

# American Cities of the Future 2019/20

## Winners

NEW YORK CONTINUES TO REIGN AS THE LEADER OF **fDi**'s AMERICAN CITIES OF THE FUTURE 2019/20 RANKING. SAN FRANCISCO RETAINS SECOND PLACE WITH TORONTO RISING TO THIRD. **NAOMI DAVIES** REPORTS



Skyscraping performance: New York is still top of **fDi**'s American Cities of the Future

**N**ew York has once again outperformed its Americas rivals in **fDi**'s American Cities of the Future 2019/20 ranking, solidifying its status as an economic powerhouse and the region's commercial capital. The city was also crowned best major city for Economic Potential, Human Capital and Lifestyle and Connectivity. According to data from greenfield investment monitor **fDi** Markets, it attracted 836 FDI projects between 2014 and 2018 – more than double the number of its closest competitor, Toronto, and held a 10% share of total US FDI. New York also benefits from the highest GDP of all locations analysed.

San Francisco maintains its second position. The city saw an almost 30% increase in outward FDI between 2014 and 2018. Between

2009 and 2018, more than 60,000 patents were registered, cementing San Francisco's importance as one of the world's top cities for innovation.

Toronto rises to third in this year's ranking, up from fourth in the previous study. It had an 80% increase in FDI in R&D compared with 2017/18. In December 2018, US-based online retail giant Amazon expanded its Toronto tech hub while announcing plans to create 600 new jobs in software development, machine learning, cloud computing, digital advertising and artificial intelligence.

### A big jump

Meanwhile, Chicago has notched up the biggest movement in this year's top 10, soaring

nine places to sixth. The city attracted 49 FDI projects in 2018, its highest such figures since fDi Markets records began in 2003. Most FDI investment between 2014 and 2018 was in sales, marketing and support, business services and headquarters activities (together accounting for more than three-quarters of Chicago's inward FDI). Canada-based BMO Financial Group, Italy-based confectioner Ferrara Candy and Germany-based navigational software company Here are among the companies that decided to establish headquarters in the city in 2018.

Mexico City is named fDi's Latin American City of the Future, up from third place in 2017/18, and is the only Latin American city featured in our overall Major Cities category.

It fares particularly well in the Economic Potential classification and enjoys the highest GDP of all the Latin American locations in the study.

Seattle climbs one spot to be named fDi's Large American City of the Future and tops the corresponding Economic Potential and Business Friendliness categories. Almost half of the FDI the city attracted between 2014 and 2018 was in the software and IT services category, bolstering its claim to be 'San Francisco North'. Thanks to a thriving talent pool led by homegrown Amazon and Microsoft, the city is evolving into an attractive tech hub. Ireland-based technology services firm Accenture established an innovation hub in the city in November 2018, with plans to create 300 new jobs by the end of 2020.

#### Mississauga's mid-sized success

Mississauga in Ontario, Canada, holds on to its title of fDi's Mid-Sized American City of the Future and comes first in the division's Business Friendliness category. About 60% of the city's total inward FDI between 2014 and 2018 was derived from the US, followed by Germany (15.9%) and Japan (6.8%).

Cambridge, Massachusetts, tops the Small Cities classification. A noted biotech hub, the city boasts a robust population of start-ups, well-established pharmaceutical companies, incubator sites and research institutions. Almost two-thirds of inward FDI between 2014 and 2018 was in the biotech and pharmaceuticals sectors. Cambridge also benefits from a large network of scientists due to the area's many universities, which include Harvard and the Massachusetts Institute of Technology.

