

ON EVE OF "I LOVE NEW YORK" REPOSITIONING
NEW YORK STATE TOURISM
SHOWS GROWTH BEYOND NATIONAL AVERAGE

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Governor Eliot Spitzer today released the results of a new study which finds that tourism contributed \$46.6 billion to the state's economy in 2006 -- a 7.2 percent rise over 2005. The increase was led by hotel industry growth at twice the national average.

"This study shows just how significant tourism is to bringing dollars, economic activity and jobs into the state's economy," said Governor Spitzer. "It also underscores the important work my administration has undertaken to further expand this sector. This year, we made a historic investment in tourism and took great strides toward reinvigorating the iconic 'I Love New York' brand by introducing 21st century marketing techniques and innovative partnerships that lured travelers to Upstate destinations."

The study, by the Philadelphia-based research firm Tourism Economics, was commissioned by Empire State Development's Division of Tourism to measure the impact of state and industry-wide activities as the division plans strategies with industry representatives. Its findings were discussed today at a first-ever tourism industry summit aimed at aligning state and local tourism marketing efforts. First Lady Silda Wall Spitzer delivered the summit's keynote address.

Among the study's major findings:

- Tourism was a \$46.6 billion industry in the state last year- 7.2 increase over 2005 and the third strong year of growth;
- Counting both direct and indirect impacts, tourism accounts for four percent of the state's gross domestic product;
- Tourism accounts for 740,000 direct and indirect jobs - just under 7 percent of total employment statewide. In some regions, the percentage is much greater: 19 percent in the Adirondacks and 17 percent in the Catskills; and,
- The tourism industry contributed \$2.7 billion in taxes to fund state and local governments last year.

2006 was strong in many tourism sectors, led by the hotel industry, where revenues increased by 13 percent -- twice the national percentage. With 2007 nearing its close, New York again appears to have outperformed the industry average.

Pat Foye, downstate chairman of the Empire State Development Corporation, said: "Next year should yield strong returns in the industry, especially if we seize the opportunity the softening economy presents. As travelers from nearby states and Canadian provinces forego expensive vacations that involve plane travel, we plan to continue the innovative programs that demonstrate the exciting and economical alternatives New York State offers."

Dan Gundersen, upstate chairman of the Empire State Development Corporation, said: "For many Upstate regions, tourism is a major driver of the local economies and a source of direct and indirect jobs. It is significant that many regions Upstate are showing strong growth in tourism, above the national industry average. These findings strengthen our resolve to market Upstate's considerable tourism assets to travelers near and far."

Expanded tourism promotion is one of the tenets of the Governor's "Renew New York" agenda, which he announced shortly after taking office in January. It is supported by a historic investment that provides \$22 million for tourism promotion, including \$16 million for "I Love New York" – a 50 percent increase over 2006. Other major tourism initiatives include selecting the leading global advertising firm Saatchi & Saatchi to revitalize the "I Love New York" brand, running targeted summer and fall campaigns with a new focus on electronic media; and attaining the first-ever partnerships with private industry – Jet Blue and Zip Car – to encourage New York City and Toronto residents to explore Upstate tourist destinations.

Thomas Ranese, first-ever CMO for "I Love NY," said: "It is fantastic that, at a time of opportunity for our industry, this administration has recognized the equity in 'I Love New York.' Our potential as an industry is also reflected in the fact that, according to the survey, New York State is performing at well above the national industry average in terms of growth."

"I Love New York" celebrated its 30th birthday this year. It was officially launched in 1977 with the objective of increasing tourist volume by building awareness of New York State as an outdoor, family destination and positioning New York against major competition, particularly New England. It has become one of today's iconic consumer brands, representing all tourism throughout New York State.

Thomas Ranese, whose mandate is to reinvigorate the brand to deliver on the future economic promise of New York State's tourism industry, says that people can expect a "major repositioning" of the brand, supported by a multimedia advertising campaign, in early 2008.

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