In 2003 the most important segment of tourist business was the same day visitors. These visitors generated €12 million, nearly 50% of total revenues. Moloney (2003) indicates that a sizeable proportion of the tourist spending within the South West region remains in that region.

Table 2.2		
Cork Kerry Tourist Numbers and Expenditure – 2003		
	Numbers – 000s (%)	Revenue - €m (%)
Britain	760 (43.3)	232 (39.5)
Mainland Europe	462 (26.3)	161 (27.5)
North America	402 (22.9)	148 (25.3)
Rest of the World	75 (4.3)	24 (4.1)
Northern Ireland	53 (3.0)	21 (3.6)
Total Out of State	1,755 (100)	587 (100)
Over Night Stays (at least 1 day)	1,210	238 (22.7)
Same day visits	17,130	812 (77.3)
Total Domestic Trips	18,340	1,050 (100)

Source: Failte Ireland, 2002 and 2003, CSO,2004a and 2004b, Deegan, et al, forthcoming

2.5 Cork City and Its Hinterland

The current study shows that spending within the Cork City and its hinterland is evenly spread throughout the area. The results indicate that there is a strong synergy between attractions in the City and the rest of the Metropolitan Area. Table 2.3 presents both the number of tourists arriving and the revenue generated by tourism in the Cork City and its hinterland. It is estimated that 432,000 tourists (staying more than one day) visited Cork City and its hinterland in 2003. 288,000 were out of state visitors including visitors from Northern Ireland. Domestic over night trips amounted to 144,000. The importance of same day visitors is illustrated by the fact that there were 2,574,000 such trips in 2003. These visitors contributed €122 million to the local economy.

For Cork City the overall value of tourism is estimated to be worth €236 million. A further €87.3 million is spent in the rest of the metropolitan area. Overall the Metropolitan Area received €320.9 million in tourist related activities in 2003.

Table 2.3		
Breakdown of Tourist Numbers Cork Metropolitan Area (2003)		
Area	Numbers (000s)	Revenue (€millions)
Total Overseas		
Cork City	210	113.9
Cork City Hinterland	78	38.1
Total Metropolitan Cork	288	152.0
Total Domestic (at least 1 over night)		
Cork City	91	31.3
Cork City Hinterland	53	15.6
Total Metropolitan Cork	144	46.8
Total Same Day Visitors		
Cork City	1767	88.4
Cork City Hinterland	807	33.6
Total Metropolitan Cork	2574	122.0
Total		
Cork City	2068	236.6
Cork City Hinterland	938	87.3
Total Metropolitan Cork	3006	320.9

2.6 Accommodation Stock Cork City and Cork City Metropolitan Area

Table 2.4 provides an estimate of room capacity for various types of accommodation stock in the area. Figure 2.1 provides a list of hotels found in the Cork City Metropolitan Area. Of the 38 hotels, 20 are located in Cork City.

In terms of Bed and Breakfast, Blarney has the highest percentage of registered Bed and Breakfast. There are 4 youth Hostels located in the Cork City Metropolitan Area. Three are located in Cork City with one being found in Midleton. There are 15 self-catering facilities in the Cork Metropolitan area and one caravan and camping site.

Type of Accommodation	Room Capacity	
	Cork City	Rest of Metropolitan Cork
Hotels	2,700	750
Guest Houses and Bed and Breakfast ⁶	4,000	1,500
Hostels	250	75
Self catering	400	100
Caravan and camping	0	40

Not only is it important to estimate expenditure by tourists it is also important to know why they are coming. This allows the tourist industry to tailor their product to the market structure. Of those who visit for more than a day, approximately 70% of visitors who come to the area do so primarily for holidays. A further 11% attended business and conference meetings. 14% visit family and friends and 5 % come for study or other purposes.

⁵ Some of the hotels may be outside the specific geographical Cork City Metropolitan Area but they operate in the as part of its tourist market.