A new addition to this year's ranking is Palo Alto in California. The city comes first in the Micro City classification and 10th in the overall ranking. It also tops the Micro Cities Economic Potential category. Located in the heart of the Silicon Valley, Palo Alto made a record 58 outward FDI investments in 2018, almost 60% of which were in the software and IT services sector. Many prominent businesses reside in the city's renowned Stanford Research Park, including Hewlett-Packard and Tesla. ■ ▶

#### TOP 10 OVERALL AMERICAN CITIES OF THE FUTURE 2019/20

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Toronto	Ontario	Canada
4	Montréal	Quebec	Canada
5	Houston	Texas	US
6	Chicago	Illinois	US
7	Boston	Massachusetts	US
8	Los Angeles	California	US
9	Palo Alto	California	US
10	Seattle	Washington	US

#### TOP 10 OVERALL NORTH AMERICAN CITIES OF THE FUTURE 2019/20

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Toronto	Ontario	Canada
4	Montréal	Quebec	Canada
5	Houston	Texas	US
6	Chicago	Illinois	US
7	Boston	Massachusetts	US
8	Los Angeles	California	US
9	Palo Alto	California	US
10	Seattle	Washington	US

#### TOP 10 OVERALL LATIN AMERICAN CITIES OF THE FUTURE 2019/20

RANK	CITY	STATE	COUNTRY
1	Mexico City	Federal District	Mexico
2	São Paulo	São Paulo	Brazil
3	Bogotá	Capital District	Colombia
4	Santiago	Metropolitan Region	Chile
5	Monterrey	Nuevo León	Mexico
6	San José	San José	Costa Rica
7	Querétaro	Querétaro	Mexico
8	Silao	Guanajuato	Mexico
9	Tres Ríos	Cartago	Costa Rica
10	Guadalajara	Jalisco	Mexico

“We’re honoured to be recognised at the top of fDi’s rankings and are excited to further our successful efforts in bolstering economic growth opportunities of today, while supporting the emerging sectors of tomorrow”

James Patchett, president and CEO of the New York City Economic Development Corporation

“Greater Montréal’s attraction strategy focuses on promoting our leading-edge sectors boasting a critical mass of highly skilled talent, a high concentration of global players, a booming start-up community and specialised R&D centres”

Valérie Plante, mayor of Montréal

## MAJOR AMERICAN CITIES OF THE FUTURE

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2019/20 – OVERALL

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Toronto	Ontario	Canada
4	Montréal	Quebec	Canada
5	Houston	Texas	US
6	Chicago	Illinois	US
7	Boston	Massachusetts	US
8	Los Angeles	California	US
9	Mexico City	Federal District	Mexico
10	Miami	Florida	US

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Toronto	Ontario	Canada
4	Montréal	Quebec	Canada
5	Mexico City	Federal District	Mexico
6	Los Angeles	California	US
7	Boston	Massachusetts	US
8	São Paulo	São Paulo	Brazil
9	Houston	Texas	US
10	Chicago	Illinois	US

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	Chicago	Illinois	US
3	Boston	Massachusetts	US
4	Montréal	Quebec	Canada
5	Atlanta	Georgia	US
6	Puebla	Puebla	Mexico
7	Houston	Texas	US
8	Los Angeles	California	US
9	Austin	Texas	US
10	San Diego	California	US

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	Guatemala City	Guatemala	Guatemala
2	Panamá City	Panama	Panama
3	Guayaquil	Guayas	Ecuador
4	Quito	Pichincha	Ecuador
5	San Pedro Sula	Cortés	Honduras
6	Santiago	Metropolitan Region	Chile
7	Lima	Lima	Peru
8	Fortaleza	Ceará	Brazil
9	Columbus	Ohio	US
10	San Antonio	Texas	US

“Philadelphia’s momentum continues to build year after year, and this recognition proves that we have the assets needed for companies to thrive”

Jim Kenney, mayor of Philadelphia

“These results clearly indicate that our economic development efforts are paying great dividends and we are focused on welcoming even more foreign direct investment to Hamilton”

Fred Eisenberger, mayor, Hamilton

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2019/20 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Miami	Florida	US
4	Los Angeles	California	US
5	Boston	Massachusetts	US
6	Houston	Texas	US
7	Toronto	Ontario	Canada
8	Philadelphia	Pennsylvania	US
9	Washington, DC	Washington, DC	US
10	Chicago	Illinois	US

