

# American Cities of the Future 2017/18

## Winners

NEW YORK HAS ONCE AGAIN BEEN NAMED **FDI'S** AMERICAN CITY OF THE FUTURE, TOPPING THE 2017/18 RANKINGS, WHILE SAN FRANCISCO HAS HELD ON TO ITS SECOND POSITION WITH HOUSTON THIRD. MEANWHILE, CANADIAN CITIES HAVE SHOWN MOST NOTABLE MOVEMENT IN THE LIST, AS **CATHY MULLAN** REPORTS



Top of the heap: New York attracted the most FDI projects between 2012 and 2016, and boasts the highest GDP in the rankings

**T**he bright lights of New York have again outshone every other city on either American continent. The metropolis attracted 819 FDI projects between 2012 and 2016 – the highest number of all locations in this study. Most investment in the city was derived from companies from western Europe (68.6%), followed by Asia-Pacific (14.8%) and North America (6.7%).

New York also enjoys the highest GDP of all locations in the rankings. São Paulo received the second highest number of inward FDI projects (470) and was the only Latin American city to rank among the Top 10 American Cities of the Future.

The biggest movement in this year's ranking is seen among Canadian locations. Toronto has risen from sixth to fourth place, Montreal

enters the top 10 at five and Vancouver has risen from eighth place in the 2015/16 ranking to take sixth place in 2017/18.

### Toronto holds steady

Toronto's share of total Canadian FDI has held relatively steady at about one-third of all investment. The lion's share of investment in the city is in sales, marketing and support and business service activities (together accounting for 72% of Toronto's inward FDI).

Montreal has become a more important Canadian FDI hub in recent years. Its share of Canadian FDI has increased from 6% in 2012 to just over 13% in 2016. However, its share peaked in 2014 when the city attracted nearly 17% of Canada's FDI. French companies were the biggest source of Montreal's inward FDI



**TOP 10 OVERALL AMERICAN CITIES OF THE FUTURE 2017/18**

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Houston	Texas	US
4	Toronto	Ontario	Canada
5	Montreal	Quebec	Canada
6	Vancouver	British Columbia	Canada
7	Boston	Massachusetts	US
8	Atlanta	Georgia	US
9	São Paulo	São Paulo	Brazil
10	Sunnyvale	California	US

**TOP 10 OVERALL NORTH AMERICAN CITIES OF THE FUTURE 2017/18**

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Houston	Texas	US
4	Toronto	Ontario	Canada
5	Montreal	Quebec	Canada
6	Vancouver	British Columbia	Canada
7	Boston	Massachusetts	US
8	Atlanta	Georgia	US
9	Sunnyvale	California	US
10	Seattle	Washington	US

**TOP 10 OVERALL LATIN AMERICAN CITIES OF THE FUTURE 2017/18**

RANK	CITY	STATE	COUNTRY
1	São Paulo	São Paulo	Brazil
2	Querétaro	Querétaro	Mexico
3	Mexico City	Distrito Federal	Mexico
4	Santiago	Chile	Chile
5	Bogotá	Cundinamarca	Colombia
6	Buenos Aires	Buenos Aires	Argentina
7	San Luis Potosí	San Luis Potosí	Mexico
8	Monterrey	Nuevo Leon	Mexico
9	San Jose	Costa Rica	Costa Rica
10	Panamá City	Panama	Panama

between 2012 and 2016, accounting for 60 projects. By comparison, companies from the US invested in 50 projects.

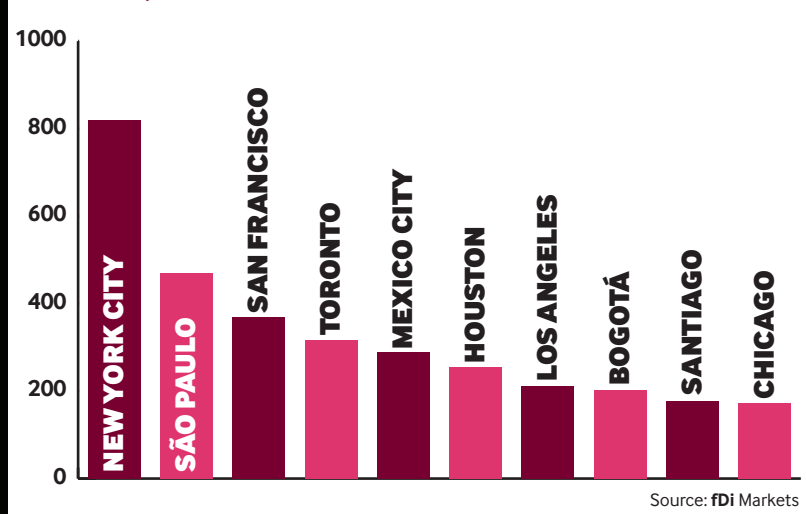
Historically, France and the US have been Montreal's biggest source markets for FDI. A bilateral Canada-France joint action plan was signed for 2012-13, with the aim of strengthening trade and economic relations and the impact on FDI has been notable. Between 2013 and 2015, France was Montreal's largest source market for FDI by a considerable margin. However, in 2016 the US overtook France once again. But a more protectionist and anti-globalist White House being in charge of US trade and investment policy could lead to a continuation of this rollercoaster pattern.

