Global Cities 2015: The Race Accelerates

A.T. Kearney’s latest in-depth analysis of global cities examines the top performing cities today and those with the greatest potential for the future.
### Global Cities Index (current performance)

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Scoring breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New York</td>
<td>63.1, 60.1</td>
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<tr>
<td>2</td>
<td>London</td>
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<td>3</td>
<td>Paris</td>
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<td>4</td>
<td>Tokyo</td>
<td>46.3, 38.8</td>
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<td>Hong Kong</td>
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<td>Los Angeles</td>
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<td>Chicago</td>
<td>37.6, 35.2</td>
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<td>8</td>
<td>Singapore</td>
<td>35.2, 34.2</td>
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<td>34.2, 33.7</td>
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<td>Moscow</td>
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<tr>
<td>15</td>
<td>Sydney</td>
<td>31.7, 30.9</td>
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<td>30.4, 29.6</td>
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<td>22</td>
<td>San Francisco</td>
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### Global Cities Outlook (future potential)

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Scoring breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>San Francisco</td>
<td>64.7, 64.3</td>
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<tr>
<td>2</td>
<td>London</td>
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<td>Boston</td>
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<td>4</td>
<td>New York</td>
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<td>Zurich</td>
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<td>6</td>
<td>Houston</td>
<td>58.9, 58.6</td>
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<td>7</td>
<td>Munich</td>
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<td>Stockholm</td>
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<td>9</td>
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<td>Seoul</td>
<td>56.3, 55.9</td>
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<td>Sydney</td>
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<td>Geneva</td>
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<td>Berlin</td>
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<td>Singapore</td>
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<td>Melbourne</td>
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<td>16</td>
<td>Atlanta</td>
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<td>Chicago</td>
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<td>18</td>
<td>Tokyo</td>
<td>52.8, 52.3</td>
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<td>19</td>
<td>Paris</td>
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<tr>
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<td>24</td>
<td>Brussels</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Dubai</td>
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</tbody>
</table>

**Note:** Bold city names indicate “Global Elite,” cities that rank among the top 25 in the Global Cities Index and the Global Cities Outlook.

Source: A.T. Kearney Global Cities 2015
More than half of the world’s population lives in cities, and by 2025 that number is projected to reach 60 percent. As the world urbanizes, A.T. Kearney’s *Global Cities 2015* takes a look at the growing influence of cities across six world regions. This fifth edition analyzes 125 cities—41 of them new to the list—in terms of their ability to attract and retain global capital, people, and ideas, as well as their future prospects. Figure 1 on the previous page identifies this year’s top 25 cities.

*Global Cities 2015* comprises two indices:

- **Global Cities Index (GCI):** an examination of a city’s current performance based on five dimensions: business activity, human capital, information exchange, cultural experience, and political engagement. The Appendix on page 7 lists 27 metrics and their weightings within each dimension.

- **Global Cities Outlook (GCO):** a projection of a city’s future potential based on four dimensions: rate of change in personal well-being, economics, innovation, and governance. The Appendix on page 7 lists 13 metrics and their weightings within each dimension.

The two indices provide a unique look at the top-performing cities today and those primed to make an impact in the future.

**Sixteen Cities Make Up a “Global Elite”**

For the first time, the review identifies a set of elite cities that rank in the top 25 on both the Global Cities Index and the Global Cities Outlook. These 16 “Global Elite” cities are well-known hubs of commerce, culture, and politics, and are likely to exert their global influence well into the future (see figure 2).

Leading the Global Elite are New York City and London, which are also the only cities featured on both top 10 lists. New York is the leading country in the Index in two of the five dimensions, business activity and human capital, and tops six of the 27 metrics used. London (second place in both indices) ranks high on the Index based largely on its strong cultural experience, including

### Figure 2

**The “Global Elite” are 16 cities that appear on both the Index and Outlook**

<table>
<thead>
<tr>
<th>Americas</th>
<th>EMEA</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New York</strong>, Index 1/Outlook 4</td>
<td><strong>London</strong>, Index 2/Outlook 2</td>
<td><strong>Tokyo</strong>, Index 4/Outlook 18</td>
</tr>
<tr>
<td><strong>Chicago</strong>, Index 7/Outlook 17</td>
<td><strong>Brussels</strong>, Index 12/Outlook 24</td>
<td><strong>Seoul</strong>, Index 11/Outlook 10</td>
</tr>
<tr>
<td><strong>Toronto</strong>, Index 13/Outlook 20</td>
<td><strong>Berlin</strong>, Index 17/Outlook 13</td>
<td><strong>Sydney</strong>, Index 15/Outlook 11</td>
</tr>
<tr>
<td><strong>San Francisco</strong>, Index 22/Outlook 1</td>
<td><strong>Amsterdam</strong>, Index 25/Outlook 9</td>
<td><strong>Melbourne</strong>, Index 19/Outlook 15</td>
</tr>
<tr>
<td><strong>Boston</strong>, Index 23/Outlook 3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: A.T. Kearney Global Cities 2015