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Houston	Texas	US
2	New York	New York	US
3	Toronto	Ontario	Canada
4	Montréal	Quebec	Canada
5	San Francisco	California	US
6	Dallas	Texas	US
7	Chicago	Illinois	US
8	Austin	Texas	US
9	Atlanta	Georgia	US
10	Mexico City	Federal District	Mexico

**LARGE AMERICAN CITIES OF THE FUTURE**

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2019/20 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Seattle	Washington	US
2	Vancouver	British Columbia	Canada
3	San Jose	California	US
4	Orlando	Florida	US
5	Querétaro	Querétaro	Mexico
6	Cincinnati	Ohio	US
7	Portland	Oregon	US
8	St Louis	Missouri	US
9	Nashville	Tennessee	US
10	Denver	Colorado	US

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Seattle	Washington	US
2	San Jose	California	US
3	Vancouver	British Columbia	Canada
4	Querétaro	Querétaro	Mexico
5	San Luis Potosi	San Luis Potosi	Mexico
6	Ciudad Juárez	Chihuahua	Mexico
7	Aguascalientes	Aguascalientes	Mexico
8	Portland	Oregon	US
9	Denver	Colorado	US
10	Mexicali	Baja California	Mexico

“It’s an honour to be recognised as one of fDi’s American Cities of the Future for our connectivity and human capital and lifestyle. It’s an exciting time in Tampa”

Jane Castor, mayor of Tampa

“Increasing global connections for Nashville companies has been part of the city’s economic development strategy for decades. It’s an honour to be recognised by fDi for our work on this priority”

David Briley, mayor of Nashville

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	St Louis	Missouri	US
2	Minneapolis	Minnesota	US
3	Portland	Oregon	US
4	Pittsburgh	Pennsylvania	US
5	Orlando	Florida	US
6	Edmonton	Alberta	Canada
7	Denver	Colorado	US
8	Seattle	Washington	US
9	Cincinnati	Ohio	US
10	Tampa	Florida	US

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	Asunción	Gran Asunción	Paraguay
2	La Paz	La Paz	Bolivia
3	Sorocaba	São Paulo	Brazil
4	Guarulhos	São Paulo	Brazil
5	Ribeirão Preto	São Paulo	Brazil
6	Managua	Managua	Nicaragua
7	Aguascalientes	Aguascalientes	Mexico
8	Léon	Guanajuato	Mexico
9	Mexicali	Baja California	Mexico
10	Ciudad Juárez	Chihuahua	Mexico

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2019/20 – CONNECTIVITY

RANK	CITY	STATE	COUNTRY
1	San Jose	California	US
2	Seattle	Washington	US
3	Vancouver	British Columbia	Canada
4	Orlando	Florida	US
5	Tampa	Florida	US
6	Sacramento	California	US
7	Baltimore	Maryland	US
8	Pittsburgh	Pennsylvania	US
9	Jacksonville	Florida	US
10	San Juan	Puerto Rico	US

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS

RANK	CITY	STATE	COUNTRY
1	Seattle	Washington	US
2	Cincinnati	Ohio	US
3	Las Vegas	Nevada	US
4	Vancouver	British Columbia	Canada
5	Louisville	Kentucky	US
6	Orlando	Florida	US
7	Denver	Colorado	US
8	St Louis	Missouri	US
9	Portland	Oregon	US
10	Edmonton	Alberta	Canada

“With shovel-ready land and advanced infrastructure, London has proven to be the ideal place for business in the region”

Kapil Lakhota, president and CEO of the London Economic Development Corporation

“A growing number of diverse and international companies have found a welcoming and profitable home in Spartanburg County, renowned for its unique partnerships between industry, community and workforce”

Allen Smith, president and CEO, Spartanburg Area Chamber of Commerce

MID-SIZED AMERICAN CITIES OF THE FUTURE

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2019/20 – OVERALL

RANK	CITY	STATE	COUNTRY
1	Mississauga	Ontario	Canada
2	San José	San José	Costa Rica
3	Raleigh	North Carolina	US
4	Salt Lake City	Utah	US
5	Québec	Québec	Canada
6	Hamilton	Ontario	Canada
7	Richmond	Virginia	US
8	Brampton	Ontario	Canada
9	Birmingham	Alabama	US
10	Surrey	British Columbia	Canada

