



OXFORD
ECONOMICS



ECONOMIC IMPACTS OF *THE WHITE LOTUS* SEASON TWO IN ITALY

A REPORT FOR THE MOTION
PICTURE ASSOCIATION

JULY 2023



TABLE OF CONTENTS

Executive summary	3
1. Introduction	5
2. Production spending	7
2.1 Business spending	8
3. Economic impacts	11
3.1 Channels of impact	11
3.2 Total impact	12
3.3 Direct impact	14
3.4 Indirect impact	14
3.5 Induced impact	15
4. Wider impacts	17
Appendix: Methodology	19



Photo Credit: ©2022 Fabio Lovino/HBO. All Rights Reserved.

EXECUTIVE SUMMARY

“The White Lotus” is a TV series produced by HBO that follows a group of guests on vacation at a luxurious resort and chronicles their interactions and experiences with each other as well as the hotel staff. Season Two of *“The White Lotus”* was set in Sicily, Italy, where the show was also filmed. The filming and production of the show generated considerable economic activity across not only Sicily, but all of Italy. The show’s production also supported activity in a wide range of industries through its procurement, and as those employed by the production and those employed by its supply chain spent money in the wider economy.

This study, commissioned by the Motion Picture Association (MPA), focuses on the second season of the show, and analyses the production’s total economic impacts in Italy in 2022, when the second season was filmed. The study also considers the wider impact on boosting the Italian economy. Similar production budgets and spending patterns across Italy are likely to produce similar economic impact results as those presented in this study.

In 2022, **production of Season Two of “The White Lotus” resulted in total spending in Italy of approximately €32 million.** Spending on local suppliers of goods and services was the main expenditure item, making up 75% of the total expenditure at over €24 million. The remaining 25% of spending was on wages and salaries for local production crew and other labor at closer to €8 million.

Oxford Economics calculates that expenditure by **the production of Season Two of “The White Lotus” stimulated over €38 million in contribution to Italy’s GDP in 2022.** We find that for every €1 million that the production’s own activities contributed to the economy, its expenditure supported a further €3.8 million along its supply chain and through the payment of wages.

We find that the expenditure undertaken by **the show’s production stimulated a total of 1,900 full-time and part-time jobs across Italy in 2022.** For every 100 people the production directly employed, its expenditure stimulated another 27 jobs across the country.

In addition to the economic impacts directly linked with the show’s production, the local tourism industry also experienced burgeoning demand in the aftermath of the filming and production of the show. Searches for Sicily doubled in the U.S. during the initial airing of the TV series and the main luxury resort where the series is based is reported to be completely sold out for the Spring 2023 season.

€38m

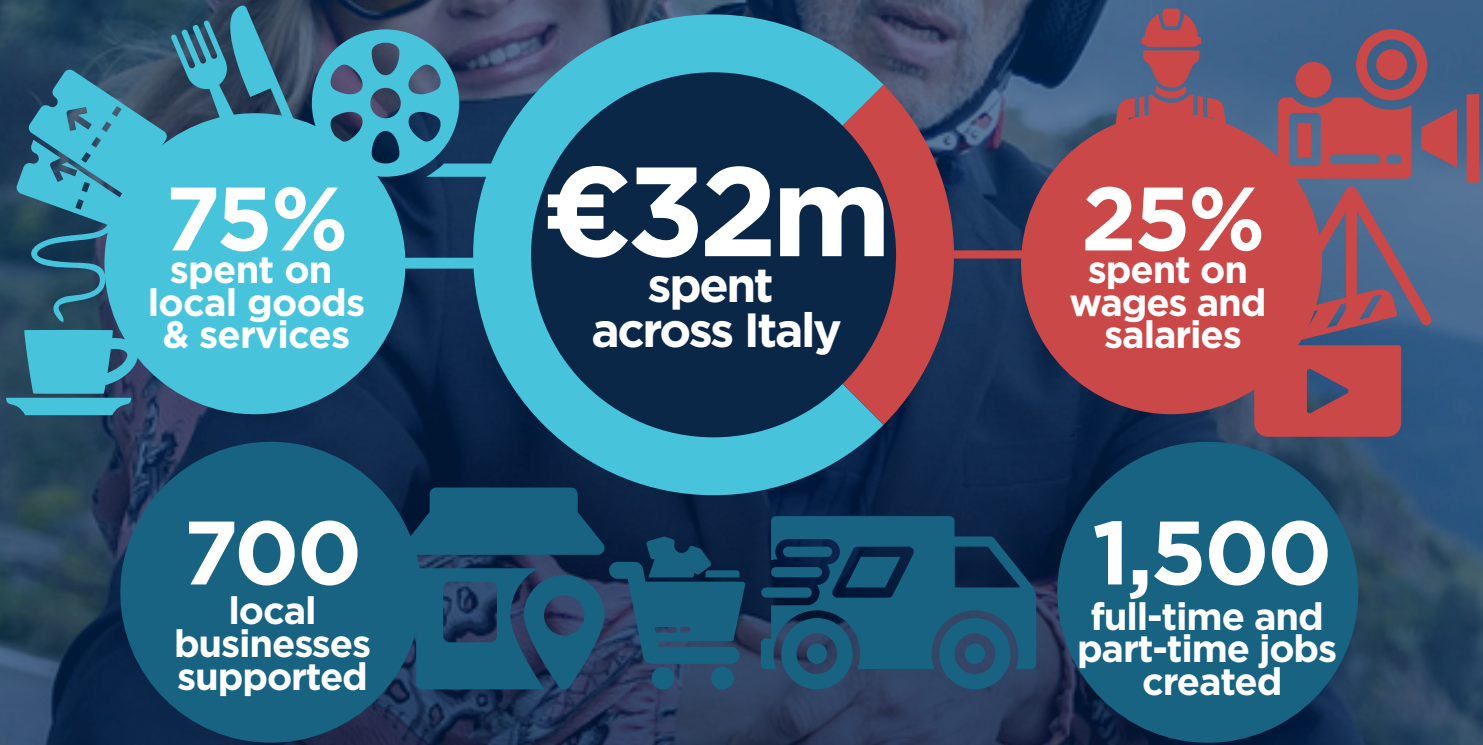
Total contribution to Italy’s GDP supported by Season Two of *“The White Lotus”*

