

## **MasterCard Worldwide Research Highlights Growing Role of Asian and Eastern European Cities in the Global Economy**

*Purchase, New York – June 9, 2008* – London remains the global economy’s most influential city, according to the 2008 *MasterCard Worldwide Centers of Commerce Index™*, an annual research initiative designed to evaluate and rank how major cities compare in performing critical functions that connect markets and commerce around the world. The future, however, appears to belong to Asia and Eastern Europe, whose cities represent the fastest rising regions within the Index. The full report is available at [www.mastercardworldwide.com/insights](http://www.mastercardworldwide.com/insights).

Shanghai had the largest jump in overall rank – moving eight spots from 2007 to 2008 – bringing it into the top 25 of this year’s Index and demonstrating the growing importance of Asian cities to a progressively urbanized global economy. Moscow, a gateway for the fast-growing Eastern European region, showed the greatest improvement in actual Index score and had the most significant gain on London year-over-year.

Further confirming the importance of Asia and Europe in the global economy, this year’s study also marks the displacement of Los Angeles from the top 10, making New York and Chicago the sole North American cities in the top grouping. The decline of Los Angeles in rank is due, in part, to factors around its role in the global financial services network, as well as the rise of European cities in the area of knowledge creation.

“The Centers of Commerce Index is a roadmap for corporations seeking a pathway to global presence in a world where cities, instead of nations, have become the primary economic players,” said Walt Macnee, President, Global Markets, MasterCard Worldwide. “The annual study once again delivers important insights into how the urban economic landscape is shifting, and, as we approach the end of the 21<sup>st</sup> century’s first decade, the growing importance of emerging cities, especially in Asia and Eastern Europe.”

Dr. Michael Goldberg, Program Director, MasterCard Worldwide Centers of Commerce, points to Shanghai as a city on the path to global leadership.

“Shanghai, which rose in its ranking to the number 24 position this year from number 32 last year, continues to leverage its historically strong position as the financial and logistical hub to Asia. Shanghai is well positioned to assume its place among the top three cities in the world within the next 15 to 20 years,” said Goldberg.

“It’s fascinating to note that the city whose score increased the most compared with London since last year is Moscow, followed by Singapore, Tel Aviv, Bogota and Mumbai – all cities

in new or emerging markets – while no North American city advanced significantly in the Index this year,” Goldberg adds.

## Key Findings

### Asia

**Eight Asian cities assume positions in the top 25 Centers of Commerce.** Tokyo, Singapore, Seoul, Sydney, Hong Kong, Osaka, Taipei and Shanghai rank among the top 25 Centers of Commerce, confirming Asia’s prominent role in the global economy.

**Shanghai jumps eight spots to secure its place among leading global cities.** Shanghai, among the world’s most populous and fastest-growing cities, moves into the top 25 from #32 in 2007. Bolstered by its economic stability, its legal and political framework, an increased quality of life and China’s booming economy, Shanghai demonstrates its importance to both Chinese and Asian economies as a global growth center.

### Europe

**London maintains its stronghold as the number one Center of Commerce.** With a strong and secure economy, vibrant financial markets and a legal and political framework that supports high levels of international trade, London again secures the top spot in the Centers of Commerce Index in 2008. The city significantly outperforms its rivals in most dimensions, with livability as the most prominent area for improvement when compared to other top cities.

**Madrid continues to be a financial leader, rising to the top five Centers of Commerce in Europe.** Madrid continues its upward trajectory as a key European city, rising from its 2007 spot at #16 to #11 globally and from #6 to the #5 spot in Europe. Madrid’s stable GDP, exchange rate and strong bond market, coupled with a high standard of living, place this city in the company of Europe’s most prominent cities: London, Paris, Frankfurt and Amsterdam.

**Amsterdam emerges as an important European city.** A historically innovative financial center, where the concept of stock ownership was invented, Amsterdam rises to become the #4 city in Europe in the global top 10. With one of the world’s most stable economies, high standard of living and strong legal and political framework, Amsterdam’s rise illustrates the continued importance of Europe as a dominant global player.

**Moscow improves the most in actual Index score.** This gain is reflective of Moscow’s rising economy and role as a source for key commodities in Eastern Europe. As the city with the most significant gain on London year-over-year, it demonstrates the rising role of Eastern Europe in the global economy.

### Latin America

**Latin America continues to become more global and more competitive.** Seven cities in Latin America placed among the top 75 Worldwide Centers of Commerce, with Santiago leading the region as a result of its strong business climate and stable legal and economic system. Sao Paulo also scores well and sits among the top 20 cities globally in terms of financial market volume.