**Vancouver tech attraction**

Vancouver, on Canada's west coast, is fDi's Large American City of the Future for 2017/18. The city tops the rankings in Economic Potential and Business Friendliness in the Large City category. Vancouver has a healthy economy, with a high GDP per capita and an unemployment rate of 4.9%. The city welcomed 99 FDI projects between 2012 and 2016, nearly one-third of which was in the software and IT services sector.

Software FDI in the city has been increasing, with major investments from IT giants including Amazon, Microsoft and Hewlett-Packard. In June 2016, US-based Microsoft created 450 jobs in Vancouver with the establishment of a new engineering centre, bringing its headcount in the city to 750. Vancouver has developed a reputation as a strong location for investment in the software sector, with China-based Hanhai Zhiye choosing to launch its clean tech innovation centre there, citing ▶

**TOP 10 AMERICAN CITIES FOR INWARD FDI BY PROJECT NUMBERS, 2012-2016**



“We are committed to securing Surrey’s position as a top destination for investors with our business friendly approach and state-of-the-art modern infrastructure”

Linda Hepner, mayor, Surrey

the “impressive technology sector and focus on innovation and the environment”.

Mississauga, part of Ontario’s Greater Toronto Area, tops the ranking of fDi’s Mid-Sized American Cities of the Future 2017/18, also topping the Business Friendliness ranking in this classification. The city recorded the highest number of advanced manufacturing companies of all locations, with almost one-fifth of all FDI into the city between 2012 and 2016 in the industrial machinery, equipment and tools sector.

Cementing its reputation as a hub for advanced manufacturing, Mississauga is home to the Canadian Manufacturing Tech Show, which is held at the International Centre facility, and the Advanced Manufacturing Canada Conference, which is being held at the show in 2017.

**Sunnyvale reigns**

Sunnyvale, in California’s Silicon Valley, is placed first in the Small Cities classification, and 10th in the overall ranking. The city is a tech hub, with more than one-third of investment into the software and IT services sector, and over one-fifth into the communications sector. Germany’s FEV, which specialises in engine components, established an office in the city, citing its talented resources and culture of innovation and new technology as reasons for investing.

Sunnyvale tops the Economic Potential ranking for Small Cities, helped by its strong record for patents granted, which amounted to more than 34,000 in the decade to 2015. The city’s library is an official Patent and Trademark Resource Center, one of only seven in California.

Wilmington, on the banks of the Delaware River, is the leading American City of the Future in the Micro City classification. It was the source city for 71 FDI projects between 2012 and 2016, and has the highest number of outward FDI projects per 100,000 people of all locations studied, helping it top the ranking for Micro Cities in the Economic Potential category. The city has seven ports within 100 kilometres, and connections to 30 international destinations from Philadelphia International Airport, just over 30 kilometres from the city. ■

MAJOR AMERICAN CITIES OF THE FUTURE

TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2017/18 – OVERALL

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	San Francisco	California	US
3	Houston	Texas	US
4	Toronto	Ontario	Canada
5	Montreal	Quebec	Canada
6	Boston	Massachusetts	US
7	Atlanta	Georgia	US
8	São Paulo	São Paulo	Brazil
9	Austin	Texas	US
10	Miami	Florida	US

TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2017/18 – ECONOMIC POTENTIAL

RANK	CITY	STATE	COUNTRY
1	San Francisco	California	US
2	New York	New York	US
3	Toronto	Ontario	Canada
4	São Paulo	São Paulo	Brazil
5	Houston	Texas	US
6	Montreal	Quebec	Canada
7	Atlanta	Georgia	US
8	Boston	Massachusetts	US
9	Miami	Florida	US
10	Austin	Texas	US

TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2017/18 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	Chicago	Illinois	US
3	Houston	Texas	US
4	Austin	Texas	US
5	Los Angeles	California	US
6	San Diego	California	US
7	Boston	Massachusetts	US
8	Montreal	Quebec	Canada
9	Washington, DC	District of Columbia	US
10	Toronto	Ontario	Canada

TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2017/18 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	Guayaquil	Guayas	Ecuador
2	Guatemala City	Guatemala	Guatemala
3	Santiago	Chile	Chile
4	Quito	Pichincha	Ecuador
5	Lima	Peru	Peru
6	Belem	Pará	Brazil
7	Barranquilla	Atlántico	Colombia
8	Fortaleza	Ceará	Brazil
9	Manaus	Amazonas	Brazil
10	Cali	Valle del Cauca	Colombia

“Investments are being made in our downtown, arts, entertainment, and heritage to foster a culture of vibrancy, creativity and entrepreneurship”

Kapil Lakhotia, president, London (Ontario) Economic Development Agency

“We salute our entire economic development team for helping to achieve this high recognition”

Colin Read, mayor, Plattsburgh

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2017/18 – CONNECTIVITY**

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

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2017/18 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	New York	New York	US
2	Houston	Texas	US
3	Toronto	Ontario	Canada
4	Montreal	Quebec	Canada
5	San Francisco	California	US
6	São Paulo	São Paulo	Brazil
7	Atlanta	Georgia	US
8	Austin	Texas	US
9	Mexico City	Distrito Federal	Mexico
10	Miami	Florida	US

**LARGE AMERICAN CITIES OF THE FUTURE**

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2017/18 – OVERALL**

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

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2017/18 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Vancouver	British Columbia	Canada
2	Seattle	Washington	US
3	San Jose	California	US
4	Querétaro	Querétaro	Mexico
5	San Luis Potosí	San Luis Potosí	Mexico
6	Tijuana	Baja California	Mexico
7	Denver	Colorado	US
8	Minneapolis	Minnesota	US
9	Cincinnati	Ohio	US
10	Portland	Oregon	US

“We continue to cement our reputation as a destination businesses choose to invest, innovate, create jobs and remain ahead of the competition”

Bonnie Crombie, mayor,  
Mississauga

“As a growing community that’s home to strong international companies, a highly educated workforce and prime developable land, Franklin is the ideal place for investment and corporate growth”

Steve Olson, mayor, Franklin

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2017/18 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	Edmonton	Alberta	Canada
2	Orlando	Florida	US
3	Minneapolis	Minnesota	US
4	Portland	Oregon	US
5	Denver	Colorado	US
6	Seattle	Washington	US
7	Saint Paul	Minnesota	US
8	Columbus	Ohio	US
9	Nashville	Tennessee	US
10	Pittsburgh	Pennsylvania	US

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2017/18 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	Asunción	Gran Asunción	Paraguay
2	Panama City	Panama	Panama
3	Santa Cruz	Bolivia	Bolivia
4	San Pedro Sula	Honduras	Honduras
5	Tegucigalpa	Honduras	Honduras
6	La Paz	Bolivia	Bolivia
7	Londrina	Paraná	Brazil
8	Managua	Nicaragua	Nicaragua
9	São Luis	Maranhão	Brazil
10	Sorocaba	São Paulo	Brazil

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2017/18 – CONNECTIVITY

RANK	CITY	STATE	COUNTRY
1	San José	California	US
2	Seattle	Washington	US
3	Kansas	Kansas	US
4	Kansas City	Missouri	US
5	Vancouver	British Columbia	Canada
6	Panamá City	Panama	Panama
7	Baltimore	Maryland	US
8	Orlando	Florida	US
9	Sacramento	California	US
10	Tampa	Florida	US

#### TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2017/18 – BUSINESS FRIENDLINESS

RANK	CITY	STATE	COUNTRY
1	Vancouver	British Columbia	Canada
2	Querétaro	Querétaro	Mexico
3	Calgary	Alberta	Canada
4	Edmonton	Alberta	Canada
5	San Luis Potosí	San Luis Potosí	Mexico
6	Seattle	Washington	US
7	Ottawa	Ontario	Canada
8	Cincinnati	Ohio	US
9	Tijuana	Baja California	Mexico
10	Columbus	Ohio	US

“Our momentum continues to build as we implement our global trade and investment strategy”

Ivy Taylor, mayor, San Antonio

“Our diverse economy and proximity to global markets offer opportunities you can’t find anywhere else”

