

ECONOMIC IMPACT OF THE 32nd AMERICA'S CUP VALENCIA 2007

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Executive Summary

This report analyses the economic impact associated with the holding of the 32nd Edition of the America's Cup, Valencia 2007. The study analyses both the separate impacts of the Louis Vuitton Acts, of the Louis Vuitton Cup and of the America's Cup Match, and the cumulative impact throughout the competition in the period 2004-2007. The study quantifies the economic impacts in terms of output, value added and employment associated with the volume of expenditure made, both current expenditure and investment expenditure, using for this purpose the input-output methodology. On the basis of the input-output table for the Valencia Region and the quantification of the type II multipliers (which permit the estimation of induced impacts from the direct and indirect impacts), we estimate impacts both at aggregate level, for the whole Valencian economy, and at disaggregate level by sectors of activity. The time horizon covered is the period of the competition (2004-2007), the area of impact analysed being the Valencia Region.

The study quantifies the impacts associated with the investments made up to 2007 with the aim of endowing Valencia with the infrastructures necessary to host the sporting event. The investments include those made by the Valencian Government through the America's Cup Action Plan, by the Consortium Valencia 2007, by the Central Government, by the City Council of Valencia and by other agents who made investments as a consequence of the sporting event. Since on occasions it was not possible to obtain information on the investment executed on a yearly basis, the impacts estimated are cumulative, referring to the complete period 2004-2007.

The impacts associated with the current expenditure to be made by the various agents involved in the America's Cup (participating teams, AC Management, etc.) also refer to the period 2004-2007, given the impossibility of disaggregating the expenditure by years. The exception is the impact of tourist spending by visitors to the regattas, by super-yachts and by the media present in Valencia during the competition; it was therefore possible to quantify the impacts of Acts 2 and 3 (October 2004), 4 and 5 (June 2005), 10 and 11 (May 2006), 12 (June-July 2006), 13 (April 2007), the Louis Vuitton Cup (April-June 2007) and the America's Cup Match (June-July 2007).

The results for the period 2004-07 are as follows:

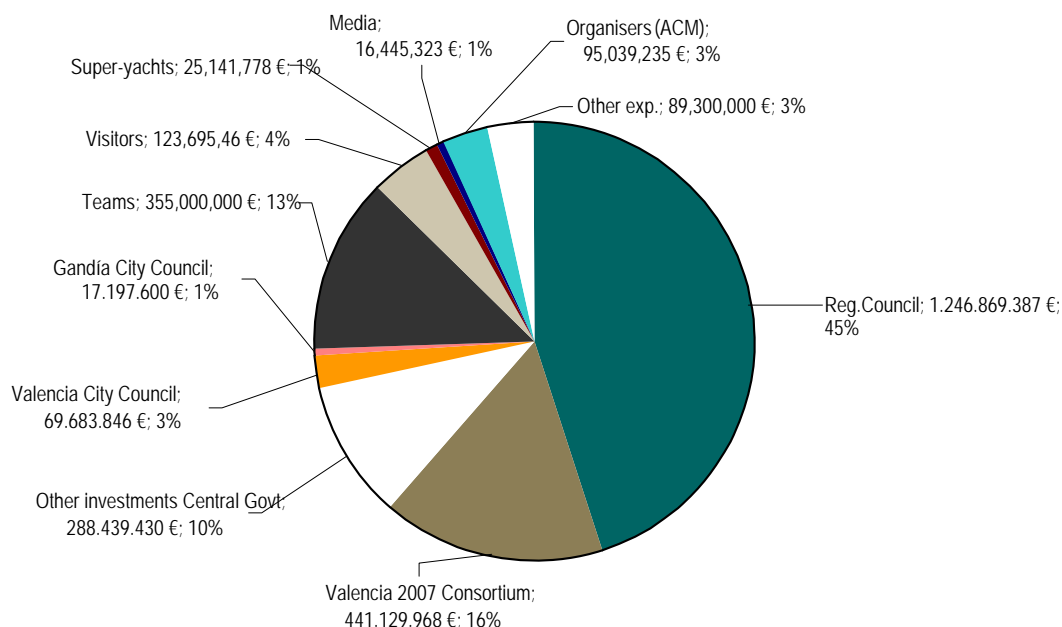
- a) The cumulative increase over the period 2004-07 in total demand associated with the America's Cup Valencia 2007 is 2,767.9 million euros. Of the total expenditure, approximately 26% is current expenditure while the remaining 74% is investment (principally in the building of infrastructures).
- b) The largest injection of expenditure (45.05% of the total) corresponds to expenditure attributable to the America's Cup as a consequence of the Regional Government's Action Plan, followed by the expenditure of the investment plan and the expenditure of the Valencia 2007 Consortium (15.93%), the expenditure made in Valencia by the participating teams

(12.83%) and the rest of the investments by the Central Government (10.42%).

- c) The distinction between expenditure on investment and current expenditure shows that, in the former, the principal investing agent is the Valencian Regional Government through the Regional Government's Action Plan for the America's Cup 2004-07. In the case of current expenditure, the largest amount corresponds to the budget of the participating syndicates (12.83%) and the tourist spending by visitors to the regattas (4.47%). To the latter must be added the spending by super-yachts and by media personnel. The sum of the expenditure made by the agents directly involved in the holding of the sporting events (teams, visitors, super-yachts, media and AC Management) came to 615 million euros.
- d) As well as the direct impact of the injection of expenditure mentioned above, the increase in demand generates indirect and induced impacts as a consequence of the interrelationships among the sectors of activity of the Valencian economy. Thus, the total impact on the value added of the Valencia region is estimated at 2,724 million euros, while in terms of output the impact is 5,748 million euros. In terms of employment generated and/or maintained, the cumulative total impact is 73,859 jobs.
- e) The cumulative impacts for the period 2004-07 represent 2.67% of GDP and 3.29% of employment of the Valencia Region. It must be pointed out that these are not figures that are repeated in every year of the competition, but refer to the accumulated total impact. Assuming a linear distribution of the impacts during the period of the competition (about three years), the increased expenditure due to the America's Cup translate into an annual growth of around 1% of GDP and employment in the Valencia Region in the years 2005, 2006 and 2007.
- f) Given the large volumes of finance committed, 46.9% of the economic impacts on the value added of the Valencia Region is attributable to actions of the Regional Government's Action Plan for the America's Cup 2004-07. Also outstanding is the impact of the investments made by the Valencia 2007 Consortium (15.1%) and that due to the spending by the twelve teams participating (11.3% of the total). Around three quarters of the impacts generated are due to investments in the infrastructures necessary to host the sporting event.
- g) The sector distribution of the economic impacts shows that the main beneficiary of the America's Cup is the services sector, as it concentrates 56.6% and 63.6% of the total value added and employment generated, respectively, notably the sectors of commerce, hospitality, real estate and business services. The construction sector also absorbed a high percentage of the increase in value added (27.3%) and employment (24.8%), the percentages corresponding to industry and agriculture being much lower.

To sum up, the holding in Valencia of the America's Cup has involved an injection of expenditure of such magnitude that it meant an annual increase for three years of around 1% of the GDP and of the employment of the Valencia Region, generating an accumulated total of 5,748 million in output, 2,724 million in value added and 73,859 jobs during the period 2004-07. Comparison of these economic impacts with those corresponding to the previous edition of the event in Auckland shows that the figures estimated in this report for the thirty second edition of the America's Cup in Valencia 2007 are much higher¹, due particularly to the investments in infrastructures necessary to host the event and to spending by the greater number of teams participating in the competition.

Expenditure associated with the America's Cup and distribution by sectors



Total exp and investments: 2,767,942,413 €

Source: Own elaboration

¹ The previous edition held in Auckland signified an injection of 268.6 million euros (523.4 million New Zealand dollars), permitting the generation of 9,360 jobs and 271.3 million euros of revenue in New Zealand, with a contribution to its GDP in 2003 of 0.31%.

Economic impacts of the 32nd America's Cup Valencia 2007

Constant euros of 2007 and jobs

Agents	Output		Value added		Employment	
	Euros	%	Euros	%	Jobs	%
Public administration						
Regional Government	2,661,068,912	46.30	1,277,124,958	46.89	34,924	47.28
Valencia 2007 Consortium	944,914,429	16.44	412,502,616	15.15	11,856	16.05
Central Govt.: Other investments	620,621,879	10.80	270,159,222	9.92	7,763	10.51
Valencia City Council	139,619,143	2.43	60,733,199	2.23	1,744	2.36
Gandía City Council	37,341,443	0.65	16,670,698	0.61	470	0.64
Teams	640,765,652	11.15	307,228,501	11.28	7,892	10.68
Visitors	257,399,963	4.48	155,833,211	5.72	3,382	4.58
Super-yachts	29,262,305	0.51	18,598,018	0.68	403	0.55
Media	28,066,896	0.49	17,488,464	0.64	375	0.51
Organisers (ACM)	194,282,969	3.38	99,660,569	3.66	2,614	3.54
Other expenditure	194,673,480	3.39	87,550,768	3.21	2,437	3.30
TOTAL	5,748,017,071	100.00	2,723,550,225	100.00	73,859	100.00

Source: Own elaboration

The grand totals of the economic impact of the 32nd America's Cup, Valencia 2007

- The holding in Valencia of the America's Cup signified an injection of 2,768 million euros' expenditure over the period 2004-07
- The largest volume of expenditure (45.05%) corresponds to the Regional Council's Action Plan, to the investment plan of the Valencia 2007 Consortium (15.94%), and the expenditure made in Valencia by the teams participating in the competition (12.83%) and the rest of the investments by the Central Government (10.42%).
- 74% of the expenditure necessary to hold the event in Valencian waters has been investment in infrastructures.
- The total impact of the America's Cup on the revenue (value added) of the Valencian economy is 2,274 million euros while in terms of output, the impact is 5,748 million euros.
- In employment terms, the America's Cup led to the creation / maintenance of 73,859 jobs from 2004 to 2007.
- The cumulative impacts for the period 2004-07 represent 2.67% of the GDP and 3.29% of the employment of the Valencia Region; an annual growth of about 1% of GDP and employment in the years 2005, 2006 and 2007.
- The agents most directly involved in the competition (participating teams, organising company, visitors, super-yachts and the media) generated 1,150 millions in output, 599 million euros in value added, and 14,665 jobs in the Valencian economy.

1. INTRODUCTION

The aim of this study is to analyse the economic impact associated with the holding of the 32nd Edition of the America's Cup *Valencia 2007*. The study analyses the impacts both of the Louis Vuitton Acts and Louis Vuitton Cup and of the America's Cup Match. The study quantifies the economic impacts in terms of output, value added and employment associated with the volume of expenditure made, both current expenditure and investment expenditure, using for this purpose the input-output analysis based on the latest input-output table available for the Valencia region. On the basis of this table and the quantification of the type II multipliers (which allow the induced impacts to be estimated from the direct and indirect impacts), we estimate impacts both at aggregate level for the whole Valencian economy, and at disaggregate level by sectors of activity. The time horizon covered is 2004-2007, the Valencia Region the impact area analysed.

The study quantifies the impacts associated with the investments made by the different Public Administrations with the aim of endowing Valencia with the infrastructures necessary to host the sporting event. The investments include those made by the Valencian Government, by the Consortium Valencia 2007, by the Central Government, by the City Council of Valencia and by other institutions. Given the non-availability of yearly information on the investments executed, the impacts estimated are cumulative, referring to the complete period 2004-2007.

The impacts associated with the current expenditure made by the various agents involved in the event (participating teams, organisation - AC Management - media, etc.) refer to the period 2004-2007, given the impossibility of disaggregating the expenditure by years. The exception is the impact of tourist spending by visitors to the regattas, by super-yachts and by the media present in Valencia during the competition; it was therefore possible to quantify the impacts of Acts 2 and 3 (October 2004), 4 and 5 (June 2005), 10 and 11 (May 2006), 12 (June-July 2006), 13 (April 2007), the Louis Vuitton Cup (April-June 2007) and the America's Cup Match (June-July 2007).

In spite of the magnitude of the estimated economic impacts of the holding of the America's Cup competition in Valencia, we are aware that the methodology used excludes other possible benefits of the sporting event which are difficult to quantify, such as, for example, the international projection of Valencia or the positive effect on productivity derived from the greater availability of infrastructures. But in any case, the increases in output, value added and employment quantified in the study do show the economic benefits left by the America's Cup in the Valencia region.

Finally, it should be pointed out that in any analysis of economic impact it is necessary on occasions to make assumptions or hypotheses regarding certain matters. As the reader will be able to see, in these cases we always adopt a prudent attitude leading to conservative assumptions, so as to have the most suitable evaluation possible even in unfavourable scenarios.

2. DESCRIPTION AND CALENDAR OF THE EVENT

The America's Cup is the most prestigious competition in the world of sailing, the oldest trophy in the world and one of the most widely known sporting events and with greatest international impact. In fact, the history of the America's Cup goes back to the year 1851, when the acts of the Great International Exhibition of London took place, among them a regatta whose purpose was to show the technological hegemony of the British Empire. The winner of the regatta received a silver cup valued at one hundred golden guineas, hence the name of "100 Guineas Cup". Following the spectacular victory of the schooner "America" from New York, her crew donated it to the New York Yacht Club (NYYC), by means of what can be considered the true founding document of the Cup, the "Deed of Gift". According to this historic document, any nautical club in the world could challenge the possessor (defender) of the America's Cup.

For more than a century, in 25 challenges no club was able to beat the New York *defender*. Not until the year 1983 did an Australian boat succeed in obtaining the sought-after trophy. Thus, for the first time, the championship came to be fought outside the United States. The American "syndicates" made unprecedented efforts to recover their Cup. In the 1987 edition New Zealand came onto the scene, emerging victorious. In the next edition, the United States recovered the Cup, but for only a short time, as in 1995, New Zealand won back the trophy, reaffirming its victory in the 2000 edition. Finally, the 31st edition of the America's Cup, held in Auckland (New Zealand) in 2003, was won by the Swiss team Alinghi, taking the Cup to Europe for the first time in its history.

It was at this point that Valencia, given the lack of sea in Switzerland, presented its candidacy to the contest for the adjudication of the host city for the 32nd Edition of the America's Cup, 2007, and was chosen as the venue for the sporting event.

The programme of the 32nd America's Cup (see **figure 1**) extended over four years (starting in 2004) and consisted of the Louis Vuitton Acts (spread over the period 2004 to 2007), the Louis Vuitton Cup (April-June 2007) and the America's Cup Match (June-July 2007). The opening Acts included a mixture of open fleet regattas and match-races in different venues. This new concept of a series of Acts is a major evolution for the America's Cup. In an effort to make the America's Cup a more continuous and regular event in the calendar of competitions, these preliminary series of Acts have been programmed to guarantee that there will be America's Cup competition until the America's Cup Match in 2007. This permits the teams to measure themselves against each other in each race, and enables the followers of the America's Cup to monitor the competition continuously.

What is today known as the America's Cup, i.e. the Louis Vuitton Cup and the America's Cup Match, was this year much shorter than in previous editions. Until now the races took place over the course of five months, but in the latest edition of the America's Cup the final phase of the competition was concentrated in only three months of 2007.

Table 1. 32nd America's Cup regattas calendar

Acts	Dates
Opening of registration for entry. Valencia	January 2004
Act 1. Marseille Louis Vuitton	04-11 September 2004
Act 2. Valencia Louis Vuitton	04-12 October 2004
Act 3. Valencia Louis Vuitton	14-17 October 2004
First deadline for entries	17 December 2004
Second deadline for entries	29 April 2005
Act 4. Valencia Louis Vuitton	16-22 June 2005
Act 5. Valencia Louis Vuitton	24-26 June 2005
Act 6. Malmö-Skäne Louis Vuitton	25 August - 01 September 2005
Act 7. Malmö-Skäne Louis Vuitton	02-04 September 2005
Act 8. Trapani Louis Vuitton	29 September - 05 October 2005
Act 9. Trapani Louis Vuitton	07-09 October 2005
Act 10. Valencia Louis Vuitton	11-18 May 2006
Act 11. Valencia Louis Vuitton	19-21 May 2006
Act 12. Valencia Louis Vuitton	22 June - 02 July 2006
Act 13. Valencia Louis Vuitton	03-07 April 2007
<i>Louis Vuitton Cup (Selection of the Challenger for the Match)</i>	18 April - 12 June 2007
<i>America's Cup Match (Defender vs. Challenger)</i>	23 June - 7 July 2007

Source: ACM (www.americascup.com)

This new programme represents a major evolution for the America's Cup. While the Cup strictly speaking is much shorter, the Acts ensure an intense competition, with America's Cup regattas every year, which also allows the America's Cup to travel around different venues, bringing the excitement and the spectacle of this incredible event to new audiences.












In 2007, the final Act was a fleet regatta, for all the participants in the 32nd America's Cup. Following this Act, the Challengers competed in the Louis Vuitton Cup to determine which team (the Challenger Of Record was the Emirates Team New Zealand) would face Team Alinghi in the America's Cup Match.

By the end of the second registration period at the end of April 2005, a total of 12 teams (11 challengers plus the defender) participated in this edition of the America's Cup, which has therefore been described as the most universal in its history, including teams from ten different countries from five continents.

As **table 2** shows, when the Louis Vuitton Cup was over, the Emirates Team New Zealand was the final challenging team to face the Alinghi in the America's Cup Match, the latter emerging as the winner of the 32nd edition by 5 to 2.

Table 2. Classification of teams in the Louis Vuitton Cup and in the America's Cup Match


LOUIS VUITTON CUP - ROUND ROBIN 1 - 16.04.2007 - 28.04.2007

		Emirates Team New Zealand	BMW Oracle Racing	Luna Rossa Challenge	Desafio Español 2007	Mascalzone Latino - Capitalia Team	Victory Challenge	Team Shosholoza	Areva Challenge	+39 Challenge	United Internet Team Germany	China Team	Points RRI	Louis Vuitton Act Bonus Points	Total Louis Vuitton Points	Ranking
	Emirates Team New Zealand		0	0	2	0	2	2	2	2	2	2	14	4	18	3
	BMW Oracle Racing	2		2	0	2	2	2	2	2	2	2	18	3	21	1
	Luna Rossa Challenge	2	0		2	2	2	0	2	2	2	2	16	3	19	2
	Desafio Español 2007	0	2	0		2	2	2	0	2	2	2	14	3	17	4
	Mascalzone Latino - Capitalia Team	2	0	0	0		0	2	2	2	2	2	12	2	14	5
	Victory Challenge	0	0	0	0	2		2	2	2	2	2	12	2	14	5
	Team Shosholoza	0	0	2	0	0	0		2	2	2	2	10	2	12	7
	Areva Challenge	0	0	0	2	0	0	DNF		2	2	2	8	1	9	8
	+39 Challenge	0	0	0	0	0	0	0	0		2	2	4	2	6	9
	United Internet Team Germany	0	0	0	0	0	0	0	0	0		2	2	1	3	10
	China Team	DNF	0	0	0	DNF	0	0	DNF	DNF	0		0	1	1	11

28.04.07 - 18:36


Table 2. Classification of teams in the Louis Vuitton Cup and in the America's Cup Match (continued)

LOUIS VUITTON CUP - ROUND ROBIN 2 - 29.04.2007 - 09.05.2007



	Emirates Team New Zealand	BMW Oracle Racing	Luna Rossa Challenge	Desafio Español 2007	Mascalzone Latino - Capitalia Team	Victory Challenge	Team Shosholoza	Areva Challenge	+39 Challenge	United Internet Team Germany	China Team	Points RR2	Points from RR1 + BP	Total Louis Vuitton Points	Ranking
Emirates Team New Zealand		2	2	2	2	2	2	2	2	2	2	20	18	38	1
BMW Oracle Racing	0		2	2	2	2	2	2	2	2	0	16	21	37	2

LOUIS VUITTON CUP - ROUND ROBIN 1 - 16.04.2007 - 28.04.2007





	Emirates Team New Zealand	BMW Oracle Racing	Luna Rossa Challenge	Desafio Español 2007	Mascalzone Latino - Capitalia Team	Victory Challenge	Team Shosholoza	Areva Challenge	+39 Challenge	United Internet Team Germany	China Team	Points RR1	Louis Vuitton Act Bonus Points	Total Louis Vuitton Points	Ranking
Emirates Team New Zealand		0	0	2	0	2	2	2	2	2	2	14	4	18	3
BMW Oracle Racing	2		2	0	2	2	2	2	2	2	2	18	3	21	1
Luna Rossa Challenge	2	0		2	2	2	0	2	2	2	2	16	3	19	2
Desafio Español 2007	0	2	0		2	2	2	0	2	2	2	14	3	17	4
Mascalzone Latino - Capitalia Team	2	0	0	0		0	2	2	2	2	2	12	2	14	5
Victory Challenge	0	0	0	0	2		2	2	2	2	2	12	2	14	5
Team Shosholoza	0	0	2	0	0	0		2	2	2	2	10	2	12	7
Areva Challenge	0	0	0	2	0	0	DNF		2	2	2	8	1	9	8
+39 Challenge	0	0	0	0	0	0	0	0		2	2	4	2	6	9
United Internet Team Germany	0	0	0	0	0	0	0	0	0		2	2	1	3	10
China Team	DNS	0	0	0	DNF	0	0	DNS	DNS	0		0	1	1	11



28.04.07 - 18:36

Mascalzone Latino - Capitalia Team	ITA 87	20	10	4	12	0	22
Team Shosholoza	RSA 83	20	9	2	10	8	20
Areva Challenge	FRA 93	20	8	1	8	8	17
+39 Challenge	ITA 85	20	5	2	4	6	12
United Internet Team Germany	GER 89	20	2	1	2	2	5
China Team	CHN 95	20	1	1	0	2	3

Table 2. Classification of teams in the Louis Vuitton Cup and in the America's Cup Match (continued)

LOUIS VUITTON CUP - SEMI FINAL - 14.05.2007 - 23.05.2007


LOUIS VUITTON CUP			Race 1	Race 2	Race 3	Race 4	Race 5	Race 6	Race 7	Race 8	Race 9	Total
	Emirates Team New Zealand	NZL 92	1	1	0	1	1	0	1	x	x	5
	Desafío Español 2007	ESP 97	0	0	1	0	0	1	0	x	x	2

LOUIS VUITTON CUP			Race 1	Race 2	Race 3	Race 4	Race 5	Race 6	Race 7	Race 8	Race 9	Total
	BMW Oracle Racing	USA 98	0	1	0	0	0	0	x	x	x	1
	Luna Rossa Challenge	ITA 94	1	0	1	1	1	1	x	x	x	5

AMERICA'S CUP MATCH - 23.06.2007 - 07.07.2007

			Race 1	Race 2	Race 3	Race 4	Race 5	Race 6	Race 7	Race 8	Race 9	Total
	Alinghi	SUI	1	0	0	1	1	1	1	x	x	5
	Emirates Team New Zealand	NZL	0	1	1	0	0	0	0	x	x	2

LOUIS VUITTON CUP - FINALS - 01.06.2007 - 12.06.2007

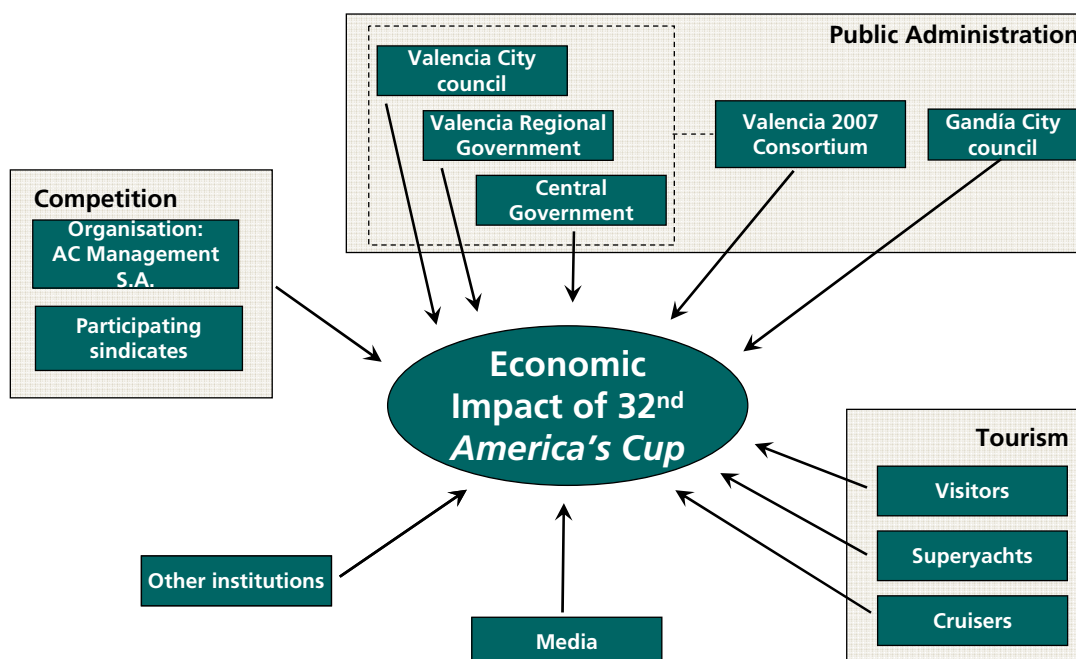
LOUIS VUITTON CUP			Race 1	Race 2	Race 3	Race 4	Race 5	Race 6	Race 7	Race 8	Race 9	Total
	Luna Rossa Challenge	ITA 94	0	0	0	0	0	x	x	x	x	0

3. INSTITUTIONAL FRAMEWORK AND ORGANISATIONAL STRUCTURE

When we come to quantify the economic impacts associated with the America's Cup, a distinction has to be made between direct and induced impacts. Direct impacts are considered to be all activities and investments carried out for the preparation of the infrastructures and development of the competition in the region studied over the period of duration of the event. In essence, the direct impacts are the consequence of the activities that would not have occurred if the America's Cup had not been held in Valencia. The induced impacts are the flow-on effects that the direct impacts have on the rest of the economic activity of the region studied, i.e. what is known in technical terms as the multiplier effect. The appendix to this document gives the methodology used to calculate the induced impacts through input-output analysis.

The quantification of the economic impacts of the 32nd edition of the America's Cup requires the identification of all activities that constitute the direct impacts of the sporting event. **Figure 1** shows schematically the five major groups of agents considered for the purposes of generating direct impacts: the participants in the competition (the company in charge of the organisation –AC Management, S.A.- and the participating teams – called syndicates), the Public Administrations that made the investments needed to adapt the installations to the requirements of the organisation, the tourists, super-yachts and media attracted by the event, as well as other institutions that also made investments because of the America's Cup. For this, in this section we review all the agents intervening in the generation of direct impacts.

Figure 1. Generators of economic impact in the America's Cup Valencia 2007



3.1. ORGANISATION OF THE AMERICA'S CUP 2007

Organisation: AC Management, S.A.

As remarked above, the America's Cup is the oldest sporting trophy of those currently existing. The origin of the competition is to be found in the "Deed of Gift", its founding document. In this document, signed on 24th October 1887, G. L. Schuyler – the only surviving owner of the boat America which won the regattas of the International Exhibition of London at Cowes in 1851 - donated the 100 Guineas Cup to the New York Yacht Club on the condition that the America's Cup should be established as a perpetual friendly competition among countries. According to this document, the owner of the cup, the winner of the most recent edition held, could be challenged by any yacht club in the world in a competition to take place in any waters selected by the holder of the cup. It also lays down that the rules that will govern the competition shall be established by mutual agreement between the yacht club possessing the cup and the one challenging it (Challenger of Record).

The 31st edition of the America's Cup, held in Auckland (New Zealand), was won by the Swiss boat Alinghi on 2nd March 2003, thus conferring the right to organise the next edition upon the *Société Nautique de Genève*. That same day, the Golden Gate Yacht Club of San Francisco (United States) challenged the winning team to the 32nd edition, thus becoming the Challenger of Record. A few days later the protocol that would govern the competition at the next edition was announced; it was subsequently modified on several occasions.

The 32nd edition of the America's Cup was therefore already under way, and the *Société Nautique de Genève* was in charge of organising it and managing it. To undertake this task, on 3rd March 2003 the Alinghi team announced the creation of the company AC Management Ltd., which was replaced on 10th November 2005 by AC Management S.A. This company, in exchange for organising the event, would receive compensation of 10% of the distributable profits generated by the competition once it had ended. The rest of the profits would be distributed among the teams non-proportionately.

The report includes the expenditure and investments that AC Management, S.A. made in Valencia by reason of its organisation of the competition.

Participating teams

The final phase of the America's Cup ended with the confrontation between the Defender, Alinghi, and the Challenger, winner of the Louis Vuitton Cup, the Emirates Team New Zealand. In the competition participated the twelve teams shown in **table 3**:

Table 3. Syndicates participating in the America's Cup Valencia 2007

TEAM	NAUTICAL CLUB		COUNTRY
DEFENDER			
ALINGHI	Société Nautique de Genève		Switzerland
CHALLENGER			
BMW ORACLE RACING	Golden Gate Yacht Club		United States
+39 CHALLENGE	Circolo Vela Gargnano		Italy
TEAM SHOSHOLZA	Royal Cape Yacht Club		South Africa
EMIRATES TEAM NEW ZEALAND	Royal New Zealand Yacht Squadron		New Zealand
LUNA ROSSA CHALLENGE	Yacht Club Italiano		Italy
AREVA CHALLENGE	Cercle de la Voile de Paris		France
VICTORY CHALLENGE	Gamla Stans Yacht Sällskap		Sweden
DESAFÍO ESPAÑOL 2007	Real Federación Española de Vela		Spain
MASCALZONE LATINO - CAPITALIA TEAM	Reale Yacht Club Canottieri Savoia		Italy
UNITED INTERNET TEAM GERMANY	Deutscher Challenger Yacht Club		Germany
CHINA TEAM	Qingdao International Yacht Club		China

Source: AC Management

3.2. PUBLIC ADMINISTRATIONS

Unlike the previous edition of the America's Cup, in Valencia a large amount of infrastructure work had to be undertaken to adapt the Port of Valencia and its surroundings to the needs of the competition. These infrastructures were undertaken by the various levels of Spain's Public Administrations (Valencia City, Valencia Region and Central Government) through the Valencia 2007 Consortium, though each of them also undertook separate actions directly. Furthermore, the City Council of Gandía (where the French syndicate Areva Challenge was based) also made investments to adapt the city to the sporting event.