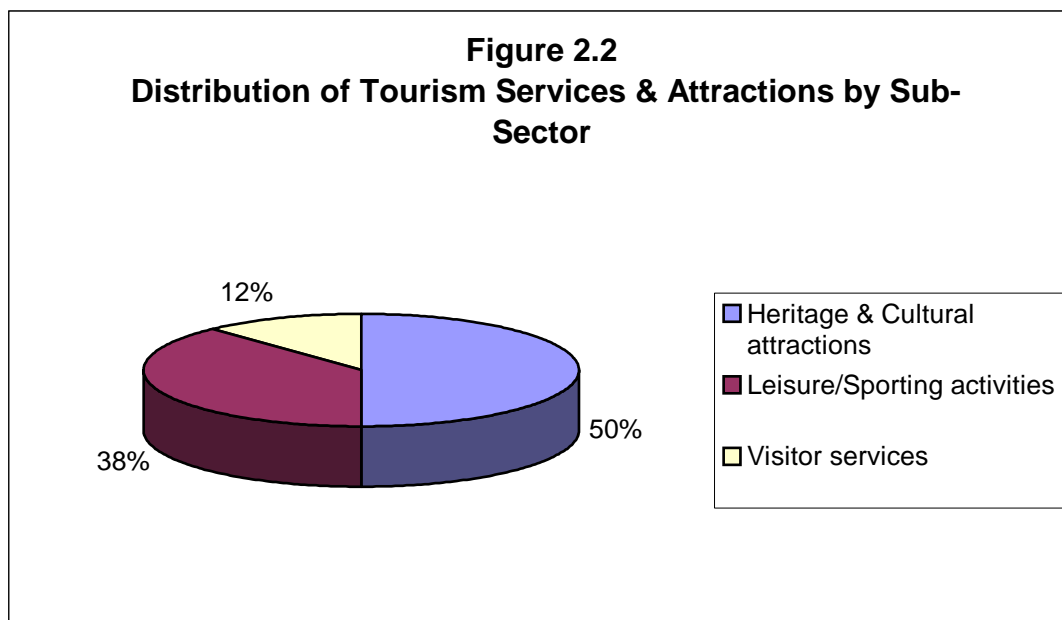
⁶ Bed and Breakfast includes country houses, farm houses and town houses. The number includes an estimate of the unregistered bed and breakfast establishments.

Figure 2.1 Hotels in the Cork City Metropolitan Area	
Name	Location
New Grand Parade Hotel	Grand Parade, Cork City
Country Club Hotel	Montenotte, Cork City
The Kingsley Hotel	Victoria Cross, Cork City
Moore's Hotel	Morrission Island, Cork City
Silver Springs Moran Hotel	Tivoli, Cork City
Comfort Inn	Morrission Island, Cork City
Commons Inn	Cork City
Hayfield Manor Hotel	College Road, Cork City
Imperial Hotel	Cork City Centre
Brookfield Hotel	College Road, Cork City
Ambassador Hotel	St. Lukes, Cork City
Ashley Hotel	Coburg Street, Cork City
Victoria Hotel	Cork City Centre
Jurys Inn	Anderson Quay, Cork City
Jury Cork Hotel	Western Road, Cork City
Quality Hotel and Leisure Centre	Cork City Centre
Doughcloyne Hotel	Togher, Cork City
Hotel Isaacs	Mac Curtain Street, Cork City
Hotel Ibis	Cork City
Gresham Hotel	Cork City, Center
Oriel House Hotel	Ballincollig, Co. Cork
West Park Hotel	Ballincollig, Co. Cork
Blarney Castle Hotel	Blarney, Co. Cork
Blarney Park Hotel	Blarney, Co. Cork
Blarney Woollen Mills	Blarney, Co. Cork
Sunset Ridge Hotel	Blarney (Killeens), Co. Cork
Carrigaline Court Hotel	Carrigaline, Co. Cork
Bella Vista House Hotel	Cobh, Co. Cork
Commodore Hotel	Cobh, Co. Cork
Wateredge Hotel	Cobh, Co. Cork
Forte Travelodge	Cork Airport, Co. Cork
Great Southern Hotel	Cork Airport
East Village Hotel	Douglas, Co. Cork
Maryborough House Hotel	Douglas, Co. Cork
Rochestown Park Hotel	Douglas, Co. Cork
John Barleycorn Hotel	Glanmire, Co. Cork
Vienna Woods Hotel	Glanmire, Co. Cork
Midleton Park Hotel	Midleton, Co. Cork

