

Bilbao after 2010 – Looking Ahead



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BILBAO Ría 2000

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City Reformers Group

- The Economy – Effects of the Crisis
- Investment and Upkeep
- The Future: Initiatives and Challenges



A Broad Brush View

- Not Germany, but different from Spain
- Activity is picking up
- Debt and Deficit in reasonable shape
- Fiscal Autonomy helps



Some Economic Indicators



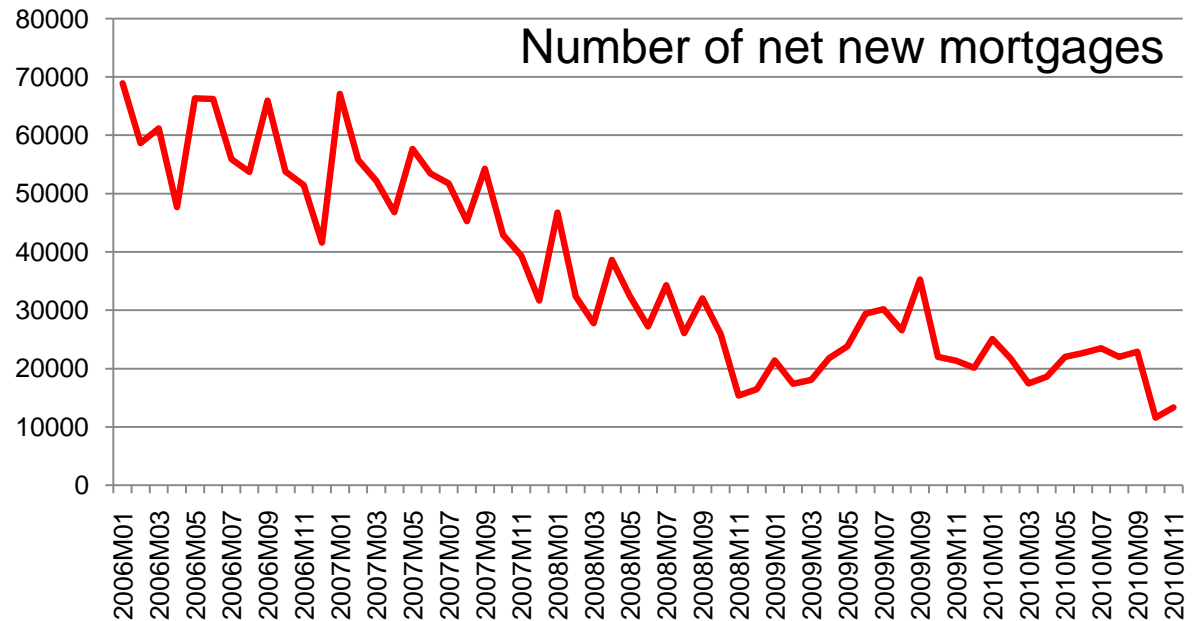
GDP annual basis

- GDP growth in 2010: 0,3%
- Unemployment increase in 0,8%
- Misery Index 13,3%
 - (vs 22,9% average in Spain)



- GDP evolution by sectors in 2010:
 - Industrial + 0.4%
 - Construction - 5.9%
 - Services + 0.8%
- Unemployment change by sectors:
 - Industrial + 3.5 %
 - Construction + 5.8 %
 - Services - 0.9 %
- Economy by sectors:
 - Industrial 30 %
 - Construction 9 %
 - Services 60%





- The market has shrunk drastically
 - Housing prices dropping slowly
 - Building activity much lower
 - Land values falling much more
- Access to credit tightened
 - Outstanding mortgage lending to households static since 2008