1,900

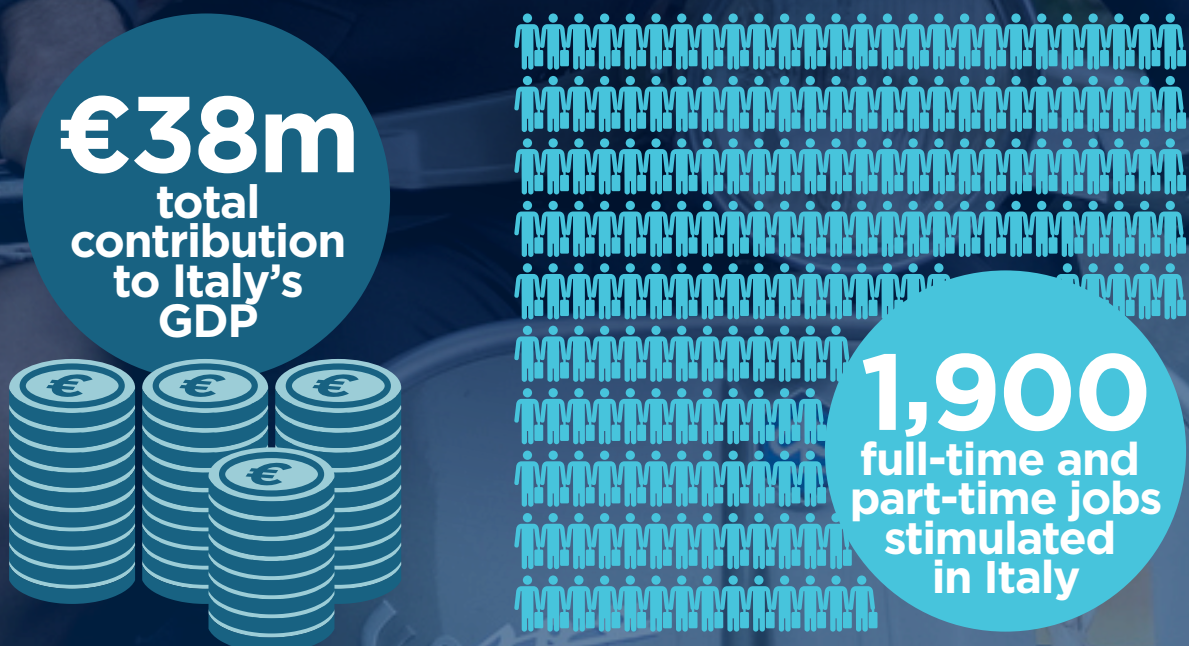
Full-time and part-time jobs supported across Italy as a result of Season Two of *“The White Lotus”*

THE ECONOMIC IMPACT OF THE WHITE LOTUS SEASON TWO

DIRECT IMPACT OF PRODUCTION



TOTAL IMPACT OF PRODUCTION



1. INTRODUCTION

“The White Lotus” is a TV series produced by HBO that follows a group of guests on vacation. Season Two of *“The White Lotus”* follows a similar premise to Season One in which a group of guests visits a luxurious resort. Both seasons of the show serve as social commentary, providing the audience with an engaging storyline filled with drama, mystery, and comedy. While the first season illuminates the pervasive effects of social hierarchies and class differences, the second season pivots to focus on relationships. Filmed during 2022, the second season premiered in October 2022.

Oxford Economics was engaged by the Motion Picture Association to conduct an independent economic impact assessment of the production of the most recent season of the show, Season Two, on Italy’s economy during the year of filming in 2022. For the study, Oxford Economics used data from HBO to estimate the economic impacts arising from the production of this season.

Similar production budgets and spending patterns across Italy are likely to produce similar economic impact results as those presented in this study.



Photo Credit: ©2022 Fabio Lovino/HBO. All Rights Reserved.

