

*Sketch of central court & entrance.*

Impact of the activities of the  
Guggenheim Museum Bilbao  
on the economy of the  
Basque Country  
in 2006

## Introduction

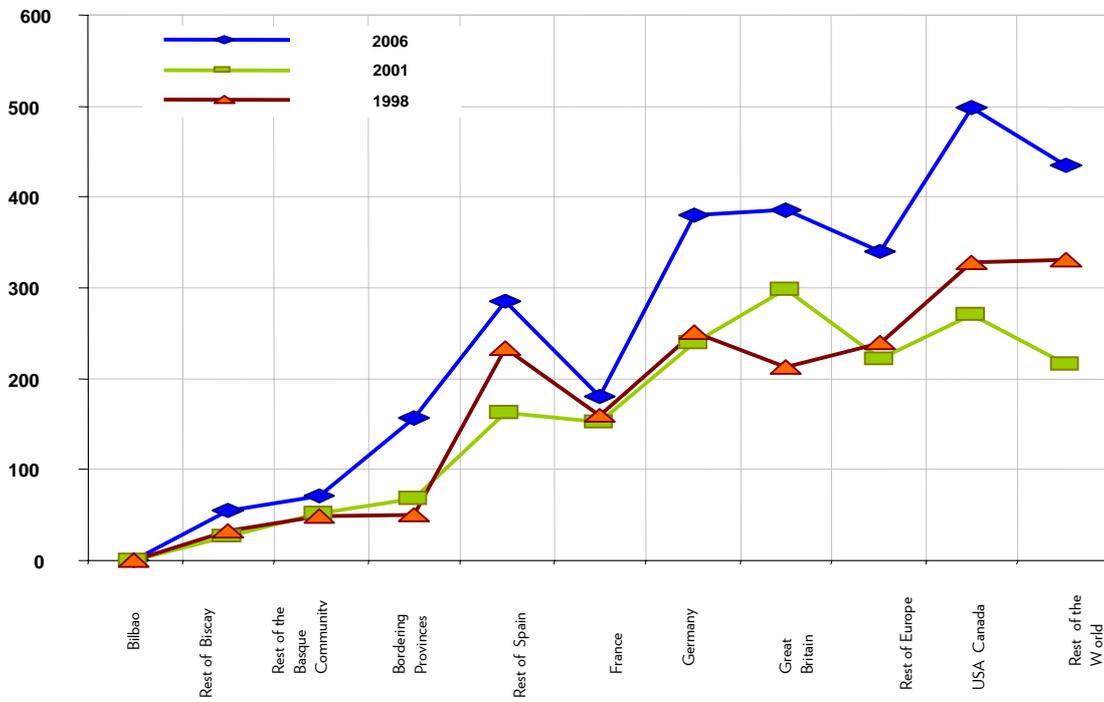
In 1998, the Guggenheim Museum Bilbao commissioned a study of its contribution to the economy of the Basque Country through the development and application on a yearly basis of a methodology to analyze its economic impact. With this model, the impact that the activities of the Guggenheim Museum Bilbao generate within the regional economy, are measured every year in terms of the generation of GDP, the contribution to the maintenance of employment, and the increase in tax revenue. In this sense, the model designed in 1998 has been improved and updated since then based on a number of different studies and reviews.

