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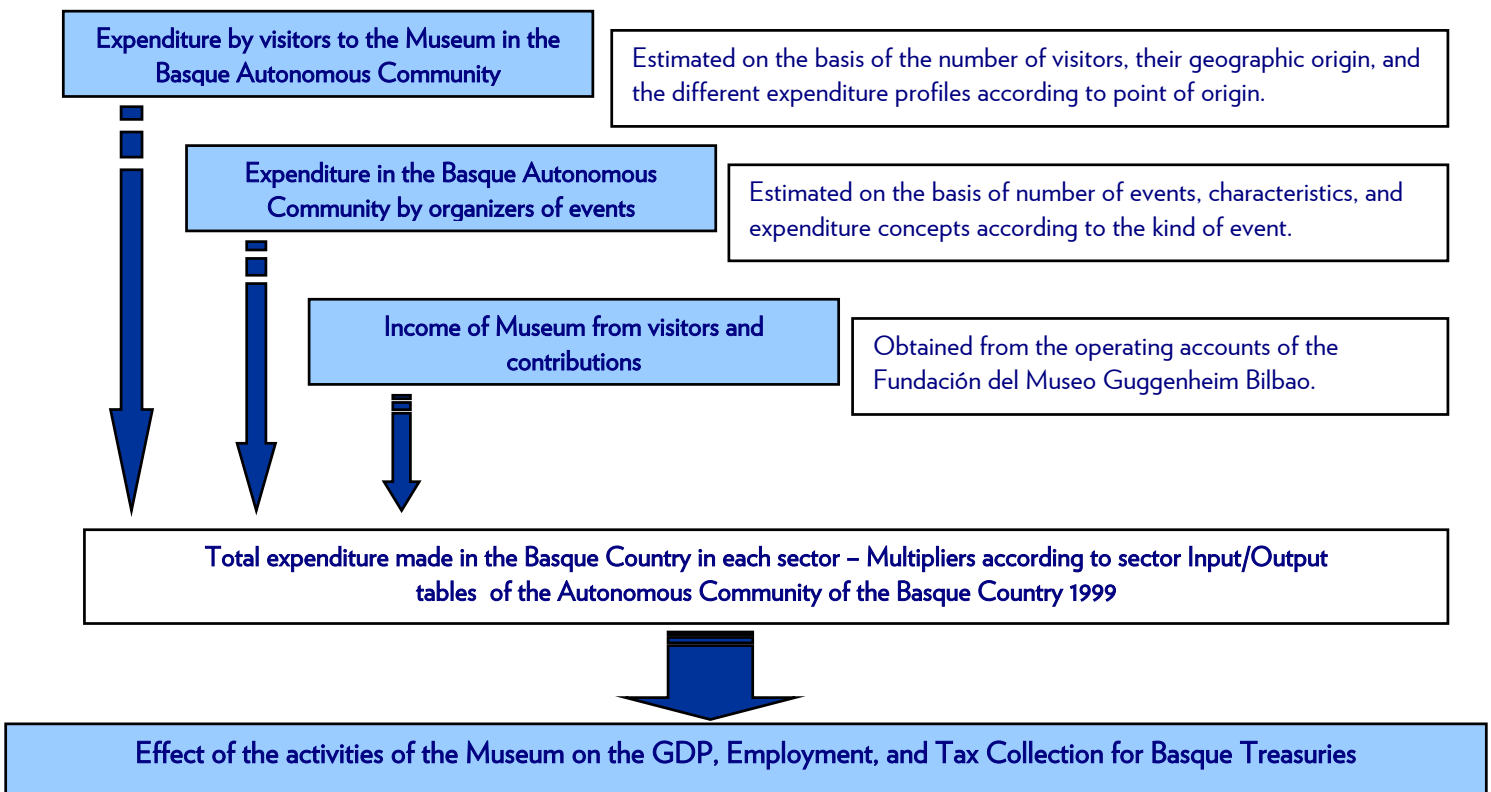
Impact of the activities of the
Guggenheim Museum Bilbao in the
economy of the Basque Country
during the year 2003