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL

RANK	CITY	STATE	COUNTRY
1	Chihuahua	Chihuahua	Mexico
2	San José	San José	Costa Rica
3	Raleigh	North Carolina	US
4	Mississauga	Ontario	Canada
5	Richmond	Virginia	US
6	Celaya	Guanajuato	Mexico
7	Irapuato	Guanajuato	Mexico
8	Québec	Québec	Canada
9	Saltillo	Coahuila	Mexico
10	Apodaca	Nuevo León	Mexico

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	San José	San José	Costa Rica
2	Salt Lake City	Utah	US
3	Richmond	Virginia	US
4	Halifax	Nova Scotia	Canada
5	Raleigh	North Carolina	US
6	Québec	Québec	Canada
7	Buffalo	New York	US
8	London	Ontario	Canada
9	Birmingham	Alabama	US
10	Tucson	Arizona	US

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	San José	San José	Costa Rica
2	San Salvador	San Salvador	El Salvador
3	Jundiaí	São Paulo	Brazil
4	São José dos Campos	São Paulo	Brazil
5	Cancún	Quintana Roo	Mexico
6	Irapuato	Guanajuato	Mexico
7	Celaya	Guanajuato	Mexico
8	Reynosa	Tamaulipas	Mexico
9	Chihuahua	Chihuahua	Mexico
10	Saltillo	Coahuila	Mexico

“It’s clear – Mississauga is a city in demand. I am absolutely thrilled that our city has been ranked number one by fDi for our commitment to fostering a positive business-friendly environment where companies cannot only grow but thrive”

Bonnie Crombie,  
mayor of Mississauga

“Our active digital and physical infrastructure investments, coupled with our business-friendly environment and vibrant innovation ecosystem, is creating an ideal location for high-technology and Industry 4.0 companies to grow and thrive, while staying connected to global markets”

Doug McCallum,  
mayor of Surrey

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2019/20 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	Brampton	Ontario	Canada
2	Hamilton	Ontario	Canada
3	Mississauga	Ontario	Canada
4	Surrey	British Columbia	Canada
5	Raleigh	North Carolina	US
6	Salt Lake City	Utah	US
7	Mesa	Arizona	US
8	Québec	Québec	Canada
9	Albuquerque	New Mexico	US
10	Birmingham	Alabama	US

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Mississauga	Ontario	Canada
2	Raleigh	North Carolina	US
3	Richmond	Virginia	US
4	Birmingham	Alabama	US
5	Québec	Québec	Canada
6	Salt Lake City	Utah	US
7	Hamilton	Ontario	Canada
8	London	Ontario	Canada
9	Albuquerque	New Mexico	US
10	Brampton	Ontario	Canada

**SMALL AMERICAN CITIES OF THE FUTURE**

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2019/20 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Cambridge	Massachusetts	US
2	Santa Clara	California	US
3	Sunnyvale	California	US
4	Bellevue	Washington	US
5	Irvine	California	US
6	Charleston	South Carolina	US
7	Fort Lauderdale	Florida	US
8	Plano	Texas	US
9	Fremont	California	US
10	San Mateo	California	US

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Sunnyvale	California	US
2	Santa Clara	California	US
3	Cambridge	Massachusetts	US
4	Bellevue	Washington	US
5	Fremont	California	US
6	Charleston	South Carolina	US
7	San Mateo	California	US
8	Cary	North Carolina	US
9	Irvine	California	US
10	Plano	Texas	US

“Our consistent ranking by **fDi** as one of the top places in the US for FDI cements our region’s commitment for even more successful international expansions to the region”

Leslie Haley, vice-chair of the Greater Richmond Partnership

“While our logistics and infrastructure are unparalleled, our team-oriented approach and business-friendly policies are even more impressive. I invite everyone to see why more than 50 international businesses representing 19 counties are thriving here”