## Impact Model

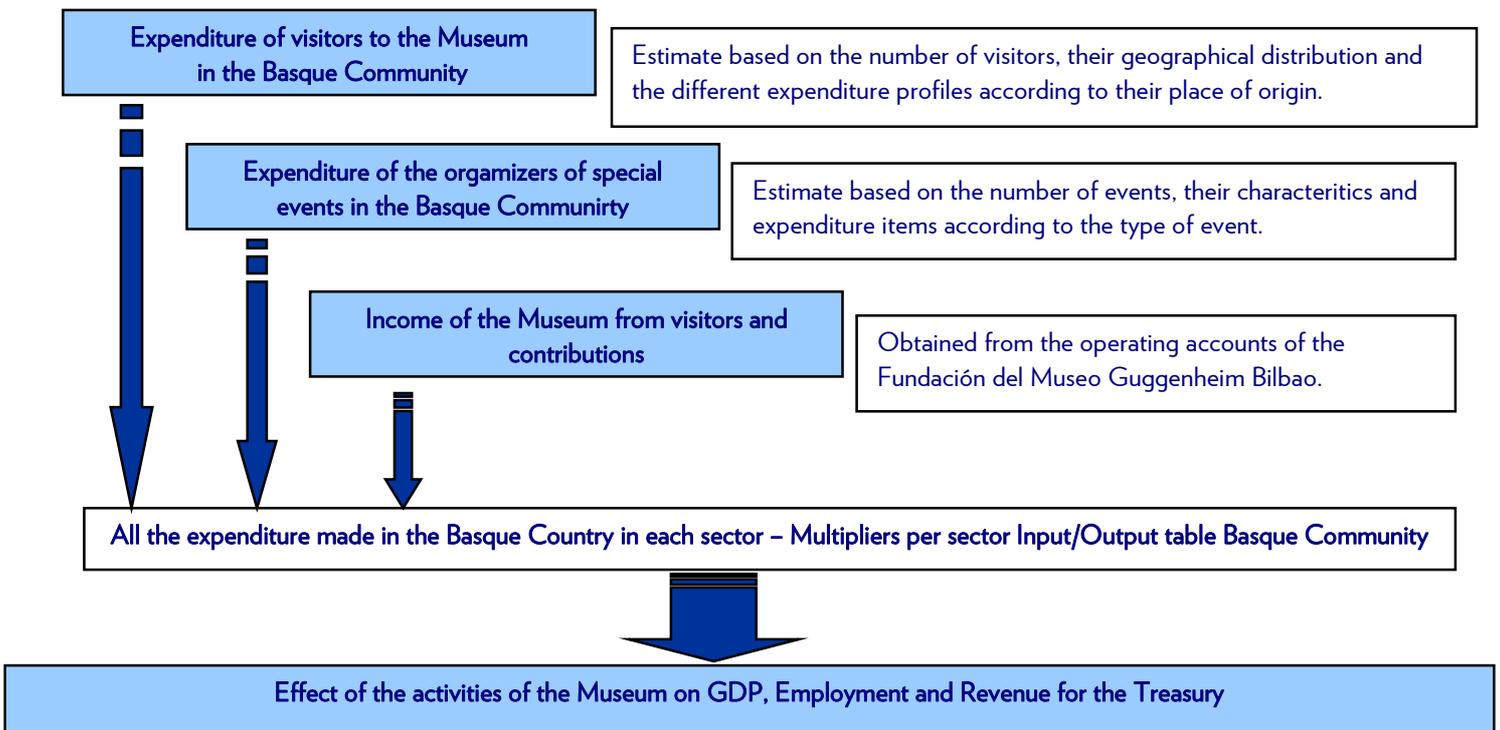
In order to estimate the impact in 2006, the following factors have been taken into consideration:

- A review of the visitor expenditure profiles according to their place of origin, these being the main source of direct expenditure and main generator of wealth. The following conclusions have been drawn from this study:
  - . Motivation for visiting Bilbao: 70% of the visitors interviewed came to Bilbao expressly to visit the Museum.
  - . Organization of the trip: 82% of visitors organized their own trip. The use of travel agencies is more prevalent among foreign tourists among whom the use of this service increased from 11% in 2001 to 25% according to figures for 2006.
  - . Average stay: This item has increased from 1.83 days in 2001 to 2.68 in 2006.
  - . Expenditure outside the Museum: The increase in the average total expenditure has represented a change in the composition and distribution of the total expenditure:
    - Expenditure in snacks is growing in weight, with 52.67 euros of average expenditure in 2006, representing a 291% increase. Likewise, expenditure in meals has grown 106% with regard to the 2001 study.
    - Purchases in stores and expenditure in leisure have increased 93% and 166% respectively with regard to the previous study.
    - The smaller outlay of visitors in transport in Bilbao and the surrounding area is also noteworthy due to the increasing use of public transport, to the detriment of taxis.
  - . Average expenditure profiles: The expenditure profile of all visitors, both national and foreign, has increased in monetary terms. According to the results of the study, national visitors spend an average of 141.91 euros during their stay, while foreign visitors spend an average of 368.88 euros.