Kevin Faulconer, mayor, San Diego

MID-SIZED AMERICAN CITIES OF THE FUTURE

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2017/18 – OVERALL

RANK	CITY	STATE	COUNTRY
1	Mississauga	Ontario	Canada
2	San Jose	Costa Rica	Costa Rica
3	Richmond	Virginia	US
4	Raleigh	North Carolina	US
5	Quebec	Quebec	Canada
6	Oakland	California	US
7	Anaheim	California	US
8	Hamilton	Ontario	Canada
9	Long Beach	California	US
10	Brampton	Ontario	Canada

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2017/18 – ECONOMIC POTENTIAL

RANK	CITY	STATE	COUNTRY
1	San Jose	Costa Rica	Costa Rica
2	Aguascalientes	Aguascalientes	Mexico
3	Richmond	Virginia	US
4	Chihuahua	Chihuahua	Mexico
5	Raleigh	North Carolina	US
6	Apodaca	Nuevo León	Mexico
7	Quebec	Quebec	Canada
8	Saltillo	Coahuila	Mexico
9	Mississauga	Ontario	Canada
10	Birmingham	Alabama	US

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2017/18 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	Colorado Springs	Colorado	US
2	Aurora	Colorado	US
3	Honolulu	Hawaii	US
4	Quebec	Quebec	Canada
5	Anaheim	California	US
6	Arlington	Texas	US
7	Halifax	Nova Scotia	Canada
8	Oakland	California	US
9	Long Beach	California	US
10	Omaha	Nebraska	US

TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2017/18 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	Cuenca	Azuay	Ecuador
2	Piura	Peru	Peru
3	Alajuela	Costa Rica	Costa Rica
4	Valparaíso	Chile	Chile
5	Trujillo	Peru	Peru
6	Antofagasta	Chile	Chile
7	San Salvador	El Salvador	El Salvador
8	Arequipa	Peru	Peru
9	Pereira	Risaralda	Colombia
10	Ibagué	Tolima	Colombia

“Richardson has a distinguished track record as a hub for innovative, globally oriented business activity in technology and other key sectors”

Paul Voelker, mayor, Richardson

“We are disrupting the status quo in Brampton, and providing businesses the tools necessary to compete in the global market”

Linda Jeffrey, mayor, Brampton

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2017/18 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	Oakland	California	US
2	Long Beach	California	US
3	Anaheim	California	US
4	Brampton	Ontario	Canada
5	Mississauga	Ontario	Canada
6	Hamilton	Ontario	Canada
7	New Orleans	Louisiana	US
8	Surrey	British Columbia	Canada
9	Arlington	Texas	US
10	Honolulu	Hawaii	US

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2017/18 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Mississauga	Ontario	Canada
2	Brampton	Ontario	Canada
3	Quebec	Quebec	Canada
4	Hamilton	Ontario	Canada
5	San Jose	Costa Rica	Costa Rica
6	London	Ontario	Canada
7	Richmond	Virginia	US
8	Laval	Quebec	Canada
9	Surrey	British Columbia	Canada
10	Winnipeg	Manitoba	Canada

**SMALL AMERICAN CITIES OF THE FUTURE**

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2017/18 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Sunnyvale	California	US
2	Irvine	California	US
3	Fremont	California	US
4	Bellevue	Washington	US
5	Ann Arbor	Michigan	US
6	Fort Lauderdale	Florida	US
7	Stamford	Connecticut	US
8	Cary	North Carolina	US
9	Plano	Texas	US
10	Guelph	Ontario	Canada

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2017/18 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Sunnyvale	California	US
2	Bellevue	Washington	US
3	Fremont	California	US
4	Irvine	California	US
5	Cary	North Carolina	US
6	Ann Arbor	Michigan	US
7	Waterloo	Ontario	Canada
8	Plano	Texas	US
9	Stamford	Connecticut	US
10	Chattanooga	Tennessee	US

“Chattanoogans from all walks of life help contribute to our city being a place where people want to do business”

Andy Berke, mayor, Chattanooga

“We’re proud to be a business-friendly environment for businesses of all sizes and in a huge range of industry”

Jim Coppinger, mayor, Hamilton County

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2017/18 – HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	STATE	COUNTRY
1	Tempe	Arizona	US
2	Denton	Texas	US
3	Athens	Georgia	US
4	Guelph	Ontario	Canada
5	Pasadena	California	US
6	Kingston	Ontario	Canada
7	Arlington	Virginia	US
8	Irvine	California	US
9	Lincoln	Nebraska	US
10	Gainesville	Florida	US