2. PRODUCTION SPENDING

When a TV show shoots on location, it brings with it jobs, revenue, and related infrastructure development. Physical productions provide an immediate boost to the local economy, fostering job creation and innovation in other industries across the production supply chain. In 2022, production of Season Two of *“The White Lotus”* resulted in **total spending in Italy of approximately €32 million.**

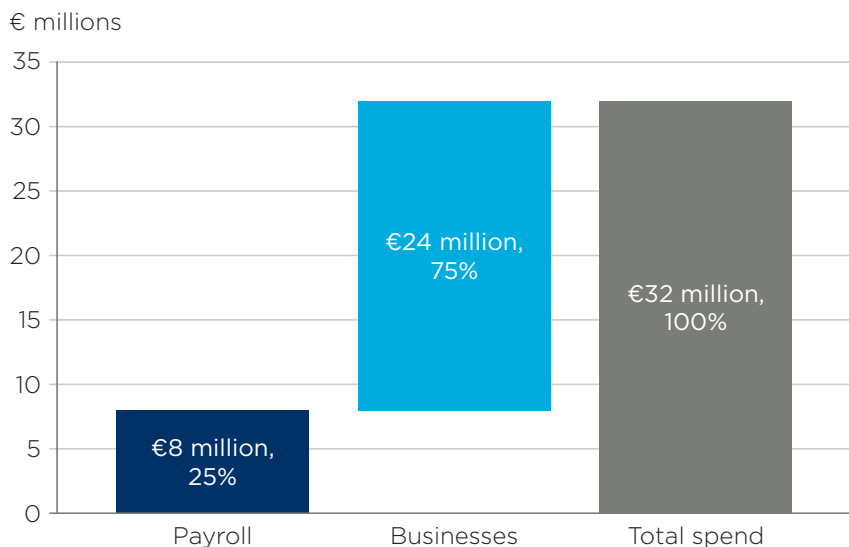
Spending with local vendors on goods and services was the main expenditure item, making up 75% of the total expenditure at €24 million (see Fig. 1). The remaining 25% measured at €8 million and was spent on wages and salaries for local production crew and other labor.

€32m

Direct production expenditure in Italy

Spending with local vendors on goods and services was €24 million while spending on production crew and qualifying labour was €8 million.

Fig. 1: Production spend of Season Two of *“The White Lotus”* in Italy, by type



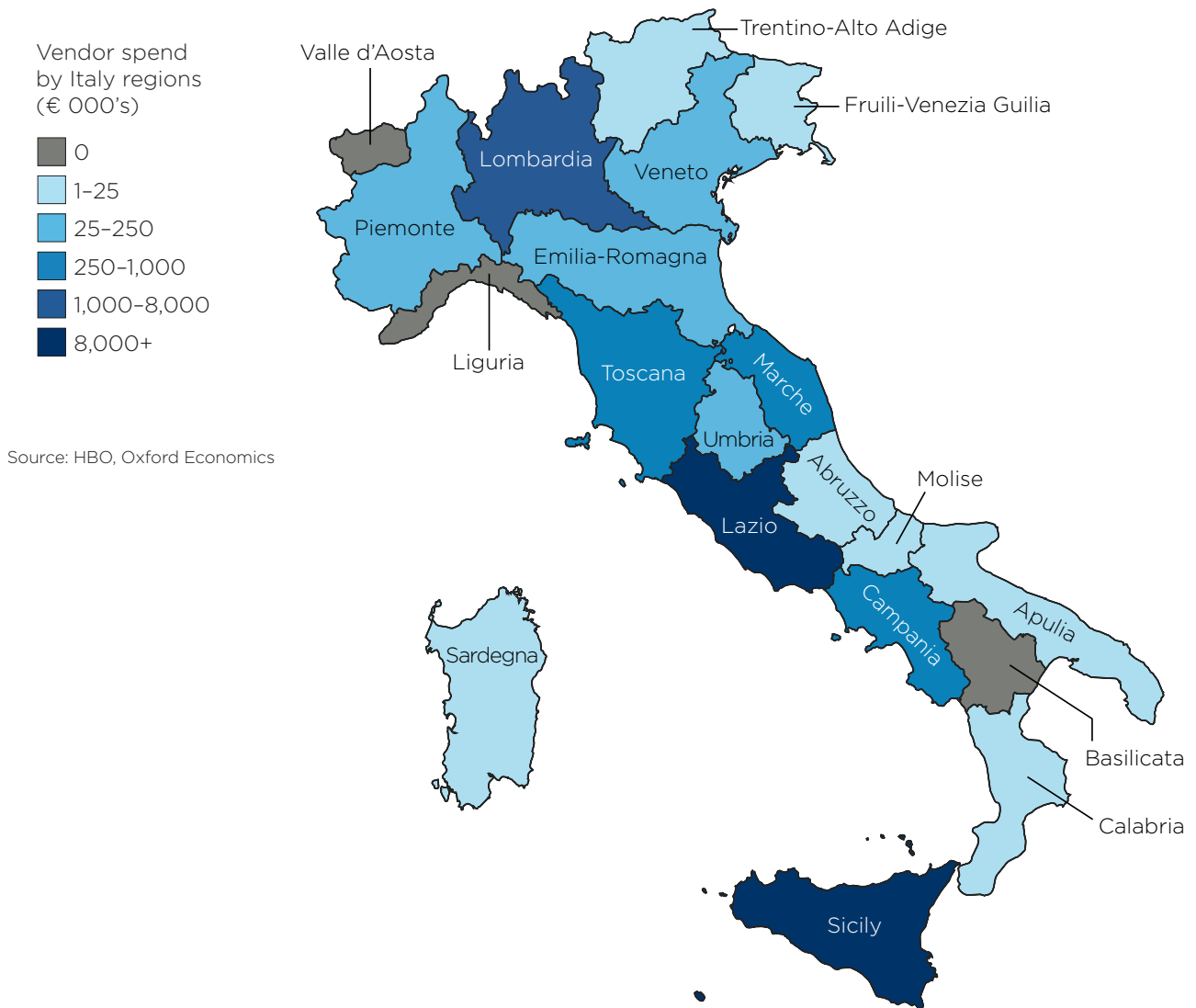
Source: HBO, Oxford Economics

2.1 BUSINESS SPENDING

Season Two production spending engaged over 700 businesses all over Italy. The regions that received the largest amounts in business

spending were Sicily and Lazio (the city of Rome, specifically), with a combined spending of over 85% of all business spending. The distribution of spending across the country is shown in Fig. 2 below.