Bill Sisson, president, Mobile Area Chamber of Commerce

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	STATE	COUNTRY
1	Columbia	South Carolina	US
2	Cambridge	Massachusetts	US
3	St John	New Brunswick	Canada
4	Boulder	Colorado	US
5	Irvine	California	US
6	Ann Arbor	Michigan	US
7	Charleston	South Carolina	US
8	Fort Lauderdale	Florida	US
9	Cambridge	Ontario	Canada
10	Durham	North Carolina	US

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS**

RANK	CITY	STATE	COUNTRY
1	Alajuela	Alajuela	Costa Rica
2	Heredia	Heredia	Costa Rica
3	Cartago	Cartago	Costa Rica
4	Akron	Ohio	US
5	Ensenada	Baja California	Mexico
6	High Point	North Carolina	US
7	Spartanburg	South Carolina	US
8	Ciudad Acuña	Coahuila	Mexico
9	Reno	Nevada	US
10	Fort Wayne	Indiana	US

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2019/20 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	San Mateo	California	US
2	Stamford	Connecticut	US
3	Fremont	California	US
4	Fort Lauderdale	Florida	US
5	Santa Clara	California	US
6	Sunnyvale	California	US
7	Pasadena	Texas	US
8	Cambridge	Massachusetts	US
9	Irvine	California	US
10	Richmond	British Columbia	Canada

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Plano	Texas	US
2	Reno	Nevada	US
3	Irving	Texas	US
4	Pasadena	Texas	US
5	Bellevue	Washington	US
6	Akron	Ohio	US
7	Cambridge	Ontario	Canada
8	Charleston	South Carolina	US
9	Cary	North Carolina	US
10	Kitchener	Ontario	Canada

**MICRO AMERICAN CITIES OF THE FUTURE**

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2019/20 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Palo Alto	California	US
2	Mountain View	California	US
3	Plymouth	Michigan	US
4	Menlo Park	California	US
5	Auburn Hills	Michigan	US
6	Redwood	California	US
7	Lake Mary	Florida	US
8	Norcross	Georgia	US
9	Duncan	South Carolina	US
10	Waltham	Massachusetts	US



“Business incentives, an educated and young workforce, a low-risk location with 310 days of sunshine, a strong creative economy mixed with a rich and diverse culture, low cost of living, and excellent quality of life makes Albuquerque one of America’s best cities for business – that’s something to be proud of”

Tim Keller, mayor of Albuquerque



**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Wilmington	Delaware	US
2	Mountain View	California	US
3	Menlo Park	California	US
4	Plymouth	Michigan	US
5	Auburn Hills	Michigan	US
6	Silao	Guanajuato	Mexico
7	Redwood	California	US
8	Duncan	South Carolina	US
9	Franklin	Kentucky	US
10	Norcross	Georgia	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	STATE	COUNTRY
1	Waltham	Massachusetts	US
2	Greenville	South Carolina	US
3	San Miguel de Allende	Guanajuato	Mexico
4	Lake Mary	Florida	US
5	Doral	Florida	US
6	Guanajuato	Guanajuato	Mexico
7	Novi	Michigan	US
8	Bowling Green	Kentucky	US
9	Norcross	Georgia	US
10	Greer	South Carolina	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS**

RANK	CITY	STATE	COUNTRY
1	Belen	Heredia	Costa Rica
2	Tres Ríos	Cartago	Costa Rica
3	Escazu	San José	Costa Rica
4	Longview	Texas	US
5	Greenville	South Carolina	US
6	Silao	Guanajuato	Mexico
7	Apaseo el Grande	Guanajuato	Mexico
8	Guanajuato	Guanajuato	Mexico
9	San Miguel de Allende	Guanajuato	Mexico
10	Bowling Green	Kentucky	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2019/20 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	Wilmington	Delaware	US
2	Redwood	California	US
3	Mountain View	California	US
4	Palo Alto	California	US
5	Menlo Park	California	US
6	Doral	Florida	US
7	Santa Monica	California	US
8	Waltham	Massachusetts	US
9	Beverly Hills	California	US
10	Woburn	Massachusetts	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Dublin	Ohio	US
2	Troy	Michigan	US
3	Longview	Texas	US
4	Auburn Hills	Michigan	US
5	Lake Mary	Florida	US
6	Duncan	South Carolina	US
7	Plymouth	Michigan	US
8	Norcross	Georgia	US
9	Alpharetta	Georgia	US
10	Greenville	South Carolina	US