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2017/18 – COST EFFECTIVENESS**

RANK	CITY	STATE	COUNTRY
1	Potosí	Potosí	Bolivia
2	Sobral	Ceará	Brazil
3	Heredia	Costa Rica	Costa Rica
4	Sete Lagoas	Minas Gerais	Brazil
5	Maracanaú	Ceará	Brazil
6	Neiva	Huila	Colombia
7	Praia Grande	São Paulo	Brazil
8	Taubaté	São Paulo	Brazil
9	Jaragua do Sul	Santa Catarina	Brazil
10	Sumare	São Paulo	Brazil

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2017/18 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	Jersey	New Jersey	US
2	Stamford	Connecticut	US
3	Newark	New Jersey	US
4	Yonkers	New York	US
5	Paterson	New Jersey	US
6	Elizabeth	New Jersey	US
7	Sunnyvale	California	US
8	Hayward	California	US
9	Fremont	California	US
10	Vallejo	California	US

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2017/18 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Windsor	Ontario	Canada
2	Chattanooga	Tennessee	US
3	Plano	Texas	US
4	Heredia	Costa Rica	Costa Rica
5	Oakville	Ontario	Canada
6	Cambridge	Ontario	Canada
7	Markham	Ontario	Canada
8	Guelph	Ontario	Canada
9	Waterloo	Ontario	Canada
10	Burlington	Ontario	Canada

**MICRO AMERICAN CITIES OF THE FUTURE**

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2017/18 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Wilmington	Delaware	US
2	Langley	British Columbia	Canada
3	Greenville	South Carolina	US
4	Santa Fe Springs	California	US
5	North Vancouver	British Columbia	Canada
6	Poughkeepsie	New York	US
7	Fredericton	New Brunswick	Canada
8	Plattsburgh	New York	US
9	Brantford	Ontario	Canada
10	Gahanna	Ohio	US



“Quebec City’s economic development strategy sets forth a cohesive vision and gets all decision-makers and the entrepreneurial community on the same page”

Régis Labeaume, mayor, Quebec City



**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2017/18 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Wilmington	Delaware	US
2	Greenville	South Carolina	US
3	Plattsburgh	New York	US
4	Santa Fe Springs	California	US
5	Langley	British Columbia	Canada
6	Poughkeepsie	New York	US
7	Meridian	Idaho	US
8	Danville	Virginia	US
9	Santa Ana	Costa Rica	Costa Rica
10	Bismarck	North Dakota	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2017/18 – HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	STATE	COUNTRY
1	Fredericton	New Brunswick	Canada
2	Langley	British Columbia	Canada
3	North Vancouver	British Columbia	Canada
4	Poughkeepsie	New York	US
5	Santa Fe Springs	California	US
6	Gahanna	Ohio	US
7	Oroville	California	US
8	Greenville	North Carolina	US
9	Wilmington	Delaware	US
10	Meridian	Idaho	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2017/18 – COST EFFECTIVENESS**

RANK	CITY	STATE	COUNTRY
1	Santa Ana	Costa Rica	Costa Rica
2	Itatiaia	Rio de Janeiro	Brazil
3	Atlatomulco	Mexico	Mexico
4	Rocky Mount	North Carolina	US
5	Pocatello	Idaho	US
6	Greenville	North Carolina	US
7	Ogden	Utah	US
8	Yuma	Arizona	US
9	Idaho Falls	Idaho	US
10	Lyons	Kansas	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2017/18 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	Wilmington	Delaware	US
2	South Gate	California	US
3	Santa Fe Springs	California	US
4	Pickering	Ontario	Canada
5	Langley	British Columbia	Canada
6	North Vancouver	British Columbia	Canada
7	Franklin	Wisconsin	US
8	Ogden	Utah	US
9	Repentigny	Quebec	Canada
10	Gahanna	Ohio	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2017/18 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Brantford	Ontario	Canada
2	Langley	British Columbia	Canada
3	Niagara Falls	Ontario	Canada
4	North Vancouver	British Columbia	Canada
5	Fredericton	New Brunswick	Canada
6	Pickering	Ontario	Canada
7	Chatham	Ontario	Canada
8	Sarnia	Ontario	Canada
9	Nanaimo	British Columbia	Canada
10	Sudbury	Ontario	Canada

# FDI Strategy

FDI MAGAZINE INVITED PROMOTION AGENCIES IN THE AMERICAS TO TELL US ABOUT THEIR FDI STRATEGIES. OUR JUDGES THEN NOMINATED CITIES ACROSS FIVE CLASSIFICATIONS THAT ARE GETTING IT RIGHT. **CATHY MULLAN** REPORTS

## **CHICAGO, ILLINOIS** **Major City winner**

Among the top North American destinations for inward FDI, Chicago has proved its FDI Strategy is a winning one. Named first for FDI Strategy in the Major City category, up from third last time, World Business Chicago (WBC) has seen some major developments in recent years. Staff numbers at the organisation have doubled since 2012, while funding has tripled.