Introduction

In 1998 the Guggenheim Museum Bilbao asked a specialized consulting firm to draw up a macroeconomic survey model to assess the impact of the Museum activities in terms of wealth for the Basque Country. Since then the Museum has amended the results of the survey each year to bring them up to date and in 2001 new analytical elements were incorporated in it:

- Consideration of the induced effects.
- Inclusion of the direct expenditure made by several different companies and institutions that hold events in the Museum by hiring Museum spaces.
- Review of the expenditure profiles of visitors in accordance with their points of origin, including a new concept of leisure expenditure.
- The application of specific multipliers for each sector: retail, catering, transport, recreational and cultural activities and other business activities.

Impact Model



Main results of the Impact Model

The main conclusions of the economic impact analysis of the activities of the Guggenheim Museum Bilbao during the year 2003 are highlighted in the following aspects.

The total direct expenditure generated by the activities of the Museum in the Basque Country amounted to 153,745,225 Euros, which represents an average expenditure of 175.75 Euros per visitor, i.e. a 7 Euro increase if compared with 2002. The total direct expenditure is obtained from the sum of the following concepts:

1. 127,512,320 Euros that correspond to expenditure made outside the Museum as shown by the expenditure profile resulting from the survey.
The sectors that have benefited most from the development of the activities of the Museum were:
 - Catering: 40,879,399 Euros in restaurants, bars and cafeterias.
 - Shopping: 16,482,187 Euros in stores.
 - Accommodation: 50,597,510 Euros in hotels, guesthouses and other kinds of accommodation.
 - Transport: 11,207,981 Euros in car hires, gasoline, tolls, tickets, etc.
 - Leisure: 8,345,243 Euros in cinemas, theaters, visits to other museums, etc.
2. 8,520,978 Euros that correspond to the expenditure of visitors inside the Museum: admission fees, guided tours, purchases in the Store-Bookstore, and expenditure in the cafeteria and restaurant.
3. 16,559,339 Euros that correspond to the expenditure of companies and the contributions of Individual and Corporate Members, Government grants, contributions, and other income.
4. 1,152,588 Euros corresponding to direct expenses deriving from the organization of special events in the Museum.

Considering the direct, indirect, and induced effects, the activities of the Guggenheim Museum Bilbao during the year 2003 have represented the generation of 173,089,191 Euros of GDP, additional income for the Basque Treasuries of 27,711,580 Euros, and have contributed to maintaining 4,547 jobs.

The impact of the activities of the Guggenheim Museum Bilbao on the Autonomous Community of the Basque Country from 1997 to December 31 2003 is set out below:

	1997	1998	1999	2000	2001 (2)	2002 (2)
Impact						
Direct expenditure	40,568,317	190,400,635	202,799,514	191,903,165	149,724,135	143,706,595
GDP Generation	31,517,075	147,921,099	157,555,323	149,087,063	168,331,470	162,327,827
Employment (1)	832	3,906	4,161	3,937	4,415	4,265
Income Treasuries	5,871,888	27,562,415	29,359,441	27,784,790	26,949,383	25,988,685

Euros	2003 (2)	TOTAL
Impact		
Direct expenditure	153,745,225	1,072,847,586
GDP Generation	173,089,191	989,829,048
Employment (1)	4,547	4,204
Income Treasuries	27,711,580	171,228,182

(1) Reflects the contribution to the maintenance of employment, not to the generation of new jobs. The total reflects the annual average number of jobs to the maintenance of which a contribution has been made.

(2) The impact for 2002 and 2003 not only includes the direct and indirect effects but also the induced effects, which were not included in previous years.

MACROECONOMIC DATA FOR THE BASQUE COUNTRY	2000-2001
GDP 2000 (thousands of Euros)	40,639,705
EMPLOYMENT 2001 (working population)	849,400
TAX REVENUE 2001 under the Economic Agreement (VAT, Company Tax, Income Tax) (thousands of Euros)	6,575,546

Source: EUSTAT