Fig. 2: Map of spending with locally based businesses by region



The production of TV shows typically relies on a wide range of goods and services, engaging multiple local businesses across numerous industries (see Fig. 3). The largest category of spending (at close to 60%) was with businesses that make up the accommodation and food services industry. The majority of spending that occurred within this sector was spent at hotels and resorts, and in providing other forms of

short-term housing for cast and crew members.

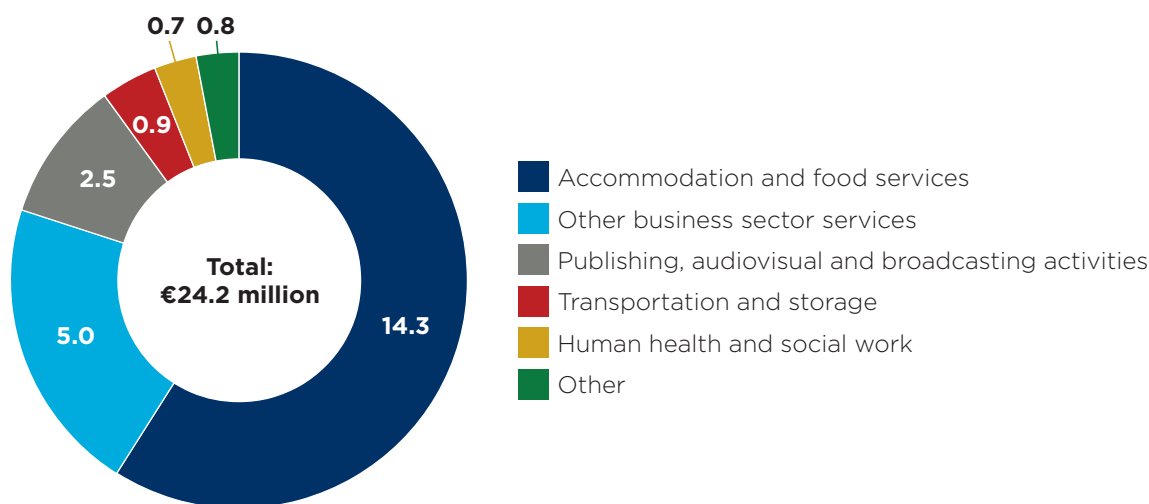
The next largest category of spending, at approximately €5 million euros, was spent towards various business services. The production of *“The White Lotus”* specifically engaged vendors within the rental and leasing industries (including spending at companies that provide car rentals and studio equipment rentals) and local businesses

providing services such as private security and travel arrangements.

Other Italian businesses that were engaged during the production of Season Two include those making up the motion picture industry (by providing TV or film production related services), the healthcare industry (by providing COVID-19 testing), and the transportation sector.

Fig. 3: Spend on goods and services in Italy, by industry

€ millions



Source: HBO, Oxford Economics



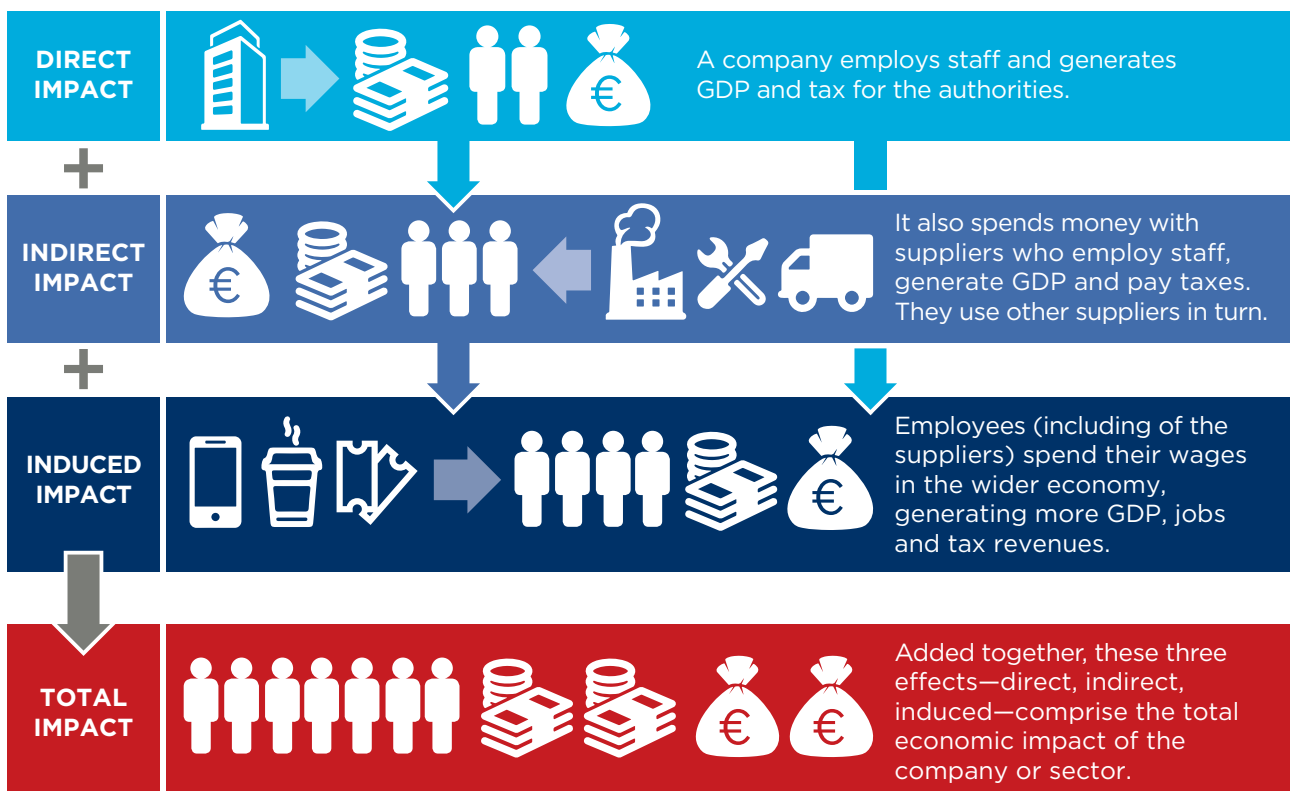
Photo Credit: ©2022 Courtesy of HBO. All Rights Reserved.

