The Importance of cities as engines for Economic Development and FDI

• **Brookings Global Cities Initiative**
  – From Athens and Rome in ancient times to New York and Singapore today, a handful of cities have stood out as centers of economic, military, cultural or political power beyond their regions or nations.
  – In the twenty-first century, the number of globalizing cities is greater than ever before. New technologies and shifting geo-politics enable more cities to attract global talent and capital, lead in the hosting of new advanced industries, and achieve global recognition and influence.

• **Enhanced City Infrastructure**
  – Smart Cities
    • The idea of integrating multiple IT and IoT solutions to securely enhance and bolster the infrastructure and assets of a city, thus ultimately improving quality of life.
    • Most recently, Columbus was selected as America’s Smart City, beating out six other finalist cities to receive $50 million in grant funding from the federal government and Vulcan Inc. to develop Columbus into the nation’s proving ground for intelligent transportation systems.
  – City Regions
    • Larger and more efficient labour markets and therefore better prospects for job creation
    • Scope for better planning of housing, transport, support for business and other services beyond existing administrative boundaries
    • Better prospects for attracting investment, innovation and value added economic activity.
Cities are Magnets – But in the developed world alone there are over 200 major cities
- KPMG’s Magnet Cities report identifies cities as being like magnets. Just as magnets can either attract or repel, so can cities. A city with a strong magnetic pull draws in new residents, visitors and business investment. A city with magnetic push casts off residents and businesses as people pack their bags and move to cities with greater magnetic pull.
  - Magnet cities cultivate new ideas
  - Magnet cities are fundraisers
  - Magnet cities have strong leaders

Major Cities Attract Major Startups – Global venture investment is highly uneven and spiky, it is concentrated in a small number of large cities and metros around the world.
- Martin Prosperity Institute’s January 2016 report - Rise of the Global Startup City - finds that venture capital investment across the world totalled $42 billion in 2012, spread across more than 150 cities and metro regions globally.
- The top 10 metros account for more than half, the top 20 metros account for almost two-thirds, and the top 50 more than 90% of total global venture investment.
- The United States accounts for nearly 70% of total global venture capital, followed by Asia (14.4%) and Europe (13.5%).
Forms of City to City Partnerships

• Metro regions encompassing several centres
  – Redrawing the boundaries
  – Bigger critical mass for more investment

• Sister cities, Genuine Partnerships & Join Ventures
  – 47 States had sister cities in 2012, representing 1,847 relationships
  – For example, Dublin and San Jose are creating substantial investment through
    • People
    • Ideas
    • Company/academic collaboration
What Is To Be Gleaned From These Partnerships

- Strong Alliances
- Best Practice Sharing
- Visits and Tourism Income
- Technology Transfer
- FDI & Trade Corridors