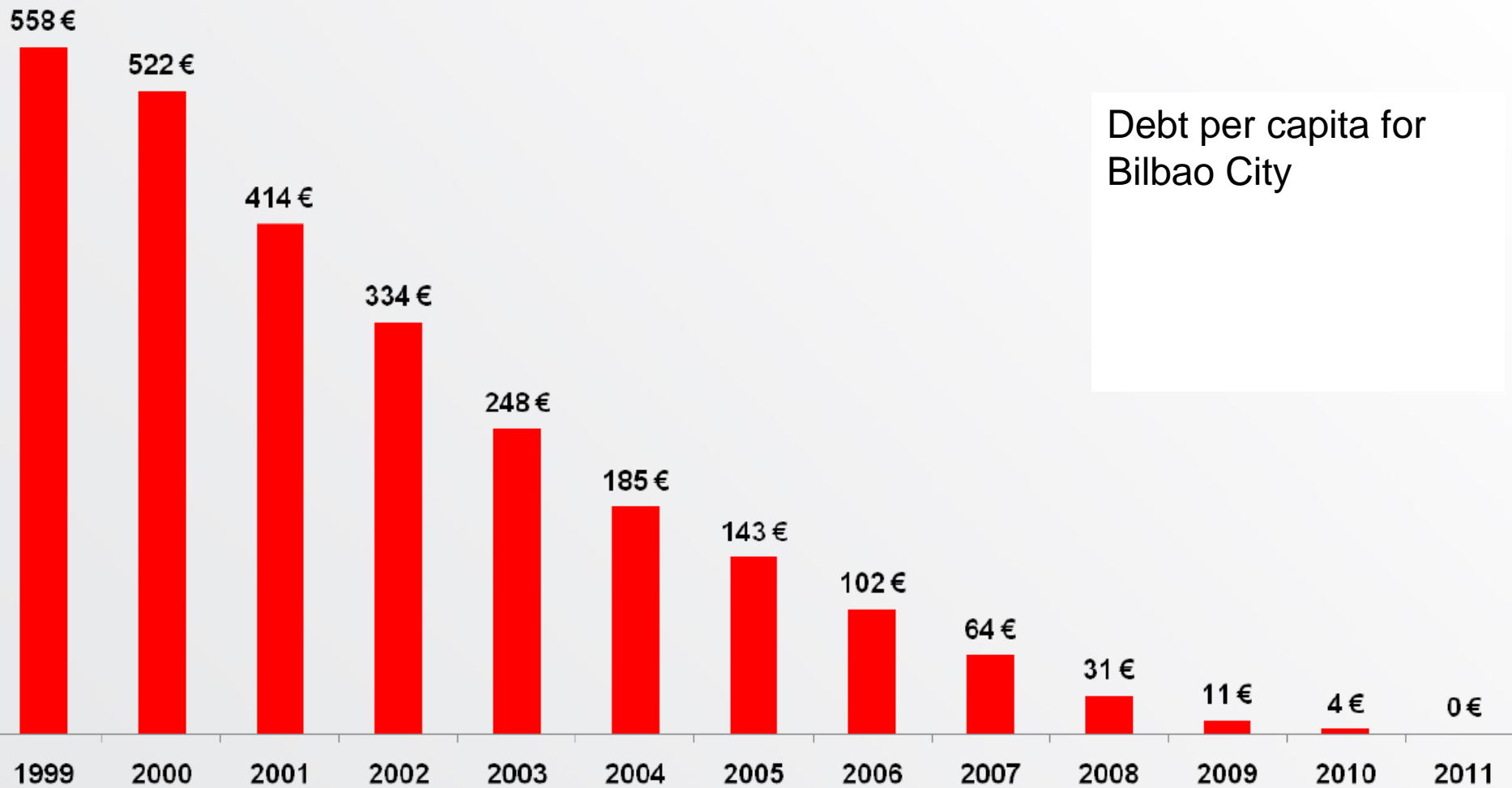
	2007	2008	2009	2010
Bilbao visitors	623.229	604.318	615.545	684.274
Overnight stays	1.148.891	1.115.693	1.125.047	1.281.521

- Guggenheim visitors strong
- Export/Import ratio:
 - Basque Country 116%
 - Spain 78%



- **Moody's rating Aa1 (Basque Country)**
 - Madrid Region Aa2
 - Catalunya A3
 - Thanks to Fiscal Autonomy and reasonable debt levels
- **BC deficit for 2010 – 2.24%**
 - Madrid Region best, with 0.69%, but Madrid's City has massive debt
 - Catalunya 3.86%
 - Spain 9.27%

