

3.1 INDUSTRIAL ACTIVITY continued

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sense stores a product previously produced, the estimated amount of spinoff to the industrial manufacturing system within the county is minimal.

The effect of the mining operation may also be minimal in attracting new industry because potash mining dominates an extremely large portion of the economy of Eddy County. The mining operation of the project represents an addition to this already-existent activity, and therefore the impacts from the mining operation will flow through those industries already established for the most part.

In the construction sector, the \$2 million allocated per year to the construction sector will generate some activity. However, this amount is not expected to be enough to attract new industry to the area which is directly attributable to construction.

3.2 RETAIL TRADE AND SERVICES

One of the most significantly affected sectors outside of those industries receiving direct impact, such as construction and mining, is retail trade. It is expected that the increase in retail sales during the construction period will total nearly \$24 million. The heaviest impact (about \$5.4 million annually) in the retail sector will come in the years 1980, 1981, and 1982 as employment -- directly and indirectly due to the construction activity -- reaches its peak. Most of this impact is created through increased buying in the household sector with some expenditures made directly by construction-related purchases. Between 15 and 20 percent of household income goes directly into the retail sector. Additionally,