

**Trump Scotland
Menie Estate Development**

**Precognition by
Stewart Dunlop
of
Fraser of Allander Institute, Research Fellow**

19 May 2008

Precognition by Stewart Dunlop.

1. My name is Stewart Dunlop, I am a Research Fellow at the Fraser of Allander Institute at the University of Strathclyde in Glasgow. I have been employed at the University of Strathclyde since 1986 and at the Fraser of Allander Institute since 1987. I acted as an adviser to the Westminster Parliament, Scottish Affairs Committee during their investigation into the Drinks Industry in Scotland and am presently an adviser to the Historic Environment Advisory Council for Scotland during their current investigation into the economic impact of the historic environment in Scotland. I have submitted a curriculum vitae giving fuller details of my work experience from 1986-now.

2. My main duties are teaching in the Department of Economics at the University of Strathclyde and undertaking work on various aspects of the Scottish economy. Since 1986, I have undertaken a wide range of studies on numerous aspects of the Scottish economy, including a large number of economic impact studies. The areas covered by the economic impact studies I have undertaken in Scotland include, the cultural industry, football, the financial services industry and the Scotch whisky industry, among others.

3. I was asked in April 2008 by Trump International Golf Links Scotland (Trump Scotland) to assess the economic impact of their proposed development at the Menie Estate in Aberdeenshire, and produced a report (Document T6) on this in May 2008. This report has been submitted as part of the Trump Scotland case to this inquiry.

4. I assessed the economic impacts of the proposed Menie Estate developments using a standard technique to assess economic impacts. This generated the total impact of the developments, including the employment and Gross Value Added created in Scotland and the local economy, the latter defined to include the area covered by Aberdeenshire Council and Aberdeen City Council.

5. The economic impact estimates developed in the study allowed for displacement, which is where an economic activity such as the proposed Menie Estate development may take market share from other firms producing the same good or

service. It also allowed for leakage, which is the possibility that some employment may be taken up by residents from outwith the study area. Thirdly, the estimates produced also allow for multiplier effects, which include the additional activity provided by spin-off wage and supplier expenditures. The estimates were produced using both data produced by Trump Scotland as part of their estimated construction and operational expenditures and a range of economic data produced by the Scottish Government.

6. Economic impact estimates were developed for both the construction expenditure that Trump Scotland expects to spend to develop the Menie Estate and for the ongoing operations that will take place there once the Menie Estate fully is fully operational. The assumptions employed and the results generated are discussed in the report submitted by Trump Scotland to this inquiry.

7. The main findings were as follows (See Document T6):

A. Under a 25% displacement assumption:

B. I estimated that the construction activity at the Menie Estate will create 7,042 net Full Time Equivalent jobs in Scotland and £399.9 million worth off GVA in Scotland

C. I estimated that the construction activity at the Menie Estate will create 2,165 net Full Time Equivalent local jobs and £120.7 million worth off local GVA

D. Under a 50% displacement assumption:

E. I estimated that the construction activity at the Menie Estate will create 4,694 net Full Time Equivalent jobs in Scotland and £266.6 million worth off GVA in Scotland

F. I estimated that the construction activity at the Menie Estate will create 1,443 net Full Time Equivalent local jobs and £80.5 million worth off local GVA

- G. Under a 25% displacement assumption:
- H. I estimated that the ongoing golf, hotel, holiday homes and villas operations at the Menie Estate will create a total of 1,856 net Full Time Equivalent jobs in Scotland and £49.2 million worth off GVA in Scotland
- I. I estimated that the ongoing operations at the Menie Estate will create a total of 1,418 net Full Time Equivalent local jobs and £33.5 million worth off GVA in the local economy
- J. Under a 50% displacement assumption:
- K. I estimated that the ongoing golf, hotel, holiday homes and villas operations at the Menie Estate will create a total of 1,237 net Full Time Equivalent jobs in Scotland and £32.8 million worth off GVA in Scotland
- L. I estimated that the ongoing operations at the Menie Estate will create a total of 945 net Full Time Equivalent jobs and £22.3 million worth off GVA in the local economy

Curriculum Vitae

Name: - Stewart Dunlop

Position: - Research Fellow

Work Address: - Fraser of Allander Institute
University of Strathclyde
Sir William Duncan Building
130 Rottenrow
Glasgow
G4 OGE

Work Telephone: - 0141 548 3963

Email: - s.dunlop@strath.ac.uk

Current and Past Duties

Research Fellow - Employed as researcher at the University of Strathclyde since 1986 (at the Fraser of Allander since 1987). During this time, I have undertaken a large number of economic studies for both the government and private sectors – a list of the largest and/or most recent is shown below under “Other Studies”.

Administrative - I am a former editor of the Fraser of Allander Institute’s Quarterly Economic Commentary and am currently a member of the University of Strathclyde Business School’s Research Committee.

Government Adviser - During 2000/2001, I served as Chief Adviser to the Scottish Affairs Committee of the Westminster parliament on their enquiry into the Drinks Industry in Scotland.