# FDI Strategy

A MORE DETAILED LOOK AT **fdi**'s JUDGES' TOP FIVE AMERICAN CITIES OF THE FUTURE 2019/20 FOR FDI STRATEGY. **NAOMI DAVIES** REPORTS

## NEW YORK

### Overall winner

New York is the overall winner in this year's American Cities of the Future FDI Strategy category. The city's investment promotion body, New York City Economic Development Corporation (NYCEDC), employs a team of 525 staff and works tirelessly to promote entrepreneurship and economic diversification across the city.

The organisation established the partnership team, a new department to target FDI, in late 2017. Among its many responsibilities, the team conducts outreach in growth cities, develops strategic financing and facilitates international participation in NYCEDC's numerous industry initiatives. These include LifeSciNYC, a 10-year, \$500m initiative to bring New York to the forefront of the global life sciences industry; and CyberNYC, a \$100m scheme to grow the local cybersecurity sector.

The city enjoys growth across several sectors including technology, life sciences, financial services and industrial manufacturing. New York's blockchain ecosystem, for example, is experiencing explosive growth. In the past year alone, New York-based blockchain start-ups received more than \$500m in venture capital funding, up 500% from 2017. The city continues to bolster development in the sector through the recently opened NYC Blockchain Centre, the annual Blockchain Week around the Consensus event, and the NYC BigApps Blockchain Challenge.

## Chicago

Chicago's economic development organisation, World Business Chicago (WBC), has enjoyed greatly increased funding since 2012 in order to pursue domestic and foreign inward investment and inclusive growth. WBC consistently implements new initiatives to attract more investment from various world regions. In July 2018, Chicago mayor Rahm Emanuel signed the first economic memorandum of understanding between a US city and the Japanese government, which bolstered

bilateral ties with the country and coincided with inward investments from several Japanese companies, including construction equipment maker Komatsu and aluminium manufacturer UACJ.

WBC also works to drive growth and opportunity in Chicago's tech community through the ChicagoNext initiative. Its council of technology leaders aims to promote digital, clean technology and life sciences with a focus on attracting venture capital, tech talent and encouraging inclusive entrepreneurship. The city also hosts the Chicago Venture Summit and its prominent tech hub 1871 was named top university-affiliated incubator in the world by UBI Global in 2018.

## Montréal

Montréal, third in this year's ranking, is experiencing a surge in inward FDI. Economic development agency Montréal International (MI) supported 63 foreign companies in setting up or expanding in the region in 2018, attracting \$2.47bn in investment, a 22% increase on 2017 and a 147% increase on 2015.

MI's FDI strategy targets diverse sectors and geographies and its team focuses on obtaining face-to-face meetings with investors as well as reaching out at major trade shows and government missions. Government incentives are available to inward investors in the form of tax credits and direct financial support. MI also offers comprehensive after-care support to ensure investors remain and grow in the area: 50% of its FDI investments in 2018 were expansions of foreign subsidiaries.

## Medellín

Medellín ranks fourth for FDI Strategy in the list. The Agency for Cooperation and Investment of Medellín (ACI Medellín) promotes and facilitates the attraction of FDI to the city and its metropolitan area, working closely with the different chambers of commerce and the government agency ProColombia.

Investors in the creative industries, as well as infrastructure, con-



Success story World Business Chicago has enjoyed a boost in funding since 2012.

struction, tourism, textiles, health services and Industry 4.0, can enjoy industry, commerce and property tax incentives. Moreover, in the city's free-trade zones, companies benefit from a 20% discount on income tax and no customs taxes. Medellín is also committed to the development of film production in the locality and is Colombia's only city to have a film commission, offering 15% additional incentives to those offered by the national government.