Cultural and Heritage Attractions play an important role in the overall product base in Ireland and the Cork City Metropolitan Area. In discussing cultural and heritage sites

it is useful to first define what they are and to discuss the type of tourists that go to cultural and heritage attractions. Heritage means something passed on from one generation to another. It includes any landscapes, natural history, building artefacts and cultural traditions. Cork City Metropolitan Area has a rich variety of such attractions.

Figure 2.2 shows the distribution of various tourist attractions in Ireland. There is an estimated 3,018 tourism services and attractions (Cert: 2000). Of these 50% are classed as Heritage and Cultural sites. Visitor services and leisure/sporting activities account for 12% and 38% of the total respectively.



Heritage Attractions:

Table 2.5 gives a detailed report of the Cork City Metropolitan Area's heritage sites. There were over 1.1 million visits to these establishments in 2002. It estimated that at least 66% of these visits were by people from outside the area. The largest attraction Blarney Castle accounted for 29% of the overall volume of visitors to such attractions. Total direct employment in this sector is approximately 90 full time jobs and 90 part time jobs. The indirect employment associated with the activities is

calculated at 36 full time equivalent jobs. The employment is distributed between Cork City and the Rest of the Metropolitan area.

Attraction	Numbers	Cork City Metropolitan Area
Blarney Castle	297,000	Rest of Metropolitan Cork
Fota Island and House	290,000	Rest of Metropolitan Cork
Crawford Gallery	200,000	City
Cobh Heritage Centre	109,000	Rest of Metropolitan Cork
Midleton Distillery	100,000	Rest of Metropolitan Cork
Cork City Prison	50,000	City
Vision Centre, North Main Street	40,000	City
Fitzgerald's Park Museum	26,000	City
Bessborough	8,000	City
Butter Market	4,500	City

Festival Attractions:

Another important aspect of the Cork City Metropolitan Tourist product is the organisation of various festivals. With the exception of the Art Trail, all festivals are held exclusively in Cork City. While the Art Trail is held in Cork City, some of the festival is also held in the surrounding county. It is estimated that approximately 98,000 attended these festivals. Approximately 30.6% (30,000) of those attending were from outside the area. Table 2.6 provides a list of the various festivals held in the area. These festivals directly generate up to €10 million in expenditure from outside the area and a further €4 million in indirect impacts. This is approximately 8.3% of the total revenue generated by tourism activities in 2002.

Name	Number of Days
Cork Arts Festival	6

Cork Film Festival	8
Cork Fringe Festival	14
Art Trail	10
Cork Jazz Festival	4
Eurochild Festival	3
Frank O'Connor Festival	4
Eigse na gCuige	4

Another important source of revenue for many of the tourist attractions in the Metropolitan Area is the Cruise Ship Niche Market. In recent years, Port of Cork has come to specialise in the provision of facilities to Cruise Liner Traffic. Port of Cork began to actively seek cruise liner traffic in 1990 following the identification, by the Port, of the cruise business as an area destined for strong growth and as a possible niche market, which could be actively pursued. From these beginnings cruise liner traffic has developed through the 1990's.

In 2003, 31 liners used the Port resulting in 22,973 passengers and 11,520 crew arriving at the Port. On arrival, almost all passengers embark on organised full-day or half-day shore excursions by coach to the surrounding region. Among the destinations included in a typical stopover are: Cork City, Blarney, Kinsale and Midleton. In addition to partaking in organised excursions to tourist locations, many passengers and crew will also visit on an individual basis Cork City, Cobh Heritage Centre, and Cobh town itself. This expenditure provides a valuable source of income.

