

# AMERICAN CITIES OF THE FUTURE METHODOLOGY AND DATAPPOINTS

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## Methodology

To create the shortlist for fDi's American Cities of the Future 2013/14, fDi's research team collected data using the specialist online FDI tools fDi Benchmark and fDi Markets, as well as other sources.

Data was collected for 422 cities under five categories: Economic Potential, Human Resources, Cost Effectiveness, Infrastructure and Business Friendliness. A sixth category was added: FDI Strategy. In this category, 127 cities submitted details about their current strategy for FDI promotion and this was scored by fDi's judging panel. Cities scored up to a maximum of 10 points under each data point, which was 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 2013/14 ranking.

## Population Categories

For the 2013/14 ranking, fDi introduced new population category parameters. To categorise cities, fDi took into account both the population of the immediate city area and that of the metropolitan area.

### Major (49 cities)

The cities in this category had an immediate city population of more than 750,000 people plus a metropolitan area of more than 2 million, or a metropolitan area of more than 4 million.

### Large (52 cities)

This category included those cities with an immediate city population of more than 500,000 plus a metropolitan area of more than 1 million, or a metropolitan area of more than 2 million people.

### Mid-sized (80 cities)

The cities in this category had an immediate city population of more than 200,000 people plus a metropolitan area population of more than 750,000, or an immediate city population of more than 350,000 people.

### Small (196 cities)

Cities categorised as small had an immediate city population of between 100,000 and 350,000.

### Micro (43 cities)

Micro cities had an immediate city population of fewer than 100,000.

## List of data points

### Economic Potential

- Population growth forecast
- GDP
- GDP per capita
- GDP growth (2009-10)
- Unemployment rate
- Outward FDI
- Outward FDI per 100,000 people
- Inward FDI
- Inward FDI per 100,000 people
- Growth in the number of inward FDI projects
- Growth in the number of patents
- Number of patents per 100,000 people
- Inward FDI in research and development, and design, development and testing
- Inward FDI in manufacturing
- Mega projects by capital expenditure (more than \$100m)
- Mega projects by capital expenditure per 100,000 people (more than \$100m)
- Mega projects by jobs (more than 1000 jobs)
- Mega projects by jobs per 100,000 people (more than 1000 jobs)
- Global competitiveness index
- Inflation

### Human Resources

- Number of students
- Top 500 universities
- Top 500 universities per 100,000 people
- Quality of top 500 universities
- Number of business schools in global MBA rankings (2012)
- Number of international baccalaureate schools
- Labour force (% of population)
- Labour force with tertiary education (%)
- Brain drain
- fDi Benchmark's Quality of Life ranking

### Cost Effectiveness

- Global grade 5 salary (\$)
- Global grade 10 salary (\$)
- Global grade 14 salary (\$)
- Annual rent for prime grade A office space (\$ per square metre)

- Annual rent for prime grade A industrial space (\$ per sq m)
- Electricity (US cents per kilowatt hour)
- Three- and four-star hotels in city centre location
- Petrol prices
- Minimum wage
- Cost to export
- Cost to import
- Cost of establishing a business
- Corporation tax rate

### Infrastructure

- Upload speed (kilobytes/second)
- Download speed (kilobytes/second)
- Number of airports serving the city (within an 80-kilometre radius)
- Distance to nearest airport
- Number of international destinations served
- Number of large ports (within 100 kilometres)
- Number of very large ports (within 100 kilometres)
- Number of medium ports (within 100 kilometres)
- Number of Top 100 ports by cargo volume
- Number of Top 100 ports by container traffic
- Logistics performance index
- Network readiness index
- Environmental performance index

### Business Friendliness

- Number of companies in the knowledge-based sector
- Proportion of companies in the knowledge-based sector
- Number of companies in the knowledge-based sector per 100,000 people
- Jobs created by inward FDI
- Number of expansion/co-location FDI projects
- Top 1000 world banks
- Corporation tax rate
- Days taken to start a business
- Firing costs
- Ease of doing business
- Economic freedom
- Corruption perception
- Strength of investor protection
- Credit rating
- Number of Financial Times' Global 500 companies