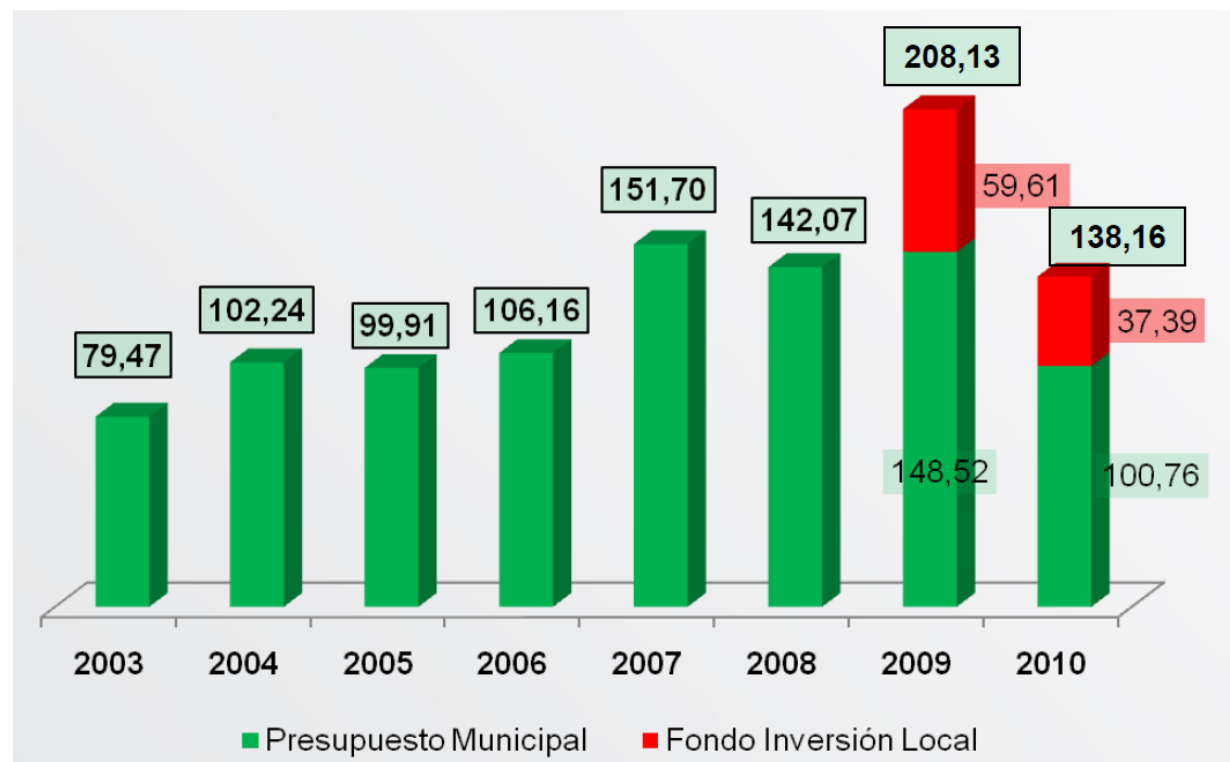




BILBAO Ría 2000

- It has paid it all up over the last decade

Investment and Maintenance



- Municipal investment reduced, but
- National Investment funds have helped
- Cheaper construction and maintenance prices



- **Sustained level of investment**
 - 60m to 70m Euros per year
- **But higher debt**
 - No market for selling development land
 - Devising innovative ways of cooperation
- **Important economic impact**
 - Multiplier effect 1.7 – 1.8
 - Equivalent to about direct 2.500 jobs
 - Of which, > 300 in knowledge intensive sectors



Looking Ahead

- **International Marketing**
 - Presence in International Forums
 - Pop & Rock Festivals
 - NBA Match
- **“New Economy” drive**
 - “Knowledge economy”
 - Leisure, Video games
 - Competing for World Design Capital in 2014
- **Green Economy**
 - Renewable energy and efficiency
 - Electric vehicle initiatives
 - Recycling, composting, forest management
- **Keeping up Productivity**
- **Still investing in the City**



But...

What type of City do we need?

Age Group	1981	2006	% change
0 - 19	125,649	53,346	- 58%
20 - 64	225,666	222,215	- 2%
> 65	42,506	72,618	+ 71%
All	393,821	351,179	- 11%

Evolution of Bilbao's population

- In only 25 years:
 - From 3 grandchildren per grandparent, to
 - Almost 2 grandparents per child
 - 11% total population drop
- In 10 years, from 1991 to 2001:
 - Single person households from 14% to 22%
 - “Typical” households from 47% to 37%



- Bilbao is revising its General Plan
 - Mostly tidying up: no more spare land
 - Still, about 10,000 more dwellings in the pipeline
- But is the current urban fabric useful?
 - Dwelling sizes and mix – for new households
 - Use of dwellings for businesses
 - What commercial activities?
 - What leisure activities?
- Planners are not used to shrinking or older populations
 - Planning is still “development” biased, incremental
- We need to think about what we do with what’s there
 - It’s time to think hard about rehabilitation



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