3. ECONOMIC IMPACTS

3.1 CHANNELS OF IMPACT

The impact of the filming of Season Two of “*The White Lotus*” on Italy’s economy is calculated using an economic impact assessment. This

involves quantifying the production’s economic contribution on a national level across three channels of expenditure, where the total impact is the sum of the three channels.



Source: Oxford Economics

€38m

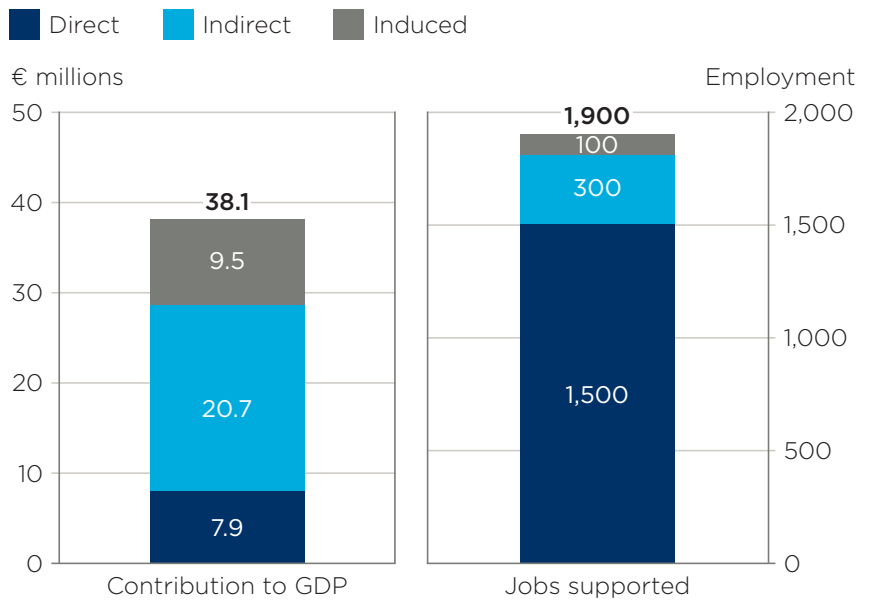
Total contribution to Italy's GDP supported by Season Two of "The White Lotus"

3.2 TOTAL IMPACT

Combining all channels of impact, we find that Season Two of "The White Lotus" supported over €38 million towards Italy's GDP in 2022. Approximately €7.9 million, or 21%, of this was generated by the production itself (direct). The local spending on goods

and services supported another €20.7 million along the supply chain (indirect), which represented 54% of the total.¹ The payment of wages by the production studios and local vendors in the show's supply chain (induced) stimulated a €9.5 million contribution to GDP, or 25% (Fig. 4).

Fig. 4: The total GDP and employment contribution supported by Season Two of "The White Lotus" in Italy by channel of impact



Source: Oxford Economics

¹ While production spending with Italy-based vendors totals approximately €24 million, these local vendors may spend some part of this with companies outside of Italy, resulting in an estimated impact of €20.7 million.

For Season Two of “*The White Lotus*,” for every €1 million in direct GDP generated by the production’s own activities, its expenditure supported a further €3.8 million across Italy.²

The production of the show also had a significant impact on employment in the country. In 2022, Season Two of “*The White Lotus*” supported over 1,900 full-time and part-time workers across the country. The TV series production itself employed an estimated 1,500 full-time and part-time workers, or 79% of the total. The local spending on goods and services supported another 300 jobs along the national supply chain or 16% of the total. A further 100 jobs, or 5%

of the total, were supported by the spending of wages across the country by production crews and by employees of the show’s suppliers.