The total direct and indirect spend of these visitors in 2003 was €19.79 million. The number of full time equivalent jobs involved was 149. The bulk of this expenditure is outside the City Area. Although passengers do have organised shopping excursions to the City and also travel independently to the City via Cobh train services, there is a strong potential for increasing the overall value of these trips to the Cork City Area and to a lesser extent the broader metropolitan Area.

3 The Contribution of Tourism to Cork City and Its Hinterland

This section presents the impact of tourism expenditure in the Cork City and the rest of the Metropolitan Area in terms of revenue that is receipts from tourism, employment.

3.1 Direct Impact of Tourism

The direct expenditure by tourists is on goods and services. These expenditures support employment in region. Estimates of the direct contribution of tourism to the Cork City and its hinterland are provided using data obtained directly from the various surveys carried out in the region. This data is then used in conjunction with data obtained from Failte Ireland, the Central Statistics Office and Deegan et al (forthcoming). Employment is estimated using the procedure used by Deane and Henry (1993).

Table 3.1 presents the estimated direct contribution of tourism to the Cork City and its hinterland, for 2003, of expenditure, employment and wages and salaries. Tourist receipts amounted to €236.6 million for the Cork City and €87.3 for the rest of the Metropolitan Area. The sector is directly responsible for 1655 full time equivalent jobs in Cork City and 595 full time equivalent jobs in the rest of the Metropolitan area.

The importance of domestic tourism is highlighted in the results. Domestic tourism accounts for 50.6% (€119.7 million) of all direct expenditure in Cork City. Same day visitors directly spend €88.4 million (37.4% of total direct spend). The importance and potential of the domestic tourist market in future marketing should not be underestimated.

Table 3.1		
Direct Contribution of Tourism to Cork City and Its Hinterland (2003)		
Cork City		
	Receipts (€millions)	Employment
Overseas Tourism	113.9	831
Domestic Tourism (over night)	31.3	219
Domestic Tourism (same day)	88.4	605
Total	236.6	1655
The Rest of the Metropolitan Area		
Overseas Tourism	38.1	257
Domestic Tourism (same day)	15.6	108
Domestic Tourism (same day)	33.6	230
Total	87.3	595

3.2 Overall Contribution of the Tourist Sector

As reported above the total spending by tourists in the Cork City area in 2003 was estimated at €236.6 million. Visitors to rest of the metropolitan area spent a further €87.3 million. However, not all of this is spent on goods and services produced in the region. A portion will be spent on imports. Hence the direct contribution of visitor spending to the *region* will be lower than the total spending of these visitors. Studies such as Donnellan and Moloney (2001) indicate that the metropolitan income and employment multipliers should be reduced to allow for leakages out of the smaller sized region. The multipliers are still relatively large, as tourist expenditures tend to have a relatively low import content, but import content in a regional sense would be expected to be higher than import content at a national level since interregional trade within the nation must be taken into account. From a regional perspective such inter-regional trade represents imports and exports. It is estimated that 19.5% of the initial spend by visitors leaks out of the local South West economy to the rest of Ireland or out of the country (Donnellan and Moloney, 2000). These leakages to other areas in Ireland increases to 50% when the regional size equates to the Metropolitan Area, which is still seen as a relatively low import content, given the size of the study area. Despite the small geographic size of the Cork Metropolitan Area, tourist spending still has a relatively low import content because tourists purchase considerable amounts of services, such as meals and transport, which are by definition produced locally and

because tourists, when purchasing goods, tend to choose locally produced craft and clothing items.

Table 3.2 shows the overall contribution of tourism to Cork City and to its hinterland in 2003. The overall contribution of visitors' spending in Cork City is estimated to be €17.0 million. This resulted in 2,325 full time equivalent jobs. In the rest of the metropolitan area €7.3 million was spent. This spending supported 639 full time equivalent jobs.