**Bogota claims its position as one of the world's top five advancing cities.** Bogota's stabilized economy and increased quality of life make this one of the cities to watch in Latin America.

### Middle East

**Strong business climate makes Dubai the leader in the Middle East.** As the region's air and cargo traffic hubs, Dubai claims a flexible business climate that makes it optimal for growing companies. Dubai's political and legal framework also makes it a compelling city for conducting global business in the Middle East.

### North America

**New York and Chicago maintain regional primacy.** The only two North American cities in the top 10 globally, both New York and Chicago benefit from strong financial markets and a strong U.S. business climate.

**Vancouver is the world's most livable city.** In addition to Vancouver, two other Canadian cities, Toronto and Montreal, also reside in the top 20 cities for livability, which evaluates personal freedom, climate, leisure activities and other quality-of-life factors.

**Los Angeles drops from top ten.** The fall of Los Angeles to #17 in 2008, compared to #10 in 2007, is, in part, due to factors around its role in the global financial services network, as well as the rise of European cities in the area of knowledge creation. However, the city ranks #4 in the North American region behind New York, Chicago and Toronto.

### **Methodology**

The MasterCard Worldwide Centers of Commerce Index is compiled from research by a panel of eight independent economic, urban development and social-science experts from leading academic and research institutions around the world, led by Dr. Michael Goldberg, Program Director, MasterCard Worldwide Centers of Commerce Program. To form the

Index, the panel identified 75 cities around the world that met their initial criteria. Cities were then rated on seven key dimensions as follows:

- Legal and political framework
- Economic stability
- Ease of doing business
- Financial flow
- Business center
- Knowledge creation and information flow
- Livability

The process entailed measuring a number of carefully weighted, relevant indicators and sub-indicators that aggregate available data on region-specific procedures, costs and ratings, as well as criteria related to quality of life, access to technology, city livability, transportation/logistics and knowledge creation and creativity. The panel evaluated a total of seven dimensions comprised of 43 indicators and 74 sub-indicators to derive an Index score for each city, a process that exceeds traditional measures used to gauge worldwide financial and business activity.

#### **About the Worldwide Centers of Commerce Research Team**

Leading the Worldwide Centers of Commerce program is Dr. Michael Goldberg, Program Director. With more than 40 years of experience, Dr. Goldberg has consulted for businesses and governments in Canada, the U.S. and Asia, lectured at 50 universities and research institutes in 16 countries and authored or co-authored nine books and more than 200 academic and professional articles. To assist him in this research, Dr. Yuwa Hedrick-Wong, Economic Advisor for MasterCard Worldwide, APMEA Region, initially assembled and chaired a panel of leading experts in economics, urban development and social-science from around the world, including the following:

- Professor Fan Gang, Director, National Economic Research Institute, Beijing
- Manu Bhaskaran, Partner/Head, Economic Research, Centennial Group, Singapore
- Professor William Lever, Emeritus Professor of Urban Studies, University of Glasgow
- Professor Maurice D. Levi, Chair of Bank of Montreal Professor of International Finance, University of British Columbia
- Dr. Anthony Pellegrini, Partner/ Director of the Urban and Infrastructure Policy and Finance Practice, Centennial Group, Washington, D.C.

- Professor Saskia Sassen, Helen and Robert Lynd Professor of Sociology, Committee on Global Thought and Department of Sociology, Columbia University
- Professor Peter J. Taylor, Co-Director, Globalization and World Cities Research Group and Network, Loughborough University, United Kingdom

### **About MasterCard Worldwide**

MasterCard Worldwide advances global commerce by providing a critical economic link among financial institutions, businesses, cardholders and merchants worldwide. As a franchisor, processor and advisor, MasterCard develops and markets payment solutions, processes over 18 billion transactions each year, and provides industry-leading analysis and consulting services to financial institution customers and merchants. Through its family of brands, including MasterCard®, Maestro® and Cirrus®, MasterCard serves consumers and businesses in more than 210 countries and territories. For more information go to [www.mastercard.com](http://www.mastercard.com).

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*\* EDITOR'S NOTE: In 2007, 63 Centers of Commerce were ranked and the top 50 were published. The 2008 Worldwide Centers of Commerce Index™ examines an additional 12 cities and publishes a larger and more comprehensive set of 75 Centers of Commerce. This factor should be taken into consideration when making any year-over-year comparisons.*

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