The outward-looking agency has worked hard to put Chicago on the world map, signing a memorandum of understanding with China to be the official gateway city for FDI coming from a number of Chinese cities, including Beijing, Shanghai and Tianjin. Joint conferences and trade missions have followed since the agreement was signed in December 2013.

The city enjoys a sister relationship with 28 cities across the world, alongside agreements with London, Mexico, Paris and Toronto, which strengthen bilateral ties and bolster trade and investment. The organisation also works closely with the state of Illinois, which has representative offices in nine cities on five continents.

The state of Illinois offers reimbursement costs of up to 50% for very large company headquarter investments – just one of a host of financial incentives. The organisation's website hosts a site-selection app that gives prospective investors a bird's eye view of available Chicago real estate, services and incentives available at the city and state levels.

## **CARTAGENA, COLOMBIA** **Large City winner**

A port city on Colombia's north coast, Cartagena has a heavy industrial focus. Invest in Cartagena, the city's investment promotion body, says it is the country's main producer of petrochemical products and home to Latin America's most modern oil refinery. A metal mechanic shipyard is among the most important in the country, and the port infrastructure has connections to 614 ports, 140 countries and 25 shipping lines.

Investors can benefit from preferential tax rates in Cartagena's free zones (with income tax rates reduced to 15%) and exemption of value-added tax from raw materials, inputs and finished goods. There is an aftercare programme to assist investors who wish to expand or set up supply chains in the city.

## **HAMILTON, ONTARIO** **Mid-sized City winner**

Hamilton, located 70 kilometres south-west of Toronto, is the winner for FDI Strategy in the Mid-sized City category. The city puts a focus on research, life sciences and advanced manufacturing, supported by the recent establishment of the new McMaster University Fraunhofer Project Centre for Biomedical Engineering and Advanced Manufacturing, which is dedicated to the development of new technologies for cell therapy and point-of-care diagnostics.

The city has an active online presence on most social media platforms, including Facebook, Twitter and YouTube, as well as an Invest TV channel, which produces short video clips featuring good economic news stories from the city. The 'Hamilton Calling' aftercare programme aims to visit 100 companies in the city each year, assisting with any resources they might need and ensuring they are well settled. A customer relationship management system is used to keep companies up to date with any events or additional programmes on offer.

## **KINGSTON, ONTARIO** **Small City winner**

Kingston Economic Development Corporation is responsible for attracting foreign investors to Kingston, on the southern shores of Canada's Ontario province. The organisation boasts a multilingual website, which is considered to have been instrumental in attracting more than C\$240m (\$179.6m) of investment from Chinese and Portuguese investors. Agency staff are studying languages in an effort to better access investors in non-Anglophone markets. A rebranding of the agency's

website is scheduled for 2017, and the rebooted page will feature infographics and sophisticated visualisation technology.

On the ground in Kingston, C\$16m has been allocated for an airport expansion, with additional infrastructure upgrades including C\$20m for a new ferry to Amherst Island and a C\$2m upgrade to the local VIA rail station. Investors can benefit from access to funding in amounts from C\$5000 to more than C\$1.5m, depending on the project. A new seed funding programme is scheduled for 2017, which will be available to companies with 10 or more employees to help with expansion.

## **FREDERICTON, NEW BRUNSWICK** **Micro City winner**

The capital of New Brunswick, Fredericton has been named fDi Magazine's winner for FDI Strategy in the Micro City category. Ignite Fredericton was established as part of the Canadian city's Vision 2020 economic development strategy, and the agency is responsible for the promotion of Fredericton and for attracting investment.

The agency focuses on the development of knowledge-based investment, and its Innovation District is home to more than 60 R&D organisations. It also contains the knowledge park and the University of New Brunswick, and investors are eligible for R&D credits of up to 15% – one of many financial incentives available. Others include a small business investor tax credit (a 50% income tax credit up to C\$125,000 (\$93,318) per year) and the provincial New Brunswick sales tax rebate of 15% on business inputs and purchases.