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*Global Cities 2015: The Race Accelerates* 1
sporting events and international travelers. Paris (third in the Index, 19th in the Outlook) is fueled by its top performance in information exchange and culture.

San Francisco ranks first in the Outlook, thanks to its unparalleled strength in innovation, while Boston’s third-place Outlook ranking is based largely on the significant number of patents it generates per capita.

Perhaps counterintuitively, these Global Elite do not have a lock on global leadership. The top cities in both the Index and the Outlook have scores of roughly 60 out of a possible 100, which indicates substantial room for improvement and change. Clearly, the race for leadership remains wide open.

In Search of the “Perfect” City and Leadership

In the Index, creating the “perfect performance” city requires the attributes of 19 cities across four regions—North America, Europe, Asia Pacific, and the Middle East (see figure 3). Admittedly, there are no surprises among the leaders in the five dimensions, as New York, Paris, London, and Washington all appear on the list. There is far more variety when comparing cities against all 27 metrics in the Index. New to the list of metric leaders are Abu Dhabi and Dubai (access to

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**Figure 3**

The “perfect performance” city requires the attributes of 19 cities in four regions

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**Global Cities Index—leaders by dimension**

<table>
<thead>
<tr>
<th>Business activity</th>
<th>Human capital</th>
<th>Information exchange</th>
<th>Cultural experience</th>
<th>Political engagement</th>
</tr>
</thead>
</table>

**Global Cities Index—leaders by metric**

- **Fortune 500**
  - Beijing

- **Top global services firms**
  - London, New York

- **Capital markets**
  - New York

- **Air freight**
  - Hong Kong

- **Sea freight**
  - Shanghai

- **ICCA conferences**
  - Vienna

- **Foreign-born population**
  - New York

- **Top universities**
  - Boston

- **Population with tertiary degree**
  - Tokyo

- **International student population**
  - London

- **Number of international schools**
  - Hong Kong

- **Access to TV news**
  - Abu Dhabi, Dubai, Zurich

- **News agency bureaus**
  - London, New York

- **Broadband subscribers**
  - Geneva, Zurich

- **Freedom of expression**
  - Amsterdam, Stockholm

- **Online presence**
  - Singapore

- **Museums**
  - Moscow

- **Visual and performing arts**
  - New York

- **Sporting events**
  - London

- **International travelers**
  - London

- **Culinary offerings**
  - New York

- **Sister cities**
  - Moscow

- **Embassies and consulates**
  - London

- **Think tanks**
  - Washington, D.C.

- **International organizations**
  - Geneva

- **Political conferences**
  - Brussels

- **Local institutions with global reach**
  - New York

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Source: A.T. Kearney Global Cities 2015
The Index demonstrates the diversity of cities in terms of what they have to offer businesses and citizens—from New York’s capital markets and Boston’s schools to the unique cultural experience in London and the freight markets of Hong Kong and Shanghai.

The Outlook ranks cities based on their ability to become global hubs in the future. For example, because Warsaw ranks high in governance, specifically in ease of doing business, the city is attracting new business and industry, while Houston is well ahead in economic performance, with the U.S.’s sixth-highest GDP per capita. Geneva and Zurich both stand out for personal well-being of their citizens, scoring particularly high in environmental performance.

**The race is accelerating**

More cities are becoming more global. Since 2008, city scores on the Index have increased 10 percent overall, or 1.5 percent per year; of the five dimensions tracked, only political engagement has not increased (see figure 5 on page 4). So while cities are making great strides, there is still plenty of room for improvement—and for upstart newcomers.
Also over the history of the Index, three Indian cities have had the biggest score increases. The top three fastest-growing cities—Kolkata, Mumbai, and Bangalore—are all in India and 10 of the top 20 are either in India or East Asia.