## Mobile

The Mobile Area Chamber is the lead economic developer for the city of Mobile and Mobile County in Alabama, and it comes fifth in the FDI Strategy category. It is home to several high-growth sectors including a thriving aerospace cluster, and Mobile Area Chamber attends a variety of global air shows to promote the region alongside Team Mobile, a group of local economic development partners.

Mobile is also known for its extensive transportation infrastructure, including a deep-water port, two major interstate connectors, five class-one railroads and two Federal Aviation Administration-certified airports. Following a collaborative, city-wide effort, Mobile won a \$14m grant from the US Department of Transportation in mid-2016. The funding will be used to renovate infrastructure, connect citizens to jobs and revitalise historic neighbourhoods. ■



National leader: Montréal is ranked Canada's top city for FDI Strategy

### TOP 25 AMERICAN CITIES OF THE FUTURE 2019/20 – FDI STRATEGY

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	Chicago	Illinois	US
3	Greater Montréal	Québec	Canada
4	Medellín	Antioquia	Colombia
5	Mobile	Alabama	US
6	Calgary	Alberta	Canada
7	Barranquilla	Atlántico	Colombia
8	Nashville	Tennessee	US
9	Québec	Québec	Canada
10	Mississauga	Ontario	Canada
11	Toronto Region	Ontario	Canada
12	Bogotá	Bogotá Capital District	Colombia
13	Philadelphia	Pennsylvania	US
14	Houston	Texas	US
15	Orlando	Florida	US
16	Cali	Valle del Cauca	Colombia
17	Santa Clarita	California	US
18	Hamilton	Ontario	Canada
19	San Salvador	San Salvador	El Salvador
20	Fredericton	New Brunswick	Canada
21	Miami-Dade County	Florida	US
22	São Paulo	São Paulo	Brazil
23	Burlington	Ontario	Canada
24	Cartagena	Bolívar	Colombia
25	Montevideo	Montevideo	Uruguay

# American Cities of the Future 2019/20

## METHODOLOGY

To create a shortlist for fDi's American Cities of the Future 2019/20, the fDi Intelligence division of the Financial Times collected data using the specialist online tools fDi Markets and fDi Benchmark. In total, 218 locations were analysed for the study. Data was then collected for these 218 locations under five categories: Economic Potential, Business Friendliness, Human Capital and Lifestyle, Cost Effectiveness and Connectivity. Locations scored up to a maxi-

mum of 10 points for each datapoint, which were weighted by importance to the FDI decision-making process in order to compile both the subcategory rankings as well as the overall 'American Cities of the Future 2019/20' ranking.

In addition, surveys were collected under a sixth category, FDI Strategy. This category is the only qualitative category, and does not feed into the overall result. For this category, there were 56 submissions – locations submitted

details about their strategy for promoting FDI, which was then scored by fDi's judging panel.

Cities in the study were categorised according to population. Those locations with immediate city populations below 100,000 were categorised as 'Micro Cities', of which there were 46. 'Small' locations (numbering 46) had immediate city populations between 100,000 and 350,000. 'Mid-sized' locations (of which there were 33) had an immediate city population

of more than 200,000 and a wider larger urban zone (LUZ) of more than 750,000, or an immediate city population of more than 350,000. There were 42 'Large' locations, with immediate city populations of more than 500,000 and an LUZ population of more than 1 million, or an LUZ of more than 2 million. 'Major' locations (51) had an immediate city population of more than 750,000 and an LUZ of more than 2 million, or an LUZ of more than 4 million people. ■