New Brunswick's chamber of commerce runs a business immigrant mentorship programme and the Hive programme, an immigrant incubator programme, boosting efforts to lead the province in immigration. Ignite Fredericton has good relationships with local education institutions, which have helped to create a workforce with the capabilities and experience that investors need. ■

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2017/18 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Chicago	Illinois	US
2	New York	New York	US
3	Montreal	Quebec	Canada
4	Los Angeles	California	US
5	Miami	Florida	US
6	Bogotá	Cundinamarca	Colombia
7	Cali	Valle del Cauca	Colombia
8	São Paulo	São Paulo	Brazil
9	Medellín	Antioquia	Colombia
10	San Antonio	Texas	US

**TOP LARGE AMERICAN CITIES OF THE FUTURE 2017/18 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Cartagena	Bolívar	Colombia
2	Ottawa	Ontario	Canada
3	Orlando	Florida	US
4	Cincinnati	Ohio	US
5	Las Vegas	Nevada	US
6	Nashville	Tennessee	US
7	La Paz	La Paz	Bolivia

Note: List restricted due to shortage of suitable entries.

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2017/18 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Hamilton	Ontario	Canada
2	Brampton	Ontario	Canada
3	San Salvador	El Salvador	El Salvador
4	Quebec	Quebec	Canada
5	Joinville	Rio de Janeiro	Brazil
6	London	Ontario	Canada
7	Mississauga	Ontario	Canada
8	Pereira	Risaralda	Colombia
9	New Orleans	Louisiana	US
10	Colorado Springs	Colorado	US

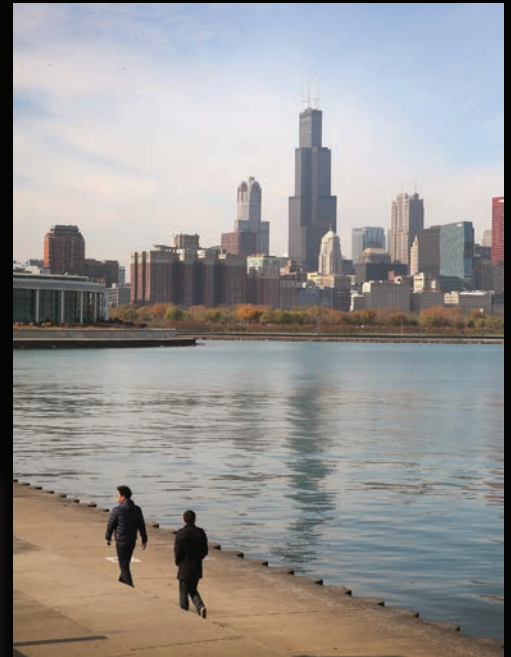
**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2017/18 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Kingston	Ontario	Canada
2	Oshawa	Ontario	Canada
3	Mobile	Alabama	US
4	Santa Clarita	California	US
5	Lafayette	Louisiana	US
6	Spokane	Washington	US
7	Lexington	Kentucky	US
8	Frisco	Texas	US
9	Richardson	Texas	US
10	Richmond	British Columbia	Canada

**TOP MICRO AMERICAN CITIES OF THE FUTURE 2017/18 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Fredericton	New Brunswick	Canada
2	Plattsburgh	New York	US
3	Guasave	Sinaloa	Mexico
4	Wooster	Ohio	US
5	Lins	São Paulo	Brazil
6	Yuma	Arizona	US

Note: List restricted due to shortage of suitable entries.



At the summit: Chicago wins the Major Cities FDI Strategy award

# American Cities of the Future 2017/18

## METHODOLOGY

To create a shortlist for fDi's American Cities of the Future 2017/18, the fDi Intelligence division of The Financial Times collected data using the specialist online tools fDi Markets and fDi Benchmark. In total, 421 locations were analysed for the study. Data was then collected for these 428 locations under five categories: Economic Potential, Business Friendliness, Human Capital and Lifestyle, Cost Effectiveness and Connectivity. Locations scored up to a maximum 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 2017/18 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 74 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' locations, of which there were 39. 'Small' locations (209 locations) had immediate city populations of between 100,000 and 350,000. 'Mid-sized' locations (of which there were 75 locations) had an immediate city population more than 200,000 and a wider

Larger Urban Zone (LUZ) of more than 750,000 people, or an immediate city population of more than 350,000 people. There were 56 'Large' locations, with immediate city populations of more than 500,000 and an LUZ population of more than 1,000,000, or an LUZ of more than 2,000,000. 'Major' locations (49) had an immediate city population of more than 750,000 and an LUZ of more than 2,000,000, or an LUZ of more than 4,000,000 people. ■

