

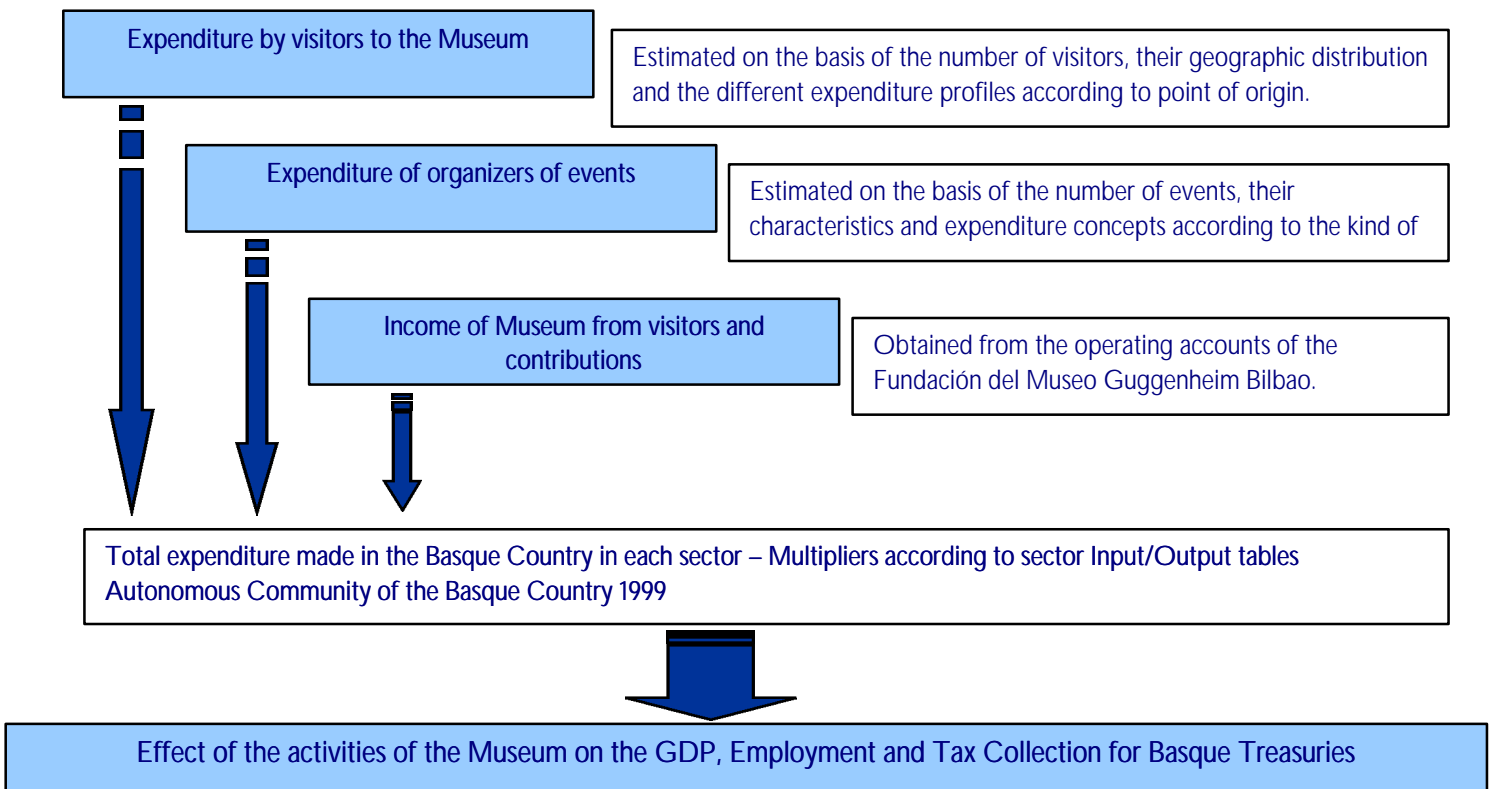
Impact of the activities of the  
Guggenheim Museum Bilbao in the  
economy of the Basque Country  
during the year 2001

## Introduction

This executive summary sets out the main conclusions of the survey carried out by KPMG Consulting to estimate the economic impact of the activities developed over the year 2001 by the Fundación del Guggenheim Museum Bilbao in terms of wealth for the Basque Country. To perform this study, the model proposed in 1998 was taken as a reference, but the following new analytical elements have been included:

- Consideration of the effects on the economic environment of the Basque Country of activities developed over the year 2001 by the Guggenheim Museum Bilbao.
- Inclusion in the model of the direct expenditure made by several different companies and institutions that hold events in the Museum by hiring galleries and rooms.
- Review of the expenditure profiles of visitors in accordance with their points of origin, including a new concept of leisure expenditure. For this purpose, a total of 3,525 visitors to the Museum were surveyed at different times of the year: May, August and September. To extrapolate the data obtained in the survey to the total number of visitors for 2001, the data on the geographic points of origin obtained for the Museum has been taken into consideration.
- The application of specific multipliers for each sector. As the Input/Output tables for tourism in the Basque Country have not been updated, we have opted to use the tables for the Basque economy for 1999, but without applying a single multiplier for the services sector, but a specific one for each subsector considered: 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 2001 are highlighted in the following aspects.

According to the survey performed by KPMG Consulting 82% of visitors came to Bilbao exclusively to see the Museum or extended their stay in the city to pay it a visit.

The total direct expenditure generated by the activities of the Museum in the Basque Country amounted to 24,912 million pesetas (149,724,135 Euros) which represents an average expenditure of 26,787 pesetas (161 Euros) per visitor. The total direct expenditure is obtained from the sum of the following concepts:

1. 20,744 million pesetas (124,673,915 Euros) that correspond to expenditure made outside the installations of 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: 6,684 million pesetas (40,171,649 Euros) in restaurants, bars and cafeterias.
  - Shopping: 2,631 million pesetas (15,812,628 Euros) in stores.
  - Accommodation: 8,325 million pesetas (50,034,258 Euros) in hotels, guesthouses and other kinds of accommodation.
  - Transport: 1,832 million pesetas (11,010,542 Euros) in car hires, gasoline, tolls, tickets, etc.
  - Leisure: 1,272 million pesetas (7,644,874 Euros) in cinemas, theaters, visits to other museums, etc.
2. 1,493 million pesetas (8,973,111 Euros) that correspond to the expenditure of visitors inside the installations of the Museum: tickets, guided tours, purchases in the Store-Bookstore and expenditure in the cafeteria and restaurant.
3. 2,542 million pesetas (15,277,728 Euros) in the form of expenditure of companies and the contributions of Individual and Corporate Members, Government grants, contributions and other income.
4. 133 million pesetas (799,346 Euros) corresponding to direct expenses deriving from the organization of special events in the Museum.

Considering only the direct and indirect effects, the total direct expenditure deriving from the Guggenheim Museum Bilbao during the year 2001 has represented for the economy of the Autonomous Community of the Basque Country the generation of 20,444 million pesetas (122,870,915 Euros) of GDP. This generation of wealth implies in turn a contribution to maintaining 3,212 jobs and additional income for the Basque Treasuries of 3,273 million pesetas (19,671,126 Euros) in the form of revenue from VAT, Company and Income Tax.

On the other hand, the induced effects, which are more long-term in nature, represent for the economy of the Basque Country the generation of an additional 7,564 million pesetas (45,460,556 Euros) of wealth, measured in terms of GDP. Furthermore, the contribution to the maintenance of 1,203 induced jobs and additional income for the Basque Treasuries of 1,211 million pesetas (7,278,257 Euros) in the form of revenue from VAT, Company and Income Tax.

To sum up, and taking the direct, indirect and induced effects into consideration, the activities of the Guggenheim Museum Bilbao during the year 2001 have represented the generation of 28,008 million pesetas (168,331,470 Euros) of GDP, additional income for the Basque Treasuries of 4,484 million pesetas (26,949,383 Euros) and have contributed to maintaining 4,415 jobs.

The impact of the activities of the Guggenheim Museum Bilbao on the Autonomous Community of the Basque Country from 1997 to December 31 2001 is set out below:

	1997	1998	1999	2000	2001 (3)	TOTAL
Impact (1)						
Direct expenditure	6,750	31,680	33,743	31,930	24,912	129,015
Generation GDP	5,244	24,612	26,215	24,806	28,008	108,885
Employment (2)	832	3,906	4,161	3,937	4,415	4,100
Income Treasuries	977	4,586	4,885	4,623	4,484	19,555

(1) Data expressed in millions of pesetas

(2) 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.

(3) The impact for 2001 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	1999-2000
GDP 1999 (million pesetas)	6,060,383
GDP 2000 (forecast) (million pesetas)	6,565,884
EMPLOYMENT 2000 (working population)	823,300
TAX REVENUE 2000 under the Economic Agreement (VAT, Company Tax, Income Tax) (million pesetas)	1,037,757,7

Source: EUSTAT