EVOLUTION OF THE TOTAL EXPENDITURE PROFILES,  
outside the Museum, according to the places of origin analyzed. 1998-2006



- The updating of sector multipliers, which after the publication of the latest 2004 Input-Output tables, have been recalculated to reflect the changes in the economic structure of the Basque Country over recent years. This year's study, which has been made with the new sector multipliers, which are lower than the previous ones (especially those of induced effect), affects some of the results of the economic impact parameters.



## Main Results of the Impact Model

The main conclusions of the economic impact analysis on the activities of the Guggenheim Museum Bilbao during 2006 are as follows:

The total direct expenditure generated by the activities of the Museum in the Basque Country in 2006 amounted to 233,621,942 euros, which represents an average expenditure of 232 euros per visitor. The total direct expenditure is obtained from the sum of the following items:

1. 208,204,874 euros which correspond to expenditure outside the Museum's premises according to the expenditure profile reflected by the studies carried out. The sectors that have benefited most from the development of the Museum's activities are as follows:
  - Catering: 95,446,752 euros in restaurants, bars, and cafeterias.
  - Shopping: 29,837,656 euros in shops and stores.
  - Accommodation: 47,186,079 euros in hotels, guesthouses, and other kinds of accommodation.
  - Transport: 13,703,044 euros in vehicle rentals, gasoline, motorway tolls, tickets, etc.
  - Leisure: 22,031,343 euros in cinemas, theaters, visits to other museums, etc.
2. 7,843,989 euros that correspond to the expenditure of visitors within the Museum's premises: admissions, guided tours, items purchased in the Store-Bookstore, and expenditure in the café and restaurant.
3. 16,886,789 euros corresponding to the expenditure of companies and contributions of Individual and Corporate Members, subsidies, contributions and other income.
4. 686,290 euros corresponding to direct expenditure deriving from the organization of special events in the Museum.

Therefore, and considering the direct, indirect, and induced effects, the activities of the Guggenheim Museum Bilbao during 2006 have generated 211,633,296 euros of GDP, have provided additional income for the Basque Treasury amounting to 28,822,339 euros, and have contributed to the maintenance of 4,232 jobs.

The impact of the activities of the Guggenheim Museum Bilbao on the Basque Autonomous Community from October 1997 to December 31 2006 is set out below:

Euros	1997	1998	1999	2000	2001	2002
Impact						
Direct expenditure	40,568,317	190,400,635	202,799,514	191,903,165	149,724,135	143,706,595
Generation GDP	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
Revenue Treasury	5,871,888	27,562,415	29,359,441	27,784,790	26,949,383	25,988,685

Euros	2003	2004	2005	2006	TOTAL
Impact					
Direct expenditure	153,745,225	163,711,085	165,835,281	233,621,942	1,636,015,894
Generation GDP	173,089,191	184,046,738	186,197,551	211,633,296	1,571,706,633
Employment (1)	4,547	4,842	4,893	4,232	4,355
Revenue Treasury	27,711,580	29,465,882	29,810,227	28,822,339	259,326,630

*Amounts expressed in euros.*

- The employment figures reflect the contribution to the maintenance of employment, not the generation of new jobs. The total reflects the annual average contribution to the maintenance of jobs. 1997 was not taken into consideration as it was not a complete year of activity.*
- As of 2001, the impact calculations include not only the direct and indirect effects but also the induced effects, which were not taken into consideration in previous years.*
- The impact calculations for the year 2006 include the updating of the sector multipliers according to the latest available Input-Output tables for the year 2004, compared to the impact of previous years calculated from the 1999 Input-Output tables.*