## LIST OF DATAPPOINTS

### ECONOMIC POTENTIAL

- Population
- Average annual population growth (% , 2011-2015)
- GDP (at purchasing power parity, \$m)
- GDP per capita (at purchasing power parity)
- Average annual growth in GDP, 2011-2015
- Average annual forecasted GDP growth, 2016-2020
- Inflation rate
- Unemployment rate
- Outward FDI, 2012-2016
- Outward FDI per 100,000 people, 2012-2016
- Inward FDI, 2012-2016
- Inward FDI per 100,000 people, 2012-2016
- FDI in research and development (R&D), and design, development and testing, 2012-2016
- FDI in advanced manufacturing, 2012-2016
- Number of megaprojects by capex (over \$100m) including estimates, 2012-2016
- Number of megaprojects by capex (over \$100m) per 100,000 people including estimates, 2012-2016
- Number of megaprojects by jobs (over 1000 jobs) including estimates, 2012-2016
- Number of megaprojects by jobs (over 1000 jobs) per 100,000 people including estimates, 2012-2016
- Capital expenditure on R&D and design, development and testing projects, \$, 2012-2016
- Number of patents, 2006-2015
- Number of patents per 100,000 people, 2006-2015

### HUMAN CAPITAL AND LIFESTYLE

- Number of students
- Number of higher education institutions
- Number of higher education institutions per 100,000 people
- Number of top 500 universities, 2015
- Number of top 500 universities per 100,000 people
- Number of business schools in Global MBA rankings, 2015
- Number of International Baccalaureate schools
- Number of International Baccalaureate schools per 100,000 people
- Labour force as percentage of population aged 15 and over
- Ability to attract and retain talent
- Literacy rate, %
- Tertiary enrollment rate, %
- Third-level students as percentage of population
- Number of physicians per 1000 people
- Life expectancy
- Education expenditure as percentage of of gross national income
- Social Progress Index 2016

### 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 square metre
- Annual rent for prime grade A industrial space, \$ per square metre
- Petrol prices, \$ per litre
- Electricity, \$ per kWh
- 4\*/5\* hotel in city centre, \$ per night
- Cost of registering a property (absolute value using gross national income)

- Minimum wage, \$ per hour
- Cost of construction permits, % of warehouse value
- Cost of establishing a business (absolute value using gross national income)
- Cost of establishing an electricity connection (absolute value using gross national income)
- Total tax rate, % of profit
- Corporation tax rate, %
- Common indirect tax/VAT
- Country purchasing power parity/exchange rate

### CONNECTIVITY

- Upload speed (kb/s)
- Download speed (kb/s)
- Number of airports within 80km of city
- Number of international destinations served
- Number of ports (medium-sized) within 100km
- Number of ports (large) within 100km
- Number of ports (very large) within 100km
- Number of ports (medium-sized or larger) within 100km
- Cargo volume through local port (tonnes)
- Container traffic through local port, 20-foot equivalent unit
- Logistics Performance Index, 2016
- Networked Readiness Index, 2016
- Environmental Performance Index, 2016
- Liner shipping connectivity index, 2015
- Mobile phone subscribers per 100 people, 2015
- Quality of overall infrastructure
- Distance to nearest international airport, km
- Percentage increase in number of mobile phone subscribers

### BUSINESS FRIENDLINESS

- Total number of companies within advanced manufacturing sector, 2015
- Total number of companies within hi-tech service sector, 2015
- Total number of companies within the knowledge-based sector, 2015
- Proportion of companies within advanced manufacturing sector, 2015
- Proportion of companies within hi-tech service sector, 2015
- Proportion of companies within the knowledge-based sector, 2015
- Number of companies within advanced manufacturing sector per 100,000 people, 2015
- Number of companies within hi-tech service sector per 100,000 people, 2015
- Number of companies within the knowledge-based sector per 100,000 people, 2015
- Number of jobs created by all inward FDI, 2012-2016
- Number of jobs created by all inward FDI per 100,000 people, 2012-2016
- Number of expansion/colocation projects, 2012-2016
- Top 1000 World Banks 2015
- Corporation tax rate, %
- Days taken to start a business
- Firing costs
- Ease of Doing Business Ranking 2015
- Index of Economic Freedom 2016
- Corruption Perceptions Index 2015
- Strength of Investor Protection Index
- Credit rating (Standard & Poors)
- FT Global 500 companies, 2015
- Fragile States Index 2015
- Country risk score