Valencia 2007 Consortium

In order to study and coordinate the measures necessary to contribute to the holding of the America's Cup Valencia 2007 competition², on 1st October 2003 the Valencia 2007 Consortium was set up, by means of a covenant of collaboration signed by the Central Government, the Valencia Regional Government and the Valencia City Council³.

² Royal Decree 2146/2004, of 5 November, develops the measures to meet the commitments deriving from the holding of the 32nd edition of the America's Cup in the city of Valencia (BOE number 268, of 6 November 2004).

³ The DOGV number 4633 of 19 November 2003 published the resolution of 10 November de 2003, of the Director General for Relations with *Las Cortes* and *Secretariado del Gobierno* of the Department of the Presidency, ordering the publication of the Covenant between the Central Government, the Valencia regional Council and the Valencia City Council for the creation of the Valencia 2007 Consortium [2003/X11989].

The Consortium was the body responsible for carrying out the works necessary for holding the 32nd Edition of the America's Cup in Valencia in 2007. Under the covenant, the parties involved undertake to: a) carry out any actions that at any time may be required for the appropriate presentation of the city of Valencia as host to the America's Cup 2007; b) identify the measures and actions that could contribute to the best operation of the America's Cup 2007; and c) adopt and execute any measures and actions that might contribute to the perfect development of the event in this city.

In order to achieve the above aims, the parties agreed to create the Valencia 2007 Consortium, to be governed by Statutes approved by the signatories to the covenant by means of the appropriate agreement.

According to the covenant, the Valencia 2007 Consortium is financed in the manner determined by its statutes and may include, among others, the contribution of the signatory administrations which may be made by means of capital transfers, the guaranteeing of credits taken out by the consortium, or assuming the obligations deriving from the condition of obligee to guarantors of the consortium to the amounts and in the terms established by the statutes of the consortium or the highest governing body thereof. The Consortium draws up and approves its own budgets.

The financing of the infrastructures necessary for the America's Cup is established, according to the agreement, by means of a credit from the Official Credit Institute (ICO), guaranteed by the State, in favour of the Consortium.

Under the statutes of the Consortium, the Governing Board shall be of a paritary nature, being formed, as well as by the president and the vice-presidents, by the three members appointed and revoked by each of the participating administrations.

Interdepartmental Commission for the America's Cup 2007

Following the designation of Valencia as the venue for the America's Cup, and given the importance of an event of such characteristics, it was necessary to modify the structure of the Valencia Regional Government's administration for the organisation and development of the America's Cup Valencia 2007, and the Interdepartmental Commission for the America's Cup was created.

Thus, Decree 238/2003 of 5th December created the Interdepartmental Commission for the America's Cup 2007 – attached to the Department of Economy Finance and Employment- with the objective of driving and coordinating the actions of the different Departments concerning the organisation and management of the America's Cup, and advising the Valencia Regional Government on these matters⁴.

⁴ Decree 63/2005 of 17 March of the Valencia regional Council modifies Decree 238/2003, in particular, the composition of the Interdepartmental Commission for the America's Cup Valencia 2007. Subsequently, Decree 131/2005 of 2 September again modified the structure of the Valencia Regional Council's administration and the Interdepartmental Commission for the America's Cup Valencia 2007.

The Interdepartmental Commission established the general criteria of coordination, monitoring and evaluation of the actions undertaken on the occasion of the organisation and management of the America's Cup Valencia 2007, in the exercise of the competencies of the Valencia Regional Government, and in particular:

- a) To propose to the Regional Secretary for Events and Projects the execution of specific actions by the different departments of the Regional Government.
- b) To inform the specific plan and the programme of actions to be taken for the holding of the America's Cup, prior to sending them to the Regional Government for their approval.
- c) To supervise the development of the aforementioned plan, guaranteeing its correct operation and its subsequent evaluation.
- d) To know what plans and programmes may be carried out by other Public Administrations and private entities, and to establish the appropriate forms of coordination to permit the greater efficiency of the actions.
- e) Any and all other functions that may be attributed to it, as well as all those arising from its nature as an advisory body.

The same Decree 238/2033 modified the Organic and Functional Regulations of the Presidency of the Regional Government, introducing a new article with the following text: "The special Commission for the America's Cup 2007 shall exercise the function of driving, coordinating and unifying the criteria for action of the different departments of the regional administration in all matters referring to the holding of the America's Cup 2007 and shall promote relations of cooperation with all public or private institutions that may participate in or be incorporated into the event".

Government Commission for the holding of the 32nd America's Cup

Royal Decree 1227/2005, of 13th October (published in BOE 14th October 2005, number 246), created, under the Minister of Public Administrations, the Government Commission for the holding of the 32nd America's Cup. "Following the entry into service of the principal sporting and common infrastructures undertaken by the Valencia 2007 Consortium, the management of the commitments acquired by the General Administration of the State to the organising body and the rest of the participating Administrations enter a new phase which requires greater involvement in tasks of driving and administrative coordination and of promotion of the event, the city and Spain as the country in which it is taking place".

"In order to guarantee the appropriate drive and coordination and the adoption of the necessary measures to ensure the dissemination and the support that the event requires, in the same way as for other events that have taken place in Spain, it is deemed necessary to create the Government Commission for the holding of the 32nd America's Cup and the regulation of its functions".

The functions of the Commission are as follows:

- a) To coordinate the services of the General Administration of the State for the fulfilment of the Government's commitments to the organisation of the America's Cup, in the aspects relating to the national and international promotion of the event.
- b) To monitor the actions of the services of the General Administration of the State directly related to the holding of the America's Cup, especially the State Office for the support of the 32nd America's Cup, without prejudice to the competencies of the departments affected.
- c) To attend the Minister and the representatives of the Government in the Valencia 2007 Consortium.
- d) To maintain normal institutional dialogue with the Valencia 2007 Consortium and the organising body of the event, without prejudice to the functions of the representatives of the Government in that body.
- e) Any other functions directly or indirectly related to the above that may be necessary for the achievement of its ends or that may be attributed to it.

In order to facilitate the functions of dissemination, support, coordination and monitoring of the actions of the different services of the General Administration of the State relating to the organisation of the America's Cup, the Coordination Committee was created, as a collegiate body attached to the Ministry of Public Administrations.

State Office for the support of the 32nd America's Cup

Royal Decree 1556/2004 of 25th June (BOE number 154/2004 of 26th June), at the proposal of the Ministry of Public Administrations and following discussion by the Council of Ministers at its meeting on 25th June 2004, created the State Office for the support of the 32nd America's Cup, based in Valencia, and under the chairmanship of the Government's Sub-delegate in Valencia, who appoints its chief executive.

The Office was set up as a "one stop shop", handling from a central point the formalities necessary for the participants and members of the organisation of the regatta, and their families, to be duly documented in Spain, all of this during the regatta preparation phase, in accordance with the applicable regulations.

The office attends to: a) members of the organising body AC Management Ltd.; b) members of the teams participating in the regatta, including their support staff; c) personnel of the companies and organisations of the America's Cup; and d) families of the above.

The functions undertaken by the office are as follows:

- a) To attend to and inform the participants and members of the organisation of the America's Cup, and their families.

- b) To analyse the documentation relating to the aforementioned persons in order to proceed, where appropriate, to the issue by the competent authorities of the documentation necessary to facilitate their stay in Spain.

The communications between the Office and AC Management Ltd. will in all cases be channelled through the Valencia 2007 Consortium.

For the performance of the Office's functions, employees of the Government Delegation in the Valencia Region have been ascribed to it. Civil Servants from other Ministries may also be ascribed to it for the processing of the documentation by the procedures that may so require. The Office has at its disposal suitable premises and material means provided by the Valencia 2007 Consortium.

4. INVESTMENTS AND CURRENT EXPENDITURE

4.1. INVESTMENTS BY PUBLIC ADMINISTRATIONS

In this section we describe and quantify the expenditure by the Public Administrations related to the sporting event: the Valencian Regional Government, the Central Government (both through the funding granted to the Valencia 2007 Consortium and through other investments), the City Council of Valencia, and that of Gandía.

a) Valencian Regional Government

In preparation for the holding of the America's Cup, the Valencian government approved the "Council's Plan of Action for the America's Cup 2004/2007" which contains all the actions to be undertaken in projects linked to the America's Cup. The actions approved contribute both to the carrying out of new projects and to speeding up of others already planned.

Table 4 shows the distribution by Departments of the number of actions approved and the volume of expenditure necessary for their implementation, distinguishing the direct actions from those that are of an indirect (induced) character. The total number of actions is 156, of which 45% (70) correspond to the Department of Infrastructures and Transport. The total amount of the associated expenditure is 2,261.34 million euros, of which 1,372 correspond to direct actions and 889 to indirect actions.

Table 4. Regional Government's Plan of Action for the America's Cup 2004/2007
Constant Euros of 2007

Valencian Regional Departments	Direct actions	Indirect actions	Total	%
Infrastructures and Transport	921,605,431	874,274,184	1,795,879,615	79.42
Territory and Housing	102,645,134	13,882,571	116,527,705	5.15
Tourism	98,747,464	-	98,747,464	4.37
Economy, Finance and Employment	70,882,290	-	70,882,290	3.13
Health	64,089,140	-	64,089,140	2.83
Education, Culture and Sport	44,748,884	804,375	45,553,260	2.01
Business, Universities and Science	15,497,208	-	15,497,208	0.69
Justice and Public	21,731,397	-	21,731,397	0.96
Social Welfare	19,387,973	-	19,387,973	0.86
Agriculture, Fishing and Food	10,404,185	-	10,404,185	0.46
Communication and RRIL	2,618,114	-	2,618,114	0.12
Cooperation and Participation	20,432	-	20,432	0.00
TOTAL INVESTMENT	1,372,377,652	888,961,130	2,261,338,782	100.00

Source: Special Comision for the America's Cup

By Departments, the largest amount corresponds to actions by the Department of Infrastructures and Transport (1,796 million euros, of which 922 are in direct actions and 874 in indirect actions), concentrating 79.42% of the total investments

planned. The most important direct actions undertaken by this Department include highway works in metropolitan areas and high volume axes for logistical communication of the first magnitude, transport actions in metropolitan areas, urban rehabilitation actions and actions in ports of the Valencia Region.

The most substantial investments by the rest of the Departments correspond to the Department of Territory and Housing –116.53 million- (in actions for the rearrangement and promotion of natural parks, implementation of the forestry plan, etc.), the Department of Tourism – 98.75 million - (in actions such as the Rural Tourism Plan, the construction of the Tourism Centres of Denia, Castellón and Torrevieja, the support of tourist towns and firms, the sponsorship of the *Desafío Español-Iberdrola*, the Coastal Tourism Plan, the Plan for the competitiveness and improvement of the tourism product, national publicity campaigns, etc.), the Department of the Economy –70.88 million- (including the ACM Contract fee and the creation of the Valencian Investment Agency), the Department of Health – 64.09 million- (improvement of healthcare for visitors, new health centre in La Malvarrosa, refurbishment and expansion of La Malvarrosa hospital, new ambulatory major surgery unit in the *Hospital Clínico*, referred to in the America's Cup emergencies plan, etc.), the Department of Education, Culture and Sport – 45.55 million- (network of sailing schools, sports infrastructure plan, etc.), the Department of Business, Science and Universities –15.50 million- (principally the modernisation of SME and commercial infrastructures), and the Department of Justice and Public Administrations –21.73 million- (improvements in the emergency service, increase of the number of interpreters in the Courts, etc.). The rest of the Departments present lower expenditure figures.

From the Valencia Regional Government's Plan of Action for the America's Cup, we have deducted those actions that are not directly linked to the holding of the event (and, consequently, all actions catalogued as indirect in the Plan of Action) and, additionally, any actions that probably would have been undertaken even in a scenario in which the America's Cup had not been held in Valencia⁵. In other words, of the original Plan we only consider the economic impacts associated with the actions that would not have occurred had the sporting event not been held in the city of Valencia. With this decision, we follow the criterion of rigour required by the making of any economic impact study, consisting of quantifying the economic activity (output, value added, employment) of a geographical area with and without the additional spending associated with the project being analysed.

Table 5 shows both the total amount and the distribution by Departments of the investments considered in the economic impact study. As remarked above, we have deducted from the Regional Government's Plan of Action the total of the indirect actions (888.96 million euros) as well as other actions that we believe would have

⁵ The actions "Sponsorship of the Iberdrola America's Cup Challenge" (8 million euros) and the "Fee to ACM" (36 million) are also excluded since the economic impacts are quantified in the sections corresponding to the impacts associated with the spending by the participating syndicates (section 4.2) and to the impacts associated with America's Cup Management (section 4.6). In other words, although these two actions were funded by the Regional Council, the impacts are attributed to the agents that actually spent the money.

been undertaken just the same without the holding of the America's Cup in Valencia (125.51 million).

Table 5. Investments of the Regional Government's Plan of Action for the America's Cup 2004/2007 considered in calculating the economic impacts

Constant euros of 2007

Valencian Regional Departments	Direct actions	%
Infrastructures and Transport	921,605,431	73.91
Territory and Housing	48,758,035	3.91
Tourism	90,144,519	7.23
Economy, Finance and Employment	32,110,219	2.58
Health	42,461,102	3.41
Education, Culture and Sport	44,748,885	3.59
Business, Universities and Science	15,497,208	1.24
Justice and Public	21,731,397	1.74
Social Welfare	19,387,973	1.55
Agriculture, Fishing and Food	10,404,185	0.83
Cooperation and Participation	20,432	0.00
TOTAL INVESTMENT	1,246,869,387	100.00

Source: Own elaboration from the Regional Government's Plan of Action.

b) Valencia 2007 Consortium

As remarked above, the Consortium has been the body responsible for realising the infrastructures necessary for the holding in Valencia of the 32nd Edition of the America's Cup in 2007. Specifically, as shown in figures 2 and 3, it was necessary to undertake works in the inner basin of the Port, constructing a central pier (for super-yachts, extending 250 metres into the centre of the water), creating the Port America's Cup Marina (with a new 700-berth marina), the America's Cup Park (with the house of the America's Cup, the *Veles i Vent* building, shops, food outlets, stage for performances, installation of giant screens to follow the races, pool for remote control boats, the sponsor village, etc.), the bases of the teams, the guest building, the press and television centre, the offices of AC Management, construction of car parks, etc. One of the most important works in the area of the harbour is the channel and the sea wall. The new channel enabled the boats of the America's Cup to reach the regatta area from their bases in 15 minutes.

According to the information facilitated by the Valencia 2007 Consortium, the multi-year investment plan executed is the one detailed in **table 6**. The investments made amount to 410.1 million euros (423.6 in constant euros of 2007), the greater part being destined for the construction sector, both due to the construction of the participating teams' bases and of new buildings (guest buildings, Press Centre, umpires' office, AC village, etc.), and due to the infrastructures necessary to adapt

Table 6. Investments plan of the Valencia 2007 Consortium

Euros

	2004	2005	2006	2007	2008	Total	
						Current euros	Constant euros of 2007
a) Construction of participants' bases	6,384,884	44,666,549	13,176,652			64,228,085	68,831,599
b) Guest building / Ac Park/ Underground car parks		15,306,418	29,810,967	7,821,787		52,939,172	55,165,981
- Building		15,306,418	26,076,188	4,303,787		45,686,393	47,778,750
- Equipment and furnishings			3,734,779	3,518,000		7,252,779	7,387,231
c) Press and television centre			428,445	2,210,895		2,639,340	2,654,764
- Building			428,445	1,710,895		2,139,340	2,154,764
- Equipment and furnishings				500,000		500,000	500,000
d) Central pier		5,928,597	1,726,877			7,655,474	8,164,468
e) Urban services and perimeter road		825,027	29,097,038	11,557,678		41,479,743	42,589,417
f) Marina Real raised promenade			1,435,661	7,200,199		8,635,860	8,687,544
g) ACM offices and stores, volunteers centre and Judges' office		2,400,000	858,330			3,258,330	3,470,113
h) Actions in headquarters buildings			2,500,447	452,056		2,952,503	3,042,519
i) Basin access channel and closure of crosswise channels		16,092,818	5,499,216			21,592,034	23,002,889
j) New harbour mouth		52,776,357	8,520,774			61,297,131	65,581,527
k) Measures to correct the environmental impact of various projects		121,220	2,723,239	2,498,695		5,343,154	5,450,327
l) Safety equipment / access control / other equipment		881,037	2,946,830	1,635,365		5,463,232	5,635,720
m) Compensation for liberating land and restoring assets		3,903,955	994,289	332,000		5,230,244	5,560,272
n) Outer basin moorings and other remodelling work			14,383,888	1,932,411		16,316,299	16,834,119
o) Remodelling / adaptation / dismantling and other undefined projects				28,435,256	76,401,150	104,836,406	102,252,792
TOTAL DIRECT WORKS	6,384,884	142,901,978	114,102,653	64,076,342	76,401,150	403,867,007	416,924,051
Planning / Projects / Management of works / Technical assistance	2,458,108	1,325,577	1,350,643	1,130,491		6,264,819	6,706,989
TOTAL DIRECT INVESTMENT	8,842,992	144,227,555	115,453,296	65,206,833	76,401,150	410,131,826	423,631,040

Source: Valencia 2007 Consortium and own elaboration.

the harbour to the regattas (construction of the central pier, urban services and perimeter road, parking, construction of the new access to the headquarters building– harbour access channel and new harbour mouth, etc.). Among the other actions necessary were works of remodelling, adaptation and dismantling and compensation for cession of land or transfer of assets.

As well as the investment plan of the Valencia 2007 Consortium, its current expenditure must be taken into account when calculating the economic impact. **table 7** offers detailed information on this. The information comes directly from the Consortium. For the year 2006 we have had available the total expenditure on “Wages and salaries” and the disaggregation by headings of “Other operating expenses”. For the years 2004, 2005 and the forecast for 2007, the Valencia 2007 Consortium provided only its total current expenditure, so the disaggregation was obtained from the percentage distribution of the expenditure corresponding to 2006. From the item “Rents and Fees” the fee paid by the Consortium to AC Management has been discounted, as it is in turn an input to another of the entities that generate economic impacts in Valencia, so its inclusion would pose a problem of dual accounting. These fees amount to 90 million euros for the whole period 2004-2007, distributed as follows: 15 million euros in 2004 and 2005, 19 million euros in 2006 and 49 million euros in 2007. The personal expenditure excludes social charges; these should not be included in the impact analysis as they do not revert directly to the employees (so do not generate induced impacts). The data in **table 7** show that the expenditure considered for purposes of generation of economic impacts of the Valencia 2007 Consortium over the four years considered amounts to 16.9 million euros (17.5 in constant Euros of 2007), 3.9 million euros corresponding to wages and salaries, and 13 million euros to current expenditure.

Table 7. Current expenditure of the Valencia 2007 Consortium

Thousands of euros

	2004	2005	2006	2007	Total	
					Current euros	Constant euros of 2007
Wages and salaries (without social charges)	302	696	1,415	1,508	3,921	4,061
Other operating expenditure	998	2,304	4,683	4,992	12,977	13,438
Rents and fees (not including ACM fee)	155	359	729	777	2,020	2,092
Repairs and conservation	62	144	293	312	812	841
Independent professional services	369	852	1,731	1,845	4,797	4,967
Transport	5	11	22	23	61	63
Insurance premiums	93	215	437	466	1,211	1,254
Banking services and similar	1	2	5	5	14	14
Publicity, advertising and public relations	224	517	1,051	1,120	2,912	3,016
Supplies	14	32	66	70	183	189
Other services	74	172	349	372	967	1,001
TOTAL CURRENT EXPENDITURE	1,300	3,000	6,098	6,500	16,898	17,499

Source: Valencia 2007 Consortium and own elaboration.

c) Other investments by the Central Government

The investments approved by the Central Government include the investments in the airport of Valencia and in ports in the Valencia Region other than that of

Valencia itself, as the investments in the latter have already been quantified in the section on investments managed by the Valencia 2007 Consortium. In addition, the Central Government made public other investments related to infrastructures in Valencia and to the operation of the State Office for the America's Cup. The Central Administration made these investments through the Ministry of Public Works as regards the Airport and roads and/or railways; through *Puertos del Estado*, with actions in Valencia; through *Paradores de Turismo de España*; and through the State Office for the America's Cup. To the investments described below must be added the State's contribution to the payment of the Fee to AC Management (to an amount of 36 million), though the latter is not considered in this chapter of expenditure since it appears as an input into AC Management⁶.

Special mention is deserved by the investments in the construction of the Madrid-Valencia AVE [High speed train]. Although these investments have been partly included in other reports of the economic impact of the America's Cup, they are not contemplated in this report as they will be finalised long after the holding of the America's Cup. Likewise, when considering actions associated with the America's Cup, only those that could be directly linked to the event through official sources were included, excluding others that, because they were planned before the designation of Valencia as the venue for the 32nd edition of the America's Cup, would not be directly attributable to it. The statistical sources used to quantify the investments by the State are the regionalised Annexes of real investments and multi-year programming reflected in the National Budget and press releases and official information from the institutions involved in the actions.

Table 8 shows the actions by the Central Administration for the America's Cup, amounting to a total of 288.4 million euros, distributed as follows:

Investments by the Ministry of Public Works: Manises Airport

In view of the holding in 2007 of the America's Cup, *AENA* [Spanish Airports and Air Navigation] gave the green light to the works projected in the airport at Manises to an overall amount of 122 million euros⁷. The budget included investments for the extension of the airfield. The expansion was carried out thanks to the cession of adjoining land owned by the Ministry of Public Works. This expansion aims to increase the airport's operating capacity, permitting the landing and take-off of any type of aircraft and a greater number of flights per day. In addition, a new regional terminal of 11,000 square metres was built. The project incorporates, by agreement with *Ferrocarrils de la Generalitat Valenciana* (FGV), a Metro station on line 5, which terminates at the airport. It also includes the construction of an aircraft parking platform, situated to the west of the current one, with a paved

⁶ Although among the Central Government investments planned for the America's Cup there is one item destined for the "Modification and planning of the Central Park" (for 107.6 million), it is not considered in the economic impact report as for this project a covenant with the Central Government had already been signed in 2003.

⁷ The information source used is the Press releases of the Ministry of Public Works and issue No. 562 of the Journal of the Ministry of Public Works of May 2007.

Figure 2. Changes in the inner harbour of the Port of Valencia for the America's Cup

a) 2004



b) 2007



Fuente: AC Management (www.americascup.com)

Figure 3. Port America's Cup



INFORMACIÓN | INFORMATION

- 1 Info Points
 - 2 Coracorio Valencia 2007
 - 3 Punto de reservas | Reservation point
- DESCUBRIENDO LA AMERICA'S CUP
DISCOVERING THE AMERICA'S CUP**
- 4 Quillas de la America's Cup
America's Cup Keels
 - 5 Trofeos | Trophies
 - 6 Museo 32
 - 7 Regatta Operations HQ
 - 8 Exposición de maquetas
Model exhibition
 - 9 Casa de la America's Cup
House of the America's Cup
 - 10 GBK 44
 - 11 Galería de televisión | Television gallery

BASES DE LOS EQUIPOS | TEAM BASES

- 12 Alinghi (T / F)
 - 13 +39 Challenge (T / F)
 - 14 Team Sweden (T)
 - 15 BMW ORACLE Racing (T / F)
 - 16 Luna Rossa Challenge (T)
 - 17 Emirates Team New Zealand (T)
 - 18 Arca Challenge (T)
 - 19 Victory Challenge
 - 20 Desafío Español 2007 (T)
 - 21 United Internet Team Germany (T)
 - 22 Mascalzone Latino - Capitalia Team (T)
 - 23 China Team (T)
- T: Tienda | Shop
F: Juegos Interactivos | Interactive

PUNTOS DE RESTAURACIÓN | FOOD & BEVERAGE

- 24 Hamajuku (Japonés | Japanese)
 - 25 Loaded Hog (Pub neoespañol | Neoespañol Pub)
 - 26 Volera (Tapa)
 - 27 Defensor (Sandwiches)
 - 28 Max de Bambow (Cocina de Mercado | Food from the daily markets)
 - 29 Blanco La Terraza (Lounge)
 - 30 Nespresso Bar
 - 31 Estrella Damm Lounge
 - 32 Porto Pasta (Italia no | Italian)
 - 33 Challenger (Bar)
 - 34 Heladería | Ice cream
- TIENDAS | SHOPPING**
- 35 Louis Vuitton Store - Tienda
 - 36 America's Cup Superstore
 - 37 America's Cup Tienda de regalos | Gift Store
 - 38 America's Cup Boutique Edificio Vela e Vents Building Vela e Vents
- Team | Shops (ver Bases de los equipos | see Team bases)

**PARA VER LAS REGATAS Y LOS BARCOS
WATCHING REGATTAS & BOATS**

- 39 Santander Miradores | Viewpoints
 - 40 Buntala gigante y escenario
Giant screen & stage
 - 41 Port America's Cup Mareas
 - 42 Muelle Malvarrosa | Malvarrosa Pier
 - 43 Private charter boats
 - 44 Canal | Canal dock
 - 45 Bancos de espectadores | Spectator boats
 - 46 Port America's Cup Superyacht parking | Pier
- ACTIVIDADES INFANTILES | KIDS ACTIVITIES**
- 47 El Corte Inglés Parque Infantil | Kids playground
 - 48 Aquabona Fuentes | Fountains
 - 49 Laboratorio | Maze 35

JUEGOS | GAMES

- 50 Ajedrez | Chess game
 - 51 Simulador Vela | Sailing
 - 52 Adisco Acepta el desafío
Take the challenge
 - 53 Crinder's mesa
 - 54 Barcos de control remoto
Remote control boats
 - 55 Picnic corner
- TRANSPORTE | TRANSPORTATION**
- 56 Eviteca Visitas eléctricas | Electric visits
 - 57 Alquiler de bicicletas | Bike rental
 - 58 Tren | Train
 - 59 P Parking
- SERVICIOS | SERVICES**
- 60 Ases | Toilets
 - 61 Asistencia Médica | Medical Assistance

Fuente: AC Management (www.americascup.com)

surface of 165,500 square metres. The remodelling of the airport includes an increase in the number of car parking places from 1,280 to 2,854.

Table 8. Other investments by the Central Government for America's Cup 2007

Euros of 2007

	Euros	%
Ministry of Public Works	215,956,157	74.87
Manises Airport	122,000,000	42.30
Roads	32,000,000	11.09
Railways	51,596,157	17.89
Investments by the Ministry of Public Works in Gandía	10,360,000	3.59
Puertos del Estado and Port Authorities	51,800,000	17.96
Valencia	38,332,000	13.29
Gandía	13,468,000	4.67
Refurbishment of Parador del Saler	15,500,000	5.37
State Office for the America's Cup	5,183,274	1.80
TOTAL	288,439,430	100.00

Source: Ministry of Public Works, Revista del Ministerio de Fomento (various issues), National Budget (various years), Spanish State Tourist Hotels, Valencia 2007 Consortium and media.

Investments by the Ministry of Public Works: Roads

The State's investments in roads that can be attributed directly to the America's Cup include principally the improvement of the highway network in the *autovías* V-21 and V-30, to a total amount of 32 million euros (press release of Ministry of Public Administrations 23-03-07 and others from the Ministry of Public Works, as well as Appendices of real investments and multi-year programming, regionalised distribution, of the National Budget).

Actions by the Ministry of Public Works: Railways

Although the investments associated with the *AVE* [high speed train line] are not included, 51.6 million euros corresponding to various actions in railways are included, among them the 16 million euros corresponding to the moving of the Grao-Port of Valencia Installations (press release of Ministry of Public Works, 11th April 2005) and the safety and communications installations on the line between Fuente de San Luís and the Inner Terminals of the Port of Valencia for an amount of 13.7 million euros (press release of Ministry of Public Works, 10th June 2005).

Actions by Ministry of Public Works in Gandía

The Ministry of Public Works undertook two actions to improve the urban accesses to the Port of Gandía and the Nautical Club to an amount of 10.4 million euros. Specifically, it was intended to improve the accesses to the port via the *Avenida de la Pau* and *Calle Daloiz y Velarde*; and to improve the environment in *Calle Rioja* and *Calle Clot de la Mota*.

Actions by Puertos del Estado and Port Authorities

On the basis of the Real Investments Annexe for 2006 and Multi-year Programme of the National Budget of 2006 corresponding to *Puertos del Estado* (Ports of the State) and Port Authorities it has been possible to specify the investments made in Valencia. These amount to 38.3 million euros, and consist of the rehabilitation of the Clock Building (involving 2/3 of the total for the action, the remaining third corresponding to the Valencia 2007 Consortium), the swing bridge over the channel and the final connection over the old harbour mouth. This heading also includes the investments made in the port of Gandía, amounting to 13.5 million euros, according to declarations made by the then minister Jordi Sevilla.

Refurbishment of the State Tourist Hotel of El Saler

The State investment in the refurbishment of the *Parador* of El Saler is 15.5 million euros, according to a press release of the Ministry of Public Administrations of 23rd March 2007.