Table 3.2		
Overall Contribution of Tourism to Cork City and Its Hinterland (2003)		
Cork City		
	Receipts (€millions)	Employment
Overseas Tourism	156.0	1162
Domestic Tourism (over night)	42.9	337
Domestic Tourism (same day)	118.1	826
Total	317.0	2,325
The Rest of the Metropolitan Area		
Overseas Tourism	38.1	281
Domestic Tourism (over night)	15.6	123
Domestic Tourism (same day)	33.6	235
Total	87.3	639

The sectoral breakdown of the expenditure is discussed in the Section 3.3. The sectoral dispersion of the indirect impacts is much greater with virtually all sectors gaining value from the tourist trade. The major indirect impact is from the expenditure of wages and salaries and the sectors which gain most from the indirect spend include food and beverages, transport and retail.

3.3 Sectoral Analysis of Tourist Expenditure

3.3.1 Distribution of Tourist Expenditure by Sector

Table 3.3 presents the expenditure for the Cork City and the rest of the Metropolitan Area for visitors other than same day visitors. On average visitors spend most of their money on catering in the Cork City and the general Metropolitan Area. This is in

contrast to the national picture where most expenditure takes place in the accommodation sector. The retail spend is broadly similar with 25% nationally and 24% for the Cork City Metropolitan Area. Most notable however is the relative importance that visitor attraction and venues sector is to the Cork City Metropolitan area compared to the country as a whole. For Ireland as a whole visitor attractions and venues account for only 10% of tourist expenditure, compared to 22% for the Cork City Metropolitan Area⁷. This shows the relative importance of this sector to the local economy.

Catering, accommodation and retail shops provide a higher percentage of revenue to the city relative to the surrounding hinterland. These three sectors account for 81% of tourist revenue spent in the city as opposed to 49% in the hinterland. Heritage and cultural sites are much more important to the hinterland accounting for 35 % of tourist revenue. Festivals on the other hand are relatively more important to the city. Festivals account for 6% of tourist revenue received in the city as opposed to 3% in the hinterland.

	Cork City	Rest of Metropolitan Cork	Total
Category			
Accommodation	21.8 (15)	6.4 (12)	28.2 (14)
Retail shops	39.1 (27)	8.6 (16)	47.7 (24)
Catering	55.2 (38)	11.8 (22)	74.0 (34)
Transport	10.2 (7)	2.7 (5)	12.9 (6)
Heritage and Cultural sites	4.4 (3)	18.8 (35)	23.2 (12)
Festivals and special events	8.7 (6)	1.6 (3)	10.3 (5)
Conventions & Confer's	5.8 (4)	3.8 (7)	9.6 (5)
Total	145.2 (100)	53.7 (100)	198.9 (100)

⁷ Visitor Attractions and Venues is equivalent to Heritage and Cultural sites, Festivals and Special events and Conventions and Conferences.

⁸ Does not include same day visitors.

Table 3.4 provides estimated expenditure by same day visitors. These visitors have a lower per capita spend primarily due to non-spending on accommodation, with greater emphasis on retail shopping and heritage centres, cultural events and festivals.

Table 3.4	
Direct Same Day Tourist Spend by Category for Cork and the Rest of the Metropolitan Area (2003)	
€millions (%)	
	Cork City and Rest of Metropolitan Area
Category	
Retail shops	53.7 (44)
Catering	43.9 (36)
Transport	5.9 (5)
Heritage and Cultural sites; Festivals and special events	12.2 (10)
Other Tourist Services	6.3 (5)
Total	122
Note: Data limitations restricted reporting to the Metropolitan Area as a whole.	

3.3.2 Convention and Conference Tourism

Conventions and conference business forms a significant section of the Cork Metropolitan Areas tourist sector. Over €9 million was generated by the sector in 2003. This was proximately 5% of the overall market. The number of full time equivalent jobs linked to this expenditure is 77.

There is great potential for this sector to be expanded over the coming years, especially in terms of Cork City being European Capital of Culture in 2005. Figure 3.1 provides a list of the main venues with conference and convention facilities in the Cork Metropolitan Area. The facilities are varied which allows the City to market itself in all aspects of this trade.

