ECONOMIC IMPACT REPORT

The Economic Impact of DHL Worldwide Express on the Greater Cincinnati Region

Prepared for

DHL Worldwide Express

by the

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EXECUTIVE SUMMARY

This report analyzes the economic impact of the DHL Worldwide Express hub at the Cincinnati/Northern Kentucky International Airport on the Greater Cincinnati economy in three parts; the current operation of the hub, the proposed expansion of the hub, and the future operations of the hub.

Current Operation of DHL Worldwide Express

The presence of the DHL Worldwide Express hub at the Cincinnati/Northern Kentucky International Airport has a significant impact on the economy of Greater Cincinnati. Several economic highlights are summarized below:

- In the 1995 fiscal year, DHL spent more than $66 million in the Tri-State economy, purchasing over $34 million in goods and services from local merchants.

- The economic impact of DHL operations on business activity in the Greater Cincinnati economy is $191 million. Of this, more than $55 million goes directly to Tri-State area households in the form of wages. The business activity associated with DHL and its employees sustains or creates over 2,000 local jobs. This business activity also generates state and local tax payments of approximately $2 million.

- DHL employs between 800 and 1,000 Tri-State area residents, who receive over $29 million in payroll and benefits from DHL.

- DHL and its employees added nearly $3 million to state and local government tax receipts in the 1995 fiscal year.

The Proposed Expansion of the DHL Worldwide Express Hub

The proposed expansion of the DHL hub located at the Cincinnati/Northern Kentucky International Airport will result in an economic impact, the highlights of which include the following:

- Over $151 million will enter the Greater Cincinnati economy due to construction. This expansion will generate an economic impact of nearly $335 million.

- Area households will receive $102 million of this impact in wages.

- Nearly 5,000 local jobs will be supported, directly and indirectly, by the construction project.

Operation of DHL Worldwide Express: 1997-2005

In the years following the expansion project, the operation of the expanded DHL hub will make significant contributions to the Greater Cincinnati economy, including the following:

- It is projected that DHL's business activity will grow approximately 12.8 percent annually from now until 2005, based on trends in the express carrier industry and the recent performance of DHL.

- DHL's long-term growth outlook is positive due to their strong market positions in international express delivery, heavy weight shipments and overnight letters and documents.

- In 1997, DHL is expected to spend more than $84 million in the Greater Cincinnati region. This will create a total economic impact of over $251 million, of which $62 million will go to area households in the form of wages and salaries. DHL's direct employment of 1,131 workers will support an additional 1,661 local jobs.

- In the year 2000, DHL's local expenditures will increase to nearly $121 million. Total business activity in Greater Cincinnati will increase to more than $356 million due to this spending. Greater Cincinnati households will earn nearly $80 million from DHL's economic impact, and a total of 3,642 jobs will be supported.

- Direct spending by DHL in 2005 will exceed $220 million, generating an economic impact of over $638 million. Of this, almost $110 million will be in the form of income to Greater Cincinnati households. The total number of jobs associated with DHL's economic impact will be more than 5,000.

- Total tax contributions to Kentucky, Ohio and Indiana from DHL-associated business activity will exceed $4 million in 1997. In 2000, this figure will increase to nearly $6 million, and tax revenues will exceed $9 million by 2005.

Total Economic Impact of DHL Worldwide Express

	Current	**Expansion**	**2005**
	Operations	**Project**	**Projection**
Spending	$ 66,142,354	$151,367,400	$220,582,291
Indirect Impact	$124,816,607	$183,581,133	$417,657,881
Total Economic Impact	$190,958,961	$334,948,533	$638,240,172
Household Earnings	$ 55,249,409	$102,030,238	$109,699,757
Total Employment	2,222	4,478	5,059