Other Advisory Work – I am currently an adviser to the Historic Environment Advisory Council for Scotland (HEACS) on the economic impact of the historic environment in Scotland.

Teaching

- Lecturing and tutoring on the 2nd year industrial economics course at Strathclyde University.
- Lecturing and tutoring 2nd year core microeconomics at Strathclyde.
- Honours supervision (mid-90’s - now).
- Currently lecturer in charge of 3rd year core economics class, Microeconomics 3, Strathclyde University.
- Teaching Microeconomics at L’Ecole Superior du Commerce, Toulouse, France (2006).

Academic Publications

- “The economic impact of regular season sporting competitions: the Glasgow Old Firm football spectators as sports tourists”, Dunlop, S., Swales, J.K. and Allen, G.J. (2007), forthcoming in *Journal of Sport and Tourism*, 2007.
- A Critique of Definitions of the Cultural and Creative Industries in Public Policy”, with Susan Galloway of CCPR, *International Journal of Cultural Policy* (Volume 13, No. 1, 2007)
- Paper entitled “What’s cultural about the creative industries?” presented at *Regional Studies Association, Regions in Focus Conference*, (2007), Lisbon
- “Deconstructing the concept of ‘creative industries’”, in “*The Cultural Industries. The British Experience in International Perspective*”, Humboldt University, Berlin, February 2006 (with Susan Galloway of CCPR)
- The Economic Impact of the Cultural Sector in Scotland”, The Scottish Economic Policy Network (Scotecon), 2004 (with Susan Galloway, Christine Hamilton and Adrienne Scullion of the Centre for Cultural Policy Research (CCPR))*
- “The Internet and the Scottish Economy”, *Fraser of Allander Quarterly Economic Commentary*, March 2002.
- “Industry and Location Effects on UK plants’ innovation propensity”, S. Roper, J.H. Love, B.K. Ashcroft and S. Dunlop, *Annals of Regional Science*, Volume 34, No. 2, 2000.
- “The Financial Sector and the Scottish Economy”, *Fraser of Allander Quarterly Economic Commentary*, March 2000.
- “Corporate Structure, Ownership and the likelihood of innovation”, J.H. Love, B.K. Ashcroft and S. Dunlop, *Applied Economics*, Volume 28, 1996.
- “Product innovation and development in UK, German and Irish manufacturing”, S. Roper, B.K. Ashcroft, J.H. Love, S. Dunlop, H. Hofmann and K. Vogler-Ludwig. Northern Ireland Economics Research Centre/Fraser of Allander Institute/IFO institute Berlin, 1996.
- “UK innovation policy: a critique”, J.H. Love, B.K. Ashcroft and S. Dunlop, *Regional Studies*, Policy review section, Volume 29, Number 3, 1995.
- “The Challenge of the Single Market”, Stephen Young, Michael McDermott and Stewart Dunlop, in B. Bürgenmeier & J.-L. Mucchielli, editors, *Multinationals and Europe 1992*. London and New York: Routledge, 1992.

- “Strategic responses of multinationals in the machine tool industry”, Stephen Young, Stewart Dunlop and Neil Hood, in Barrar, P, and Cooper, C, *Managing Organisations in 1992*, London and New York: Routledge, 1992.
- “The Domestic Impact of Overseas Aid: a case study of the Aid and Trade Provision”, J.H. Love and S. Dunlop, *National Westminster Bank Quarterly Review*, August 1990.
- “Global Strategies, Multinational Subsidiary Roles and Economic Impact in Scotland” Stephen Young, Stewart Dunlop and Neil Hood, *Regional Studies* Volume 22, 1988.

Other Studies

- The Economic Impact of the Clyde Shipyards on the Scottish economy, BAe Systems, 2007
- The Economic Impact on Scotland of BAA, British Airports Authority, 2006.
- The Economic Impact of Wood Heat in Scotland, Scottish Enterprise Forest Industries Cluster , February 2006
- The Impact of Asylum Seekers on the Glasgow economy, Convention of Scottish Local Authorities, 2005.
- The Economic Impact of the Old Firm, Greater Glasgow Tourist Board, 2005.
- Economic Impacts of the Australian Financial Services Industry, Australian Government (Invest Australia) 2003.
- The Impact of the Government’s “Third Age” Service, Department of Work and Pensions, 2003.
- The Internet and the Scottish Economy, British Telecom Scotland, 2002.
- The Drinks Industry in Scotland, issues and concerns, Scottish Affairs Committee report session 2000-01 (House of Commons papers 2000-01, 114).
- An Economic Study of Grouse Moors, Scottish Game Conservancy Trust, 2001.
- An Economic Analysis of the Grampian Economy, Scottish Enterprise Grampian, 2001.
- The economic impact of the financial industry on the Scottish economy, Scottish Financial Enterprise/Scottish Enterprise, 2000.

- The economic impact on Scotland of the Royal Bank of Scotland, Royal Bank of Scotland. November 1999.
- The whisky industry in Scotland, Scotch Whisky Association, 1999.