In 2022, for every 100 people the production directly employed, a further 27 jobs were supported across the country through secondary effects.³

According to HBO, Season Two of “*The White Lotus*” is estimated to have benefitted from €15 million in tax incentives. These incentives are estimated to have produced €2.5 in GDP for every Euro of tax incentive received by the production.



1,900
Full-time and part-time jobs supported across Italy as a result of Season Two of “*The White Lotus*”

² This GDP multiplier effect is calculated by dividing the total impact (€38.1 million) by the direct impact (€7.9 million) and subtracting 1.

³ This employment multiplier effect is calculated by dividing the total employment impact (1,900) by the direct employment impact (1,500) and subtracting 1.

The remainder of this section describes the three channels of impact in more detail.

3.3 DIRECT IMPACT

During the production period, Season Two of *“The White Lotus”* directly employed an estimated 1,500 full-time and part-time workers across Italy.

We estimate that the production of *“The White Lotus”* made a €7.9 million direct contribution to the country’s GDP in 2022, which

came from the payment of employee compensation to locally based staff.⁴

3.4 INDIRECT IMPACT

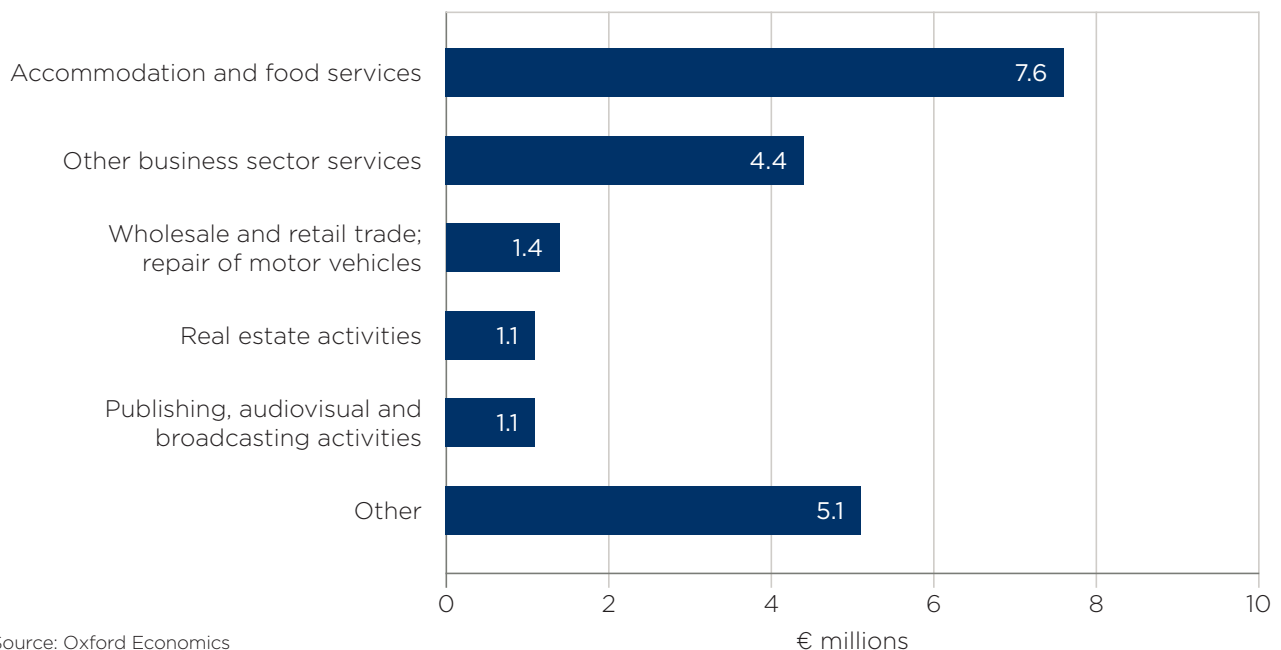
The production’s positive contribution to Italy’s economy, however, extends past the contribution it makes directly through its own operations. This is related to the purchases of goods and services made from other firms in order to produce the show. This spending stimulates additional economic activity along the

supply chain. This is referred to as the *indirect* impact.

Oxford Economics calculated that the procurement associated with *“The White Lotus”* Season Two stimulated a €20.7 million contribution to the country’s GDP along the domestic supply chain.

Almost 37% of this indirect impact was in accommodation and food services, where the show’s supply chain stimulated a GDP contribution of €7.6 million (Fig. 5). Approximately

Fig. 5: GDP contribution stimulated by the procurement of goods and services from local suppliers, by industry



Source: Oxford Economics

⁴ The contribution to GDP generated by a company or a project can be calculated as the sum of its surplus (profits) and employee compensation. This approach, known as the income approach, is consistent with the principles of national accounting. For the purposes of this study, we take a conservative approach to this calculation and focus on the employee compensation of local workers, excluding the profits associated with the production in our calculation of direct contribution to Italy’s GDP.

21% of the indirect impact went towards other business sector services, which includes rental and leasing.

The show's expenditure on inputs of goods and services from locally based suppliers also stimulated 300 full-time and part-time jobs across Italy.