State Office for the America's Cup

As remarked earlier, the State Office for the America's Cup was created by Royal Decree 1556/2004, of 25th June (BOE 26-06-2004) and is charged with centralising the necessary formalities for the participants and members of the organisation of the America's Cup, and their families, to be duly documented in Spain during the preparation phase and the holding of the regatta. The expenditure allocated for the operation of the Office was 5.2 million euros.

d) Valencia City Council

According to information facilitated by the office of the Mayor of Valencia, the State permitted an initial extra indebtedness of 50.8 million euros in 2005 in order to prepare the city for the holding of the sporting event, to which must be added a second indebtedness of 14 million euros. According to the document modifying the first of the extraordinary credits and credit supplements, of the 50.8 million, 42.3 million were destined for real investments, while the remaining 8.5 correspond to capital transfers. In the case of the second indebtedness, 4.1 million are extraordinary credits, while the remaining 9.9 are credit supplement.

The investments approved by the City are as shown in **table 9**, separately for each of the two debts. In the first case, as shown by the percentage distribution of the total investments, the largest tranches are destined for the rearrangement of traffic flows in the maritime area (*Avenida Baleares* and *Avenida del Puerto*): 10.35 million, 20.4% of the total, the redevelopment of the old city, 7.6 million, the

renovation of pavements and roadways – 6.19 million - and the renovation of the Municipal bus company's fleet of ecologically fuelled vehicles –5.6 million. The rest of the investments are destined for the construction of gardens, urban services in residential districts, restoration of bridges and monuments, construction of sports installations, construction of libraries, etc. In the second debt, the largest tranches are dedicated to the renovation of pavements and roadways –3.2 million- sports installations –3.72 million- construction of day centres –2.45 million-, and construction of gardens and parks –1.62 million.

Table 9. Investments of Valencia City Council for the America's Cup 2007

Euros

a) Initial investment

Type of investment	Euros of 2005	Euros of 2007	%
Construction of gardens in:	1,811,418	1,947,941	3.6%
<i>C/ Economista Gay</i>	112,500	120,979	0.2%
<i>C/ Escultor A. Gabino</i>	81,250	87,374	0.2%
<i>Avenida de Burjasot</i>	25,000	26,884	0.0%
<i>C/ B Esteve, S. Pancraccio, Avda Portugal</i>	100,000	107,537	0.2%
<i>C/ José Mª Trencó</i>	50,000	53,768	0.1%
<i>C/ Toneleros, Pez. J.B. Llorèns, Vid. Blanes</i>	175,000	188,189	0.3%
<i>C/ Valle de la Ballestera</i>	25,000	26,884	0.0%
<i>C/ Plaza Avila</i>	25,000	26,884	0.0%
<i>C/ Doctor Lluch</i>	375,000	403,263	0.7%
<i>C/ Fray J. Serra</i>	208,000	223,677	0.4%
<i>Lavanderia Padre Jofré</i>	634,668	682,502	1.2%
Execution of works in Turia Garden	1,371,000	1,474,330	2.7%
Conexion of <i>Parque de Cabecera</i> and Turia Garden	1,500,000	1,613,052	3.0%
Renovation of bus fleet - ecological fuels	5,600,000	6,022,061	11.0%
Rearrangement of traffic flows in maritim area (<i>Avda. Baleares, Avda. Puerto</i>)	10,347,082	11,126,921	20.4%
Urban services in Old Town:	7,605,000	8,178,174	15.0%
<i>Barrio del Carmen</i>	4,517,150	4,857,599	8.9%
<i>Plaza R. Botet y Adyacentes</i>	2,447,133	2,631,569	4.8%
<i>Plaza del Pilar</i>	309,217	332,522	0.6%
<i>Ruis de Lihory-En sala-Damas-Cardenal Payá-Soledad</i>	331,500	356,484	0.7%
Renovation of pavements and roadways (works)	6,190,270	6,656,818	12.2%
Urban services in city districts (works)	2,266,525	2,437,348	4.5%
Restoration of <i>Torres de Quart</i>	2,133,948	2,294,779	4.2%
Restoration of <i>Puente de Serranos</i>	2,124,354	2,284,462	4.2%
Restoration of <i>Puente de la Trinidad</i>	2,325,403	2,500,664	4.6%
New municipal libraries in Nazaret, Ruzafa and Torrefiel	2,850,000	3,064,799	5.6%
Sports installations	2,650,000	2,849,725	5.2%
<i>Polideportivo Benicalap Sur</i>	1,650,000	1,774,357	3.2%
<i>Football field, Malvarrosa</i>	1,000,000	1,075,368	2.0%
Sports infrastructures	1,630,000	1,752,850	3.2%
<i>Football field, Puente de la Exposición</i>	1,000,000	1,075,368	2.0%
<i>Football field, Rambleta-Benicalap</i>	630,000	677,482	1.2%
Project: Conversion of <i>Plaza de la Almoina</i> into Museum	395,000	424,770	0.8%
TOTAL	50,800,000	54,628,694	100.0%

Table 9. Investments of Valencia City Council for the America's Cup 2007 (cont.)

Euros

b) Further investment

Type of investment	Euros of 2005	Euros of 2007	%
Construction of Day Centre in <i>Tres Forques</i>	2,455,740	2,640,824	17.5%
Construction of CAMP Benimamet	1,320,000	1,419,486	9.4%
Construction of gardens and parks in:	1,625,000	1,747,473	11.6%
<i>Bº Vilanova del Grao</i>	385,000	414,017	2.8%
<i>Bº San José</i>	1,000,000	1,075,368	7.1%
<i>C/ Marchalenes - Dr. Machi</i>	240,000	258,088	1.7%
Remodelling of gardens <i>Avenida de la Plata</i> and surrounds	1,229,673	1,322,351	8.8%
Installation of seats on pavements	300,000	322,610	2.1%
Renovation of pavements and roadways	3,223,587	3,466,542	23.0%
<i>Programme "Valencia 100% accesible"</i>	3,038,964	3,268,005	21.7%
<i>Renovation of pavements and roadways</i>	184,623	198,538	1.3%
Installation of traffic regulation systems	126,000	135,496	0.9%
<i>Installation of traffic lights</i>	126,000	135,496	0.9%
Sports installations	3,720,000	4,000,369	26.6%
<i>New sports centre in Bº Betero</i>	3,000,000	3,226,104	21.4%
<i>Installation of artificial turf, Nazaret football field</i>	720,000	774,265	5.1%
TOTAL	14,000,000	15,055,152	100.0%

Source: Valencia City Council and own elaboration.

e) Gandía City Council

To adapt the city of Gandía to the needs of the America's Cup associated with it being the base of the French team Areva Challenge, the City Council made investments to a value of 15.6 million euros (**table 10**). The actions were aimed at improving the old town and the beach area, at the Museum of the Sea, the Sailing School (through a covenant with the Polytechnic University of Valencia), and the *Balcón al mar* and perimeter promenade of the port. The City Council also carried out a series of actions in publicity and communications, with an annual budget for three years of approximately 500,000 euros, thus spending a total of 1.55 million euros on this item. Gandía City Council's sponsorship of the French team Areva Challenge is not included as expenditure by the former, as its impact has already been considered under the teams' expenditure.

Table 10. Expenditure by Gandía City Council for America's Cup

Euros of 2007

	Euros	%
Investments	15,643,600	90.96
Expenditure on publicity and communications	1,554,000	9.04
TOTAL	17,197,600	100.00

Source: Gandía City Council.

4.2. EXPENDITURE BY THE PARTICIPATING SYNDICATES

One of the major sources of economic impact is the spending of the participating syndicates or teams. Thus, according to the report on the economic impact of the previous edition of the America's Cup (2003) held in Auckland, spending by the syndicates and their communities represented 42.7% of the total expenditure made in the period 2000-2003, the largest expenditure item. It has to be taken into account that in that edition of the America's Cup the total number of teams participating was 10: the Defender (Team New Zealand) and the 9 Challengers. In the 32nd Edition of the America's Cup (Valencia 2007), the total number of teams participating was twelve, the total spending by the participating syndicates consequently being higher.

In order to gather information on spending by the participating teams, a questionnaire (see annex 2) was prepared and sent to 9 of the 12 teams entered, specifically to the first teams to register, whose addresses and contact persons were provided by the Valencia 2007 Consortium. Although it was not possible to obtain information about the teams' budgets (as this is considered confidential), the responses received furnished information that allowed expenditure to be attributed by sectors of activity.

The figures for teams' spending are taken from those published in various media. Although on occasions there are discrepancies between media, we have opted to use the figures where there is greatest agreement in the media and sources consulted.

Table 11 shows the budget available to each of the 12 teams participating in the regattas. The range of variation is between a maximum budget of 120 million for the Alinghi and BMW Oracle teams, followed by 110 million in the cases of Team Luna Rossa and Emirates Team New Zealand, and a minimum value of 35 million in the case of China Team. The total expenditure forecast by the 12 syndicates participating amounted to 835 million euros⁸.

A key variable in estimating the economic impact associated with spending by the teams is the percentage of the budget executed in the Valencia Region. It must be borne in mind that the rules of the America's Cup establish that the design and technology of the boats must come from the country of origin. More specifically, quoting from the Deed of Gift, "Any organized Yacht Club of a foreign country, incorporated, patented, or licensed by the legislature, admiralty, or other executive department, having for its annual regatta an ocean water course on the sea, or on an arm of the sea, or one which combines both, shall always be entitled to the right of sailing a match of this Cup, with a yacht or vessel propelled by sails only and constructed in the country to which the Challenging Club belongs, against any one yacht or vessel constructed in the country of the Club holding the Cup". Moreover,

⁸ In the previous edition of the America's Cup 2003 in Auckland, the spending by participating syndicates (including spending by the syndicates community) was much less, amounting to 223.5 million New Zealand dollars, i.e. 114.7 million euros.

each team's length of stay in Valencia was different, so it is necessary to compute only the part of the expenditure that was made in the Valencia Region.

Table 11. Estimated budget of teams participating in the America's Cup

Millions of euros

Teams	Budget
<i>Defender:</i>	
TEAM ALINGHI	120
<i>Challengers (in order of entry into the competition):</i>	
BMW ORACLE RACING	120
+ 39 CHALLENGE	40
TEAM SHOSHOLOZA	35
EMIRATES TEAM NEW ZEALAND	110
LUNA ROSSA CHALLENGE	110
AREVA CHALLENGE	40
VICTORY CHALLENGE	50
DESAFÍO ESPAÑOL	60
MASCALZONE LSYINO - CAPITALIA TEAM	60
UNITED INTERNET TEAM GERMANY	55
CHINA TEAM	35
Total	835

Source: Own elaboration based on information published in the media.

For this purpose, the questionnaire specifically asked what percentage of the budget was spent in the Valencia Region. On the basis of the responses to this question, we attributed 40% of the teams' total budget to the direct impact, except for the *Desafío Español* which we assumed would spend a higher percentage (say 75%). Consequently, spending by the teams representing an increase in final demand and originating economic impacts in the Valencia Region amounted to 355 million euros (see **table 12**).

Finally, the distribution by items of the expenditure made by the participating syndicates (information which is also taken from the questionnaire) is as shown in **table 13**. Outstanding among the expenditure items are those relating to the marine sector (boat construction, design, maintenance, parts, etc.) and, particularly the construction of infrastructures, which captures 47.5% of the teams' budget. This percentage may seem very high, but it has to be borne in mind that according to the document establishing the terms of the challenge (32nd America's Cup Terms of Challenge) –article 9.5- AC Management shall be responsible for the construction of the outer part or structure of the base. The rest of the expense of finishing and maintaining them is to be borne by the syndicates.

Table 12. Projected expenditure of teams participating in the America's Cup in the Valencia Region

Millions of euros

Teams	Expenditure
<i>Defender:</i>	
TEAM ALINGHI	48
<i>Challengers (in order of entry into the competition):</i>	
BMW ORACLE RACING	48
+ 39 CHALLENGE	16
TEAM SHOSHOLOZA	14
EMIRATES TEAM NEW ZEALAND	44
LUNA ROSSA CHALLENGE	44
AREVA CHALLENGE	16
VICTORY CHALLENGE	20
DESAFÍO ESPAÑOL	45
MASCALZONE LSYINO - CAPITALIA TEAM	24
UNITED INTERNET TEAM GERMANY	22
CHINA TEAM	14
Total	355

Source: Own elaboration.

Table 13. Distribution by sectors of total expenditure of within the Valencia Region

Millions of euros

Sector	%	Expenditure expected
Accommodation (hotels, house rentals, etc.)	10.50	37.28
Catering (restaurants, bars, ...)	1.50	5.33
Transport	1.75	6.21
Shops	1.00	3.55
Leisure	0.50	1.78
Construction	47.50	168.63
Marine sector (construction of boat, design, maintenance, spares, etc.)	27.50	97.63
Media (expenditure on marketing, publicity, etc.)	5.75	20.41
Services to business and families (schools, legal advice, etc.)	1.00	3.55
Others (unspecified)	3.00	10.65
TOTAL	100.00	355.00

Source: Own elaboration and "The Economic Impact of the 2003 America's Cup Defence".

4.3. EXPENDITURE BY VISITORS

The objective of this section is to estimate the tourist spending by visitors to Valencia motivated by the America's Cup. For this purpose, we estimate the tourism expenditure both during the acts held in Valencia in 2004 (Acts 2 and 3 in October 2004), 2005 (Acts 4 and 5 in June 2005), 2006 (Acts 10, 11 and 12 held in May, June and July 2006) and 2007 (Act 13), and during the Louis Vuitton Cup and the America's Cup Match. We also estimate the accumulated expenditure throughout the period 2004-07 covered by the competition.

Estimation of the economic impact associated with the visitors' spending requires information on three variables: the number of visitors to the regattas, the average expenditure per visitor, and the intention of the visit (i.e. whether the motive for the visit to Valencia is the America's Cup).

The information on the number of visits to the regattas is taken directly from the information supplied by the Valencia 2007 Consortium. Specifically, for the pre-regattas held in October 2004 in Valencia, the counting systems (manual) gave a figure of 212,957 visits to the inner harbour of the Port of Valencia, while for the pre-regattas in June 2005 (with counting systems fitted to the magnetic detector gates together with turnstiles for accredited visitors) the figure is 78,087. For Acts 10, 11 and 12, which took place from May to July 2006, the number of visitors was 444,873. For Act 13 in April 2007, the total visits on regatta days reached 230,000. During the Louis Vuitton Cup the cumulative total of visits was 1,044,373, while for the America's Cup Match the figure was 466,010. The cumulative total for the days of regattas held in Valencian waters was 2,476,300⁹.

The second variable necessary for estimating the tourist expenditure is the average expenditure per visitor. For this purpose, various surveys were carried out in the inner basin of the Port of Valencia, specifically on the days of Act 4 (16 to 22 June 2005) and 5 (24 to 26 June 2005); throughout Acts 10, 11 and 12, held in 2006 between 11 May and 2 July; during Act 13 held in April 2007; during the Louis Vuitton Cup (May-June 2007) and, finally, during the America's Cup Match.

So that the surveys would be representative of the "average" visitor to the regattas, they were carried out both on weekdays and at weekends. For the same reason, surveys were also taken on the opening days of each Act as well as on the rest of the days.

The questionnaire, detailed in annex 1, requests information on the visitor's total spend, as well as spending on five items: accommodation, food, shops, leisure and transport. It also contains information on the number of days of the stay in

⁹ This figure is lower than that provided by AC Management on regatta days (3,063,419). We have opted to use the figure based on the daily information provided by the turnstiles augmented by approximately 40% to allow for the visitors who entered the inner basin of the Port of Valencia in vehicles. The information was facilitated by the Valencia 2007 Consortium. The total number of visits to the Port America's Cup is much higher (5,700,000 according to ACM's website) if we consider additionally the visitas on dias when there was no regata. In the report we opt not to consider such days as it is to be expected that the intention of the visit on those days did not correspond strictly to the America's Cup.

Valencia, and on this basis it is possible to estimate the average expenditure per visitor per day.

The third variable necessary for estimating tourist spending is the intention of the visit. Specifically, it is necessary to verify how the America's Cup has influenced the motive for visiting Valencia, since analytical rigour requires that only the tourist expenditure made by visitors whose visit is exclusively, mainly or partly motivated by the holding in Valencia of the America's Cup should be attributed to this sporting event. For this purpose, in the questionnaire the respondent must choose one of the following replies (section B.1 of the questionnaire):

1. *I would not have come if the America's Cup had not been held in Valencia*
2. *I have come to Valencia principally because of the America's Cup, but I would also have come even if the event had not been held in Valencia.*
3. *I have come partly because of the America's Cup, but I would also have come even if the event had not been held in Valencia.*
4. *I have come to Valencia for other reasons (specify).*

In the first case, the America's Cup is the exclusive motive for the visit to Valencia, so the total tourist expenditure is attributed to the holding of the event in Valencia. In the second case, although the America's Cup is the main motive for the visit, the visitor would have come anyway, so we attribute 75% of their tourist spending. In the third case, the holding of the sporting event in Valencia is another reason (but not the only one) for visiting Valencia, so we assume that only 25% of their spending is attributable to the America's Cup. Finally, the visitors who respond that they have come to Valencia for reasons other than the America's Cup are excluded for the purposes of tourist spending.

There is also the possibility that some of the visitors whose intention was not originally to visit the America's Cup (motive 4 of the questionnaire), decided to prolong their stay in Valencia due to the holding of the sporting event. In these cases, the expenditure made by the visitors during the days that they prolong their stay is estimated and added to the spending by visitors whose motive for visiting is indeed the America's Cup.

It is also possible that some people whose reason for visiting is the America's Cup take advantage of their passing through Valencia to visit other areas of the Valencia Region on non-regatta days. In this case, it is necessary to estimate the tourist expenditure during those days and to add it to their spending during their visits to the inner basin of the Port of Valencia (the days they visit the Port will be included in the figures for visits provided by the Valencia 2007 Consortium, but not the days of visits to other areas of the Valencia region)¹⁰.

¹⁰ Question B.6 of the questionnaire (see annex 1) serves this purpose. As well as inquiring whether people have taken advantage of passing through Valencia to visit other areas of the Valencian Region on non-regata days, it asks the number of overnight stays in these areas.

In the following chapters we describe the expenditure by visitors during the different Acts of the America's Cup held in Valencia. In section 4.3.1 we present the estimates based on the survey carried out at the America's Cup Match; in section 4.3.2 the estimates of spending at the Louis Vuitton Cup; in 4.3.3 the estimates for Act 13; in section 4.3.4 those corresponding to the Acts held in 2006; and in section 4.3.5 the estimates of tourist spending associated with Acts 4 and 5 held in Valencia between 16 June and 26 April 2005. For Acts 2 and 3 no surveys are available either for visitors' patterns of consumption or for their typology, so in section 4.3.6 we make an estimation based on information from the survey carried out in 2005. Finally, in section 4.3.7 we present an estimate of cumulative expenditure during the period 2004-07.

4.3.1. EXPENDITURE BY VISITORS TO THE AMERICA'S CUP MATCH (2007)

On the basis of information from over 900 interviews made during regatta days of the America's Cup Match, the following results were obtained:

a) Typology of visitors by origin

Table 14 captures the distribution of visitors to the regattas by their origin. As can be appreciated from the table, 49.17% of the respondents are foreign, while the remaining 50.83% live in Spain. Of the foreigners, the principal countries of origin are Italy (11.07% of total visitors), Switzerland (10.63%), Germany (5.65%), Great Britain (4.65%), New Zealand (3.99%) and France (2.99%); these six countries thus represent 80% of the total of foreign visitors to the regattas.

In the case of Spanish visitors, the largest group is of residents in the Valencia Region (12.18% of the total). Of the rest of the Spanish provinces, notable numbers of visitors came from Madrid (12.18%) and Barcelona (4.54%).

In comparison to the Louis Vuitton Cup, the information in **table 14** reveals an increase in the proportion of foreign visitors (around 28 percentage points) and the corresponding fall in the proportion of Spanish visitors. Particularly outstanding is the increased proportion of visitors from Switzerland and, though to a lesser extent, from New Zealand, since the two teams that competed in the final are from these two countries. There was also a steep fall in the proportion of visitors from the Valencia Region and a steep increase in those from the rest of Spain. This trait is important because, as remarked below, in the estimation of the economic impact the spending by visitors who come from the province of Valencia is excluded, so, as the proportion of the latter decreases, the tourist expenditure attributable to the America's Cup increases.

b) Average expenditure per visitor

The information on the average expenditure per visitor by origin and expenditure item is detailed in **table 15**. In the case of Spanish visitors, the calculation of average expenditure excludes those resident in the province of Valencia, as it is to be expected that they would have spent the same even though the sporting event had not been held in Valencia. As reflected in the table, the daily average

Table 14. Number of visits and percentage distribution by origin

Origin	Acts 4 & 5 (2005)	Acts 10, 11 & 12 (2006)	Act 13 (2007)	Louis Vuitton Cup (2007)	America's Cup Match (2007)
Number of visits:	78,087	444,873	230,000	1,044,373	466,010
Distribution (%):					
Spanish visitors	84.66	79.80	36.74	78.90	50.83
Valencia Region	72.19	66.34	19.29	58.90	12.18
Madrid	3.47	5.04	7.94	7.36	12.18
Barcelona	1.16	2.08	2.27	1.98	4.54
Rest of Spain	7.85	6.35	7.23	10.66	21.93
Foreign visitors	15.34	20.20	63.26	21.10	49.17
Italy	3.83	4.38	15.32	9.67	11.07
Great Britain	2.37	2.68	0.14	2.31	4.65
Germany	0.61	2.30	9.08	1.65	5.65
France	2.37	1.75	9.65	1.87	2.99
Switzerland	1.70	1.75	9.22	1.87	10.63
United States	0.91	1.48	7.38	0.88	1.99
Sweden	0.06	0.22	4.40	0.22	0.11
New Zealand	0.79	0.77	4.11	0.77	3.99
Other countries	2.68	4.87	3.97	1.87	8.08
Total	100.00	100.00	100.00	100.00	100.00

Source: Own elaboration.

expenditure by Spanish visitors to the America's Cup Match was 147.2 euros, the largest component being expenditure on accommodation (53.27 euros per day) and on food (41.23 euros). It has to be borne in mind that a not insignificant percentage of visitors (particularly Spaniards) stay with family and/or friends, which accounts for the low level of spending on accommodation¹¹. In the case of foreigners, the daily expenditure is somewhat higher (150.76 euros), accommodation and shopping being the most substantial components.

In relation to the Louis Vuitton Cup, the spending of those attending the final phase of the competition in the America's Cup Match is higher, both in the case of Spanish visitors (147.2 v. 125 euros) and especially in that of foreigners (150.76 v 117.74).

Table 16 shows the percentage distribution of the visitors according to sleeping accommodation and place of origin. For the total of visitors (Spanish and foreign) to the America's Cup Match, the main place of accommodation is in the home of family and friends (33.20%). The hotel is second in importance (48.25% of the total), principally in hotels of three (18.82%) and four (20,03%) stars. Of other types of

¹¹ Also, the datum refers to the average spending on accommodation in different types of establishment (hotel, rented apartment, guest house, hostel, homes of family and friends, etc.).

Table 15. Average daily spending per visitor by origin and expenditure

Current euros

Expenditure item	Acts 4 & 5 (2005)				Acts 10, 11 & 12 (2006)				Act 13 (2007)				Louis Vuitton Cup (2007)				America's Cup Match (2007)			
	Spanish visitors (excluding those from Valencia province)		Foreign visitors		Spanish visitors (excluding those from Valencia province)		Foreign visitors		Spanish visitors (excluding those from Valencia province)		Foreign visitors		Spanish visitors (excluding those from Valencia province)		Foreign visitors		Spanish visitors (excluding those from Valencia province)		Foreign visitors	
	Euros	%	Euros	%	Euros	%	Euros	%	Euros	%	Euros	%	Euros	%	Euros	%	Euros	%	Euros	%
Acomodation	14.44	19.96	25.92	31.38	42.65	41.26	55.80	30.75	11.62	11.71	95.72	33.54	16.66	13.33	31.47	26.73	53.27	36.19	64.33	42.67
Food	28.07	38.80	21.24	25.71	28.61	27.68	36.79	20.27	42.92	43.27	60.86	21.32	57.11	45.69	36.31	30.84	41.23	28.01	35.67	23.66
Shops	13.94	19.27	11.80	14.29	11.69	11.31	44.62	24.59	14.80	14.92	34.03	11.92	20.99	16.79	22.53	19.13	22.71	15.43	23.34	15.48
Leisure	6.00	8.29	4.28	5.19	16.52	15.98	32.28	17.79	19.44	19.60	62.12	21.77	15.14	12.12	16.46	13.98	21.63	14.70	18.22	12.09
Transport	9.89	13.68	19.36	23.43	3.89	3.76	11.98	6.60	10.41	10.50	32.69	11.45	15.09	12.07	10.97	9.32	8.36	5.68	9.20	6.10
TOTAL	72.33	100.00	82.60	100.00	103.37	100.00	181.47	100.00	99.19	100.00	285.41	100.00	125.00	100.00	117.74	100.00	147.20	100.00	150.76	100.00

Source: Own elaboration.

Table 16. Distribution of visitors by origin and place of accomodation

Percentage

	Acts 4 and 5 (2005)			Acts 10, 11 and 12 (2006)			Act 13 (2007)			Louis Vuitton Cup (2007)			America's Cup Match (2007)		
	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors
Hotels	40.82	59.18	51.02	51.91	64.66	59.63	28.57	76.18	66.13	46.10	54.10	50.76	41.82	52.96	48.25
1 star	0.00	0.41	0.23	2.13	4.02	3.24	0.00	0.45	0.35	2.13	6.01	4.28	2.52	3.55	3.09
2 stars	1.02	6.12	3.85	5.11	5.46	5.28	5.04	9.44	8.51	4.96	7.65	6.42	1.89	4.26	3.23
3 stars	12.24	22.86	18.14	20.43	21.55	20.95	10.92	27.87	24.29	13.48	19.13	16.51	16.35	20.57	18.82
4 stars	23.98	24.90	24.49	21.28	27.30	25.21	10.08	30.56	26.24	19.86	18.03	19.27	18.24	21.28	20.03
5 stars	3.57	4.90	4.31	2.98	6.32	4.94	2.52	7.87	6.74	5.67	3.28	4.28	2.83	3.31	3.09
Other types of accomodation	59.18	40.82	48.98	48.09	35.34	40.37	71.43	23.82	33.87	53.90	45.90	49.24	58.18	47.04	51.75
Home of family, friends, ...	47.45	19.59	31.97	35.74	19.83	26.24	63.03	12.36	23.05	40.43	20.77	29.05	43.08	25.77	33.20
Guest house, hostel	3.57	6.53	5.22	5.53	8.05	6.98	5.04	11.01	9.75	3.55	14.21	9.48	3.77	8.04	6.18
Rented apartment	5.61	13.88	10.20	4.26	5.75	5.11	1.68	0.45	0.71	5.67	9.29	7.65	5.66	7.09	6.45
Boat	2.55	0.82	1.59	0.43	1.15	0.85	1.68	0.00	0.35	4.26	1.64	3.06	5.66	6.15	5.91
Own home / Camping	-	-	-	2.13	0.57	1.19	-	-	-	-	-	-	-	-	-
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Own elaboration.

accommodation, 6.18% sleep in guest houses or hostels, 6.45% in rented apartments, and 5.91% sleep in boats. The distinction by place of origin shows a higher percentage of foreign residents staying in hotels (52.96% as against 41.82% of Spaniards) and a higher percentage of Spanish residents staying with family and/or friends. In comparison with the Louis Vuitton Cup, there is a notable increase in the percentage of foreign visitors who are accommodated on boats.

c) Intention of visit

As remarked above, it is necessary to compute as tourist expenditure only that associated with visitors whose motive for visiting Valencia is, to a greater or lesser extent, the holding of the America's Cup. With this aim, **table 17** shows the distribution of visitors according to the intention of their visit, according to the four motives described in previous paragraphs.

In the case of Spanish visitors (excluding those from Valencia) to the America's Cup Match, 40% responded that they were attending the regattas for reasons other than the holding of the sporting event in Valencia, while the remaining 60% attended, to a greater or lesser extent, because of the America's Cup. More specifically, 51.56% of the total number of Spanish visitors responded that the America's Cup was the exclusive motive for their visit, 2% responded that they came to Valencia principally because of the America's Cup (though they would have attended even if the regattas had not been held in Valencia), and 6.44% said they came to Valencia partly because of the nautical competition.

In the case of the foreign visitors, the intention of the visit relating to the America's Cup (motives 1, 2 and 3) is higher (71.85% as against 60% of the Spanish visitors), while the percentage of visitors who responded that they were visiting Valencia for other motives was 28.15%. It is noteworthy that 55.86% of the foreign visitors were visiting Valencia exclusively as a consequence of the nautical competition being held in the city.

