



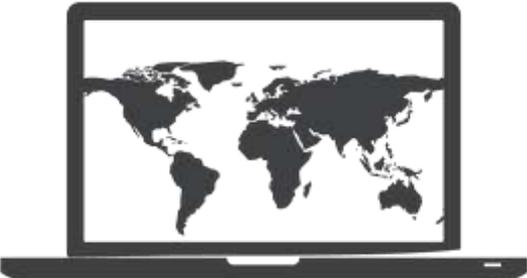
Quantifying the benefits of geo services to consumers and businesses

Geospatial World Forum

David Jevons
Partner

May 2016

The Geo services economy



Key concepts

How do we measure economic impact?

Direct effects

- this is the quantum of output supported by a project, including linkages to other parts of the supply chain
- **direct** and **indirect** components; i.e. within a firm or among upstream and downstream suppliers

User benefits

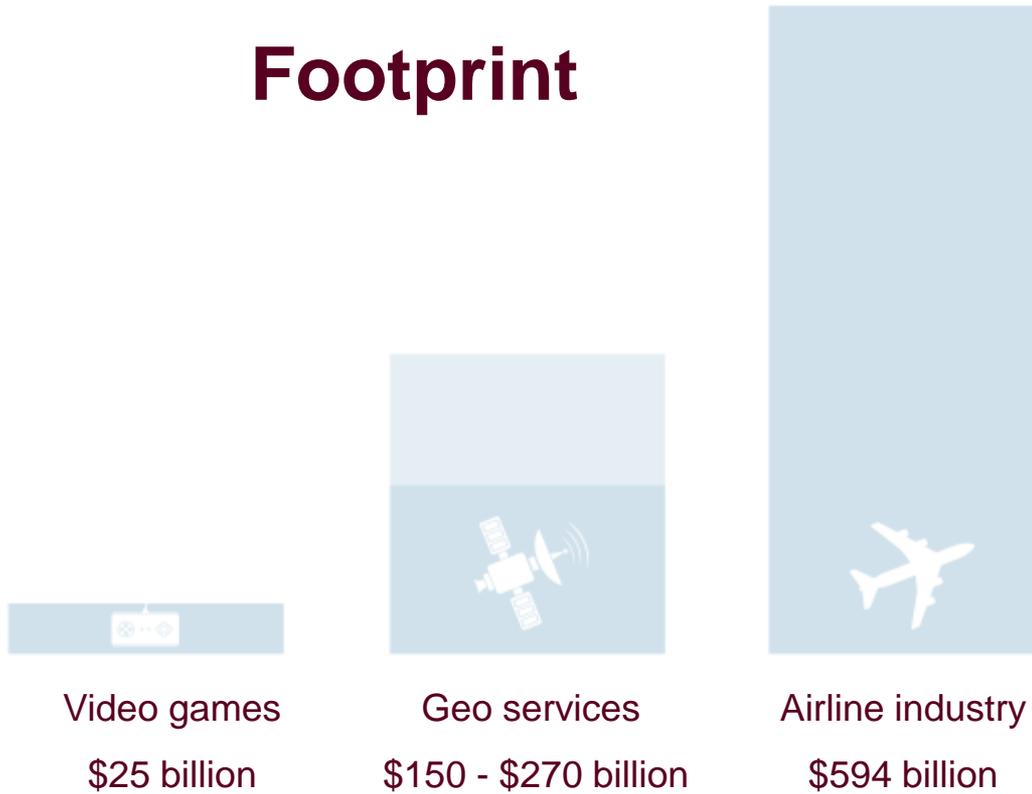
- effects on consumers in the market of interest, **net of displacement** from other alternatives
- defining the appropriate counterfactual is an economic question

Wider economic effects

- effects not captured by direct or indirect channels
- typically wider/longer-term effects
- agglomeration or externality effects

Direct effects

Footprint



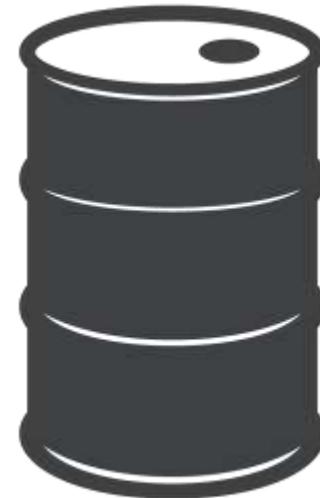
Value added



Geo services global value added is around \$100 billion per year

Source: Oxera (2013), 'What is the economic impact of Geo services, Prepared for Google', January 2013.

Consumer benefits



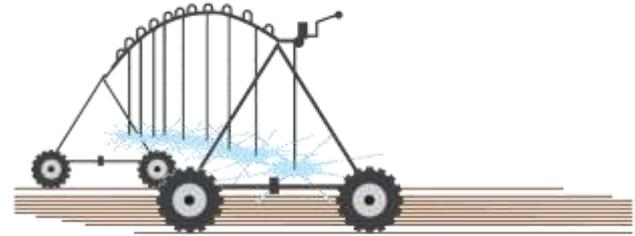
Journey time and fuel savings from more efficient navigation:

- \$22 billion per year
- 1.1 billion hours
- 3.5 billion litres of gasoline

Source: Oxera (2013), 'What is the economic impact of Geo services, Prepared for Google', January 2013.

Wider economic benefits

- Changing the overall productivity and potential output of the economy
- Efficiency gains
 - \$10 billion per year in cost savings for logistics firms
 - Geo services allow variable rate irrigation saving \$40-110 per hectare
- Promote competition:
 - Broaden catchment areas to increase competition
 - Lower prices, improved quality



Source: Oxera (2013), 'What is the economic impact of Geo services, Prepared for Google', January 2013.

Contact:
David Jevons

david.Jevons@oxera.com
+44 1865 253033

www.oxera.com
Follow us on Twitter
[@OxeraConsulting](https://twitter.com/OxeraConsulting)

Oxera Consulting LLP is a limited liability partnership registered in England No. OC392464, registered office: Park Central, 40/41 Park End Street, Oxford, OX1 1JD, UK. The Brussels office, trading as Oxera Brussels, is registered in Belgium, SETR Oxera Consulting Limited 0883 432 547, registered office: Stephanie Square Centre, Avenue Louise 65, Box 11, 1050 Brussels, Belgium. Oxera Consulting GmbH is registered in Germany, no. HRB 148781 B (Local Court of Charlottenburg), registered office: Rahel-Hirsch-Straße 10, Berlin 10557, Germany.

Although every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented herein, the Company accepts no liability for any actions taken on the basis of its contents. No Oxera entity is either authorised or regulated by the Financial Conduct Authority or the Prudential Regulation Authority. Anyone considering a specific investment should consult their own broker or other investment adviser. We accept no liability for any specific investment decision, which must be at the investor's own risk.

© Oxera, 2016. All rights reserved. Except for the quotation of short passages for the purposes of criticism or review, no part may be used or reproduced without permission.

oxera
compelling economics