MAJOR INWARD INVESTMENT TO CREATE A SUSTAINABLE WORLD CITY
The megacity of Shanghai ranked #11 in Asia, and came #76 on the global list. Shanghai and Beijing have similar rankings across all three pillars of the Index, but Shanghai’s scores were slightly lower on the People and Profit sub-indices.

Underpinned by strong economic growth, Shanghai, like the capital Beijing, remains attractive to domestic and foreign investors. Increased efforts in addressing population and pollution challenges are key for China’s Tier 1 cities to evolve into sustainable world cities.

In 2018, the government unveiled its master plan for development, creating a concrete blueprint for urban construction over the next 18 years. The government’s Shanghai Urban Master Plan also links sustainability and urbanization. Shanghai has a clear vision to be one of the most sustainable cities in China with urban regeneration and creating new innovation hubs being important elements of its future vision. The city also has aspirations to transform itself from a manufacturing center to a knowledge, technology and innovation hub for the nation.

In addition, the provincial government in Shanghai’s neighboring province Zhejiang recently unveiled an economic blueprint to integrate development of its 3 economic zones into a ‘Greater Bay Area’ like its southern counterparts. How the development of this zone will affect Shanghai is unclear but it is likely to drive economic and transportation integration between the new zone and Shanghai.

Shanghai’s urban transformation is underpinned by an evolving transportation system which is the world’s largest mass transit rail system. New lines are being built but must be dug as deep as a 15-storey building to squeeze under the dense maze of existing tunnels. While the metro is world-class, the city’s bus system is ripe for transformation.

Joe Chan
Head of China East

The three pillars

The Sustainable Cities Index is a broad measure of sustainability, encompassing measures of the social, environmental and economic health of cities. It ranks 100 global cities on three pillars of sustainability: People, Planet and Profit. The three pillars are closely aligned to the UN Sustainable Development Goals (SDGs) and track progress against UN SDG commitments.

**Shanghai’s three pillar rankings:**

- **People:** #67
- **Planet:** #76
- **Economic:** #75

Reflects social mobility and quality of opportunity and life

Describes management of energy use, pollution and emissions

Assesses business environment and economic performance
Our report also features new work on city archetypes and clusters based on an analysis of the citizen experiences of city living combined with the Index data. The four city clusters; Balanced Innovators, Post Industrial Opportunists, Evolutionary Cities and Fast-growing Megacities seek to profile the citizen experience in correlation to the Index ranking.

Shanghai is a typical Fast-growing Megacity and the Index features 13 cities that fit this profile. All but three of these cities are in the bottom quartile of the Index and are in rapidly growing economies including China and India. Cities like Mumbai, Beijing and Shenzhen exhibit significant inequality in terms of income and access to resources and opportunity.

A key challenge for the city is engagement with the citizen. A good example of this is citizen experience of technology in comparison to other city clusters. This is not necessarily a reflection on the level of technological advancement as some of these cities, particularly in China, have a very sophisticated technology infrastructure.

European cities dominated the top quartile of the 2018 Sustainable Cities Index with the exception of Singapore representing Asia by ranking #4 globally, closely followed by Hong Kong at #9. Other Asia cities are represented in the bottom quartile of the rankings with Profit performance, particularly related to ease of doing business and output contributing to their weak relative performance.
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