

ECONOMIC IMPACTS AND DISASTER ASSISTANCE FOR THE GULF OF MEXICO COASTAL TOURISM INDUSTRY AFFECTED BY DEEPWATER HORIZON OIL SPILL

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Project Summary:

The damages to the Gulf of Mexico (GOM) natural resources caused by the Gulf of Mexico oil spill (GOMOS) will take some time to be cleaned up and the restoration period to get the resources back to their original pre-GOMOS status is still indefinite. In the meantime, the production of goods and services by the coastal tourism-related economic sectors located in the GOM states are adversely affected leading to reduced levels of economic activity, lower levels of employment and personal income, and reduced tax revenues of these sectors.

Project Justification:

The closures of significant portions of GOM federal and state waters to commercial and recreational fishing due to GOMOS have altered the recreation and consumption decisions of residents and tourists in affected communities. The expected changes in the total flow of goods and services generated by the damaged natural resources have affected not only households but also the tourism-related business establishments and coastal communities dependent on these natural resources.

Project Description:

The overall goal of this project is to evaluate the economic impacts of GOMOS to the GOM coastal tourism industry. The outputs of this project would provide industry-wide estimates of the impacts of GOMOS to the levels of total sales, personal income, employment, and tax revenues and provide economic information necessary to develop disaster assistance programs to affected coastal tourism-related sectors in the GOM region. The total extent of the spatial and temporal impacts of GOMOS to the GOM states are still uncertain such that the scope of this project would include primarily the coastal counties and parishes from the Texas-Mexico border up to the Florida Keys. The economic sectors to be included in the economic impact analysis of the coastal tourism-related industry would include the following: arts, entertainment and recreation sector, food services sector, and accommodation sector.

Organizational Information:

Primary surveys of tourism-related business establishments in the coastal GOM counties and parishes will be conducted in Year 1. Secondary economic datasets of these sectors will be compiled from federal and state agencies and reliable commercial estimates. The economic impacts of the oil spill to the coastal tourism sectors will be estimated by using survey and secondary data, and IMPLAN and EMSI softwares and databases in Year 2.

Conclusion:

Static and dynamic economic impact analysis of the tourism industry in coastal counties and parishes will be conducted to estimate the medium-term and long-term impacts of GOMOS.