If we compare the intention of the visit with that corresponding to the Louis Vuitton Cup, we can appreciate an increase of nearly 15 percentage points for the America's Cup as motive for the visit to Valencia, as a consequence of this being the final phase of the competition. This increase in the intentionality of the visit is common to both Spanish visitors and foreigners, though there is a notably greater increase of Spanish visitors whose sole and exclusive reason for visiting Valencia is the holding of the sporting event.

d) Estimation of visitors' expenditure attributable to the America's Cup

Visitors' spending is estimated on the basis of the information on the number of visits to the inner basin of the Port of Valencia and the daily expenditure per visit. In the case of Spanish visitors not resident in Valencia (see **table 18**), the total spending during the America's Cup Match came to 38.16 million euros

However, as remarked above, from the total expenditure we have to eliminate that corresponding to visitors to Valencia for motives other than the America's Cup, and suitably weight the spending of the visitors who came to Valencia mainly (response

Table 17. Percentage distribution of visitors by intention of visit to the America's Cup Valencia 2007

Motive for visiting Valencia	Acts 4 & 5 (2005)			Acts 10, 11 & 12 (2006)			Act 13 (2007)			Louis Vuitton Cup (2007)			America's Cup Match (2007)		
	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors	Spanish visitors (excluding those from Valencia province)	Foreign visitors	Total visitors
I wouldn't have come if it hadn't been held in Valencia	20.77	29.37	24.89	29.90	45.80	38.66	27.48	63.68	55.46	32.89	47.92	39.81	51.56	55.86	53.69
I've come mainly because of the America's Cup	8.85	10.71	9.74	6.31	6.23	6.27	3.05	17.04	13.86	0.44	2.08	1.20	2.00	9.91	5.93
I've come partly because of the America's Cup	8.08	8.33	8.20	3.99	4.61	4.33	22.14	3.81	7.97	11.11	9.38	10.31	6.44	6.08	6.26
I've come to Valencia for other reasons	62.31	51.59	57.17	59.80	43.36	50.75	47.33	15.47	22.70	55.56	40.63	48.68	40.00	28.15	34.12
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Own elaboration.

Table 18. Expenditure by Spanish visitors (excluding residents in Valencia province) attributable to America's Cup Valencia 2007

Current euros

Motive for visiting Valencia	Acts 4 and 5 (2005)			Acts 10, 11 and 12 (2006)			Act 13 (2007)			Louis Vuitton Cup (2007)			America's Cup Match (2007)		
	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup
I wouldn't have come if it hadn't been held in Valencia	90.23	244,036	244,036	135.86	3,026,918	3,026,918	130.80	1,536,204	1,536,204	134.56	11,681,839	11,681,839	121.45	14,670,210	14,670,210
I've come mainly because of the America's Cup	102.58	118,165	88,624	67.38	316,933	237,699	49.25	64,270	48,202	-	-	-	75.00	351,443	263,582
I've come partly because of the America's Cup	62.47	65,708	16,427	84.75	251,752	62,938	88.72	839,367	209,842	99.94	2,931,286	732,822	485.00	7,323,026	1,830,756
I've come to Valencia for other reasons	63.64	516,345	0	92.96	4,142,105	0	80.28	1,623,775	0	124.80	18,300,818	0	168.80	15,819,610	0
TOTAL	72.33	944,254	349,087	103.37	7,737,707	3,327,555	99.19	4,063,616	1,794,248	125.00	32,913,944	12,414,660	147.20	38,164,288	16,764,548

Source: Own elaboration.

2 of the questionnaire) or partly (response 3) because of the sporting event but who would have come to Valencia anyway even without the America's Cup. Specifically, we compute 75% of the spending if the respondent gives motive 2 and 25% if s/he chooses response 3. With these assumptions, as shown in the last column of **table 18**, the spending by Spanish visitors attributable to the America's Cup is 16.76 million euros. In the case of foreign visitors, the expenditure during regatta days amounted to 34.3 million euros. Using the assumptions mentioned in the preceding paragraph, the spending attributable to the sporting event is 22.9 million euros (see **table 19**).

To the spending by Spanish and foreign visitors estimated above, two further sources of expenditure have to be added: 1) spending by visitors whose intention was not the America's Cup (motive 4 of the questionnaire) but who decided to extend their stay in Valencia because the competition was being held; and 2) the tourist expenditure of those whose intention was to visit the America's Cup and who took advantage of their stay in Valencia to visit other areas of the Valencia Region on days when they were not attending regattas.

In the first case, the information detailed in **table 20** shows that 0.56% of the Spanish visitors to Valencia for motives other than the America's Cup (motive 4 of the questionnaire) decided to prolong their stay in Valencia, this percentage being higher (5.60%) in the case of foreign visitors. These percentages, multiplied by the number of visits to the inner basin of the Port of Valencia, provide the number of visits whose motive was not the America's Cup (row 1). Taking into account the average stay of each type of visitor (row 2), row 3 gives the number of visitors (not of visits). If the number of visitors is multiplied by the number of days that the stay is extended (1 day for Spanish visitors and 3 for foreigners), we obtain the total of "extra" days in Valencia (row 5), which multiplied by the average daily expenditure (row 6) finally gives the total tourist expenditure for this motive (row 7). Thus, as shown in the last row of **table 20**, the tourist expenditure to be added amounts to 418,065 euros.

In the second case, **table 21** gives the steps necessary for estimating the spending by visitors whose intention is to visit the America's Cup (motives 1, 2 and 3 of the questionnaire) and who take advantage of being in Valencia to visit other areas of the Valencia Region on days when they are not attending regattas. Using the information from the surveys carried out, as well as the figure of visits to the regattas, the tourist spending on this item attributable to the sporting event amounts to 641,738 euros.

In total then, if we add together the three types of spending described in the preceding paragraphs (spending by visitors, extra spending due to extension of visit, and extra spending due to visits to other areas of the Valencia Region), the total tourist spending during the holding of the America's Cup Match amounts to 75,551,539 euros, though the spending attributable to the holding of the regattas is 40,717,260 euros (see **table 22**).

Table 19. Expenditure by foreign visitors attributable to America's Cup Valencia 2007

Current euros

Motive for visiting Valencia	Acts 4 & 5 (2005)			Acts 10, 11 & 12 (2006)			Act 13 (2007)			Louis Vuitton Cup (2007)			America's Cup Match (2007)		
	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup	Average daily expenditure	Total expenditure	Expenditure attributable to America's Cup
I wouldn't have come if it hadn't been held in Valencia	95.39	335,485	335,485	186.90	7,691,348	7,691,348	328.80	30,464,275	30,464,275	143.28	15,128,151	15,128,151	154.98	19,835,632	19,835,632
I've come mainly because of the America's Cup	121.09	155,389	116,542	158.50	887,676	665,757	216.63	5,371,173	4,028,380	219.00	1,005,352	754,014	154.63	3,511,178	2,633,384
I've come partly because of the America's Cup	63.19	63,070	15,768	262.18	1,085,285	271,321	192.95	1,070,120	267,530	109.39	2,259,830	564,957	121.69	1,695,576	423,894
I've come to Valencia for other reasons	69.05	426,662	0	170.75	6,652,326	0	99.00	2,228,553	0	86.59	7,751,543	0	142.76	9,209,245	0
TOTAL	82.60	980,606	467,794	181.47	16,316,635	8,628,426	285.41	39,134,121	34,760,185	117.74	26,144,877	16,447,123	150.76	34,251,631	22,892,909

Source: Own elaboration.

Table 20. Expenditure by visitors who did not originally intend to visit the America's Cup but prolonged their stay in Valencia due to this event

		Acts 4 & 5 (2005)	Acts 10, 11 & 12 (2006)	Act 13 (2007)	Louis Vuitton Cup (2007)	America's Cup Match (2007)
Spanish visitors (excluding those from Valencia province)						
% visitors who prolong their stay		6.79%	2.78%	3.23%	0.00%	0.56%
Number of visits not motivated by the America's Cup	(1)	551	1,238	652	-	521
Average stay	(2)	5.7	3.8	4.5	-	15.0
Number of visits not motivated by the America's Cup	(3)=(1)/(2)	96	326	145	-	34.7
Average number days of extension of stay	(4)	2.3	1.2	1.0	-	8.0
Number of visits during extension of stay	(5)=(3)*(4)	224	391	145	-	278
Daily expenditure of visits not motivated by America's Cup (euros)	(6)	63.64	92.96	80.28	124.80	168.80
Total expenditure of visits during extension of stay (current euros)	(7)=(5)*(6)	14,284	36,334	11,640	-	46,873
Foreign visitors						
% visitors who prolong their stay		14.84%	6.25%	17.39%	0.00%	5.60%
Number of visits not motivated by the America's Cup	(1)	917	2,435	3,915	-	3,612
Average stay	(2)	8.8	8.4	7.8	-	8.9
Number of visits not motivated by the America's Cup	(3)=(1)/(2)	104	290	505	-	408
Average number days of extension of stay	(4)	4.9	2.9	2.1	-	6.4
Number of visits during extension of stay	(5)=(3)*(4)	512	850	1,082	-	2,600
Daily expenditure of visits not motivated by America's Cup (euros)	(6)	69.05	170.75	99.00	86.59	142.76
Total expenditure of visits during extension of stay (current euros)	(7)=(5)*(6)	35,336	145,190	107,163	-	371,192
Total visitors						
Total expenditure of visits during extension of stay (current euros)		49,619	181,524	118,803	-	418,065

Source: Own elaboration.

4.3.2. EXPENDITURE BY VISITORS TO THE LOUIS VUITTON CUP (2007)

The results obtained from the surveys carried out during the holding of the Louis Vuitton Cup are as follows:

a) Typology of visitors by origin

As can be appreciated in **table 14**, 21.10% of the respondents are foreigners, while the remaining 78.90% live in Spain. Of the foreigners, the principal countries of origin are Italy (9.67% of total visitors), Great Britain (2.31%), Switzerland (1.87%) and France (1,87%).

In the case of Spanish visitors, the largest group is of residents in the Valencia Region (58.90% of the total). Of the rest of the Spanish provinces, notable numbers of visitors came from Madrid (7.36%) and Barcelona (1.98%).

In comparison to the days of regattas in the America's Cup Match, the percentage of foreign visitors is much lower, the opposite occurring with Spanish visitors. This result may be explained by the fact that the Louis Vuitton Cup is a longer competition (nearly three months as against less than ten days for the America's Cup Match) in which the presence of Spanish visitors (above all from the Valencia Region) was much greater. The high point of the competition, on the other hand, attracts a greater number of foreign visitors interested in the world of sailing.

b) Average expenditure per visitor

The information on the average expenditure per visitor by origin and expenditure item is detailed in **table 15**. As remarked above, the average spending by Spanish visitors excludes those resident in the province of Valencia. As reflected in the table, the daily average expenditure by Spanish and foreign visitors is 125 and 117.7 euros, respectively. It stands out that on these days of competition the average spending of foreign visitors was very similar to that of Spanish visitors, indicating that, on average in nearly three months of regattas, a foreign public of lower purchasing power was attracted.

Table 16 shows the percentage distribution of the visitors according to place of accommodation and place of origin. For the total of visitors (Spanish and foreign), the principal place of accommodation was the hotel (50.76%), principally three star (16.51% of the total) and four star (19.27%) hotels. Of other types of accommodation, 29.05% of the visitors stayed with family and/or friends, 9.48% slept in guest houses or hostels, 7.65% in rented apartments, while 3.06% were accommodated on boats. The distinction between visitors by place of origin shows a higher percentage of foreigners staying in hotels (54.0%) and a higher percentage of Spaniards staying with family and/or friends.

c) Intention of visit

Table 17 shows the distribution of Spanish visitors according to the intention of their visit, according to the four motives described in previous paragraphs. Thus, 55.56% of the Spanish visitors responded that they were attending the regattas for

reasons other than the holding of the sporting event in Valencia, while the remaining 44.44% were attending because of the America's Cup. More specifically, 32.89% of the total number of Spanish visitors responded that the America's Cup was the exclusive motive for their visit, 0.44% responded that they came to Valencia principally because of the America's Cup (though they would have attended even if the regattas had not been held in Valencia), and 11.11% said they came to Valencia partly because of the nautical competition.

In the case of the foreign visitors, the intention of the visit relating to the America's Cup (motives 1, 2 and 3) is higher (59.37%, as against 44.44% of the Spanish visitors), while the percentage of visitors who responded that they were visiting Valencia for other motives was 40.63%. It is noteworthy that 47.92% of the foreign visitors were visiting Valencia exclusively as a consequence of the nautical competition being held in the city.

In comparison with Act 13, in the Louis Vuitton Cup there is a fall in the intention of the visit being motivated by the competition, perhaps as a consequence of the large number of competition days.

d) Estimation of visitors' expenditure attributable to the America's Cup

Visitors' spending is estimated on the basis of the information on the number of visits to the inner basin of the Port of Valencia and the daily expenditure per visit. In the case of Spanish visitors not resident in Valencia (see **table 18**), the total spending during the America's Cup Match came to 32.9 million euros, though that attributed to the America's Cup is less (12,414,660 euros).

In the case of foreign visitors, the expenditure during regatta days amounted to 26.1 million euros, 16.4 million euros being attributable to the sporting event (see **table 19**).

As reflected in **tables 20** and **21**, during the races of the Louis Vuitton Cup no respondents said they visited other places in the Valencia Region on non-regatta days or extended their stay in Valencia because of the sporting events, so the total of the tourist spending attributable to the America's Cup (**table 22**) amounts to 28.9 million euros (total tourist spending was 59.1 million euros).

4.3.3. EXPENDITURE BY VISITORS TO ACT 13 (2007)

Based on the information obtained from the surveys made during the days of the regattas of Act 13, the following results have been obtained:

a) Typology of visitors by origin

As can be appreciated in **table 14**, 63.26% of the respondents are foreign, while the remaining 36.74% reside in Spain. Of the foreigners, the principal countries of origin are Italy (15.32% of the total of visitors), France (9.65%), Switzerland (9.22%), Germany (9.08%) and the United States (7.38%).

Table 21. Expenditure by visitors motivated by the America's Cup who visit other places in the Valencia Region on non-regatta days

	Acts 4 & 5 (2005)			Acts 10, 11 & 12 (2006)			Act 13 (2007)			Louis Vuitton Cup (2007)			America's Cup Match (2007)		
	Wouldn't have come if it had not been held in Valencia	I have come mainly because of the America's Cup	Total	Wouldn't have come if it had not been held in Valencia	I have come mainly because of the America's Cup	Total	Wouldn't have come if it had not been held in Valencia	I have come mainly because of the America's Cup	Total	Wouldn't have come if it had not been held in Valencia	I have come mainly because of the America's Cup	Total	Wouldn't have come if it had not been held in Valencia	I have come mainly because of the America's Cup	Total
Spanish visitors (excluding those from Valencia province)															
% of visitors who visit other areas of the Valencia Region	5.41%	9.09%	-	8.89%	26.32%	-	11.11%	-	-	11.38%	60.00%	-	5.17%	22.22%	-
Number of visits (1)	146	105	251	1,980	1,238	3,218	1,305	-	1,305	9,877	704	10,581	6,248	1,041	7,289
Average stay (2)	2.3	4.2	-	6.6	6.0	-	24.8	-	-	32.7	-	-	16.2	15.0	-
Number of visitors who visit other areas of the Valencia Region (3)=(1)/(2)	64	25	89	299	206	505	53	-	53	302	-	302	386	69	456
Average star in other areas of the Valencia Region (4)	1.0	1.0	-	5.9	2.4	-	0.5	-	-	0.0	-	-	0.8	2.0	-
Number of extra visits (5)=(3)*(4)	64	25	89	1,756	495	2,251	26	-	26	0	-	0	290	139	429
Average daily expenditure (euros) (6)	90.23	102.58	-	135.86	67.38	-	130.80	49.25	-	134.56	-	-	121.45	75.00	-
Extra expenditure for visits to other areas of the Valencia Region (7)=(5)*(6)	5,771	2,547	8,318	238,600	33,361	271,961	3,448	-	3,448	0	-	0	35,202	10,413	45,615
Extra expenditure attributable to the America's Cup (current euros) (8)	5,771	1,910	7,681	238,600	25,021	263,621	3,448	-	3,448	0	-	0	35,202	7,810	43,012
Foreign visitors															
% of visitors who visit other areas of the Valencia Region	13.11%	25.00%	-	14.79%	34.78%	-	9.86%	17.11%	-	14.13%	75.00%	-	14.11%	31.82%	-
Number of visits (1)	461	321	782	6,087	1,948	8,035	9,135	4,241	13,376	14,920	3,443	18,363	18,062	7,225	25,287
Average stay (2)	7.8	8.3	-	5.8	8.6	-	8.6	8.4	-	50.8	69.7	-	11.0	7.4	-
Number of visitors who visit other areas of the Valencia Region (3)=(1)/(2)	59	39	98	1,042	226	1,268	1,066	506	1,572	293	49	343	1,646	982	2,628
Average star in other areas of the Valencia Region (4)	2.0	2.0	-	3.2	2.9	-	0.7	0.5	-	0.0	0.0	-	1.5	1.9	-
Number of extra visits (5)=(3)*(4)	118	77	195	3,294	649	3,943	761	233	995	0	0	0	2,446	1,894	4,340
Average daily expenditure (euros) (6)	95.39	121.09	-	186.90	158.50	-	328.80	216.63	-	143.28	219.00	-	154.98	154.63	-
Extra expenditure for visits to other areas of the Valencia Region (7)=(5)*(6)	11,250	9,365	20,615	615,644	102,919	718,563	250,293	50,574	300,867	0	0	0	379,083	292,856	671,940
Extra expenditure attributable to the America's Cup (current euros) (8)	11,250	7,024	18,274	615,644	77,189	692,834	250,293	37,930	288,224	0	0	0	379,083	219,642	598,726
Total visitors (excluding those from Valencia province)															
Total expenditure of visitors who prolong their stay (current euros)	17,021	8,934	25,955	854,244	102,210	956,455	253,742	37,930	291,672	0	-	0	414,285	219,642	641,738

Source: Own elaboration.

Table 22. Total expenditure by visitors to Acts 4, 5, 10, 11, 12, 13, Louis Vuitton Cup and America's Cup Match

Current euros

	Acts 4 & 5 (2005)			Acts 10, 11 & 12 (2006)			Act 13 (2007)			Louis Vuitton Cup (2007)			America's Cup Match (2007)		
	Spanish visitors	Foreign visitors	Total	Spanish visitors	Foreign visitors	Total	Spanish visitors	Foreign visitors	Total	Spanish visitors	Foreign visitors	Total	Spanish visitors	Foreign visitors	Total
Total expenditure															
Expenditure by visitors	944,254	980,606	1,924,860	7,737,707	16,316,635	24,054,342	4,063,616	39,134,121	43,197,737	32,913,944	26,144,877	59,058,820	38,164,288	34,251,631	72,415,919
Extra expenditure due to extension of visit	14,284	35,336	49,619	36,334	145,190	181,524	11,640	107,163	118,803	-	-	0	46,873	371,192	418,065
Extra expenditure for visiting other areas of Valencia Region	8,318	20,615	28,933	271,961	718,563	990,525	3,448	300,867	304,315	0	0	0	45,615	671,940	717,555
Total expenditure	966,856	1,036,556	2,003,412	8,046,003	17,180,388	25,226,391	4,078,704	39,542,151	43,620,856	32,913,944	26,144,877	59,058,820	38,256,777	35,294,762	73,551,539
Expenditure attributable to America's Cup															
Expenditure by visitors	349,087	467,794	816,881	3,327,555	8,628,426	11,955,981	1,794,248	34,760,185	36,554,433	12,414,660	16,447,123	28,861,784	16,764,548	22,892,909	39,657,458
Extra expenditure due to extension of visit	14,284	35,336	49,619	36,334	145,190	181,524	11,640	107,163	118,803	-	-	0	46,873	371,192	418,065
Extra expenditure for visiting other areas of Valencia Region	7,681	18,274	25,955	263,621	692,834	956,455	3,448	288,224	291,672	0	0	0	43,012	598,726	641,738
Expenditure attributable to America's Cup	371,052	521,403	892,456	3,627,510	9,466,449	13,093,960	1,809,336	35,155,572	36,964,908	12,414,660	16,447,123	28,861,784	16,854,433	23,862,827	40,717,260

Source: Own elaboration.

The largest group of Spanish visitors is of residents in the Valencia Region (19.29% of the total). The largest number of visitors from the rest of Spain is those from Madrid (7.94%).

Compared to the Acts held in Valencia in 2006 (Acts 10, 11 and 12), there is a considerable increase in the proportion of foreign visitors as a consequence of this being a more advanced stage of the competition, just before the start of the competition to decide which challenger will face the defending team.

b) Average expenditure per visitor

Information on the average spending per visitor by origin and items of expenditure is detailed in **table 15**. As remarked earlier, the average spending of the Spanish visitors excludes those resident in the province of Valencia. As reflected in the table, the daily average spending by Spanish and foreign visitors is 99.19 and 285.41 euros, respectively. This is the Act in which the average spending of the foreign visitors is greatest, perhaps because of the concentration of the competition in only 5 consecutive days of regattas (from 3 to 7 April 2007).

Table 16 shows the percentage distribution of the visitors according to place of accommodation and place of origin. For the total of visitors (Spanish and foreign), the principal place of accommodation was the hotel (66.13%), principally three star (24.29% of the total) and four star (26.24%) hotels. Of other types of accommodation, 23.87% of the visitors stayed with family and/or friends, 9.75% in rented apartments, and 0.71% slept in guest houses or hostels, while only 0.35% was accommodated on boats. (76.18% as against 28.57% of Spanish visitors). It is once again noticeable that in Act 13 the foreign tourism linked to the America's Cup is of higher quality, as shown by the high percentage of foreigners staying in hotels (this Act achieved the highest percentage of overnight stays in 5 star hotels).

c) Intention of visit

Table 17 shows the distribution of Spanish visitors according to the intention of their visit, according to the four motives described in previous paragraphs. Thus, 52.67% of the Spanish visitors responded that they were attending the regattas for reasons other than the holding of the sporting event in Valencia, while the remaining 47.33% were attending because of the America's Cup. More specifically, 27.48% of the total number of Spanish visitors responded that the America's Cup was the exclusive motive for their visit, 3.05% responded that they came to Valencia principally because of the America's Cup (though they would have attended even if the regattas had not been held in Valencia), and 22.04% said they came to Valencia partly because of the nautical competition.

In the case of the foreign visitors, the intention of the visit relating to the America's Cup (motives 1, 2 and 3) is much higher (84.53%, as against 52.67% of the Spanish visitors), while the percentage of visitors who responded that they were visiting Valencia for other motives was low (15.47%). It is noteworthy that 63.68% of the foreign visitors were visiting Valencia exclusively as a consequence of the nautical competition being held in the city.

In comparison to the earlier Acts held in Valencia in 2006, the intention to visit Act 13 because of the competition is much higher (particularly among the foreign visitors), which shows the importance of the sporting event as a focus of attraction for tourists as the competition progressed.

d) Estimation of visitors' expenditure attributable to the America's Cup

Visitors' spending is estimated on the basis of the information on the number of visits to the inner basin of the Port of Valencia and the daily expenditure per visit. In the case of Spanish visitors not resident in Valencia (see **table 18**), the total spending during the five days of pre-regattas in Act 13 amounted to 4.1 million euros, though that attributed to the America's Cup is less (1.8 million).

In the case of foreign visitors, the expenditure during Act 13 amounted to 39.1 million euros, a large part of this expenditure (34.8 million) being attributable to the sporting event as a consequence of the high proportion of visits motivated by the America's Cup (see **table 19**).

The additional consideration of the spending by visitors whose intention was not initially to visit the America's Cup but who decided to prolong their stay in Valencia in order to see the competition (118,803 euros, **table 20**) and of the tourist spending by visitors whose intention was to visit the America's Cup and who took advantage of their stay in Valencia to visit other areas of the Valencia Region on days when they were not attending the pre-regattas (291,672 euros, **table 21**), raises the total figure of tourist spending during Act 13 to 43.6 million euros, though the spending attributable to the holding of the Act in Valencia is nearly 37 million euros (see **table 22**).

4.3.4. EXPENDITURE BY VISITORS TO ACTS 10, 11 AND 12 (YEAR 2006)

Based on the information obtained from the surveys made during the 22 days of regattas of Acts 10, 11 and 12, the following results have been obtained:

a) Typology of visitors by origin

Table 14 shows the distribution of visitors to the regattas by place of origin. As can be appreciated from the table, 20.20% of the respondents are foreign, while the remaining 79.80% reside in Spain. Of the foreigners, the principal countries of origin are Italy (4.38% of the total of visitors), Great Britain (2.68%), Germany (2.3%), France (1.75%), Switzerland (1.75%) and the United States (1.48%); these six countries therefore represent 70% of the total of foreign visitors to the regattas.

In the case of Spanish visitors, the most numerous group is of residents in the Valencia Region (66.34% of the total) and, in particular, those resident in the province of Valencia (63.05%). Of the rest of the Spanish provinces, the visitors from Madrid (5.04%) and Barcelona (2.08%) stand out.

Compared to the earlier Acts 4 and 5 held in Valencia in 2005, the information in **table 14** shows an increase in the proportion of foreign visitors (by around 5

percentage points) and the consequent fall in that of Spanish visitors. More specifically, the increase in the share of foreign visitors occurs principally at the expense of the fall in numbers of Spanish visitors from the province of Valencia. This feature is important and will be one of the explanations for the increase in the tourist spending by the visitors to the America's Cup, as the average daily expenditure of the foreign visitors is greater than that of Spanish visitors. Furthermore, as mentioned in the following section, the estimate of the impact excludes spending by visitors from the province of Valencia, so that, as the latter's relative importance diminishes, the tourist spending attributable to the America's Cup rises.

b) Average expenditure per visitor

Information on the average spending per visitor by origin and items of expenditure is detailed in **table 15**. In the case of Spanish visitors, the calculation of average spending excludes those resident in the province of Valencia as it is foreseeable that they would have spent the same even if the sporting event had not been held in Valencia. As reflected in the table, the daily average spending by Spanish visitors to the Acts held in 2006 was 103.37 euros, the most important component being accommodation (42.65 euros per day) and food (28.61 euros). It has to be taken into account that a high percentage of Spanish visitors stayed with family and/or friends, which explains the low spending on accommodation. In the case of foreign visitors, the daily expenditure is much higher (181.47 euros), accommodation and shopping being the most important components. Also notable is the foreigners' higher spending on leisure (32.28 euros a day, as against 16.52 by Spanish visitors).

In comparison to Acts 4 and 5 held in Valencia in 2005, the spending by visitors to the pre-regattas held in 2006 is much higher, both in the case of Spanish visitors (103.37 euros v 72.33 euros) and especially of foreigners (181.47 v. 82.6). As well as the greater number of visitors in 2006 than in 2005, the higher daily expenditure of the visitors is another explanation for the higher economic impact of visitors in 2006 compared to 2005.

Table 16 shows the percentage distribution of the visitors according to place of accommodation and place of origin. For the total of visitors (Spanish and foreign) to Acts 10, 11 and 12, the principal place of accommodation was the hotel (59.63%), principally four star (25.21% of the total) and three star (20.95%) hotels. Of other types of accommodation, 26.24% of the visitors stayed with family and/or friends, 6.98% slept in guest houses or hostels, 5.11% in rented apartments, 1.19% at home or in a campsite, while only 0.85% was accommodated on boats.

The distinction between visitors by place of origin shows a higher percentage of foreigners staying in hotels (64.66% as against 51.91% for Spaniards) and in guest houses/hostels, rented apartments and boats. Also notable is the higher proportion of overnight stays in four and five star hotels in the case of foreign visitors.

In comparison with Acts 4 and 5 in 2005, in 2006 there is a higher proportion of stays in hotels and a reduction in the percentage of stays in rented apartments.

c) Intention of visit

As remarked above, it is necessary to compute as tourist spending only that associated with visitors whose motivation for visiting Valencia is, to a greater or lesser extent, the holding of the America's Cup. To this end, **table 17** shows the distribution of visitors according to the intention of their visit, expressed through the four motives described in previous paragraphs.

In the case of Spanish visitors (excluding those from Valencia) attending the pre-regattas of 2006, 59.80% responded that they were attending the regattas for reasons other than the holding of the sporting event in Valencia, while the remaining 40.20% were attending because of the America's Cup. More specifically, 29.9% of the total number of Spanish visitors responded that the America's Cup was the exclusive motive for their visit, 6.31% responded that they came to Valencia principally because of the America's Cup (though they would have attended even if the regattas had not been held in Valencia), and 3.99% said they came to Valencia partly because of the nautical competition.

In the case of the foreign visitors, the intention of visiting the America's Cup (motives 1, 2 and 3) is much higher (56.64%, as against 40.2% of the Spanish visitors), while the percentage of visitors who responded that they were visiting Valencia for other motives was 43.36%. It is noteworthy that 45.80% of the foreign visitors were visiting Valencia exclusively as a consequence of the nautical competition being held in the city.

If we compare the intention to visit the Acts held in 2006 with those held in 2005 we can appreciate an increase of nearly 7 percentage points in visits to Valencia motivated by the America's Cup. An outstanding feature is that in 2006 there was a steep increase (nearly 14 p.p.) in the percentage of visitors whose sole motive for visiting Valencia was the America's Cup, an increase that was even steeper among foreign visitors (16 p.p.).

d) Estimation of visitors' expenditure attributable to the America's Cup

Visitors' spending is estimated on the basis of the information on the number of visits to the inner basin of the Port of Valencia and the daily expenditure per visit. In the case of Spanish visitors not resident in Valencia (see **table 18**), the total spending during the pre-regattas held in 2006 (Acts 10, 11 and 12) amounted to 7.74 million euros.

However, as remarked above, from the total expenditure we have to eliminate that corresponding to visitors to Valencia for motives other than the America's Cup, and suitably weight the spending of the visitors who came to Valencia mainly (response 2 of the questionnaire) or partly (response 3) because of the sporting event but who would have come to Valencia anyway even without the America's Cup. Specifically, we compute 75% of the spending if the respondent gives motive 2 and 25% if s/he chooses response 3. With these assumptions, as shown in the last column of **table 18**, the spending by Spanish visitors attributable to the America's Cup amounts to 3.33 million euros.

