Did you know that...?

- Barcelona has the European fastest growing airport (from 30 to 55 million passengers)
- The biggest Mediterranean port (reducing 3 days the process of delivering goods from Asia) for moving goods and the 5th port in the world for sea cruises (tourism).
- In 5 linear km you find an airport, a port, a trade fair and a logistic zone
- Two of the best Business Schools of the world (IESE and ESADE)
- 35000 students from abroad come every year to study in our Universities
- Cluster strategy that attract investment to the city
- Door to Europe, South America and the Mediterranean area
- Barcelona is the capital of the Union for the Mediterranean Area
- Successful FDI: 20% of the Spanish FDI.
CURRENT SITUATION

Barcelona, 6th best city in Europe for Business and 1st in Quality of life

*European Cities Monitor 2010. Cushman & Wakefield*

Catalonia, 4th European destination for international investments

*European Investment Monitor 2008. Ernst & Young*

Barcelona, 3rd Worldwide Metropolitan Area in the Prosperity Ranking

*2010 Scorecad on Prosperity, Toronto Board of Trade*
CURRENT SITUATION

- CRISIS CONSEQUENCES FOR BARCELONA
  - lack of access to money
  - Delay in delivering new infrastructures
  - High level of unemployment (less than the Spanish average)
  - Less investment forecasted (1.5bn in 4 years)

- (AT A NATIONAL LEVEL)
  - Decrease in the national transfers
  - No fiscal looting
  - Bad brand association with other territory brands
  - Politics before than economy

The City Council’s municipal debt is one of the lowest in Spain, attributable to the fact the government elected to follow an austere budget model to maintain sound public finances.
CURRENT SITUATION

• SOME REMARKS
  – Because of their own separate fiscal pressures, the region and the state increasingly expect the City to execute projects that its squeezed budget cannot easily accommodate.
  – In July 2012, the City maintained a **AA creditworthiness by Standard & Poor’s** in recognition of its prudent economic management. Officially Barcelona still has a BBB-rating because it is tied to Spain’s sovereign debt and does not yet have the capacity to mitigate negative impacts at a national level.
  – The City’s own liquidity (€270m in cash at YE 2011) and solvency is strong, with rigorous adherence to financial targets and standards of accounting transparency.
Barcelona’s entrepreneurial activity of 7% (2011) exceeds not only that of Spain as a whole (5.8%) but also the European average of 5.35%
Global framework
A new management model based on the executive budget
THE STRATEGY

• 2013 BUDGET PREMISES:
  – ZERO DEFICIT (CNF \(\geq 0\))
  – SUSTAINABILITY: PUBLIC DEBT < CURRENT REVENUES
  – INVESTMENT READINESS FOR STRATEGIC PROJECTS
  – SAVING PROJECTED (SEC 95) = 15% CURRENT REVENUES
  – COMMITMENT TO SUPPLIERS: PAYMENT IN 30 DAYS

• FOCUSED ON:
  – RECOVERING THE ECONOMY
  – GIVING SERVICE TO BARCELONA’S CITIZENS.

• WITH 1 BASIC PRINCIPLE: TRANSPARENCY WITH THE PUBLIC POLICIES AND EXPENSES.

THE BUDGET IS AN INSTRUMENT "THAT WILL RESPOND TO THE CITY’S MAIN CHALLENGES: CARING FOR THE PEOPLE AND THE LEADERSHIP OF BARCELONA AS AN ECONOMIC ENGINE".

\[
\begin{align*}
\text{Àmbit Ajuntament dades pressupost} & \\
\text{\textcolor{red}{2.197M} €} & \text{Ingressos corrents} \\
\text{\textcolor{red}{1.867M} €} & \text{Despeses corrents*} \\
\text{\textcolor{blue}{330M} €} & \text{Estalvi per a inversions}
\end{align*}
\]
Cities are at the forefront of economic crisis

Barcelona is leading the Spanish recovery thanks to the knowledge economy and its good financial health. The municipal debt is one of the lower in Spain.

Recovery will be possible if investors and companies trust again in the public administration. A city that has economic values and is trustworthy is ready for success.

The priority of the Local Government is to improve the competitiveness of our economy, to remove obstacles to create companies and to simplify the bureaucratic procedures and regulations, which make easier and faster the process of business setting up.
OPERATIVE ACTIONS

- 30 operative measures to grow again
- Example of PPP
- No diagnosis, but ACTION
- Full commitment of all parties. CONSENSUS
- An initiative to share worldwide. Join us!!
BRAND POSITIONING
BARCELONA REPRESENTS A DYNAMIC, MODERN AND SUSTAINABLE CITY MODEL THAT INCLUDES A RATIONAL USE OF ENERGY RESOURCES, A GOOD PUBLIC TRANSPORT SYSTEM, AND HAS A LOW ECOLOGICAL FOOTPRINT IN SPITE OF BEING A HIGH-DENSITY CITY.

Abha Joshi Ghani, World Bank’s Manager, Finance, Economy and Urban development
OPERATIVE ACTIONS
THANKS!

jordi.sacristan@barcelonactiva.cat