3.5 INDUCED IMPACT

During the production period, local labor was paid €7.9 million in gross wages and salaries. In addition to this,

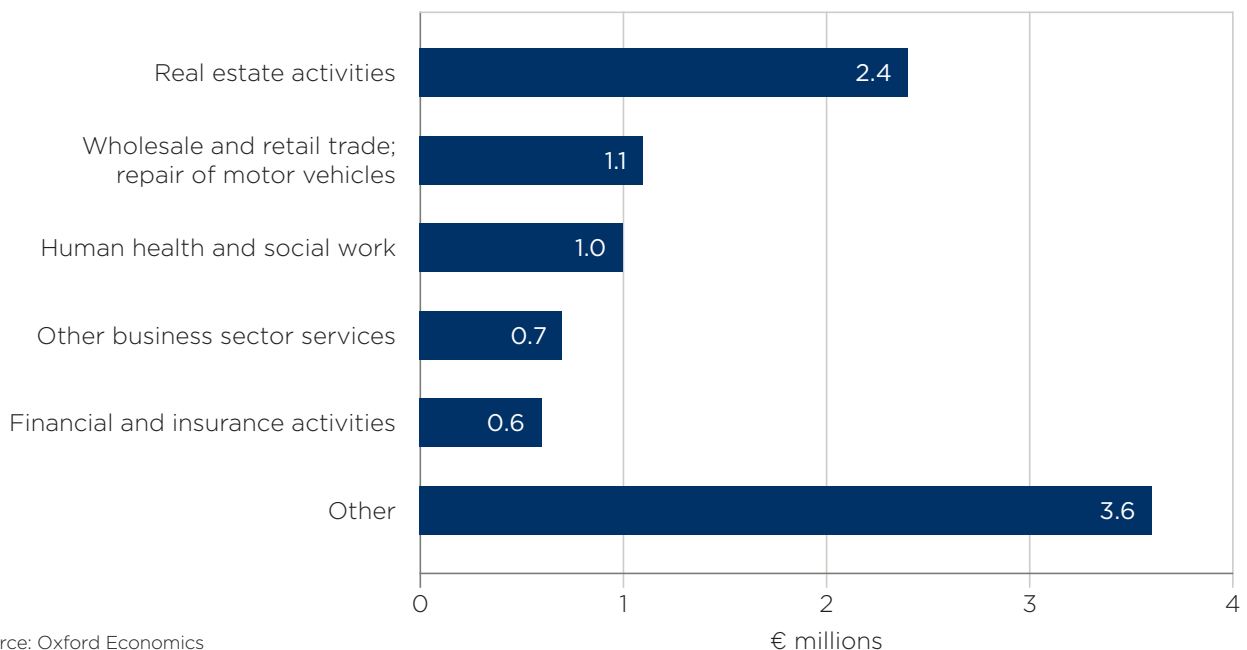
the people whose jobs are stimulated by local spending on goods and services are also paid additional wages and salaries.

Production crews, and workers employed throughout the supply chain, spend a proportion of their wages at retail, leisure, and other outlets across the country. This stimulates economic activity and employment at these firms, but also along their supply chains. This is referred to as the show's *induced* impact.

We estimate the wage-financed spending of local production crews and workers at locally based suppliers stimulated €9.5 million toward Italy's GDP during the production period (Fig. 6).

We estimate the wage-financed consumer spending of production crews and workers within the show's supply chain supported 100 full-time and part-time jobs across Italy in 2022.

Fig. 6: GDP contribution stimulated by the payment of wages to locally based workers, by industry



Source: Oxford Economics



Photo Credit: ©2022 Fabio Lovino/HBO. All Rights Reserved.

4. WIDER IMPACTS

Both seasons of *“The White Lotus”* were set at luxurious resorts against picturesque backdrops with the second season taking place in Sicily. While the show was set in Sicily, filming occurred all over Italy, bringing considerable benefits nationwide outside of the those outlined in this report. In addition to the economic impacts that arise through production spending, television series such as *“The White Lotus”* can produce impacts that extend beyond the jobs and GDP they support. Film induced tourism is a well-known phenomenon that often follows successful TV series and film productions, driving fans to visit the popular sites and locations referenced throughout the show or movie.

The drama and misadventures of Season Two’s cast took

place in and around popular tourist destinations in Sicily, including Taormina, Noto, and Palermo. As the show featured the beauty of Southern Italy, it piqued the interest of more than just the most wanderlust fans. Google Trends data reveals that searches for Sicily doubled in the U.S. during the months in which the TV series initially aired on HBO.⁵ Additionally, the resort at which the guests of the show stayed at, San Domenico Palace in Taormina, boasted the luxury of staying at the Four Seasons hotel chain. The hotel has been reported to be completely sold out for the Spring 2023 season with rooms reaching the highest price point in the history of the resort.⁶ Moreover, demand for other hotels in the area is skyrocketing⁷ as travel agents and hotel managers confirm

the burgeoning demand brought on by the airing of the show.⁸ Similar impacts to the local tourism industry would be expected as another successful season of the show is released.

As tourists and fans of popular TV shows visit production sites and filming locations, they drive considerable economic benefits to not only hotels and resorts, but also provide additional business to numerous other local vendors benefiting from the rise in traffic. While this study seeks to quantify the economic impact of the second season of *“The White Lotus”* across Italy, the show brings many additional benefits resulting in a much higher broader impact.