In the case of foreign visitors, the expenditure during regatta days amounted to 16.3 million euros. Using the assumptions mentioned in the preceding paragraph, the spending attributable to the sporting event is 8.6 million euros (see **table 19**).

To the spending by Spanish and foreign visitors estimated above two further sources of expenditure have to be added: 1) spending by visitors whose intention was not the America's Cup (motive 4 of the questionnaire) but who decided to extend their stay in Valencia because the competition was being held; and 2) the tourist expenditure of those whose intention was to visit the America's Cup and who took advantage of their stay in Valencia to visit other areas of the Valencia Region on days when they were not attending the pre-regattas.

In the first case, the information detailed in **table 20** shows that 2.78% of the Spanish visitors to Valencia for motives other than the America's Cup (motive 4 of the questionnaire) decided to prolong their stay in Valencia, this percentage being higher (6.25%) in the case of foreign visitors. These percentages, multiplied by the number of visits to the inner basin of the Port of Valencia, provide the number of visits whose motive is not the America's Cup (row 1). Taking into account the average stay of each type of visitor (row 2), row 3 gives the number of visitors (not of visits). If the number of visitors is multiplied by the number of days that the stay is extended (1 day for Spanish visitors and 3 for foreigners), we obtain the total of "extra" days in Valencia (row 5), which multiplied by the average daily expenditure (row 6) finally gives the total tourist expenditure for this motive (row 7). Thus, as shown in the last row of **table 20**, the tourist expenditure to be added amounts to 181,524 euros.

In the second case, **table 21** gives the steps necessary for estimating the spending by visitors whose intention is to visit the America's Cup (motives 1, 2 and 3 of the questionnaire) and who take advantage of being in Valencia to visit other areas of the Valencia Region on days when they are not attending pre-regattas. Using the information from the surveys carried out, as well as the figure of visits to the regattas, the tourist spending on this item attributable to the sporting event amounts to 956,455 euros.

In total then, if we add together the three types of spending described in the preceding paragraphs (spending by visitors, extra spending due to extension of visit, and extra spending due to visits to other areas of the Valencia Region), the total tourist spending during Acts 10, 11 and 12 amounts to 25,226,391 euros, though the spending attributable to the holding of the pre-regattas in Valencia is 13,093,960 euros (see **table 22**).

4.3.5. EXPENDITURE BY VISITORS TO ACTS 4 AND 5 (2005)

Based on the information obtained from the surveys made during the 10 days of regattas of Acts 4 and 5, the following results have been obtained:

a) Typology of visitors by origin

As can be appreciated from **table 14**, 15.34% of the respondents are foreign, while the remaining 84.66% reside in Spain. Of the foreigners, the principal countries of origin are Italy (3.83% of the total of visitors), France (2.37%), Great Britain (2.37%), Switzerland (1.70%) and the United States (0.91%); these five countries therefore represent practically three quarters of the total number of foreign visitors to the regattas.

In the case of Spanish visitors, the most numerous group is of residents in the Valencia Region (72.19% of the total) and, in particular, those resident in the province of Valencia (67.99%). Of the rest of the Spanish provinces, the visitors from Madrid (3.47%) and Barcelona (1.16%) stand out.

b) Average expenditure per visitor

Information on the average spending per visitor by origin and items of expenditure is detailed in **table 15**. As remarked earlier, the average spending by Spanish visitors excludes those resident in the province of Valencia. As reflected in the table, the daily average spending by Spanish and foreign visitors was 72.33, and 82.6 euros, respectively.

Table 16 shows the percentage distribution of the visitors according to place of accommodation and place of origin. For the total of visitors (Spanish and foreign), the principal place of accommodation was the hotel (51.02%), principally three star (18.14% of the total) and four star (24.49%) hotels. Of other types of accommodation, 31.97% of the visitors stayed with family and/or friends, 10.20% stayed in rented apartments and 5.22% in guest houses or hostels, while only 1.59% were accommodated on boats. The distinction between visitors by place of origin shows a higher percentage of foreigners staying in hotels (59.18%) and in rented apartments (13.88% as against 5.61% for Spanish visitors).

c) Intention of visit

Table 17 shows the distribution of Spanish visitors according to the intention of their visit, expressed through the four motives described in previous paragraphs. Thus, 62.31% of Spanish visitors responded that they were attending the regattas for reasons other than the holding of the sporting event in Valencia, while the remaining 37.7% were attending because of the America's Cup. More specifically, 20.77% of the total number of Spanish visitors responded that the America's Cup was the exclusive motive for their visit, 8.85% responded that they came to Valencia principally because of the America's Cup (though they would have attended even if the regattas had not been held in Valencia), and 8.08% said they came to Valencia partly because of the nautical competition.

In the case of the foreign visitors, the intention of visiting the America's Cup (motives 1, 2 and 3) is higher (48.8%, as against 37.7% of the Spanish visitors), while the percentage of visitors who responded that they were visiting Valencia for other motives was 51.59%. Of the foreign visitors, 29.37% visited Valencia exclusively as a consequence of the nautical competition being held in the city.

d) Estimation of visitors' expenditure attributable to the America's Cup

Visitors' spending is estimated on the basis of the information on the number of visits to the inner basin of the Port of Valencia and the daily expenditure per visit. In the case of Spanish visitors not resident in Valencia (see **table 18**), the total spending during the ten days of pre-regattas amounted to 944,254 euros, though that attributed to the America's Cup is less (349,087 euros).

Spending by foreign visitors during the days of regattas came to 980,600 euros, 467,794 euros being attributed to the sporting event (see **table 19**).

The additional consideration of the spending by visitors whose intention was not initially to visit the America's Cup but who decided to prolong their stay in Valencia in order to see the competition (49,619 euros, **table 20**) and of the tourist spending by visitors whose intention was to visit the America's Cup and who took advantage of their stay in Valencia to visit other areas of the Valencia Region on days when they are not attending the pre-regattas (25,955 euros, **table 21**), raises the total figure of tourist spending during Acts 4 and 5 to 2,003,412 euros, though the spending attributable to the holding of the pre-regattas in Valencia is 892,456 euros (see **table 22**).

4.3.6. EXPENDITURE BY VISITORS TO ACTS 2 AND 3 (YEAR 2004)

For the specific case of the pre-regattas of Acts 2 and 3, held in Valencia from 5 to 12 October (Act 2) and 14 to 17 October (Act 3) of 2004, although we have available the number of visits, we do not have the characteristics of the visitors (origin, average stay, daily spend, intention of visit, etc.) as no survey was carried out for these Acts. Nevertheless, on the assumption that the characteristics of the visitors to Acts 2 and 3 (in terms of typology as regards origin, average daily spend, intention of visit, etc.) are the same as for the visitors to the pre-regattas closest in time (Acts 4 and 5), it is possible to estimate the tourist spending during the pre-regattas of October 2004 using the information described in the previous section and the figure for visits to Acts 2 and 3 (240,229 including the accredited visitors, according to information facilitated by the Valencia 2007 Consortium).

Table 23 shows the estimate of total tourist spending and its disaggregation into the three types of expenditure described above associated with Acts 2 and 3 held in Valencia in October 2004. The total tourist spending is 5.28 million euros, though the spending attributable to the sporting event is 2.35 million euros.

4.3.7. CUMULATIVE EXPENDITURE BY VISITORS IN THE PERIOD 2004-07

In this section we offer an estimate of the spending by visitors to the America's Cup throughout the period 2004-2007 up to the final of the competition in July 2007. The estimated figure is simply the sum of the tourist spending calculated separately in previous sections for each phase of the competition. As before, in the tables we distinguish the total tourist spending by visitors to the inner basin of the Port of Valencia during race days from spending attributable to the America's Cup after correcting for the intention of the spectators' visit.

As **table 24** shows, the races held in the waters of Valencia during the period 2004-07 in the framework of the America's Cup totalled 95 days of regattas, though on some days there was finally no competition due to adverse meteorological conditions. On those days, the total number of visits was 2,476,300, on the basis of the information supplied by the Valencia 2007 Consortium from the entry figures taken at turnstiles increased by the additional visits in vehicles. As shown in the table, the number of visits each day reached highest values in the final phase of the competition, with an average of 58,251 visits during the America's Cup Match. In the prior phase corresponding to the Louis Vuitton Cup, the figure was lower as a consequence of the greater number of regatta days (37 days). In Act 13, which concentrated the competition into 5 consecutive days of regattas, the average number of visits was also high: 46,000 visits/day.

Taking into account the separate calculations made above for each phase of the competition, the total tourist spending accumulated during all the days of regattas held in Valencia from 2004 to 2007 amounts to 208.7 million euros, of which nearly 85% was generated in 2007 and 63% in the last three months. The highest tourist spending was generated in the America's Cup Match as a consequence, above all, of the high average number of visits per day.

Nevertheless, if we take into account that some of the visitors to the inner basin of the Port of Valencia responded that the motive for their visit was not the America's Cup, the spending attributable to the competition amounts to 123.7 million constant Euros of 2007, one third of which (40.7 million) was spent in the final phase of the competition between the Alinghi team and the Emirates Team New Zealand. It is notable that the spending attributable to the competition was higher in Act 13 (with only 5 days of regattas) than in the Louis Vuitton Cup (with 37 days), as that Act reached the highest percentages of visitors whose motive for visiting the inner basin of the Port of Valencia was the nautical competition (it should be remembered that in Act 13, 77.3% of the respondents stated that they had come to Valencia because of the America's Cup).

Table 23. Total expenditure of visitors to Acts 2 and 3 of America's Cup Valencia 2007

Current euros

	Total expenditure			Expenditure attributable to the America's Cup		
	Spanish visitors	Foreign visitors	Total	Spanish visitors	Foreign visitors	Total
Expenditure by visitors	2,473,806	2,568,923	5,042,729	914,557	1,225,495	2,140,051
Extra expenditure due to extension of visit	37,422	92,570	129,991	37,422	92,570	129,991
Extra expenditure for visiting other areas of Valencia region	27,041	82,691	109,732	21,436	55,043	76,480
Total expenditure	2,538,269	2,744,184	5,282,452	973,415	1,373,108	2,346,522

Source: Own elaboration.

Table 24. Total visits and expenditure attributable to America's Cup Valencia 2007 in period 2004-07

Number of visits and euros

	Regatta days in Valencia	Total visits	Visits per day	Total expenditure	Expenditure attributable to America's Cup	
				Current euros	Current euros	Constant euros of 2007
Valencia Louis Vuitton Acts 2 and 3 (2004)	13	212,957	16,381	5,282,452	2,346,522	2,626,833
Valencia Louis Vuitton Acts 4 and 5 (2005)	10	78,087	7,809	2,003,412	892,456	959,718
Valencia Louis Vuitton Acts 10, 11 and 12 (2006)	22	444,873	20,222	25,226,391	13,093,960	13,565,342
Valencia Louis Vuitton Act 13 (2007)	5	230,000	46,000	43,620,856	36,964,908	36,964,908
Louis Vuitton Cup (2007)	37	1,044,373	28,226	59,058,820	28,861,784	28,861,784
America's Cup Match (2007)	8	466,010	58,251	73,551,539	40,717,260	40,717,260
Total	95	2,476,300	26,066	208,743,470	122,876,890	123,695,846

Source: Own elaboration.

4.4. EXPENDITURE BY SUPER-YACHTS

According to the information available on the previous edition of the America's Cup in Auckland in 2003, one of the most important sources of spending (30% of the total) was that associated with the so-called super-yachts, defined generally as yachts of more than 25 metres in length. Specifically, in the period 2002-03, 104 super-yachts visited New Zealand, with an average stay of 118 days (giving a total of 12,272 days' stay). As well as the spending that took place in Auckland on items such as provisioning of food, drink, fuel, maintenance, purchase of equipment, etc., many super-yachts sailed around the coast, visiting other ports in New Zealand, thus generating economic impacts¹².

The total spending by the yachts and super-yachts that visited Auckland during the America's Cup was 154.6 million New Zealand dollars, i.e. 79.6 million euros¹³. Also, according to information available referring to 2003, the average daily spending by super-yachts was 12,600 New Zealand dollars, i.e. 6,468 euros per day, of which approximately 50% corresponds to maintenance.

In order to prepare the port of Valencia for the visit of this type of vessels, a pier (quay) was built with mooring capacity for 43 luxury vessels, 16 of them with a length of over 80 metres. In total, the new marina of the Port America's Cup has about 700 mooring points, only a few minutes away from the regatta area. The marina includes, as well as the central pier, the northern marina (with capacity for about 160-170 berths and the southern marina (with about 500 moorings).

According to information provided by AC Management, 90 super-yachts visited Valencia during the regattas (up to July 2007), some of which (25) remained in Valencia throughout the 2007 season. The maximum number attended the America's Cup Match (40), followed by the Louis Vuitton Cup (32).

The total spending by the super-yachts was estimated taking into account the number of super-yachts, the days spent in Valencia and the average daily spend. In the latter case, in the absence of information on the 32nd edition of the America's Cup, we made the assumption that the average daily spending of a super yacht is similar to that made in the last edition of the America's Cup in Auckland 2003, namely 7,557 euros, taking into account the increase in the general level of prices (measured through the deflator of GDP). With these assumptions, the estimated total spending by super-yachts is 25,1 million constant Euros of 2007 (see **table 25**) after 3,327 days' stay in the Port of Valencia. Obviously, the expenditure is proportional to the number of days of the stay, this being the reason why the highest spending by super-yachts took place during the holding of the Louis Vuitton Cup.

¹² As well as the super yachts, a large number of yachts attended the regattas. Specifically, 612 vessels visited Auckland during the America's Cup.

¹³ According to the OECD, the US-NZ dollar exchange rate in 2003 was 1\$USA=1.724\$NZ, and 1\$USA=0.885 euros.

Table 25. Total expenditure by super-yachts

	Number of super-yachts	Days of stay in Valencia	Total stays in Valencia (super-yachts * days)	Total expenditure (constant euros of 2007)
Valencia Louis Vuitton Acts 2 and 3 (2004)	11	20	220	1,662,516
Valencia Louis Vuitton Acts 4 and 5 (2005)	28	15	420	3,173,894
Valencia Louis Vuitton Acts 10 and 11 (2006)	19	14	266	2,010,133
Valencia Louis Vuitton Acts 12 (2006)	27	13	351	2,652,469
Valencia Louis Vuitton Acts 13 (2007)	30	5	150	1,133,534
Louis Vuitton Cup (2007)	32	45	1,440	10,881,924
America's Cup Match (2007)	40	12	480	3,627,308
TOTAL	187	124	3,327	25,141,778

Source: AC Management, "The Economic Impact of the 2003 America's Cup Defence" and own elaboration.

Table 26. Distribution by sectors of super-yachts' expenditure

Constant euros of 2007

Sector	%	Estimated expenditure
Marine sector	49.42	12,424,527
Retail	32.28	8,114,972
Accommodation	7.57	1,902,709
Passenger transport by road	0.58	146,362
Air transport and storage services	0.32	81,312
Estate agents' services	3.75	943,223
Other recreational & sports services	5.82	1,463,622
Others	0.26	65,050
TOTAL	100.00	25,141,778

Source: AC Management, "The Economic Impact of the 2003 America's Cup Defence" and own elaboration.

The distribution by sectors of the spending by super-yachts was done using the percentage distribution by types of spending for the previous edition of the America's Cup. Specifically, as shown by **table 26**, the highest proportion of spending (49.42%) is destined for the marine sector, followed by the retail trade (32.28%). The rest of the spending was mainly on accommodation, recreational and sports services, and estate agents' services.

4.5. EXPENDITURE BY MEDIA

On the basis of the report "The Economic Impact of the 2003 America's Cup Defence", the Louis Vuitton Cup and the America's Cup Defence gathered a substantial presence of the media in Auckland, both national and international television channels, as well as radio, internet, newspapers and magazines. Specifically, a total of 1,297 persons registered in the Louis Vuitton Media Centre (including 855 from other countries), to which must be added 955 registered on-line. In total then, 2,252 was the total number of accreditations.

The surveys made in Auckland among the media showed an average stay of 67 days, generating spending and impacts on accommodation, transport, hospitality and other services necessary for them to carry out their work. Furthermore, given the duration of the stay, some of the persons accredited received visits from family and friends, thus increasing the spend.

On the basis of this information and the surveys carried out in the previous edition of the America's Cup in Auckland, the total spending by the media was 28.1 million New Zealand dollars (page 31, table 3.7 of the report), equivalent, at the exchange rate of 2003, to 14.42 million euros.

As shown in **table 27**, in the 2007 edition of the America's Cup, the media presence tended to increase as the competition progressed. Thus, according to information facilitated by AC Management, in Acts 2 and 3 held in Valencia in 2004, there were 511 accredited personas corresponding to 158 media organisations. In the Acts of 2005, the number of persons rose to 555 (corresponding to 227 media organisations). In the Acts held in 2006 the number of persons accredited again increased, to 700 (242 organisations) in Acts 10 and 11, and 630 in Act 12, with an average or per-Act growth of 20% over the previous year. In the final phase of the competition, both the number of media organisations and of persons accredited increased, reaching 1,850 personas in the Louis Vuitton Cup and 1,460 in the America's Cup Match. The cumulative total for the period 2004-07 is of over 2,000 media organisations accredited and 7,056 persons accredited¹⁴.

The spending by the media present in Valencia during the America's Cup was estimated taking into account the number of persons accredited, the number of days they stayed in Valencia and the average daily spending. The information on days of stay that appears in **table 27** was facilitated directly by AC Management. In the case of average daily spending, since information is not available referring specifically to the amounts spent by the journalists present in Valencia during the competition, it has been necessary to consult external sources of information. Specifically, we have used as a base the information supplied by the survey of tourist spending (EGATUR) of the Tourism Studies Institute (belonging to the Ministry of Industry, Tourism and Commerce) regarding visitors whose visit is

¹⁴ According to information given out by AC Management, more than 8,000 journalists from throughout the world received 960 press releases about the 32nd America's Cup. Since 2004, more than 50,000 articles have been published about the competition.

Table 27. Total expenditure by the media

	Number of media accredited in Valencia	Persons accredited in Valencia per Act	Days of stay in Valencia	Total stays in Valencia (persons * days)	Total expenditure (euros of 2007)
2004	158	511	14	7,154	1,025,101
2005	227	555	11	6,105	874,789
Valencia Louis Vuitton Acts 10 and 11. 11-21 May 2006	242	700	11	7,700	1,103,338
Valencia Louis Vuitton Acts 12. 22 June- 2 July 2006	260	630	11	6,930	993,004
Valencia Louis Vuitton Act 13. 3-7 April 2007	276	1,350	5	6,750	967,212
Louis Vuitton Cup. 16 April-12 June 2007	470	1,850	37	68,450	9,808,244
America's Cup Match. 23 June - 7 July 2007	371	1,460	8	11,680	1,673,635
TOTAL	2,004	7,056	97	114,769	16,445,323

Source: AC Management, EGATUR (Institute of Tourism Studies) and own elaboration.

motivated by work, business, fairs and congresses. Specifically, in 2007, the estimated daily spending was 143.3 euros.

With the above data and assumptions, the number of stays in Valencia by the media for the total period of the America's Cup was 114,769, with a total spending of 16.4 million euros.

As to the sector distribution of the spending (see **table 28**), we will assume that it is similar to that offered by the study referring to Auckland in 2003 (Appendix 5 dedicated to Media Activity), highlighting the spending on accommodation and hospitality (21% of the total), retail (18%), business services (18%) and recreational and cultural services (14%).

Table 28. Distribution by sectors of media expenditure

Constant euros of 2007

	%	Expected expenditure
Accommodation, restaurants and bars	21	3,523,998
Retail	18	2,936,665
Business services	18	2,936,665
Cultural and recreational services	14	2,349,332
Air transport services	9	1,409,599
Machinery and equipment	8	1,350,866
Rail & maritime transport services	6	939,733
Communications services	2	293,666
Other sectors	4	704,800
TOTAL	100	16,445,323

Source: "The Economic Impact of the 2003 America's Cup Defence" and own elaboration.

4.6. EXPENDITURE BY THE ORGANISERS

Following the victory in the 31st Edition of the America's Cup, the Alinghi and the *Société Nautique de Genève* (SNG) announced the creation of AC Management (ACM), an independent company that would take charge of the management of the 32nd America's Cup from the commercial and organisational point of view. From its creation in March 2003, its first mission was to select the candidacy that would become the host city for the 32nd America's Cup, Valencia.

The offices in Valencia were opened in May 2004, and by July, the staff of ACM already exceeded 50 people. Before 2007, ACM possessed a team of around 100 people, not including volunteers, suppliers and consultants

According to the information available, the expenditure made by ACM amounted to 195 million euros, with estimated value added of 210 million (from fees, sponsors and co-sponsors and television rights), giving an estimated profit of 15 million euros. For purposes of the economic impact, of the total expenditure foreseen, only that part that was spent within the Valencia Region should be considered. Hence, according to information facilitated by ACM, we assume that 35% of AC Management's spending was made in the Valencia Region (with the exception of wages and salaries, which were disbursed entirely in Valencia), i.e. 95 million euros. By means of a questionnaire sent to AC Management, this substantial total expenditure was disaggregated into five items, as appearing in **table 29**. The expenditure attributed for the purposes of calculating the impact is distributed among Regatta Operations (25%), Communication and media (23%), Personnel costs (21%), General shore operations (19%) and General administration expenditure (12%).

Table 29. Expenditure by AC Management (ACM) within the Valencia Region

Constant euros of 2007

	%	Expected expenditure
Communication and media	23.00%	15,725,917
Regatta operations	25.00%	17,093,388
General shore operations	19.00%	12,990,975
General administration	12.00%	8,204,826
Personnel costs. Wages and salaries	21.00%	41,024,130
TOTAL	100.00%	95,039,235

Source: AC Management, information published in the media and own elaboration.

4.7. OTHER EXPENDITURE

Gandía seized the opportunity of the America's Cup to restructure its nautical offering. Thus, a remodelling of the marina and the expansion of the Royal Nautical Club of Gandía were carried out by an administrative concession of the Port Authority of Valencia for a total amount of 80 million euros, approximately 65% of the investment corresponding to the former and the remaining 35% to the latter.

In addition, the Hospitality and Tourism Employers' Confederation of the Valencia Region, and the Regional Government, put into action the 2nd Plan for Modernization of Hospitality with the aim of improving the competitiveness of the sector. The total amount assigned to this Plan was 14.3 million euros, of which 5 were contributed by the Valencia Regional Government – and were budgeted under the corresponding heading- and the rest by the Confederation. This item therefore includes 9.3 million euros (see **table 30**).

Table 30. Other expenditure related to the America's Cup

Euros of 2007

Other expenditure	Euros	%
Royal Nautical Club and expansion of marina Undertaken by the Royal Nautical Club and an administrative Port Authority of Valencia	80,000,000	89.59
2nd Plan for Modernisation of Hotels and Restaurants Hotels and Tourism Confederation of the Valencia Region	9,300,000	10.41
TOTAL	89,300,000	100

Source: Gandía City Council and Royal Nautical Club of Gandía.

4.8. TOTAL OF INVESTMENTS AND CURRENT EXPENDITURE: ATTRIBUTION BY SECTORS OF ACTIVITY

The distribution by sectors of the economic impacts of the America's Cup requires the investments and the current expenditure first to be attributed to the different sectors of activity of the Valencian economy. More specifically, the latest input-output table available for the Valencia Region contains information for a total of 84 branches of activity, so it is necessary to assign the spending to each sector of activity. For this purpose, we use the information available on the destination of the investment and the current expenditure as detailed below:

a) Investments by Public Administrations

1. Valencia Regional Government: expenditure is attributed to sectors based on the description of the different actions of the Council's Action Plan. The main sectors of activity to which the spending and investments made are attributed are construction (sector 51), recreational, cultural and sporting services (sector 82), non-market health services (sector 76), and services of the public administration (sector 73).
2. Valencia 2007 Consortium: the distribution of the investments among the sectors of activity of the input-output table is done on the basis of the information facilitated by the Consortium in its investment plan. The great majority of the investments are attributed to the construction sector (sector 51), as their purpose is to prepare and adapt the Port of Valencia for the holding of the sporting event. The rest of the investments, of smaller amounts (safety equipment and design), are attributed to sector 72 "other business services". In the case of current operating expenditure, the distribution was made on the basis of the information facilitated by the Consortium.

3. Other investments by the Central Government: the rest of the investments made by the Central Government were destined, in most cases, for the construction of infrastructures, so they were assigned almost totally to the construction sector (sector 51).
4. Valencia City Council: the attribution by sectors of the expenditure is made on the basis of the description of the actions appearing in **table 9**. A large part of these actions are aimed at the construction of gardens, renovation of pavements, construction of sports installations, so they are assigned to the construction sector (sector 51). In other cases (such as the renovation of the bus fleet or the installation of traffic regulation systems), they are assigned to the corresponding sector of activity.
5. Gandía City Council: in the case of the investments, they are attributed entirely to the construction sector (sector 51). In the case of current expenditure on publicity and communications, the allocation is to "other business services " (sector 72).

b) Expenditure by participating syndicates

The sector distribution of the expenditure is made on the basis of the information from the questionnaire sent to the participating teams (see annex 2). Specifically, on the basis of this information, spending is attributed to the following sectors of activity: hotel and catering services (sectors 55 and 56) real estate services (sector 67), retail trade services (sector 54), recreational, cultural and sports services (sector 82), urban and passenger transport services (sector 58), construction (sector 51), other transport material (sector 44) postal and telecommunications services (sector 63), other business services (sector 72) and domestic services (sector 84).

c) Visitors' expenditure

The sector distribution of spending by visitors to the regattas is done on the basis of the information supplied by the surveys carried out in the inner basin of the Port of Valencia during days when regattas were held. The survey (see annex 1) contains information on visitors' total spending and that on five items: accommodation, food, shopping, leisure and transport. The sector attribution made for each type of spending is as follows: accommodation (sector 55 "hotel and accommodation services"), food (sector 56 "catering services"), shops (sector 54 "retail trade services"), leisure (sector 82 "recreational, cultural and sports services") and transport (sector 58 "urban and passenger transport services").

d) Expenditure by super-yachts

In the case of super-yachts, the distribution of spending by sectors of activity is done using the percentage distribution contained in the report on the economic impact of the previous edition of the America's Cup in Auckland (see **table 26**). On the basis of this information, a correspondence was made between the sectors of the Auckland report and the sectors of the input-output table for the Valencia Region. Specifically, the correspondence used is as follows: the marine sector has

been assigned to sector 44 "manufacture of other transport material"; the retail trade has been attributed to sector 54 "retail trade services"; spending on accommodation is assigned to sector 55 "hotel and accommodation services"; spending on passenger transport by road is assigned to sector 58 "urban and passenger transport services"; spending on air transport and storage services is attributed to sector 61 "air transport services"; spending on the services of real estate agents is assigned to sector 67 "real estate services"; spending on other recreational and sports services is attributed to sector 82 "recreational, cultural and sports services", and finally other spending is distributed proportionally.

e) Expenditure by the media

As with the spending by super-yachts, the distribution by sectors of the spending by the media in the economic impact report on the America's Cup in Auckland 2003 (see **table 28**) has been taken as reference. On the basis of that information, the correspondence with the sectors of activity of the input-output table for the Valencia Region is as follows: spending on accommodation, restaurants and bars is attributed in equal parts to sectors 55 "hotel and accommodation services" and 56 "catering services"; spending in the retail trade is assigned to sector 54 "retail trade services"; spending on business services is attributed to sectors 72 "other business services" and 69 "IT services"; spending on recreational and cultural services is assigned to sector 82 "recreational, cultural and sports services"; spending on air transport is attributed to sector 61 "air transport services"; spending on machinery and equipment corresponds to sector 39 "office machinery and computer equipment"; spending on maritime and rail transport services is assigned to sectors 57 "rail transport services" and 60 "maritime transport services"; finally, expenditure on communications services is attributed to sector 63 "postal and telecommunications services".

f) Expenditure by the organisers

The expenditure of AC Management (ACM) is assigned to sectors using the information supplied directly by ACM (see **table 29**). With this information, the attribution by sectors is as follows: general administration costs are attributed to sectors 63 "postal and telecommunications services", 64 "financial intermediation services", 65 "insurance and pension plan services", 69 "IT services", and 71 "legal, accountancy and business management consultancy services"; spending on communication and media to sector 72 "other business services"; and marketing and commercial expenditure, and expenditure on regatta and general operations ashore, are attributed to sector 72 "other business services".

g) Other expenditure

The heading of "other expenditure" covers that made by the Royal Nautical Club of Gandía and by the Hospitality and Tourism Employers' Confederation of the Valencia Region. In the first case, the investment is attributed to sector 51 "construction works", while in the second the spending is attributed to sectors 55 "hotel and accommodation services" and 56 "Catering".

In order to synthesise the sector information offered by the classification of the input-output table for the Valencia Region (84 sectors of activity), **table 31** presents the vector of variation of final demand associated with expenditure by the different agents involved in the America's Cup aggregating the information into 30 sectors of activity¹⁵ and, additionally, for the five major productive sectors of the economy (agricultural, energy, industry, construction and services). As shown in the last column of the table, the construction sector concentrates the highest percentage of expenditure (71.55%), followed at a distance by hotel and catering (4.83%), real estate activities and business services (4.42%) and the manufacture of transport material (4,30%). The aggregation into 5 sectors of activity shows once again the importance of the construction sector (71.53%) and services sector (19.88%), the expenditure destined for the industrial sector (4.69%) and agriculture (2.28%) being very low.