## LIST OF DATAPPOINTS

### ECONOMIC POTENTIAL

- Population
- Average annual population growth (% - 2014-2018)
- GDP (PPP current \$m)
- GDP per Capita (PPP current \$)
- Average annual growth in GDP 2014-2018
- Average annual forecasted GDP growth (2019-2023)
- Inflation rate
- Unemployment rate
- Outward FDI (2014-2018)
- Outward FDI per 100,000 people (2014-2018)
- Inward FDI (2014-2018)
- Inward FDI per 100,000 people (2014-2018)
- FDI in R&D and DDT (2014-2018)
- FDI in advanced manufacturing (2014-2018)
- Number of mega projects by capex (over \$100m) inc ests (2014-2018)
- Number of mega projects by capex (over \$100m) per 100,000 people inc ests (2014-2018)
- Number of mega projects by jobs (over 1000 jobs) inc ests (2014-2018)
- Number of mega projects by jobs (over 1000 jobs) per 100,000 people inc ests (2014-2018)
- Capital expenditure on R&D and DDT Projects (\$) (2014-2018)
- Number of patents 2003-2018
- Number of patents per 100,000 people 2003-2018

### HUMAN CAPITAL AND LIFESTYLE

- Number of students
- Number of higher education institutions

- Number of higher education institutions per 100,000 population
- Number of top 500 universities 2018
- Number of top 500 universities per 100,000 people
- Number of business schools in Global MBA rankings 2017
- Number of IB schools
- Number of IB Schools per 100,000 people
- Labour Force as % of population aged 15+
- Skillset of graduates
- Ease of finding skilled employees
- Literacy rate (%)
- Tertiary enrollment rate (%)
- Third-level students as % of population
- Number of physicians per 1000 people
- Life expectancy
- Education expenditure (% of GNI)
- Social Progress Index 2018

### COST EFFECTIVENESS

- Average annual salary for an unskilled worker (\$)
- Average annual salary for a semi-skilled worker (\$)
- Average annual salary for a skilled worker (\$)
- Annual rent for prime grade A office space (\$ per sq m)
- Annual rent for prime grade A industrial space (\$ per sq m)
- Petrol prices (\$ per litre)
- Electricity (\$ per kWh)
- 4\*/5\* hotel in city centre (\$ per night)
- Minimum wage (\$ per hour)
- Cost of registering a property (absolute value using GNI)
- Cost of construction permits (% of

### CONNECTIVITY

- Cost of establishing a business (absolute value using GNI)
- Cost of establishing an electricity connection (absolute value using GNI)
- Total tax rate, % of profit
- Corporation tax rate (%)
- Common indirect tax/VAT
- Country purchasing power parity/exchange rate
- Upload speed (kb/s)
- Download speed (kb/s)
- Percentage of people using the internet (%)
- ICT Development Index
- Number of airports within 80km of city
- Number of international destinations served
- Number of ports (medium) within 100km
- Number of ports (large) within 100km
- Number of ports (very large) within 100km
- Number of ports (medium+) within 100km
- Logistics Performance Index 2018
- Networked Readiness Index 2018
- Environmental Performance Index 2018
- Liner shipping connectivity index 2018
- Mobile phone subscribers (2017) per 100
- Companies in the transportation sector per 100,000 people
- Distance to nearest international airport (km)
- % increase in mobile phone subscribers
- Quality of overall infrastructure

### BUSINESS FRIENDLINESS

- Total number of companies within advanced manufacturing sector 2019
- Total number of companies within hi-tech service sector 2019
- Total number of companies within the knowledge-based sector 2019
- Proportion of companies within advanced manufacturing sector 2019
- Proportion of companies within hi-tech service sector 2019
- Proportion of companies within the knowledge based sector 2019
- Number of companies within advanced manufacturing sector 2019 (per 100,000 people)
- Number of companies within hi-tech service sector 2019 (per 100,000 people)
- Number of companies within the knowledge based sector 2019 (per 100,000 people)
- Number of jobs created by all inward FDI (2014-2018)
- Number of jobs created by all inward FDI per 100,000 people (2014-2018)
- Number of expansion/co-location projects (2014-2018)
- Top 1000 World Banks 2018
- Corporation tax rate (%)
- Days taken to start a business
- Firing costs
- Ease of Doing Business Rank 2017
- Index of Economic Freedom 2017
- Corruption perception Index 2018
- Strength of Investor Protection Index
- Credit rating (S&P)
- Fragile States Index 2018
- Country risk score