⁵ <https://www.travelweekly.com/Travel-News/Hotel-News/White-Lotus-series-generates-interest-Sicily>

⁶ <https://nypost.com/2022/12/13/white-lotus-fuels-huge-tourism-spike-for-sicily-murders-and-hookers-be-damned/>

⁷ <https://www.thewrap.com/the-white-lotus-sicily-italy-travel-searches-increase/>

⁸ <https://www.travelpulse.com/news/destinations/white-lotus-impels-travel-interest-in-sicily-and-real-life-hotel-property.html>



APPENDIX: METHODOLOGY

The impact of the filming of Season Two of “*The White Lotus*” on Italy’s economy is calculated using an economic impact assessment. This involves quantifying the production’s economic contribution to the country across three channels of expenditure. The channels of impact are:

- **Direct impact** relates to the employment and economic activity generated at the filming locations across Italy.
- **Indirect impact** captures the economic activity stimulated by the procurement of inputs of goods and services from the locally based supply chain.
- **Induced impact** comprises the wider economic benefits that arise from the payment of wages by the television series, and the firms in its local supply chains, to staff who spend a proportion of this income in local retail, leisure, and other outlets.

The total impact is the sum of the three channels. This enables us to build a picture of the series’ overall contribution to the country across two key metrics:

- The gross value-added contribution to Italy’s GDP.⁹
- Employment, measured on a headcount basis.

The results are presented on a gross basis, ignoring any displacement of activity from other firms or activities. Additionally, the results do not consider what the resources currently used by the show’s production, or stimulated by its expenditure, could alternatively produce in their second most productive usage.

Data on the direct impact of “*The White Lotus*” Season Two—including the show’s contribution to GDP and jobs created—were provided directly by HBO. Direct GDP contribution in the country is taken to be equal to local employee compensation.

To estimate the indirect and induced GDP impacts of the show, we used Oxford Economics’ proprietary input-output model, constructed using a variety of sources including OECD input-output tables, national account data, and local employment statistics.

A basic domestic IO table gives a snapshot of an economy at a given point in time. The model shows the major spending flows from “final demand” (i.e., consumer spending, government spending, investment, and exports to the rest of the world); intermediate spending patterns (i.e., what each sector buys from every other sector—the supply chain in other words); how much of that spending stays within the national economy; and the distribution of income between employment income and other income (mainly profits). In essence, an IO table shows who buys what from whom in the economy.

To estimate the indirect impact, we used vendor-level information on the amount spent and type of goods and services purchased from businesses based in the country over the course of the show’s production. To calculate the induced impact, we took the wages paid to workers, as provided by HBO, and then allocated those to the sectors where they would have spent those wages in line with the proportions in the national IO table. We then used those figures to show how many Euros of GDP the show’s production supported in the national economy for every €1 of direct GDP contribution, and how many jobs were stimulated across the country for each 100 people directly employed by the production.

⁹ Where GDP is the main indicator of economic activity in Italy. It is used to measure the rate of growth or decline of the economy, and when it enters a recession.

ABOUT OXFORD ECONOMICS

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on more than 200 countries, 250 industrial sectors, and 7,000 cities and regions. Our best-in-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Headquartered in Oxford, England, with regional centres in New York, London, Frankfurt, and Singapore, Oxford Economics has offices across the globe in Belfast, Boston, Cape Town, Chicago, Dubai, Dublin, Hong Kong, Los Angeles, Melbourne, Mexico City, Milan, Paris, Philadelphia, Stockholm, Sydney, Tokyo, and Toronto. We employ 450 full-time staff, including more than 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists. Our global team is highly skilled in a full range of research techniques and thought leadership capabilities, from econometric modelling, scenario framing, and economic impact analysis to market surveys, case studies, expert panels, and web analytics.

Oxford Economics is a key adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base now comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

July 2023

All data shown in tables and charts are Oxford Economics' own data, except where otherwise stated and cited in footnotes, and are copyright © Oxford Economics Ltd.

The modelling and results presented here are based on information provided by third parties, upon which Oxford Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

To discuss the report further please contact:

Arushi Pasricha
apasricha@oxfordeconomics.com

Oxford Economics
5 Hanover Sq
8th Floor
New York, NY 10004

Tel: +1 646-786-1879



WHITE LOTUS - SICILY



OXFORD
ECONOMICS

Global headquarters

Oxford Economics Ltd
Abbey House
121 St Aldates
Oxford, OX1 1HB
UK
Tel: +44 (0)1865 268900

London

4 Millbank
London, SW1P 3JA
UK
Tel: +44 (0)203 910 8000

Frankfurt

Marienstr. 15
60329 Frankfurt am Main
Germany
Tel: +49 69 96 758 658

New York

5 Hanover Square, 8th Floor
New York, NY 10004
USA
Tel: +1 (646) 786 1879

Singapore

6 Battery Road
#38-05
Singapore 049909
Tel: +65 6850 0110

Europe, Middle East and Africa

Oxford
London
Belfast
Dublin
Frankfurt
Paris
Milan
Stockholm
Cape Town
Dubai

Americas

New York
Philadelphia
Boston
Chicago
Los Angeles
Toronto
Mexico City

Asia Pacific

Singapore
Hong Kong
Tokyo
Sydney

Email:

mailbox@oxfordeconomics.com

Website:

www.oxfordeconomics.com

Further contact details:

[www.oxfordeconomics.com/
about-us/worldwide-offices](http://www.oxfordeconomics.com/about-us/worldwide-offices)