The last rows of **table 31** show the increase in expenditure attributable to the America's Cup for each of the agents involved in the sporting event, as well as the total of the final demand vector. Thus, for the total period 2004-07, the sporting event signified an injection of expenditure into the Valencia Region to an amount of 2,767.9 million euros. By agents, the greatest volume of expenditure comes from the Valencia Regional Government's Action Plan (45.1% of the total), followed in order of importance by the investments of the Valencia 2007 Consortium (15.3%), spending by the syndicates participating in the regattas (12.80%), other investments by the Central Government (10.4%), spending by visitors (4.5%) and expenditure by the organizing company, AC Management (3.4%). The rest of the expenditure (Valencia City Council, super-yachts and media) is of less importance.

¹⁵ in addition, the last row of the table captured the value of the expenditure on wages and salaries that end up as revenue in household economies.

Table 31. Vectors of demand by expenditure agent and sector of activity

Euros of 2007

a) 30-sector information

Sectors of activity	Regional Government's Action Plan	Valencia 2007 Consortium		Other Central Government investment	Valencia City Council	Gandia City Council	Teams	Visitors	Super-yachts	Media	AC Management	Other expenditure and investments	TOTAL	Percentage distribution by sectors
		Investments	Current expenditure											
Agriculture, livestock, game and forestry	63,241,945	-	-	-	-	-	-	-	-	-	-	-	63,241,945	2.28
Fishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraction of energy products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraction of other minerals except energy products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food, drink and tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Textile industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leather and footwear industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Timber and cork industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper: publishing and graphic arts	87,105	-	-	-	-	-	-	-	-	-	-	-	87,105	0.00
Petroleum refining and processing of nuclear fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chemical industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rubber and plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-metallic mineral products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metallurgy and manufacture of metal products	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and mechanical equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical, electronic and optical equipment	-	-	-	-	-	-	-	-	-	1,411,352	-	-	1,411,352	0.05
Manufacture of transport material	-	-	-	-	6,022,061	-	100,644,330	-	12,456,756	-	-	-	119,123,147	4.30
Miscellaneous manufacturing industry	-	7,887,231	-	-	-	-	-	-	-	-	-	-	7,887,231	0.28
Production and distribution of electricity, gas and water	-	-	-	-	-	-	-	-	-	-	1,172,118	-	1,172,118	0.04
Construction	960,116,163	403,401,100	-	283,256,157	63,526,289	15,643,600	173,840,206	-	-	-	-	80,000,000	1,979,783,515	71.53
Retail and repair	5,743,171	-	1,113,150	-	-	-	3,659,794	19,229,132	8,136,023	3,068,157	1,172,118	-	42,121,545	1.52
Hotels and restaurants	20,415,468	-	-	-	-	-	24,703,608	73,803,870	1,907,645	3,681,789	-	9,300,000	133,812,379	4.83
Transport, storage and communications	1,156,662	-	68,215	-	-	-	16,926,546	11,052,615	228,265	2,761,342	1,172,118	-	33,365,763	1.21
Financial intermediation	13,066,905	-	1,370,508	-	-	-	-	-	-	-	2,344,236	-	16,781,649	0.61
Real estate activities and business services	15,747,741	12,342,709	10,886,546	-	-	1,554,000	29,735,825	-	945,670	3,068,157	48,154,515	-	122,435,162	4.42
Public administration, defence, and compulsory social security	48,615,597	-	-	5,183,274	135,496	-	-	-	-	-	-	-	53,934,367	1.95
Education	8,153,440	-	-	-	-	-	-	-	-	-	-	-	8,153,440	0.29
Health and social services	61,849,075	-	-	-	-	-	-	-	-	-	-	-	61,849,075	2.23
Other social and services activities performed for the community	48,676,116	-	-	-	-	-	1,829,897	19,610,229	1,467,419	2,454,526	-	-	74,038,186	2.67
Households that employ domestic staff	-	-	-	-	-	-	3,659,794	-	-	-	-	-	3,659,794	0.13
Household economies	-	-	4,060,509	-	-	-	-	-	-	-	41,024,130	-	45,084,639	1.63
TOTAL	1,246,869,387	423,631,040	17,498,928	288,439,430	69,683,846	17,197,600	355,000,000	123,695,846	25,141,778	16,445,323	95,039,235	89,300,000	2,767,942,413	100.00
Percentage distribution by agents	45.05	15.30	0.63	10.42	2.52	0.62	12.83	4.47	0.91	0.59	3.43	3.23	100.00	

b) 5-sector information

Sectors of activity	Regional Government's Action Plan	Valencia 2007 Consortium		Other Central Government investment	Valencia City Council	Gandia City Council	Teams	Visitors	Super-yachts	Media	AC Management	Other expenditure and investments	TOTAL	Percentage distribution by sectors
		Investments	Current expenditure											
Agriculture, livestock and fishing	63,241,945	-	-	-	-	-	-	-	-	-	-	-	63,241,945	2.28
Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	87,105	7,887,231	-	-	6,022,061	-	100,644,330	-	12,456,756	1,411,352	1,172,118	-	129,680,953	4.69
Construction	960,116,163	403,401,100	-	283,256,157	63,526,289	15,643,600	173,840,206	-	-	-	-	80,000,000	1,979,783,515	71.53
Services	223,424,174	12,342,709	13,438,419	5,183,274	135,496	1,554,000	80,515,464	123,695,846	12,685,022	15,033,971	52,842,987	9,300,000	550,151,361	19.88
Household economies	-	-	4,060,509	-	-	-	-	-	-	-	41,024,130	-	45,084,639	1.63
TOTAL	1,246,869,387	423,631,040	17,498,928	288,439,430	69,683,846	17,197,600	355,000,000	123,695,846	25,141,778	16,445,323	95,039,235	89,300,000	2,767,942,413	100.00
Percentage distribution by agents	45.05	15.30	0.63	10.42	2.52	0.62	12.83	4.47	0.91	0.59	3.43	3.23	100.00	

Source: Own elaboration.

5. ACCUMULATED ECONOMIC IMPACTS 2004-07

Using the input-output analysis methodology detailed in the appendix to the report, this section considers the evaluation of the economic impact of the America's Cup Valencia 2007 in terms of output, value added and employment. The period analysed covers the years 2004-2007, thus estimating the accumulated economic impact of all the Acts held in Valencia, due to both the Louis Vuitton Acts and the Louis Vuitton Cup and to the America's Cup Match. For the evaluation of the impact the area of reference is the Valencia Region. In the report we present results both jointly and separately for each of the agents participating in one way or another in the holding of the sporting event.

When estimating the impacts it has to be borne in mind that part of the increase in demand associated with the investments and expenditure to be made is met with products imported from outside the Valencia Region (whether from the rest of Spain or from other countries), and which therefore exercise no effect on the Valencian economy. For this reason, and in the absence of sufficiently detailed information to be able to deduce what proportion of the investments come from outside the Valencia Region¹⁶, we use the information on propensity to import from the input-output table (IOT) of the Valencia Region. The vector of final demand is therefore multiplied by one minus the propensity to import of each sector of output of the IOT¹⁷.

Direct impacts on value added are estimated from information provided by the input-output table itself. Specifically, the direct impacts on value added are estimated on the basis of the GVA/output ratio for each of the sectors of production. The total impacts are estimated from the type II value added multipliers (see methodological appendix), obtaining the indirect and induced impacts as the difference between the total impacts and the direct impacts. The total impacts on employment are obtained from the employment/output ratio for each sector of activity which is also provided by the IOT for the Valencia Region.

5.1. PUBLIC ADMINISTRATIONS

a) Valencian Regional Government

As shown in **table 32**, the total expenditure made through the actions of the Council's Action Plan considered in the report (see **table 5**), causes an initial direct impact on output of 1,224 million euros, equivalent to the net expenditure on imports of the Valencia Region. On the basis of that initial expenditure, the indirect and induced effects on the rest of the sectors of the Valencia Region amount to

¹⁶ The exception is the expenditure made by ACM and by the participating teams, as in these two cases information is available on the percentage of the expenditure made in the Valencia Region.

¹⁷ In the case of the construction sector (which absorbed the most substantial part of the increase in demand) all the investment was met with production by firms located within the Valencia Region, their propensity to import being nil.

1,437 million euros, so the total impact of the Council's actions on output amounts to 2,661 million euros. In terms of value added, the Gross Value added (GVA) of the Valencia Region increased by 1.277 million euros in the period 2004-07 thanks to the investments of the Valencian Regional Government, a total impact that decomposes into a direct impact of 570 million and indirect and induced impacts of 707. In terms of employment, the actions of the Council permitted 34,924 jobs to be generated/maintained during the period of execution of the spending.

Table 32. Economic impacts of the Regional Government's Action Plan for the America's Cup

Constant euros of 2007 and jobs

	Economic impacts of the Regional Government's Action Plan
Output impact	
Direct (expenditure net of imports)	1,223,874,971
Indirect and induced	1,437,193,941
Total	2,661,068,912
Value added impact	
Direct	570,441,093
Indirect and induced	706,683,866
Total	1,277,124,958
Employment impact	34,924

Source: Own elaboration.

b) Valencia 2007 Consortium

The Valencia 2007 Consortium's Plan of Investments needed to adapt the Port of Valencia to the holding of the sporting event created a direct impact on output of 414.4 million euros, which added to the 492.6 million of indirect and induced impacts, give an accumulated total of 907.1 million euros in the period 2004-07 (see **table 33**).

Thanks to the investments made, the value added of the Valencia Region increased by 396.9 million euros, of which 230.6 were indirect and induced impacts from the initial direct impact (166.2 million). Employment in the Valencia Region increased by 11,367 once the investment plan of the Valencia 2007 Consortium was completed.

Table 33. Economic impacts of the Investment Plan and the current expenditure of Valencia 2007 Consortium

Constant euros of 2007 and jobs

	Investment Plan	Current expenditure	Total
Output impact			
Direct (expenditure net of imports)	414,439,901	17,436,084	431,875,985
Indirect and induced	492,623,402	20,415,042	513,038,444
Total	907,063,303	37,851,126	944,914,429
Value added impact			
Direct	166,246,854	4,060,509	170,307,363
Indirect and induced	230,628,914	11,566,339	242,195,253
Total	396,875,768	15,626,847	412,502,616
Employment impact	11,367	490	11,856

Source: Own elaboration.

In the case of the current expenditure necessary for the operation of the Valencia 2007 Consortium, the total impacts on output and value added are 37.9 and 15.6 million euros, respectively, generating 490 jobs.

In total, then, the economic impact associated with the expenditure of the Valencia 2007 Consortium was 944.9 million in output, 412.5 million in value added and 11,856 jobs.

c) Other investments by the Central Government

With respect to the rest of the investments by the Central Government (**table 34**), the direct impact on output amounted to 283.3 million euros, which, added to the indirect and induced effects (337.4) gives a total impact of 620.6 million.

In the case of value added, the direct impact of 112.8 million generated indirect and induced effects to an amount of 157.4 million, so the total impact on the value added of the Valencia Region was 270.2 million euros. In terms of jobs, the investments made by the Central Government in relation to the America's Cup permitted a cumulative 7,763 jobs to be maintained/generated over the period 2004-07.

d) Valencia City Council

The set of actions voted against the debt (63.8 million) authorised for the Valencia City Council in relation to the America's Cup meant an increase of 139.6 million euros in the output of the Valencia Region, 75.8 of which were indirect and induced from the initial direct expenditure (**table 35**).

Table 34. Economic impacts of other investments by the Central Government

Constant euros of 2007 and jobs

	Economic impacts of other investments by the Central Government
Output impact	
Direct (expenditure net of imports)	283,256,157
Indirect and induced	337,365,722
Total	620,621,879
Value added impact	
Direct	112,830,189
Indirect and induced	157,329,033
Total	270,159,222
Employment impact	7,763

Source: Own elaboration.

Table 35. Economic impacts of actions by Valencia City Council relating to the America's Cup

Constant euros of 2007 and jobs

	City Council's impacts
Output impact	
Direct (expenditure net of imports)	63,797,480
Indirect and induced	75,821,662
Total	139,619,143
Value added impact	
Direct	25,364,162
Indirect and induced	35,369,037
Total	60,733,199
Employment impact	1,744

Source: Own elaboration.

Thanks to the increase in investments and current expenditure by the Valencia City Council, the value added of the Valencia Region grew by 60.7 million euros, enabling 1,744 jobs to be generated/maintained.

e) Gandía City Council

The investments and expenditure to be made by Gandía City Council in relation to the America's Cup caused an increase in output and value added (GVA) of 37.3 and 16.7 million euros, respectively. In terms of employment, the Council's actions translated into 470 jobs generated/maintained (see **table 36**).

Table 36. Economic impacts of expenditure by Gandía City Council

Constant euros of 2007 and jobs

	Impacts of teams' spending
Output impact	
Direct (expenditure net of imports)	17,072,812
Indirect and induced	20,268,631
Total	37,341,443
Value added impact	
Direct	7,055,700
Indirect and induced	9,614,998
Total	16,670,698
Employment impact	470

5.2. PARTICIPATING SYNDICATES

The part of the expenditure made by the 12 teams participating in the regattas which we assume was spent in the Valencia Region implied a direct impact on output of 306.4 million euros (see **table 37**). If to that figure we add the indirect and induced impacts, we find that the growth of output in the Valencia Region in the period 2004-07 was 640.8 million euros.

In terms of value added, the spending of the participating syndicates generated a total impact on value added of 307.3 million euros, of which 139.6 were direct and 167.7 indirect and induced, while in terms of employment the accumulated impact over the period 2004-07 amounted to 7,892 jobs.

Table 37. Economic impacts of expenditure by participating teams

Constant euros of 2007 and jobs

	Impacts of teams' expenditure
Output impact	
Direct (expenditure net of imports)	306,377,714
Indirect and induced	334,387,938
Total	640,765,652
Value added impact	
Direct	139,576,669
Indirect and induced	167,651,831
Total	307,228,501
Employment impact	7,892

Source: Own elaboration.

5.3. VISITORS

The accumulated spending over the period 2004-07 as a consequence of tourist visitors to the regattas held in Valencia and attributable to the America's Cup, implied a direct impact on output of 122.1 million euros, which added to the indirect and induced effects (135.3 million) led to growth of 257.4 million in the output of the Valencia Region. In terms of value added, the total impact is 155.8 million euros, of which 79.4 are indirect and induced from the initial impact (76.4). The tourist spending permitted the generation/maintenance of a cumulative total of 3,382 jobs in the period 2004-07 (see **table 38**).

5.4. SUPER-YACHTS

The estimated direct impact on output derived from the activity of the super-yachts berthed in the Port of Valencia attracted by the holding of the America's Cup amounted to 14.0 million euros, which added to the 15.2 million of indirect and induced impacts give a total impact figure of 29.3 million.

The value added generated by the activity of the super-yachts is estimated at 18.6 million euros, of which 9.7 were direct impacts on value added and 8.9 indirect and induced. With respect to employment, the number of jobs generated/maintained in the period 2004-07 thanks to the activity of super-yachts is estimated at 403 (see **table 39**).

Table 38. Economic impact of visitors' expenditure

Constant euros of 2007 and jobs

	Acts 2 & 3 (2004)	Acts 4 & 5 (2005)	Acts 10, 11 & 12 (2006)	Act 13 (2007)	Louis Vuitton Cup (2007)	America's Cup Match (2007)	Total 2004-07
Output impact							
Direct (expenditure net of imports)	2,555,925	933,812	13,459,308	36,353,946	28,402,435	40,364,636	122,070,061
Indirect and induced	2,832,573	1,034,886	14,948,717	40,455,924	31,331,428	44,726,374	135,329,902
Total	5,388,498	1,968,698	28,408,025	76,809,870	59,733,862	85,091,011	257,399,963
Value added impact							
Direct	1,610,274	588,317	8,544,416	22,752,805	17,579,309	25,374,554	76,449,675
Indirect and induced	1,668,326	609,526	8,769,113	23,729,645	18,376,246	26,230,679	79,383,536
Total	3,278,600	1,197,843	17,313,529	46,482,450	35,955,555	51,605,234	155,833,211
Employment impact	72	26	374	1,008	787	1,115	3,382

Source: Own elaboration.

Table 39. Economic impacts of super-yachts' expenditure

Constant euros of 2007 and jobs

	Acts 2 & 3 (2004)	Acts 4 & 5 (2005)	Acts 10, 11 & 12 (2006)	Act 13 (2007)	Louis Vuitton Cup (2007)	America's Cup Match (2007)	Total 2004-07
Output impact							
Direct (expenditure net of imports)	927,610	1,770,892	2,601,525	632,462	6,071,630	2,023,877	14,027,996
Indirect and induced	1,007,378	1,923,177	2,825,239	686,849	6,593,750	2,197,917	15,234,309
Total	1,934,989	3,694,069	5,426,764	1,319,310	12,665,380	4,221,793	29,262,305
Value added impact							
Direct	639,077	1,220,056	1,792,320	435,734	4,183,048	1,394,349	9,664,584
Indirect and induced	590,729	1,127,755	1,656,726	402,770	3,866,590	1,288,863	8,933,434
Total	1,229,806	2,347,811	3,449,046	838,504	8,049,638	2,683,213	18,598,018
Employment impact	27	51	75	18	174	58	403

Source: Own elaboration.

5.5. MEDIA

Taking into account the figure of spending by the media present in Valencia during the competition, the estimated total impact on the output of the Valencia Region was 28.1 million euros, of which 13.3 were direct and 14.8 indirect and induced (see **table 40**). In terms of value added, the total impact estimated was 17.5 million, while in terms of employment the estimate is of 375 jobs.

5.6. ORGANISERS

The economic activity generated by the organisation of the latest edition of the America's Cup by AC Management, the company created by the winning syndicate and by the Nautical Club to which it belongs (the Alinghi and the *Société Nautique de Genève*, respectively) meant an increase of 194.3 million euros in the output of the Valencia Region. Likewise, the budget managed by the company translated into a total impact on value added of 99.7 million euros, permitting the maintenance/generation of 2,614 jobs.

Table 41. Economic impacts of expenditure by ACM

Constant euros of 2007 and jobs

	Impacts of expenditure by ACM
Output impact	
Direct (expenditure net of imports)	90,499,562
Indirect and induced	103,783,408
Total	194,282,969
Value added impact	
Direct	41,024,130
Indirect and induced	58,636,439
Total	99,660,569
Employment impact	2,614

Source: Own elaboration.

5.7. OTHER EXPENDITURE

The expenditure made by the Royal Nautical Club of Gandía and by the Hospitality and Tourism Employers' Confederation of the Valencia Region in the 2nd Plan for Modernisation of Hospitality translated into an increase in output and value added of 194.7 and 87.6 million euros, respectively, generating/maintaining 2,437 jobs (**table 42**).

Table 40. Economic impacts of expenditure by the media

Constant euros of 2007 and jobs

	Acts 2 & 3 (2004)	Acts 4 & 5 (2005)	Acts 10, 11 & 12 (2006)	Act 13 (2007)	Louis Vuitton Cup (2007)	America's Cup Match (2007)	Total 2004-07
Output impact							
Direct (expenditure net of imports)	826,082	704,953	1,689,346	779,432	7,904,016	1,348,706	13,252,535
Indirect and induced	923,437	788,032	1,888,438	871,289	8,835,513	1,507,652	14,814,361
Total	1,749,519	1,492,985	3,577,784	1,650,721	16,739,530	2,856,358	28,066,896
Value added impact							
Direct	547,907	467,567	1,120,475	516,966	5,242,416	894,542	8,789,874
Indirect and induced	542,217	462,711	1,108,839	511,597	5,187,974	885,252	8,698,591
Total	1,090,124	930,278	2,229,315	1,028,563	10,430,390	1,779,795	17,488,464
Employment impact	23	20	48	22	223	38	375

Source: Own elaboration.

Table 42. Economic impacts of "other expenditure"

Constant euros of 2007 and jobs

	Impacts of other expenditure
Output impact	
Direct (expenditure net of imports)	89,300,000
Indirect and induced	105,373,480
Total	194,673,480
Value added impact	
Direct	37,238,315
Indirect and induced	50,312,453
Total	87,550,768
Employment impact	2,437

Source: Own elaboration.

5.8. TOTAL IMPACTS: SECTOR DETAIL

The injection of expenditure, both current and in investment, in relation to the holding of the 32nd Edition of the America's Cup in 2007 in Valencia created, as in past editions of the nautical competition, a huge impact on the economic activity of the city hosting the event, in terms of both increased output and value added and of employment generated.

Table 43 shows the accumulated total impact for the period 2004-07 in terms of output, value added and employment. In the first case, the America's Cup Valencia 2007 brought with it an increase of 5,748 million euros in the Valencia Region. In terms of value added, value added grew by 2,723.6 million euros. Finally, the increase in total demand associated with the sporting event permitted the generation/maintenance of a total of 73,859 jobs. These cumulative figures for the period 2004-07 represent 2.67% of the GDP and 3.29% of the employment of the Valencia Region (**table 44**). It is important to note that these are not figures that are repeated every year of the competition, but refer to the accumulated total impact. On the assumption of a linear distribution of the impacts over the duration of the competition (around three years), the increase in expenditure brought by the America's Cup translates into an annual growth of around 1% of GDP and employment in the Valencia Region in the years 2005, 2006 and 2007.

The percentage distribution of the impacts by generator of expenditure (see **graphics 1** and **2**) shows that, in the case of investments, the greatest impacts occur as a consequence of the Regional Government's Action Plan (46.9% of the total in terms of value added), of the investments in infrastructures by the Valencia 2007 Consortium (15.1%) and by the Central Government (9.9%). The relative

Table 43. Summary of impacts

Constant euros of 2007

Agents	Output		Value added		Employment	
	Euros	%	Euros	%	Jobs	%
Public administration						
Regional Government	2,661,068,912	46.30	1,277,124,958	46.89	34,924	47.28
Valencia 2007 Consortium	944,914,429	16.44	412,502,616	15.15	11,856	16.05
Other investments Central Government	620,621,879	10.80	270,159,222	9.92	7,763	10.51
Valencia City Council	139,619,143	2.43	60,733,199	2.23	1,744	2.36
Gandía City Council	37,341,443	0.65	16,670,698	0.61	470	0.64
Teams	640,765,652	11.15	307,228,501	11.28	7,892	10.68
Visitors	257,399,963	4.48	155,833,211	5.72	3,382	4.58
Super-yachts	29,262,305	0.51	18,598,018	0.68	403	0.55
Media	28,066,896	0.49	17,488,464	0.64	375	0.51
Organisers (ACM)	194,282,969	3.38	99,660,569	3.66	2,614	3.54
Other expenditure	194,673,480	3.39	87,550,768	3.21	2,437	3.30
TOTAL	5,748,017,071	100.00	2,723,550,225	100.00	73,859	100.00

Source: Own elaboration.

Table 44. Cumulative impact of the America's Cup in the Valencia Region
 Percentage of GDP and employed persons in the Valencia Region

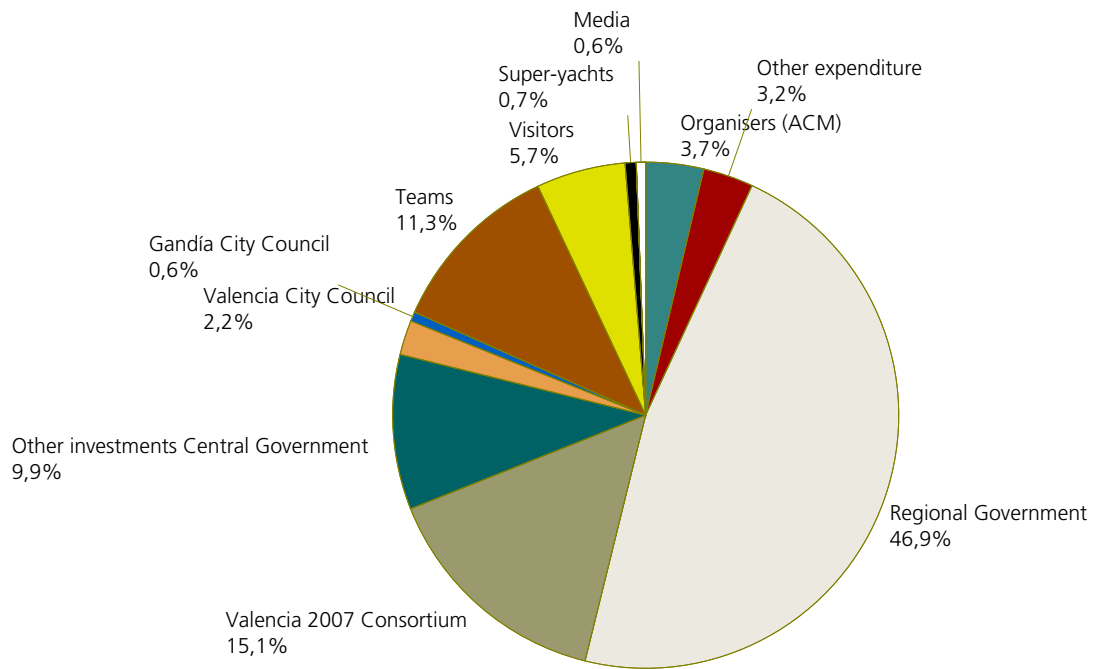
	%
Value added impact	
Direct	1.18
Indirect and induced	1.50
Total	2.67
Employment impact	3.29

* GDP at market prices of the Valencia Region in 2007. Estimated from Regional Accounts of Spain (base 2000).

** Total employment (jobs) in 2007. Estimated from Regional Accounts of Spain (base 2000).

Source: INE and own elaboration.

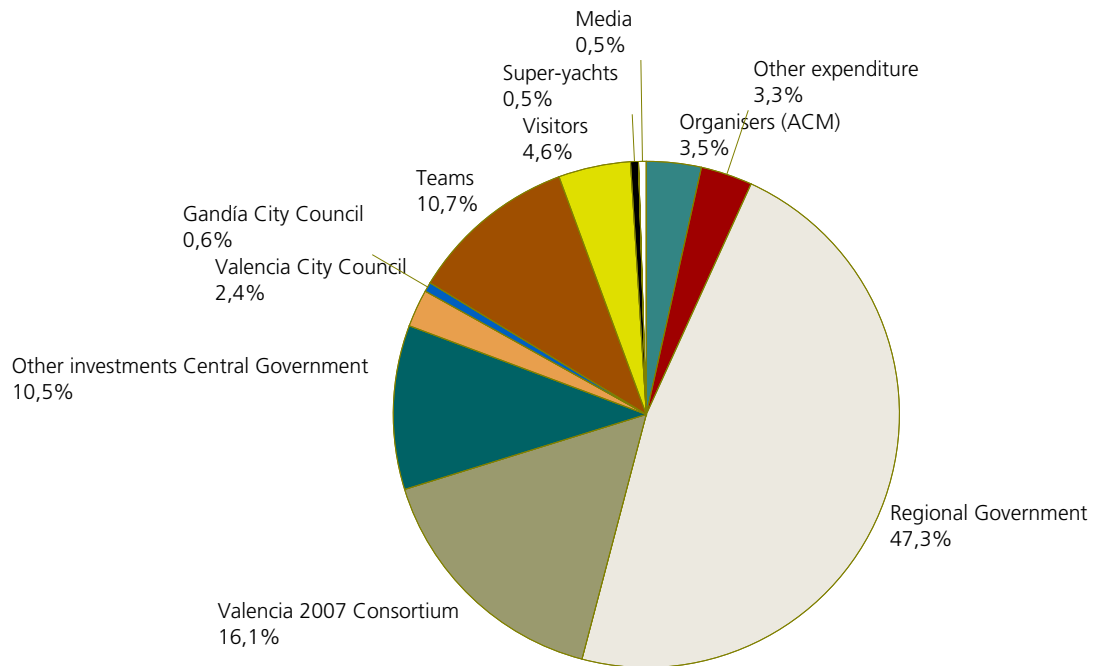
Graph 1. Impact on value added of the America's Cup
 Percentage distribution by agents



Source: Own elaboration.

importance of the impacts associated with investments by the Valencia City Council is lower (2.2%) as a consequence, obviously, of the lower volume of expenditure than that corresponding to other agents.

Graph 2. Impact on employment of the America's Cup
Percentage distribution by agents



Source: Own elaboration.

In relation to current expenditure, the greatest impacts are those associated with the participating teams (11.3% of the total in terms of value added), with spending by visitors (5.7%), and with the activity of the company organising the regattas (3.7%).

To sum up, in terms of value added the impacts derived from current expenditure amount to approximately 598.8 million euros (spending by teams, visitors, super-yachts, media and organisers), while the impacts that come basically from investments amount to 2,124.7 million. Therefore, 78% of the impacts associated with the America's Cup are linked to the investments made in infrastructures (fundamentally), while the remaining 22% come from current spending.

The distribution by major sectors of activity of the economic impacts on value added (**table 45**) shows that the main sector benefiting from the America's Cup is the services sector, as it concentrates 56.6% of the total value added generated, notably in the sectors of retail and repairs (13.7%), catering (13.6%) and real estate activities and business services (12.6%). The construction sector also absorbs a high percentage of the increase in value added (27.3%), the percentages corresponding to industry (14.8%) and agriculture (1.1%) being much lower.