3.3.3 Heritage And Cultural Tourism

Table 3.5 presents totals for 2003, of expenditure and employment attributable to the Heritage and Cultural Site segment of tourist sector for the Cork City Metropolitan Area. Estimates of the likely direct contribution of Heritage and Cultural sites in the

Cork City Metropolitan Area are provided using data obtained directly from the various surveys carried out in the region. This is supplemented with data provided by CERT, CSO and Failte Ireland.

Figure 3.1 Convention and Conference Centres Cork City Metropolitan Area⁹	
Cork City	
Ambassador Hotel Cork City Hall Cork Opera House Gresham Metropole Hotel Hayfield Manor Hotel Imperial Hotel Jury's Cork Hotel Kingsley Hotel Quality Hotel and Leisure Centre Silver Springs Hotel University College Cork	
Rest of Metropolitan Area	
Acton's Hotel Blarney Park Hotel Carrigaline Court Hotel and Leisure Centre Cobh Water's Edge Hotel Great Southern Hotel Innishannon House Hotel Maryborough House Hotel Midelton Park Hotel and Spa Trident Hotel Rochestown Park Hotel	
Source: Cork Conference and Meeting Guide – 2003/4	

Heritage and Cultural centres received €27.3 million¹⁰ worth of receipts in the Cork City Metropolitan Area. The sector is directly and indirectly responsible for 191 full

⁹ Although some of the hotels are outside the geographical area they are considered part of the general tourist market for the area.

¹⁰ It is assumed that same day visitors spend more on festivals than on heritage sites. Therefore €8.1 million is ascribed to this expenditure.

time equivalent 254 jobs in the region. The direct employment impact is 90 full time and 90 part time jobs. The balance is indirectly related to this sector.

Table 3.5 Direct contribution of Heritage and Cultural Sites to the Cork City Metropolitan Area	
Receipts (€million)	€27.3
Employment (units)	191

3.3.4 Cruise Liner Traffic

In recent years, Port of Cork has come to specialise in the provision of facilities to Cruise Liner Traffic. This is a fine illustration of product development. The fact that Port of Cork is one of Ireland's most popular cruise port destinations is due in no small part to the unique dedication of Cobh Cruise Terminal for use by visiting liners. This dedicated terminal, adjacent to Cobh Heritage Centre in the town of Cobh, is the only initiative of its kind in the State. While the Cobh facility can comfortably handle most cruise liner traffic, facilities also exist to handle the largest of cruise liners, such as the QE2, at the Ringaskiddy Deepwater Terminal, while smaller craft can berth further upstream at the City Quays in the heart of Cork City.

From the point of view of cruise traffic potential, Cork is fortunate in its location. Its position makes it an attractive option as a port of call for cruises to and from the Baltic, Mediterranean and the Caribbean as well as being favourably located for transatlantic cruise traffic.

In 2003, 168,000 foreign tourists used the Port of Cork. Of these 22,973 were cruise ship passengers. The spend due to cruise ship passengers and crew using the Port of Cork in 2003 is provided in Table 3.6 As stated earlier a specific breakdown of the distribution of this expenditure was not possible.

Table 3.6 Aggregate Expenditure by Cruise Passengers and Crew and related Employment – 2003	
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	Passengers	Crew	Total
Number	22,973	11,520	34,493
Total Expenditure (€m)	16.07	3.72	19.79
Total Employment	-----	-----	149

3.4 Relative Market Size of Cork City Tourism

Although the analysis above indicates that the tourist sector is an important economic driver for Cork City and its hinterland, the City has considerable potential to expand and improve this sector. Cork City currently accounts for approximately 10% of the overall tourist expenditure in the Cork/Kerry Region.

Table 3.7 provides an estimate of the relative per capita size of the tourist sectors in Cork City, Galway City and Dublin City. Although the tourist market for each city is very individualistic the measure of the relative sizes gives an indication of how well each area is doing in maximising its own tourist product. If we take the number of tourists visiting the area divided by the population of the area as the relative measure of the tourist sectors then Galway City's tourist sector is approximately 4 times greater than Cork City. Dublin City is about 50% greater than Cork City.