Nine of the top 10 fastest-growing cities are located in emerging markets. Dublin (ranked 8th in globalization growth) is the only advanced-economy city on the list.

For China, history is repeating itself

Years ago, Chinese cities were among the most powerful on earth. This year, in a “back to the future” reality, Beijing points to China’s resurgence, as the city cracks the top 10 in the Index; Shanghai ranks 21st.

Europe and North America offer an interesting dichotomy

In the Index, the top 15 cities in Europe have a slight lead over the top 15 cities in North America in every dimension except human capital, where North America is relatively more open to foreign talent. Europe stands out in the other dimensions generally because of the large number of national capitals on the list. However, roles are reversed when looking at future performance. In the Outlook, the top 15 cities in North America score higher in all dimensions except for personal well-being, and demonstrate particular strength in innovation.
China is outpacing India today, but India is not quite as far behind in the Outlook

In the Index, the top nine cities in China significantly outperform the top nine cities in India in every dimension except information exchange. In the Outlook, China also leads India in all dimensions, but the gap on average is much smaller, with innovation showing the smallest gap.

The gap between developed and developing economies is shrinking

Not surprisingly, cities in advanced economies significantly outperform emerging market cities. But the future looks more competitive as emerging markets begin to catch up, in some cases shrinking advanced economies’ lead by more than 50 percent. Tellingly, the biggest gap for emerging market cities is in innovation.

More cities are becoming more global.

Since 2008, city scores on the Index have increased 10 percent overall.

Innovation Is Tomorrow’s Differentiator

Innovation is going to be a major differentiator in the years ahead—making one city potentially stand out in the future among many dynamic places. Of the four dimensions of leading indicators used in the Outlook, innovation by far has the lowest average score—two-thirds lower than the next lowest dimension (economics) and 80 percent behind the leading dimension (personal well-being).

Cities big and small are awakening to innovation’s power to drive growth. As technology continues to disrupt entire industries—basically changing the way people live—cities that create an environment and buzz that attract and retain entrepreneurs, while also hanging onto their home-grown talent, will be best positioned for future success.

Consider San Francisco, long known for a culture of innovation. In the Outlook, San Francisco is by far expected to maintain its global lead in innovation, but at some point, the competition promises to get steep as more cities vie for the innovation title. For example, Mexico City, Nairobi, and Guadalajara have set up university-sponsored incubators to draw in more entrepreneurs, while Boston, Munich, and Shenzhen are quickly becoming hotbeds of patents. San Francisco could be in for a spirited struggle in the years ahead.

Looking Ahead

Perhaps the most intriguing question emerging from this year’s study is: What will the Global Elite do with their increasing influence? Cities are becoming stronger and increasingly exerting a sphere of influence that transcends country borders. Much like countries formed entities such as the G8 and NATO, cities are self-organizing into new power consortiums. The C40 Cities Climate Leadership Group, the result of a 2005 summit hosted by London’s then-mayor Ken Livingstone, is a global group of megacities that have joined forces to reduce greenhouse
gas emissions. Similarly, The Chicago Council on Global Affairs holds its Global Cities Forum, creating a platform for the leaders of the world’s major cities to come together to share their perspectives. The future will likely see the formation of more city networks focused on a range of issues.

For many decades, A.T. Kearney has focused on globalization opportunities, with a wide range of capabilities to inform business and government strategies, including our Global Business Policy Council, Global Retail Development Index, and the Foreign Direct Investment Confidence Index. A common theme that runs through these capabilities and both the Global Cities Index and the Outlook is an increasing appetite for expansion and investment at the market level—often defined by city boundaries—rather than at the country level. This trend can be tracked by the growing availability of city-level data. We have monitored many of these cities since 2008, resulting in a comprehensive, multiyear fact base that provides insights into consumer and industrial trends that inform business strategies—from market entry and development plans to locations of regional headquarters, research centers, and operational hubs. Incorporating new information into our seven years of city-level insights will continue to be a key part of A.T. Kearney’s Global Cities research, especially in the coming years as the leaders of the Outlook become the leaders of the Index.

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The authors wish to thank their colleagues Nivedita Sinha, Victoria Pisini, and Michael Evar for their valuable contributions to this paper.
In the few cases when city-level data is not available, country-level data is used.