Table 45. Summary of total impacts by sectors

Constant euros of 2007 and jobs

a) 30-sector information

Sectors of activity	Value added		Employment	
	Euros	%	Jobs	%
Agriculture, livestock, game and forestry	27,609,498	1.01	2,551	3.45
Fishing	2,094,850	0.08	92	0.12
Extraction of energy products	0	0.00	0	0.00
Extraction of other minerals except energy products	5,830,617	0.21	85	0.12
Food, drink and tobacco	91,960,441	3.38	1,579	2.14
Textile industry	8,591,050	0.32	206	0.28
Leather and footwear industry	7,674,697	0.28	124	0.17
Timber and cork industry	14,385,522	0.53	313	0.42
Paper: publishing and graphic arts	16,794,087	0.62	428	0.58
Petroleum refining and processing of nuclear fuels	10,926,890	0.40	11	0.02
Chemical industry	13,340,880	0.49	145	0.20
Rubber and plastic	3,128,042	0.11	43	0.06
Other non-metallic mineral products	75,220,248	2.76	1,075	1.46
Metallurgy and manufacture of metal products	28,281,952	1.04	593	0.80
Machinery and mechanical equipment	4,839,598	0.18	95	0.13
Electrical, electronic and optical equipment	4,341,570	0.16	95	0.13
Manufacture of transport material	28,315,595	1.04	375	0.51
Miscellaneous manufacturing industry	16,221,633	0.60	430	0.58
Production and distribution of electricity, gas and water	80,043,792	2.94	358	0.48
Construction	742,994,564	27.28	18,292	24.77
Retail and repair	374,187,297	13.74	18,897	25.59
Hotels and restaurants	371,744,900	13.65	7,613	10.31
Transport, storage and communications	146,374,057	5.37	3,706	5.02
Financial intermediation	61,855,307	2.27	1,050	1.42
Real estate activities and business services	343,687,908	12.62	3,989	5.40
Public administration, defence, and compulsory social security	5,770,375	0.21	328	0.44
Education	33,038,658	1.21	1,264	1.71
Health and social services	65,156,347	2.39	2,085	2.82
Other social and services activities performed for the community	119,008,294	4.37	3,512	4.76
Households that employ domestic staff	20,131,555	0.74	4,525	6.13
TOTAL	2,723,550,225	100.00	73,859	100.00

b) 5-sector information

Sectors of activity	Value added		Employment	
	Euros	%	Jobs	%
Agriculture, livestock and fishing	29,704,348	1.09	2,643	3.58
Energy	5,830,617	0.21	85	0.12
Industry	404,065,998	14.84	5,870	7.95
Construction	742,994,564	27.28	18,292	24.77
Services	1,540,954,699	56.58	46,969	63.59
TOTAL	2,723,550,225	100.00	73,859	100.00

Source: Own elaboration.

In terms of employment, the distribution by sectors of the impacts is very similar, though we note the greater relative importance of services (63.6%) as a consequence of their more labor intensive nature, especially in the specific case of retail. The latter again stands out (with 18,897 jobs generated), as do real estate activities and business services (3,989 jobs), hospitality (7,613 jobs) and construction (with 18,292 jobs).

6. ECONOMIC IMPACT OF "TOURIST" SPENDING AT THE REGATTAS HELD IN VALENCIA (2004-07)

This section presents the estimation of the economic impacts associated with the "tourist" spending at the Acts of the America's Cup held in the city of Valencia. For this purpose, results are offered separately for Acts 2 and 3 held in October 2004 (Act 2. Valencia Louis Vuitton: 04-12 October; Act 3. Valencia Louis Vuitton: 14-17 October), for Acts 4 and 5 held in June 2005 (Act 4. Valencia Louis Vuitton: 16-22 June; Act 5. Valencia Louis Vuitton: 24-26 June); for the Acts held in 2006 (Act 10. Valencia Louis Vuitton: 11-18 May; Act 11. Valencia Louis Vuitton: 19-21 Mayo; Act 12. Valencia Louis Vuitton: 22 June-2 July); for Act 13 held in April 2007; and for the Louis Vuitton Cup (April-June 2007) and the America's Cup Match (June-July 2007). The impacts are associated with the spending that it has been possible to annualise: a) the tourist spending by visitors to the regattas; b) the spending associated with the activity of super-yachts; and c) spending by the media.

As shown by the last column of **table 46**, the regattas of the America's Cup held in Valencia translated into an increase in output of 314.7 million euros, the generation of 191.9 million euros in value added and the creation/maintenance of 4,160 jobs. Of the total impact, 81.6% comes from tourist spending by visitors, 9.4% was generated as a consequence of spending by super-yachts and the remaining 9.0% was generated by the spending of people belonging to the media accredited in Valencia to cover the sporting event.

6.1. ECONOMIC IMPACTS OF THE AMERICA'S CUP MATCH (2007)

During the regatta days of the America's Cup Match held in June-July 2007, the injection of current expenditure that took place as a consequence of spending by visitors to the regattas, super-yachts and media translated into an increase in output and in value added of 92.2 and 56.1 million euros, respectively, permitting the generation/maintenance of 1,211 jobs (**table 46**).

The disaggregation shows that, during the period of regattas, the greater part of the economic impact was generated by the spending of visitors. These caused an effect on output of 85.1 million euros and of 51.6 million euros on value added, and generated/maintained 1,115 jobs. The impact produced by visitors explains more than 92% of the economic impact attributed to the regattas of the America's Cup Match.

Spending by super-yachts and by the media during the days of the regattas that closed the competition for the America's Cup generated a much smaller impact than the spending by visitors. In the case of the super-yachts, the lure of the final phase of the competition attracted 40 of these luxurious vessels. The effect of their spending on output is measured as 4.2 million euros, the impact on value added being 2.7 million and generating/maintaining 58 jobs. The impacts associated with the spending of the media show slightly lower figures: 2.9 and 1.8 million euros,

respectively, in terms of output and value added, and the generation/maintenance of 38 jobs.

Table 46. Economic impacts of the America's Cup Acts held in Valencia

Constant euros of 2007 and jobs

	Acts 2 & 3 (2004)	Acts 4 & 5 (2005)	Acts 10, 11 & 12 (2006)	Act 13 (2007)	Louis Vuitton Cup (2007)	America's Cup Match (2007)	Total acts
Expenditure by visitors							
Output impact	5,388,498	1,968,698	28,408,025	76,809,870	59,733,862	85,091,011	257,399,963
Value added impact	3,278,600	1,197,843	17,313,529	46,482,450	35,955,555	51,605,234	155,833,211
Employment impact	72	26	374	1,008	787	1,115	3,382
Expenditure by super-yachts							
Output impact	1,934,989	3,694,069	5,426,764	1,319,310	12,665,380	4,221,793	29,262,305
Value added impact	1,229,806	2,347,811	3,449,046	838,504	8,049,638	2,683,213	18,598,018
Employment impact	27	51	75	18	174	58	403
Media							
Output impact	1,749,519	1,492,985	3,577,784	1,650,721	16,739,530	2,856,358	28,066,896
Value added impact	1,090,124	930,278	2,229,315	1,028,563	10,430,390	1,779,795	17,488,464
Employment impact	23	20	48	22	223	38	375
Total							
Output impact	9,073,006	7,155,752	37,412,572	79,779,901	89,138,772	92,169,162	314,729,165
Value added impact	5,598,530	4,475,932	22,991,891	48,349,517	54,435,582	56,068,241	191,919,693
Employment impact	122	97	497	1,048	1,185	1,211	4,160

Source: Own elaboration

6.2. ECONOMIC IMPACTS OF THE LOUIS VUITTON CUP (2007)

Of the different stages of the competition for the America's Cup, the Louis Vuitton Cup constitutes the longest period of regattas, extending from mid-April to early June 2007. The spending by visitors to the regattas, super-yachts and the media generated notable direct and indirect effects on output, value added and employment (**table 46**). Specifically, the output of the Valencia Region was increased by 89.1 million euros as a consequence of the impact attributable to spending during the period of regattas. The impact on value added was 54.4 million euros, while the effect on employment is estimated at 1,185 jobs generated/maintained.

Once again, the greatest percentage of the impact, 66.6%, is attributed to expenditure made by visitors. This translates into 59.7 million euros on output, 36 million on value added and the generation/maintenance of 787 jobs.

The long duration of this period of regattas made necessary the long-term presence of the media, which explains how their spending became the second source of economic impact of the three considered. Indeed, spending by the media represented 18.9% of the total impact, with 16.7 million euros of output, 10.4 million of value added and 223 jobs generated/maintained.

During the days of regattas of the Louis Vuitton Cup, the super-yachts spent an estimated 10.9 million euros in the Valencia Region, representing 43.3% of the total spending made by these vessels during the three years of competition. The total impact of this spending on output was 16.7 million euros, while in terms of

value added the impact was 10.4 million. Also, this spending permitted the generation or maintenance of 174 jobs.

6.3. ECONOMIC IMPACTS OF ACT 13 (2007)

Act 13 was the first major event of the America's Cup in 2007, making it a great attraction for the public. To this was added the fact that it was the Act of shortest duration, with only five days of regattas, which concentrated a large number of visitors. These peculiarities explain the strong economic impact generated by this Act in such a brief time. Its effect on output is estimated at 79.8 million euros, that on value added at 48.3 million. In terms of employment, the impact amounted to 1,048 jobs (**table 46**).

These characteristics have an evident effect on the distribution of the impacts among the three agents analysed, spending by visitors being responsible for 96.2% of the total effect generated. The figures are as follows: 76.8 million euros' impact on output, 46.5 million on value added and 1,008 jobs generated/maintained.

The rest of the effect on output was originated by the spending of super-yachts and the media: 1.3 and 1.7 million euros of impact respectively. Their influence on value added was 0.8 million euros attributable to spending by super-yachts and 1.0 million originating with spending by the media. For its part, the impact on employment came to 18 and 22 jobs, respectively.

6.4. ECONOMIC IMPACTS OF ACTS 10, 11 AND 12 (2006)

The fourth column of **table 46** shows the economic impact in terms of output, value added and employment of the Acts held in 2006 in Valencia for the three types of "tourist" spending.

In terms of output, the impact generated is 37.4 million euros, of which 28.4 are a consequence of the tourist expenditure by visitors to the pre-regattas, 5.4 million are generated by the presence of super-yachts in the Port of Valencia, and the remaining 3.6 million are associated with spending by the media.

In terms of value added, the impact is 23 million euros, disaggregated as follows: 17.3 million corresponding to spending by visitors, 3.4 million to spending by super-yachts, and 2.2 to spending by the media.

With respect to the employment generated, the Acts held in 2006 permitted 497 jobs to be maintained/generated as a consequence of tourist spending by visitors to the pre-regattas (374 jobs), of spending by super-yachts (75 jobs) and spending by the media present in Valencia during the holding of the competition (48 jobs).

6.5. ECONOMIC IMPACTS OF ACTS 4 AND 5 (2005)

The third column of **table 46** shows the economic impacts in terms of output, value added and employment associated with the holding in Valencia in June 2005 of Acts 4 and 5. In the case of the spending by visitors attributable to the America's Cup,

the impact on the output of the Valencia Region was 2 million euros. In terms of value added, the total impact of tourist spending was 1.2 million euros, and a total of 26 jobs were generated/maintained.

The activity of the 28 super-yachts that moored in the Port of Valencia during the days of the regattas generated an economic impact of 3.7 million euros in terms of output and of 2.3 million euros in terms of value added (GVA), permitting the generation/maintenance of 51 jobs.

The economic impacts associated with the spending by the media present in Valencia during the pre-regattas of 2005 were 1.5 million in terms of output, 0.93 million in terms of value added, and 20 jobs were generated/maintained.

In total, then, the economic impact of Acts 4 and 5 of the America's Cup held in Valencia in June 2005 translated into an increase of 7.2 million euros in output, 4.5 million euros in value added, and the maintenance/generation of 97 jobs.

6.6. ECONOMIC IMPACTS OF ACTS 2 AND 3 (2004)

The pre-regattas held in Valencia in October 2004 (Acts 2 and 3) generated tourist spending attributable to the America's Cup (net of imports) of 2.32 million euros. This spending, together with the multiplier effects that it generated, led to an increase of 5.4 million in the output and of 3.3 million in the value added of the Valencia Region (**table 46**). In terms of employment, the number of jobs generated and/or maintained was 72.

The spending by super-yachts present in the Port of Valencia during the Acts held in 2004 caused an increase in output of 19 million euros, an increase in value added of 1.2 million euros, and the generation of 27 jobs.

In the case of the media, the impact associated with their spending in Valencia was 1.75 million in terms of output, 1.1 million in terms of value added and the generation of 23 jobs.

In total, the economic impact of the pre-regattas held in Valencia in 2004 was 9.1 million on output, 5.6 million on value added and 122 jobs.

7. CONCLUSIONS AND SYNTHESIS OF RESULTS

The holding of the America's Cup, the most prestigious sporting event in the world of sailing and one of the most internationally known sporting events, implies an injection of expenditure of such magnitude that it generates huge economic impacts on the output, value added and employment of the city designated as venue for the event. Apart from possible benefits that are difficult to quantify, such as, for example, the international projection of Valencia through the diffusion of the regattas in the media of the whole world, the Valencia Region has been shaken by a positive shock-wave of demand as a consequence of the increase in final demand, in terms of both current and investment expenditure.

In this context, the objective of this study is to quantify the economic impact of the 32nd America's Cup Valencia 2007 in the time horizon covered by the calendar of the competition (2004-07). For this purpose, and on the basis of the input-output methodology, economic impacts on the output, value added and employment of the Valencia Region are estimated both at aggregate level and disaggregated by sectors of activity.

The accumulated results during the holding of the America's Cup in Valencia over the period 2004-07 are as follows:

- a) The accumulated increase over the period 2004-07 in total demand associated with the America's Cup Valencia 2007 was 2,767.9 million euros. Of this amount, 26% was current expenditure while the remaining 74% was investment.
- b) The most substantial injection of expenditure (45.05% of the total) corresponded to expenditure attributable to the America's Cup as a consequence of the Regional Government's Action Plan. This is followed in importance by the investment plan and the expenditure of the Valencia 2007 Consortium (15.93%), the expenditure made in Valencia by the participating teams (12.83%) and the rest of the investments by the Central Government (10.42%).
- c) The distinction between expenditure in investment and current spending shows that, in the first case, the principal investor is the Valencian Regional Government through the Regional Government's Action Plan for the America's Cup 2004-07. In the case of current spending, the most substantial amount corresponds to the budgets of the participating syndicates (12.83%) and to the tourist spending by visitors to the regattas (4.47%). To the tourist spending by visitors has to be added that made by super-yachts and by the media personnel accredited in Valencia. The sum of the expenditure made by the agents directly involved in the regattas (teams, visitors, super-yachts, media and AC Management) is 615.3 million euros.
- d) As well as the direct impact of the aforementioned injection of expenditure, the increase in demand generated indirect and induced impacts as a consequence of

the interrelationships among the sectors of activity of the Valencian economy. Thus, the total impact on the output and value added of the Valencia Region is estimated at 5,748 and 2,723.6 million euros, respectively, while in terms of employment the accumulated total impact is of 73,859 jobs.

- e) The accumulated impacts for the period 2004-07 represent 2.67% of the GDP and 3.29% of the employment of the Valencia Region. It is important to note that these are not figures that are repeated in each of the years that the competition lasts, but refer to the total accumulated impact. On the assumption of a linear distribution of the impacts during the period of the competition (around three years), the increased expenditure originating with the America's Cup translates into an annual growth of approximately 1% of the GDP and employment of the Valencia Region in the years 2005, 2006 and 2007.
- f) The distribution by sectors of the economic impacts shows that the main sector benefiting from the America's Cup is the services sector, as it concentrates 56.6% (63.6%) of the total value added (employment) generated, notably in the sectors of retail, hospitality, real estate activities and business services. The construction sector also absorbs a high percentage of the increase in value added (27.3%), and in employment (24.8%), the percentages corresponding to industry, energy and agriculture being much lower.
- g) Given the substantial volume of finance committed, 46.9% of the economic impacts on the value added of the Valencia Region originate from the actions of the Regional Government's Plan for the America's Cup 2004-07. Also notable is the impact of the investments by the Valencia 2007 Consortium (15.1%) and that of the spending by the twelve teams participating (11.3% of the total). Around three quarters of the impacts generated arise from the investments made in the infrastructures necessary to host the sporting event.

To sum up, the holding in Valencia of the America's Cup involved an injection of expenditure of such magnitude that it translated into an annual increase during three years of around 1% of the GDP and employment of the Valencia Region, generating an accumulated total of 5,748 million of output, 2,724 million of value added and 73,859 jobs over the period 2004-07. Comparison of the economic impacts with those corresponding to the previous edition of the sporting event in Auckland shows that the figures estimated in this report for the Valencia 2007 edition of the America's Cup are much higher¹⁸ as a consequence, above all, of the investments in infrastructures necessary to host the sporting event and because of the spending by the greater number of teams participating in the competition¹⁹.

¹⁸ The previous edition held in Auckland spurred an injection of 268.6 million euros (523.4 million New Zealand dollars), permitting generation of 9,360 jobs and 271.3 million euros of revenue into New Zealand, making a contribution to its GDP in 2003 of 0.31%.

¹⁹ In the 2003 America's Cup Defence, 10 teams took part with a total expenditure for the 2000-03 period of 115 million euros, as against the 12 teams (with a budget of approximately 755 million) of the 2007 edition of the America's Cup in Valencia.

APPENDIX: THE INPUT-OUTPUT METHODOLOGY

This appendix presents the methodology for estimating the economic impact of the America's Cup Valencia 2007. "Economic impact" means the effects on output, value added and employment associated with the investments and current expenditure made by the different agents involved in the event. The geographical area on which the impacts are measured is the Valencia Region, using for this purpose the latest input-output table available.

The economic impacts are divided into three groups: direct, indirect and induced.

Direct Impacts

The investments and expenditure to be made constitute an increase in demand for the sectors that carry out the projects. Thus, the investments in the infrastructures needed to host the event (in Ports, roads, airports, etc.) as well as spending by visiting tourists, give rise to an increase in the demand of the sectors that provide them with goods and services (demand in consumption and investment), which must consequently increase their output. This increase in output is what is called the "direct effect". In essence, the direct impacts are a consequence of activities that would not have occurred if the America's Cup had not been held in Valencia.

Indirect impacts

The sectors that directly receive the increase in demand generate indirect effects on other sectors as they need to buy more from their suppliers to achieve their greater output. The supplying sectors, in turn, will generate higher demands for the other sectors of the economy, thus starting an iterative process in the rest of the economy. The sum of the increases in demand deriving from this iterative process is called the "indirect effect".

Induced impacts

The direct and indirect impacts referred to above will have a flow-on or induced effect on the rest of the economic activity of the region being studied, or what is known in technical terms as the *multiplier effect*. For example, let us imagine a visitor from outside the Valencia Region who uses a car hired in this region as his/her means of transport. S/he books into a hotel, and eats and sleeps there. The next morning s/he visits the regatta area, where s/he buys several items of team merchandise. All this visitor's spending would be computed as direct effects. With this expenditure the primary factors of output (labour and capital) are remunerated, generating value added that will subsequently be translated into increased consumption. This increase in spending on consumption will again produce a new chain of effects which are known as induced effects. This chain of effects is what is called the value added multiplier, closely linked to the Keynesian concept of multiplier. When calculating such multipliers it is important to take into account the proportion of imports into the region. The smaller the component of imported products and services the greater will be the multiplier effect.

Total impacts

The total impacts associated with an increase in final demand due to the America's Cup are obtained as the sum of the direct, indirect and induced impacts. In the report the indirect and induced effects are quantified jointly. Specifically, as mentioned below, the total impacts are calculated on the basis of the type II multipliers, the indirect and induced impacts being estimated as the difference between total impact and direct impacts.

There are three possible alternatives for the calculation of the multipliers needed for the analysis of the induced impact on value added and employment of a particular project: "economic models", "econometric models" and those that use the input-output method. The latter is the most widely used, and is the method used in this report.

The main advantage of the input-output methodology is the explicit consideration of a differential multiplier effect in the different sectors that interact in a given region. As with any other method of estimation it also presents its disadvantages: firstly, it needs a flow of highly detailed statistical information on the inter-sector links of the industries that make up the structure of a particular region or country. This information is to be found in the "Input-Output Tables" (IOTs). The large quantity of resources necessary to be able to draw up IOTs implies, in practice, that they are published every 5 or 10 years. If the table is used to analyse a year other than that corresponding to the IOT, therefore, it is necessary to suppose that the technical coefficients have not changed over time. Another restrictive assumption in order to be able to use the methodology of input-output tables refers to the type of output relationships involved, as it is assumed that there is no substitutability between factors of output.

It is evident that all methods have their advantages and disadvantages, which must be valued in terms of the assumptions necessary to accept the conclusions deriving from them. However, the long tradition of studies based on input-output tables, their disaggregation, and the availability of input-output tables for the Valencia Region, make the use of this procedure advisable.

The input-output tables, whose structure is synthesised in **table A.1**, chart the flows of inter-sector transactions in a given region or country for a given year, as well as the different vectors of final demand and the primary inputs. The Leontief closed system quantities model is defined by the matrix equation

$$X = AX + Y$$

$$A = [a_{ij} = \frac{X_{ij}}{X_j}] \quad [1]$$

so the solution for the vector of sector output is equal to:

$$X = [I - A]^{-1}Y \quad [2]$$

where:

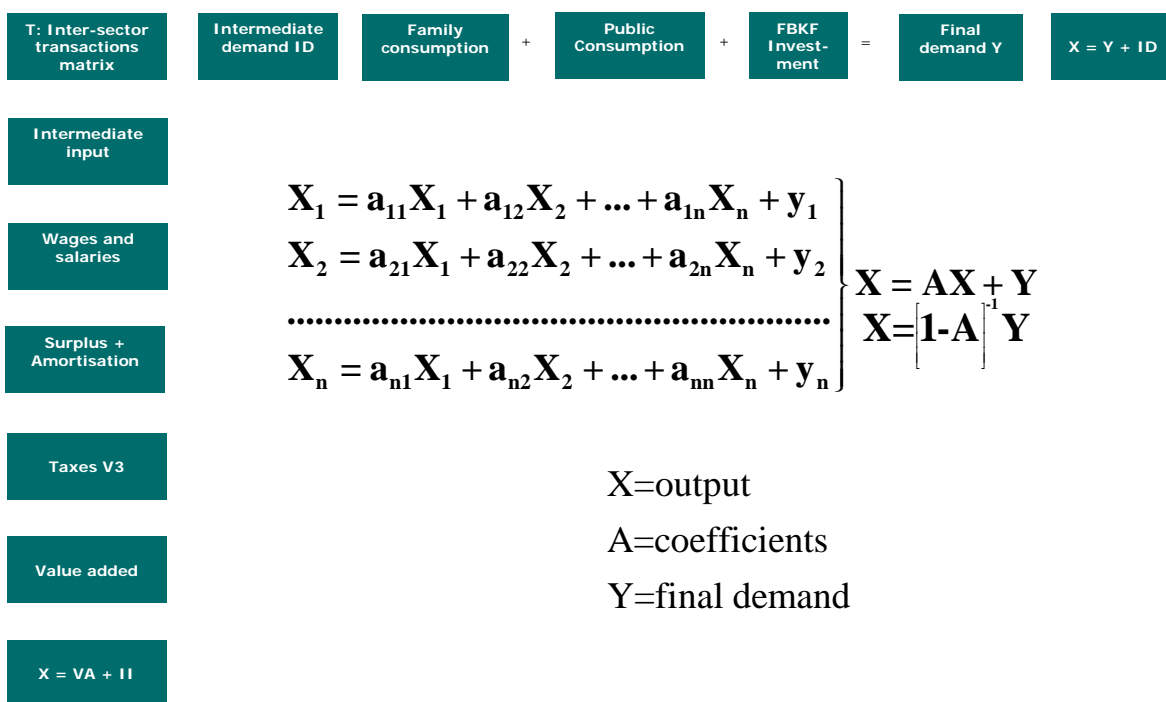
X is the vector of sector output ($n \times 1$).

A is the matrix of technical coefficients ($n \times n$).

$[I-A]$ is the technological matrix.

Y is the vector of internal final demand.

Table A.1. Input-output table structure



Source: Own elaboration.

Assuming the constancy and proportionality of the technical coefficients, the quantities system allows us to evaluate the effects on output, value added and employment of changes in final demand. For this purpose it is necessary to extend the basic Leontief quantities model to include not only the quantities that determine the intermediate demand at sector level but also the quantification of the requirements for primary inputs in final demand. In this way we calculate what are called input-output multipliers. These multipliers can be classified as follows:

* *Output multipliers*. Let us define B as the inverse of the technological matrix:

$$B = [I - A]^{-1} \quad [3]$$

Each element of matrix B , b_{ij} , indicates the increase in output of sector i necessary to meet an increase of one unit in the final demand of sector j . Therefore, the sum of a column of matrix B indicates the output of all sectors of the economy necessary to meet an increase of one unit in the final demand of sector j . It

therefore gives an idea of the impact on the whole economic system of an increase in the final demand of sector j . The output multipliers are calculated as

$$MO_j = \sum_{i=1}^n b_{ij} \quad [4]$$

* *Value added multipliers.* These represent a quantification of the capacity to generate value added derived from changes in final demand. However, as with the Keynesian multiplier, the initial increase in value added due to changes in final demand has additional induced effects on the consumption of domestic economies that will cause a further increase in final demand. As in the case of the Keynesian multiplier this process of interaction between consumption and value added will occur in successive phases until the disappearance of the effects induced by the initial change in final demand. The inclusion or exclusion of the effect induced by the increase in value added deriving from an increase in final demand represents the fundamental difference between the so-called type I value added multiplier (which does not contain the induced effect, only the direct and indirect effects of an increase of one unit in final demand) and the type II value added multiplier (which contains the direct, indirect and induced effects of increases in final demand)²⁰.

The type I value added multiplier is defined as:

$$MR_j^I = \sum_{i=1}^n v_i b_{ij}$$

$$MR^I = v'B \quad [5]$$

where v_i is the capacity to generate value added per unit of output in sector i , calculated as the unitary coefficient of value added (value added in sector j /output in sector j).

To construct the type II value added multipliers it is necessary to expand the matrix of inter-sector transactions by including the household economies sector as if it were another sector of production. The inter-sector transactions matrix will thus have an additional column and row. The elements of the last row of the new matrix, T^* , indicate the domestic value added directly generated by obtaining one unit from sector j . The last column of the new matrix represents the direct needs for product i in order to obtain one final unit of private consumption. This expansion of the matrix is carried out following the procedure described below.

²⁰ Likewise we speak of the type I and type II output multipliers.

Expansion of the technical coefficient matrix

As mentioned above, in order to use type II multipliers it is necessary to expand the technical coefficient matrix so as to incorporate domestic economies. This is aimed at making their consumption endogenous to the input-output model. In this sense, the domestic economies are considered as an additional sector, generating inter-sector flows with each of the remaining eighty four productive sectors. To achieve this endogenisation the technical coefficient matrix has to be "framed" with one row and one column to include this new sector. The interpretation of the coefficients added to the matrix is as follows. The elements in the last row represent the direct household value added generated by obtaining one unit of value added from sector j . Also, the elements of the last column of the expanded technical coefficient matrix represent the direct output needs of sector i in order to obtain one unit of consumption of the household economies.

The calculation of the household economies column is fairly immediate and is performed on the basis of the data contained in the Input-Output Table for the Valencia Region of 1995 (IOT95), specifically in the vectors of spending on household final consumption (see **table A.2**). Each element of this column is calculated as the quotient between consumption by households in the Valencia Region in sector i and consumption by households of all sectors. **Table A.2** shows the elements of this column.

On the other hand, the calculation of the household economies row is not as simple as that performed for the column due to the absence in the TIO95 of the necessary information. For this estimation, therefore, we have followed the methodology of García-Montalvo and Pérez (1996). In essence, this methodology is based on obtaining the domestic value added of the household economies for each of the 84 productive sectors into which the IOT95 is disaggregated starting from Gross Value Added and its disaggregation into gross operating surplus and compensation of employees. The general scheme for obtaining domestic value added is that given in **table A.3**.

Of the necessary variables captured in **table A.3**, in TIO95 we only find the gross operating surplus, compensation of employees and social security contributions paid by the firm. Other items have to be obtained from some alternative source of information. As the Regional Accounts of Spain (INE) does not contain most of the necessary variables either, we have taken the information from FBBVA (2000) to cover these deficiencies. This alternative source is used to calculate certain parameters which, applied to the variables that do appear in IOT95, give us the necessary variables. We therefore take the structure given by FBBVA (2000) for the Valencia Region and apply it to the data from IOT95. In calculating the parameters the data from FBBVA (2000) are used without sector disaggregation, i.e. for the Valencian economy as a whole. It is assumed that these parameters remain constant and apply to all sectors of the IOT95.