Table 3.7		
Relative Economic Value of Tourism Cork City, Galway City and Dublin City 2003		
	Relative Size of Sectors	Total Value to Each Area (€millions)
Cork City	1.0	317
Galway City	4.0	570
Dublin City	1.5	1,775

Given the relative importance of the tourist industries in each centre the overall value of tourism in each City is shown. This indicates the potential gains available to Cork City if the product available is marketed better. If the tourist sector were to reduce the differential between Cork City and Dublin City by half, it would be worth up to €100 million extra in revenue for the City.

4. Conclusions and Recommendations

This report provides an overall assessment of the state of the tourist industry in the Cork City and its hinterland at the end of 2003. The results provide a valuable base line study indicating the importance and contribution of the sector to area. The main results show that Cork City and the Metropolitan Region as a whole has a vibrant tourist industry that provides major economic benefits for the region. Despite the strength of the tourist sector the City accounts for only approximately 10% of the overall tourist activity in the Cork/Kerry Region.

The findings are that the industry contributes directly and indirectly €17.0 million and 2,325 jobs to the Cork City Area and €7.3 million and 639 jobs to the rest of the Metropolitan Area.

Many regions derive both economic and social benefits from tourism, and use tourism revenues to develop regional infrastructure. For this to be achieved, regional infrastructure needs to be carefully planned in order to extend and harness life cycles. Key concerns such as sustainability, transport and product development are being addressed. The tourism industry in the Cork City area is facing many challenges including increasing the market and enhancing the product. The level of importance of tourism to Galway City is 4 times of Cork City and the importance to Dublin is 50% greater than Cork City.

The development of tourism in the Cork City sits in harmony with the local environment. This aids in ensuring the maximum social and economic benefits of tourism for any locality. Therefore, sustainable tourism planning needs to continue to evolve with effective guidelines that set on the breadth and depth of future development.

The development of transport and increased competition are likely to be keys to improved tourist traffic. Cork's current upgrading of its City Centre, together with the

improvements of Cork Airport and the availability of the state of the art ferry terminal at Ringaskiddy, will also aid in advancing its tourist potential.

Cork City has developed a strong and varied tourism product; this is reflected in the high value of the sector as indicated by this report. In order to maintain and improve its position and maximize returns in future years the city must, in the first instance, maintain the high standard of its current product. Secondly, new products need to be developed to cater for changing tastes and age structure of the international and national tourist market.

The various stakeholders in the tourist sector need to co-operate in ensuring that the Cork City tourist package continues to develop. This requires unified effort and support for tourist initiatives. Domestic tourists, as well as short stay tourists, should be encouraged to visit the City.

Cork City and its hinterland have a strong tourist product that contributes greatly to the City. The industry should aim to develop various aspects of its market. These include:

1. Conference Business
2. Domestic Tourism Market
3. Short Breaks Market.

The most appropriate target identified by the consultants in this report is to see an increase in numbers to bring to Cork City in line with the relative numbers arriving in Dublin City. The time scale for this development should be five years. The consultants believe that the correct policies and approach can achieve this target. Inaction at this stage is likely to lead to a decline in the relative importance of Cork City's visitor economy.

There must be support amongst the private sector for participation in further business monitoring exercises. We recommend a variety of approaches, based on gaining higher levels of participation in existing schemes.

The following provides a summary of the objectives and priorities:

Objective 1:

Improve and enhance the Visitor Experience:

Priorities:

1. To provide excellence in the environment and facilities of the town.
2. To develop specific facilities to enhance the quality of the Cork City's tourist product.
3. To provide excellence in interpretation, information and interface with visitors.
4. To develop a Cork City Brand so tourists know what to expect when they arrive in Cork City.

Objective 2:

Increase visitor spending through targeted promotions:

Priorities:

1. To target potential visitors with special event-based offers and itineraries.
2. To increase off-peak business through tactical promotions.
3. To use visitor information to promote repeat visits and extended stays

Objective 3:

Develop Cork City as a leading regional cultural centre:

Priorities:

1. Encourage the further development and utilization of cultural facilities within the City.
2. To stimulate, coordinate and promote new and existing events.
3. To improve data collection and dissemination of information in order to facilitate policy formulation.