Global Cities Index—current performance

- Measures 27 metrics across five dimensions
  - Business activity (30%): capital flow, market dynamics, and major companies present
  - Human capital (30%): education levels
  - Information exchange (15%): access to information through Internet and other media sources
  - Cultural experience (15%): access to major sporting events, museums, and other expos
  - Political engagement (10%): political events, think tanks, and embassies
- Rank and score are determined by totaling the weighted averages of each dimension to yield a score on a scale of 0 to 100 (100=perfect)
- Sources are derived from publically available city-level data

Global Cities Outlook—future potential

- Measures 13 metrics (leading indicators) across four dimensions
  - Personal well-being (25%): safety, healthcare, inequality, and environmental performance
  - Economics (25%): long-term investments and GDP
  - Innovation (25%): entrepreneurship through patents, private investments, and incubators
  - Governance (25%): proxy for long-term stability through transparency, quality of bureaucracy, and ease of doing business
- Rank and score are determined by measuring change across each metric in the past five years, then projecting out to 2024. Weighted averages applied to each dimension to yield a score on a scale of 0 to 100 (100=perfect)
- Sources are derived from publically available city-level data

Global Cities 2015 analyzes 125 cities, including 41 appearing for the first time

North America
- Atlanta
- Boston
- Chicago
- Dallas
- Guadalajara
- Houston
- Los Angeles
- Miami
- Monterrey
- Montreal
- New York
- Philadelphia
- San Francisco
- Toronto
- Vancouver
- Washington, D.C.

Europe
- Amsterdam
- Barcelona
- Brussels
- Budapest
- Copenhagen
- Dublin
- Essen-Düsseldorf
- Frankfurt
- Geneva
- London
- Madrid
- Milan
- Moscow
- Munich
- Paris

Middle East
- Abu Dhabi
- Ankara
- Baghdad
- Cairo
- Doha
- Dubai
- Riyadh
- Tel Aviv

Asia Pacific
- Ahmedabad
- Bandung
- Bangalore
- Beijing
- Chengdu
- Chennai
- Chongqing
- Dalian
- Dhaka
- Dongguan
- Guangzhou
- Hangzhou
- Harbin
- Ho Chi Minh
- Hong Kong
- Hyderabad
- Jakarta
- Karachi
- Kolkata
- Kuala Lumpur
- Lahore
- Manila
- Melbourne
- Mumbai
- Manama
- Naples
- Nanjing
- New Delhi
- Osaka
- Pune
- Qindao
- Quanzhou
- Seoul
- Shenyang
- Shenzhen
- Singapore
- Sydney
- Taipei
- Tianjin
- Tokyo
- Wuhan
- Xi’an
- Yangon
- Zhengzhou

Latin America
- Belo Horizonte
- Bogota
- Buenos Aires
- Caracas
- Lima
- Mexico City
- Porto Alegre
- Recife
- Rio de Janeiro
- Salvador
- Santiago
- Sao Paulo

Africa
- Abidjan
- Accra
- Addis Ababa
- Alexandria
- Cape Town
- Casablanca
- Johannesburg
- Khartoum
- Kinshasa
- Lagos
- Luanda
- Nairobi
- Tunis

1 In the few cases when city-level data is not available, country-level data is used.

1 Cities in bold indicate new entrants based on population size and international presence.
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### Americas
- Atlanta
- Bogotá
- Calgary
- Chicago
- Dallas
- Detroit
- Houston
- Mexico City
- New York
- Palo Alto
- San Francisco
- São Paulo
- Toronto
- Washington, D.C.

### Asia Pacific
- Bangkok
- Beijing
- Hong Kong
- Jakarta
- Kuala Lumpur
- Melbourne
- Mumbai
- New Delhi
- Seoul
- Shanghai
- Singapore
- Sydney
- Taipei
- Tokyo

### Europe
- Amsterdam
- Berlin
- Brussels
- Bucharest
- Budapest
- Copenhagen
- Düsseldorf
- Frankfurt
- Helsinki
- Istanbul
- Kiev
- Lisbon
- Ljubljana
- London
- Madrid
- Milan
- Moscow
- Munich
- Oslo
- Paris
- Prague
- Rome
- Stockholm
- Stuttgart
- Vienna
- Warsaw
- Zurich

### Middle East and Africa
- Abu Dhabi
- Doha
- Dubai
- Johannesburg
- Manama
- Riyadh

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The signature of our namesake and founder, Andrew Thomas Kearney, on the cover of this document represents our pledge to live the values he instilled in our firm and uphold his commitment to ensuring “essential rightness” in all that we do.

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