Table A.2: Household economies column

Sectors	
1 Citriculture	0,0009912
2 Horticulture	0,0008910
3 Other agriculture and agricultural services	0,0039080
4 Livestock farming	0,0007446
5 Game, forestry and related services	0,0000281
6 Fishing	0,0009360
7 Extraction of energy products	0,0000000
8 Extraction of metallic minerals	0,0000000
9 Extraction of non-metallic non-energy minerals	0,0000006
10 Meat industry	0,0087529
11 Preparation and preservation of fish, fruit and vegetables	0,0036352
12 Dairy industries	0,0061316
13 Manufacture of milling, bakery and pastry products	0,0204020
14 Other food products industries	0,0036065
15 Preparation of drinks	0,0004460
16 Tobacco industry	0,0002758
17 Preparation and manufacture of fibres, threads and cloths	0,0000000
18 Textile finishing	0,0000000
19 Other textile industries	0,0013447
20 Manufacture of cloths and knitted goods	0,0011573
21 Clothing and fur industry	0,0014646
22 Preparation and manufacture of leather items	0,0000739
23 Footwear manufacture	0,0040645
24 Wood and cork industry	0,0003464
25 Paper industry	0,0005335
26 Graphic arts and Publishing	0,0025599
27 Petroleum refining	0,0048415
28 Chemical industry	0,0029131
29 Manufacture of rubber products and plastic materials	0,0000749
30 Manufacture of glass and glass products	0,0000829
31 Manufacture of ceramic products	0,0000161
32 Manufacture of ceramic tiles	0,0001023
33 Manufacture of construction materials	0,0001406
34 Manufacture of other non-metallic mineral products	0,0001180
35 Metallurgy	0,0000046
36 Manufacture of metal elements for construction, tanks and generators	0,0000000
37 Processing of metals and manufacture of other metallic products	0,0000539
38 Manufacture of machinery and mechanical equipment	0,0001661
39 Manufacture of office machinery and computer equipment	0,0000000
40 Manufacture of electrical material and machinery	0,0000882
41 Manufacture of electronic material	0,0001375
42 Manufacture of medical and optical precision instruments and watchmaking	0,0000875
43 Manufacture of motor vehicles, trailers and semi-trailers	0,0035711
44 Manufacture of other transport material	0,0004666
45 Furniture manufacture	0,0073324
46 Manufacture of games and toys	0,0016021
47 Other manufacturing industries	0,0007723
48 Recycling	0,0000000
49 Production and distribution of electricity, gas and steam	0,0224990
50 Extraction, purification and distribution of water	0,0062402
51 Construction	0,0097844
52 Sale and repair of vehicles; retail sale of fuel	0,0400076

Table A.2: Household economies column (continuation)

Sectors	
53 Wholesale and intermediate commerce	0.0679645
54 Retail commerce, repair of personal and household items	0.1241074
55 Hotels and other types of accommodation	0.0261567
56 Catering	0.2364310
57 Rail transport	0.0052061
58 Urban and passenger transport	0.0123271
59 Transport of goods by road and transport by pipeline	0.0045981
60 Maritime transport.	0.0000857
61 Air transport	0.0009560
62 Transport related activities	0.0102921
63 Posts and telecommunications	0.0225646
64 Financial intermediation	0.0031600
65 Insurance and pension plans	0.0178812
66 Activities ancillary to financial intermediation	0.0039136
67 Real estate activities and business services	0.1438841
68 Hire of machinery, personal effects, etc.	0.0059085
69 Computer activities	0.0001285
70 Research and development	0.0000000
71 Legal and administrative consultancy activities	0.0020006
72 Other business services	0.0022111
73 Public administration, defence, and compulsory social security	0.0000000
74 Non-market education	0.0037046
75 Market education	0.0208810
76 Non-market healthcare	0.0000000
77 Market healthcare	0.0346640
78 Non-market social services	0.0003036
79 Market social services	0.0058984
80 Public health activities	0.0040824
81 Associational activities	0.0000000
82 Recreational, cultural and sports activities	0.0447107
83 Miscellaneous personal service activities	0.0169813
84 Households that employ domestic staff	0.0155996

Source: Own elaboration.

Table A.3: Calculation of household domestic value added

NET VALUE ADDED AT BASIC PRICES
— Social Security contributions payable by firm
— Social Security contributions payable by workers
— Undistributed profits
— Direct taxation of firms
— Direct taxation of households
= PERSONAL DISPOSABLE INCOME
— Household consumption of imports
— Household savings
= HOUSEHOLD DOMESTIC INCOME

Table A.4 gives the recursive system of equations used to estimate the domestic value added of household economies. This system is followed in both statistical sources used (IOT95 and FBBVA (2000)), so that in the parameters defined below a single definition of the variables is used.

Table A.4: Calculation of household domestic value added from GVA at basic prices

$$\text{GVA pb} = \text{GOS} + \text{CE}$$

$$\text{Gross Domestic Value Added (GDVA)} = \text{GVA bp} - \text{TSC}$$

$$\text{Total Value Added (TVA)} = \text{GDVA} + \text{OTR}$$

$$\text{Family Value Added (FVA)} = \text{TVA} - \text{UDP} - \text{DTE}$$

$$\text{Disposable Family Value Added (DFVA)} = \text{RF} - \text{DTF}$$

$$\text{DOMESTIC VALUE ADDED} = \text{RFD} - \text{S} - \text{AM} - \text{Imported consumption}$$

where:

GVApb: Gross Value Added at basic prices

GOS: Gross Operating Surplus

CE: Compensation of employees

CST: Total social contribution (payable by worker and by firm)

OTR: Other value added of household economies (transfers, etc.)

DTE: Direct taxation of enterprises

UDP: Undistributed profits

DTF: Direct taxation of families

S: Savings of household economies

AM: Amortizations

Imported consumption (consumption by household economies outside the Valencia Region)

Of the variables described above, Social Security contributions, other value added (OTR), Undistributed profits (UDP), Direct taxation of enterprises (DTE), Direct taxation of families (DTF), Family savings (S) and Amortizations (AM) are not found in the original source. They are proxied using the following variables from the FBBVA (2000) source and the parameters described below:

Other value added (OTR): Transfers received by families.

Wages and salaries (SYS): Value added from work generated.

Gross operating surplus (GOS): Sum of Mixed Value added, Capital Value added, Public Value added, Value added from work of non-residents and Consumption of fixed capital.

Undistributed Profits (UDP): Saving by companies and firms.

Direct Taxation of enterprises (DTE): Public Value added (Includes the net value added of public enterprises and direct taxes on companies and firms).

Direct Taxation of families (DTF): Direct Taxes paid by families.

Savings of household economies (S): Gross family savings.

Amortizations (AM): Consumption of fixed capital. We use the consumption of fixed capital of each of the four major sectors of production (Agriculture, Industry, Construction and Services). **Table A.5** contains the equivalence between the productive sectors of the IOT95 and FBBVA (2000) for the four major sectors.

The BBVA Foundation in its statistics offers biennial data referring to odd-numbered years. As the Input-Output Table for the Valencia Region used (the latest available) is that for 1995, the information from the FBBVA considered refers to the same year.

Estimation of gross domestic value added

Gross domestic value added has been calculated differently for each of the two sources due to disparities in the information available on social security contributions.

In the case of the latter source, the volume of social security contributions payable by workers has to be proxied. For this purpose, we use the basic Norms for contributions to Social Security, Unemployment, Social Guarantee Fund and Vocational Training for 1995 issued by the Ministry of Labour and Social Security. Article 105 of law 41/1994, of 30-12-1994, on the National Budget for 1995, establishes the following percentages of contribution payable by workers in the General Regime:

- *Common contingencies: 4.7%*
- *Unemployment: 1.6%*
- *Vocational training: 0.1%*
- *Total items: 6.4%*

The 6.4% obtained is used on the assumptions that no overtime is worked and that all workers contribute to the General Regime, i.e. there are no Special Regimes.

Table A.5: Equivalence between sectors of production of TIO95 and FBBVA (2000)

TIO95 Sectors	FBBVA (2000) sector classification
1 Citriculture 2 Horticulture 3 Other agriculture and agricultural services 4 Livestock farming 5 Game, forestry and related services 6 Fishing	AGRICULTURE
7 Extraction of energy products 8 Extraction of metallic minerals 9 Extraction of non-metallic non-energy minerals 10 Meat industry 11 Preparation and preservation of fish, fruit and vegetables 12 Dairy industries 13 Manufacture of milling, bakery and pastry products 14 Other food products industries 15 Preparation of drinks 16 Tobacco industry 17 Preparation and manufacture of fibres, threads and cloths 18 Textile finishing 19 Other textile industries 20 Manufacture of cloths and knitted goods 21 Clothing and fur industry 22 Preparation and manufacture of leather items 23 Footwear manufacture 24 Wood and cork industry 25 Paper industry 26 Graphic arts and Publishing 27 Petroleum refining 28 Chemical industry 29 Manufacture of rubber products and plastic materials 30 Manufacture of glass and glass products 31 Manufacture of ceramic products 32 Manufacture of ceramic tiles 33 Manufacture of construction materials 34 Manufacture of other non-metallic mineral products 35 Metallurgy 36 Manufacture of metal elements for construction, tanks and generators 37 Processing of metals and manufacture of other metallic products 38 Manufacture of machinery and mechanical equipment 39 Manufacture of office machinery and computer equipment 40 Manufacture of electrical material and machinery 41 Manufacture of electronic material 42 Manufacture of medical and optical precision instruments and watchmaking 43 Manufacture of motor vehicles, trailers and semi-trailers 44 Manufacture of other transport material 45 Furniture manufacture 46 Manufacture of games and toys 47 Other manufacturing industries 48 Recycling 49 Production and distribution of electricity, gas and steam 50 Extraction, purification and distribution of water	INDUSTRY

Table A.5: Equivalence between sectors of production of TIO95 and FBBVA (2000) (cont.)

TIO95 Sectors	FBBVA (2000) sector classification
51 Construction	CONSTRUCTION
52 Sale and repair of vehicles; retail sale of fuel	SERVICES
53 Wholesale and intermediate commerce	
54 Retail commerce, repair of personal and household items	
55 Hotels and other types of accommodation	
56 Catering	
57 Rail transport	
58 Urban and passenger transport	
59 Transport of goods by road and transport by pipeline	
60 Maritime transport.	
61 Air transport	
62 Transport related activities	
63 Posts and telecommunications	
64 Financial intermediation	
65 Insurance and pension plans	
66 Activities ancillary to financial intermediation	
67 Real estate activities and business services	
68 Hire of machinery, personal effects, etc.	
69 Computer activities	
70 Research and development	
71 Legal and administrative consultancy activities	
72 Other business services	
73 Public administration, defence, and compulsory social security	
74 Non-market education	
75 Market education	
76 Non-market healthcare	
77 Market healthcare	
78 Non-market social services	
79 Market social services	
80 Public health activities	
81 Associational activities	
82 Recreational, cultural and sports activities	
83 Miscellaneous personal service activities	
84 Households that employ domestic staff	

Source: IVE, FBBVA and own preparation.

Source: BBVA Foundation:

Compensation of employees:

- Total contributions to Social Security

= Net wages and salaries

+ Gross operating surplus

= Gross domestic value added

Source TIO95-CV:

Compensation of employees:

- Social Security contributions (payable by employer)

- 6,4% of the compensation of employees (Social Security contributions payable by employees)

= Net wages and salaries

+ Gross operating surplus

= Gross domestic value added

With the variables described above we define the following parameters, which will be used to obtain the variables not available in the TIO95. These ratios will be applied to each of the 84 productive sectors considered in the input-output table, thus obtaining each of the variables needed to expand the technical coefficients matrix.

$$\beta_0 = \frac{OTR}{(GDVA + OTR)} \quad [6]$$

$$\beta_1 = \frac{UDP}{GOS} \quad [7]$$

$$\beta_2 = \frac{DTE}{GOS} \quad [8]$$

$$\beta_3 = \frac{DTF}{FVA} \quad [9]$$

$$\beta_4 = \frac{S}{DFVA} \quad [10]$$

$$\beta_5 = \frac{\text{Imported consumption}}{DTVA} \quad [11]$$

$$\beta_{oi} = \frac{AM_i}{GOS_i} \quad [12]$$

where i = Agriculture, industry, construction and services.

Of the parameters described, the only variable that has not been defined is imported consumption (calculation of β_5). This information is available in the IOT95. It is defined as the proportion of spending that household economies make outside the Valencia Region. Disposable personal value added is defined in **table A.4**. **Table A.6** shows the values of the variables and parameters used to estimate the row of household economies.

The adoption of the parameters described and their application to the variables of the TIO95 implies making the following assumptions:

- The other value added received by household economies in proportion to total value added is the same in all sectors.
- Savings by firms (undistributed profits), and the direct taxes paid by firms, are proportional to the gross operating surplus generated.
- Direct taxation of families is proportional to family value added.
- The savings and imports functions are linear and common to all sectors.

With the parameters described above, and with **table A.4**, family consumption can be calculated for each of the eighty four sectors of the IOT95. Given that the sum of consumption by household economies has to be the same whether considered by rows or by columns, it is necessary to adjust the levels so that the sum of the consumption of the row and the column is the same. Once the row has been calculated, to "frame" the technical coefficient matrix, the household economies row is divided by the effective production at factory prices. The household economies row is shown in **table A.7**.

The new inter-sector transactions matrix is obtained using the following ratio:

$$A^* = T^*(diag(X))^{-1} \quad [13]$$

where:

A^* is the new technical coefficient matrix.

T^* is the new inter-sector transactions matrix that includes the household economies sector as an additional sector.

$diag(X)$ is a diagonal matrix where the elements of the main diagonal are the values of vector X .

Table A.6: Coefficients for the calculation of the household economies row of the expanded matrix
Millions of euros

Source: FBBVA (2000)*			
Compensation of employees		21,969	
Total Social security contributions		6,092	
Net wages and salaries		15,877	
Gross operating surplus		21,778	
Gross domestic value added		37,655	
Other value added		6,685	
Gross family savings		4,273	
Undistributed profit		2,573	
Direct taxation of families		3,381	
Direct taxation of enterprises		1,026	
Consumption of fixed capital			
Agriculture and fishing		150	
Industry minus construction		1,914	
Construction		438	
Services		2,338	
Total of sectors		4,840	
GVA at factor cost			
Agriculture and fishing		1,773	
Industry minus construction		11,407	
Construction		3,523	
Services		27,945	
Total of sectors		44,649	
Total value added		31,938	
Family value added		40,741	
Source TIO95:			
Consumption of imports		6,480	
Domestic family consumption		19,501	
Disposable family value added		34,475	
PARAMETERS			
beta 0	0.151	Other value added / (domestic value added + other value added)	
beta 1	0.118	Undistributed profits / Gross operating surplus	
beta 2	0.047	Direct taxation of firms / Gross operating surplus	
beta 3	0.083	Direct taxation of families / Family value added	
beta 4	0.105	Gross family savings / Family value added	
beta 5	0.199	Consumption of imports / Disposable family value added	
Beta 61	0.084	Amortisations / GVA Agriculture and fishing sector	
Beta 62	0.168	Amortisations / GVA Industry minus construction sector	
Beta 63	0.124	Amortisations / GVA Construction sector	
Beta 64	0.084	Amortisations / GVA Services sector	
Beta 6 total	0.108	Amortisations / GVA Total of sectors	

* The data refer to 1995, in correspondence with the year of reference of the Input-output tables.

Source: INE, FBBVA and own elaboration.

Table A.7: Household economies row

Sectors		
1	Citriculture	0,4133
2	Horticulture	0,2795
3	Other agriculture and agricultural services	0,3464
4	Livestock farming	0,0183
5	Game, forestry and related services	0,4495
6	Fishing	0,4260
7	Extraction of energy products	0,0000
8	Extraction of metallic minerals	0,0000
9	Extraction of non-metallic non-energy minerals	0,1992
10	Meat industry	0,0422
11	Preparation and preservation of fish, fruit and vegetables	0,0900
12	Dairy industries	0,1440
13	Manufacture of milling, bakery and pastry products	0,1305
14	Other food products industries	0,0801
15	Preparation of drinks	0,1058
16	Tobacco industry	0,2360
17	Preparation and manufacture of fibres, threads and cloths	0,1072
18	Textile finishing	0,1325
19	Other textile industries	0,1120
20	Manufacture of cloths and knitted goods	0,1534
21	Clothing and fur industry	0,1607
22	Preparation and manufacture of leather items	0,1012
23	Footwear manufacture	0,0789
24	Wood and cork industry	0,1406
25	Paper industry	0,1376
26	Graphic arts and Publishing	0,1744
27	Petroleum refining	0,0316
28	Chemical industry	0,1290
29	Manufacture of rubber products and plastic materials	0,1379
30	Manufacture of glass and glass products	0,2161
31	Manufacture of ceramic products	0,1906
32	Manufacture of ceramic tiles	0,1473
33	Manufacture of construction materials	0,1840
34	Manufacture of other non-metallic mineral products	0,1067
35	Metallurgy	0,1382
36	Manufacture of metal elements for construction, tanks and generators	0,1737
37	Processing of metals and manufacture of other metallic products	0,1736
38	Manufacture of machinery and mechanical equipment	0,1595
39	Manufacture of office machinery and computer equipment	0,1184
40	Manufacture of electrical material and machinery	0,1565
41	Manufacture of electronic material	0,1584
42	Manufacture of medical and optical precision instruments and watchmaking	0,1788
43	Manufacture of motor vehicles, trailers and semi-trailers	0,0935
44	Manufacture of other transport material	0,0929
45	Furniture manufacture	0,1149
46	Manufacture of games and toys	0,1157
47	Other manufacturing industries	0,1274
48	Recycling	0,2071
49	Production and distribution of electricity, gas and steam	0,1755
50	Extraction, purification and distribution of water	0,2838
51	Construction	0,1644
52	Sale and repair of vehicles; retail sale of fuel	0,3381

Table A.7: Household economies row (continuation)

Sectors	
53 Wholesale and intermediate commerce	0,3178
54 Retail commerce, repair of personal and household items	0,3837
55 Hotels and other types of accommodation	0,3271
56 Catering	0,2765
57 Rail transport	0,3864
58 Urban and passenger transport	0,4563
59 Transport of goods by road and transport by pipeline	0,3375
60 Maritime transport.	0,3028
61 Air transport	0,3905
62 Transport related activities	0,2582
63 Posts and telecommunications	0,4596
64 Financial intermediation	0,3710
65 Insurance and pension plans	0,2135
66 Activities ancillary to financial intermediation	0,2773
67 Real estate activities and business services	0,4357
68 Hire of machinery, personal effects, etc.	0,2515
69 Computer activities	0,3562
70 Research and development	0,3378
71 Legal and administrative consultancy activities	0,3324
72 Other business services	0,2861
73 Public administration, defence, and compulsory social security	0,3459
74 Non-market education	0,4783
75 Market education	0,3663
76 Non-market healthcare	0,3343
77 Market healthcare	0,3753
78 Non-market social services	0,3884
79 Market social services	0,4252
80 Public health activities	0,2283
81 Associational activities	0,2882
82 Recreational, cultural and sports activities	0,3197
83 Miscellaneous personal service activities	0,3407
84 Households that employ domestic staff	0,6001

Source: IVE, FBBVA and own elaboration.

The new Leontief inverse matrix is, therefore²¹,

$$B^* = [I - A^*]^{-1} \quad [14]$$

The type II value added multipliers are calculated using the last row of the new Leontief inverse matrix, B^* . In the form of a partitioned matrix we can express the new inter-sector transactions matrix as

$$\begin{bmatrix} X \\ y \end{bmatrix} = \begin{bmatrix} A & cf \\ \omega' & 0 \end{bmatrix} \begin{bmatrix} X \\ y \end{bmatrix} + \begin{bmatrix} Y - CF \\ RE \end{bmatrix} \quad [15]$$

²¹ The type II output multipliers are based on the top left partition (nxn) of this matrix.

where:

y is the value added.

cf is the vector of coefficients corresponding to household consumption.

CF is the vector of household consumption.

Y is family value added.

RE are the value added received from outside.

w' is the vector of value added/product ratios.

The Leontief inverse matrix B^* is equal to

$$B^* = \begin{bmatrix} A & cf \\ w' & 0 \end{bmatrix}^{-1} \quad [16]$$

Therefore, the type II value added multipliers can be written as

$$MR_j^II = b_{n+1,j}^* \quad [17]$$

- *Employment multipliers.* Like the value added multipliers, the employment multipliers can be obtained taking into account only the direct and indirect effects of increases in final demand (type I employment multipliers) or also taking into account the effects induced by the increase in value added (type II employment multipliers). The type I employment multiplier is equal to:

$$ME_j^I = \sum_{i=1}^n l_i b_{ij} \quad [18]$$

$$ME^I = l'B$$

where l_i is the labour coefficient calculated as the quotient between the employment and the output of sector i and the vector l contains the labour coefficients of the different sectors.


To obtain the type II employment multiplier it is only necessary to replace the coefficients of the Leontief inverse matrix B by the coefficients of matrix B^* .

$$ME_j^II = \sum_{i=1}^n l_i b_{ij}^* \quad [19]$$

Total Impact

The total economic impact is the sum of the direct impacts, the indirect impacts and the impacts induced by the direct and indirect impacts. This magnitude is the final objective of the study.

ANNEX 1. QUESTIONNAIRE FOR ESTIMATING SPENDING BY VISITORS

	TO BE FILLED IN BY THE INTERVIEWER			Name and surnames of interviewer	VERSION 1 26-04-2006
	Nº interview (leave blank)	Nº of questionnaire: <input type="text" value="4462"/>	Date of interview		
			Month <input type="text"/>		
			Year <input type="text"/>		

BLOCK A.- CHARACTERISTICS OF RESPONDENT

A.1	GENDER	A.3	PLACE OF RESIDENCE (IF VALENCIA, JUMP TO BLOCK "C")	
	(10)		(12)	(13)
	⇒ MAN <input type="text" value="1"/>		⇒ SPAIN <input type="text" value="1"/>	PROVINCE <input type="text"/>
	⇒ WOMAN <input type="text" value="2"/>			<input type="text"/>
A.2	AGE		(56)	
	(11)		⇒ ABROAD <input type="text" value="2"/>	COUNTRY <input type="text"/>
	⇒ 18-24 YEARS <input type="text" value="1"/>			<input type="text"/>
	⇒ 25-34 YEARS <input type="text" value="2"/>			
	⇒ 35-54 YEARS <input type="text" value="3"/>			
	⇒ 55-64 YEARS <input type="text" value="4"/>			
	⇒ OVER 64 YEARS <input type="text" value="5"/>			

BLOCK B.- DATA ON THE VISIT

B.1	HOW HAS THE AMERICA'S CUP INFLUENCED YOUR MOTIVE FOR VISITING VALENCIA? CHOOSE ONE OF THE FOLLOWING ANSWERS	
		(14)
	⇒ I WOULD NOT HAVE COME IF THE AMERICA'S CUP HAD NOT BEEN HELD IN VALENCIA (IT IS THE EXCLUSIVE OR PRINCIPAL MOTIVE FOR THE VISIT).....	<input type="text" value="1"/>
	⇒ I HAVE COME TO VALENCIA MAINLY BECAUSE OF THE AMERICA'S CUP, THOUGH I WOULD ALSO HAVE COME EVEN IF THE EVENT HAD NOT BEEN HELD IN VALENCIA	<input type="text" value="2"/>
	⇒ I HAVE COME PARTLY BECAUSE OF THE AMERICA'S CUP, SO I WOULD ALSO HAVE COME EVEN IF THE EVENT HAD NOT BEEN HELD IN VALENCIA	<input type="text" value="3"/>
	⇒ I CAME TO VALENCIA FOR OTHER REASONS	<input type="text" value="4"/>

PARA LOS QUE EN B.1 HAN DICHO "4"

B.2	¿WHAT IS YOUR MOTIVE FOR COMING TO VALENCIA? INTERVIEWER: DO NOT MAKE SUGGESTIONS, ONLY TAKE NOTE	
	(15)	
⇒ HOLIDAYS IN GENERAL	<input type="text" value="1"/>	
⇒ TO DISCOVER VALENCIA	<input type="text" value="2"/>	
⇒ TO VISIT FAMILY AND/OR FRIENDS	<input type="text" value="3"/>	
⇒ CITY OF ARTS AND SCIENCES	<input type="text" value="4"/>	
⇒ OTHER (SPECIFY)	<input type="text" value="98"/>	
⇒ DOESN'T KNOW, DOESN'T ANSWER	<input type="text" value="99"/>	

TO ALL RESPONDENTS

B.3 PLEASE SCORE FROM 0 TO 10 THE IMPORTANCE OF THE AMERICA'S CUP IN CHOOSING VALENCIA AS YOUR HOLIDAY DESTINATION

No influence		Determining Factor	
	1	2	3
	4	5	6
	7	8	9
	10	(57)	

FOR THOSE WHO ANSWERED "4" IN B.1

B.4 HAVE YOU PROLONGED YOUR STAY IN VALENCIA BECAUSE OF THE AMERICA'S CUP?

(10)

⇒ YES → GO TO B.5

⇒ NO → GO TO B.6

B.8 PLACE OF ACCOMMODATION (OVERNIGHT STAY)

⇒ VALENCIA CITY

⇒ REST OF VALENCIA PROVINCE

⇒ REST OF VALENCIA REGION (15)

⇒ ALICANTE

⇒ CASTELLÓN

.....

.....

.....

B.5 HOW MANY DAYS?

⇒ DAYS (57)

FOR THOSE WHO ANSWERED "1" OR "2" IN B.1

B.6 PLANNED DURATION OF STAY

⇒ DAYS (57) ⇒ NIGHTS (16)

B.9 HAVE YOU TAKEN ADVANTAGE OF PASSING THROUGH VALENCIA TO VISIT OTHER AREAS OF THE VALENCIA REGION ON NON-REGATTA DAYS?

(10)

⇒ YES → GO TO B.10

⇒ NO → GO TO BLOCK C

B.7 INDICATE BELOW IF YOU ARE STAYING IN A HOTEL OR OTHER TYPE OF ACCOMMODATION, OR IF YOU ARE NOT STAYING ANYWHERE (BECAUSE YOU ARE SLEEPING IN YOUR USUAL PLACE OF RESIDENCE)

(15)

⇒ STAYING IN HOTEL

⇒ 1 STAR

⇒ 2 STAR

⇒ 3 STAR

⇒ 4 STAR

⇒ 5 STAR

⇒ STAYING IN OTHER ACCOMMODATION

⇒ HOME OF FAMILY, FRIENDS,

⇒ PENSIÓN, HOSTEL

⇒ RENTED APARTMENT

⇒ BOAT

⇒ AT HOME (GO TO BLOCK C)

B.10 NUMBER OF OVERNIGHT STAYS IN THOSE AREAS OF THE VALENCIA REGION

⇒ OVERNIGHT STAYS (57)

BLOQUE C.- PATRONES DE CONSUMO

A CONTINUACIÓN LE VAMOS A PREGUNTAR SOBRE SUS GASTOS APROXIMADOS DURANTE SU ESTANCIA EN VALENCIA, YA SEAN REALES O PREVISTOS

LOS CÁLCULOS A CONTINUACIÓN SON ESTIMACIONES:

(20)

⇒ PARA MÍ SÓLO (VIAJO SOLO)

⇒ PARA MI FAMILIA (VIAJAMOS JUNTOS)

↓

⇒ ¿CUÁNTAS PERSONAS SON?
(INCLUIDO VD). (21)

C.1 GASTO ESTIMADO EN LOS SIGUIENTES CONCEPTOS
ENTREVISTADOR/A: QUE EL ENTREVISTADO RESPONDA A CADA UNO DE LOS CONCEPTOS EN FUNCIÓN DE LO QUE LE RESULTE MÁS CÓMODO, SI EL GASTO MEDIO POR DÍA O PARA EL TOTAL DE LA ESTANCIA. PUEDE HABER CONCEPTOS A LOS QUE RESPONDA POR DÍA Y OTROS POR TOTAL ESTANCIA. SI EL ENTREVISTADO ESPECIFICA EN EUROS, NO PONER CÉNTIMOS, REDONDEAR

	POR DÍA		TOTAL DÍAS	
⇒ ALOJAMIENTO (hoteles, alquiler, apartamentos, ...)	<input type="text"/>	PTAS <input type="text"/> EUROS (25)	<input type="text"/>	PTAS <input type="text"/> EUROS (33)
⇒ ALIMENTACIÓN (restaurantes, bares, ...)	<input type="text"/>	PTAS <input type="text"/> EUROS (26)	<input type="text"/>	PTAS <input type="text"/> EUROS (34)
⇒ TIENDAS.....	<input type="text"/>	PTAS <input type="text"/> EUROS (27)	<input type="text"/>	PTAS <input type="text"/> EUROS (35)
⇒ OCIO.....	<input type="text"/>	PTAS <input type="text"/> EUROS (28)	<input type="text"/>	PTAS <input type="text"/> EUROS (36)
⇒ TRANSPORTE (gasto efectuado sólo en la Comunidad Valenciana)	<input type="text"/>	PTAS <input type="text"/> EUROS (30)	<input type="text"/>	PTAS <input type="text"/> EUROS (38)
⇒ TOTAL (sólo en caso de no conocer la distribución de los gastos.....)	<input type="text"/>	PTAS <input type="text"/> EUROS (32)	<input type="text"/>	PTAS <input type="text"/> EUROS (40)

C.2 DEL TOTAL DEL GASTO ESTIMADO, DÍGAME APROXIMADAMENTE,¿CUÁNTO HA PAGADO EN ORIGEN (LUGAR DONDE VIVE) Y CUÁNTO AQUÍ EN VALENCIA?

⇒ ORIGEN % (57)

⇒ DESTINO % (57)

⇒ TOTAL (57)

ANNEX 2. QUESTIONNAIRE FOR PARTICIPATING TEAMS

QUESTIONNAIRE FOR SYNDICATES (PARTICIPATING TEAMS) AMERICA'S CUP VALENCIA 2007

A. General data:

A.1. Name of team:

A.2. Location of team base:

1. Valencia
2. Valencia region
3. Others (specify)

A.3. Number of team members:

A.4. Period of stay in the Valencia region (in months):

B. Pattern of expenditure:

B.1. Distribution over time of the team's expenditure (in percentages):

<u>Year</u>	<u>Percentage of expenditure</u>
1. 2005	
2. 2006	
3. 2007	
Total expenditure	100%

B.3. Percentage of expenditure made in the Valencia Region.

B.4. Percentage distribution of expenditure by the team in the Valencia Region by sectors

<u>Sector or type of expenditure</u>	<u>Percentage of expenditure</u>
1. Accommodation (Hotels, house rentals, etc.)	
2. Hospitality (restaurants, bars, etc.)	
3. Transport	
4. Shops	
5. Leisure	
6. Construction (infrastructures)	
7. Marine sector (construction of boat, design, maintenance, spares, etc.)	
8. Media (expenditure on marketing, advertising, etc.)	
9. Business and family services (schools, legal advice, etc.)	
10. Others (unspecified)	
Total expenditure	100%

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