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Appendix 1: Data Collection and Methodology

There are 2 main aspects to the methodological approach of this study. The first is to ensure a representative sample of the various segments of the tourist sector in the area. The second section provides a detailed description of the methodology used to calculate the total impacts of any expenditure due to tourist activities.

A1.2 Data Collection

In general terms most tourism data is collected from actual tourist visiting an area and very little data is collected from the various companies and firms that supply the needs of the tourist. This is a disadvantage in that the lack of data deprives both tourism authorities and tourism companies of the information essential for formulating public policy or developing business strategies. Tourism data is fragmented and dispersed and does not have a 'distinct entity in the statistical system but statistics for aspects of tourism are partially available at national and local level. To augment these sources the authors have conducted direct surveys on various sectors. These surveys were conducted at Cork City Airport, the Ferry Port, Heritage Centres, and other segments of the market¹¹. Various types of establishments surveyed include hotels, self catering accommodation, Bed and Breakfast establishments, Organisers of Festivals, etc.

This section outlines the sampling strategy used in the development of the data to apply in the input-output model of the area. The sampling strategy is presented for the various sectors outlined above. The sampling strategy was designed to include as much representation of the various sectors as possible. The survey was conducted via direct interviews and by questionnaire, with follow-up telephone calls by field staff, to encourage recipients to respond and to answer any questions they may have. The number of useable questionnaires in each category is provided in Table 3.1. For the various types of establishments a simple random sample was used. Establishments are listed in random order, and a selection is picked from the list.

Table A.1 Profile of Surveys	
Category	Number of Questionnaires
Travellers through Airport	280
Travellers through Ferry Ports	300
Cruise Ship Passengers	316
Tourists at Heritage Centres	392
Establishments	
Self Catering	2
Hotels	26
Guesthouses and Bed and Breakfast	40
Hostels	2
Caravan and Camping Sites	1

This above sampling is used as a starting point. Further information has been supplied to use by Fáilte Ireland, which allows us to create control totals for each category, and hence and overall expenditure and employment estimates.

A1.2 Input Output Techniques

This section provides a description of the methodology employed in this study. The direct effect of any activity on its local economy can be quantified as:

- ❖ numbers directly employed by the activity
- ❖ wages and salaries these workers are paid
- ❖ value of purchases directly attributable to the activity

In looking at the value of an activity in this sense, one captures the minimum economic significance of the activity. Such an analysis excludes the linkages that a business activity has with other sectors of the economy. These linkages can be

¹¹ Surveying of other segments is on going and results will be adjusted to take account of these in the final report.

described in terms of indirect contributions. They support jobs and provide wages and salaries. The purpose of the input-output model is to estimate the total impact of tourism on the country or a region. The starting point is the expenditure and employment that is directly related to tourism. Input-output is a method of measuring the overall impact of an industry or industrial service such as the tourist industry.

Using this approach, the overall impact of the activities may be separated into three parts as follows:

1. The **Direct Impacts** give the total expenditure on the purchase of goods and services by tourist visiting the Cork City Metropolitan Area. It includes the direct payment of wages and salaries of employees.
2. **Indirect Impacts** are those which occur when local suppliers in receipt of expenditure, in turn purchase goods and services. This in turn results in further production and employment in businesses located in the country.
3. **Induced Impacts** refer to the additional consumer spending, which takes place when the income generated from the direct and indirect impacts is spent.

The overall impact is the sum of the direct, indirect and induced impacts. These impacts may be quantified in terms of expenditure and employment. This overall impact can then be measured as a multiple of the direct impact of business. Therefore, this report presents its analysis in terms of two distinct types of contribution of the tourist industry on the economy of the region: the direct and indirect contributions¹². An appreciation for the meaning of these contributions is a necessity in interpreting their significance and understanding the results produced in section 5 of this report.

¹² The indirect impacts reported in this study include the sum of the indirect and induced impacts.