



CPCIC 2019

全球城市竞争力洞察与中国城市绿色可持续发展机遇 **Global city competitiveness and the sustainable development of China cities**

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Sep 18, 2019, Hangzhou

CPCIC 2019

Agenda

- **A.T. Kearney “ 2019 Global Cities Index” key insights**
- **Sustainable development opportunity of China cities:
Focus on garbage disposal, build zero-emission clean city**

About A.T. Kearney

 A.T. Kearney is an over 90-year-old global leading consulting firm with 61 offices in major cities across 40 countries

 GED¹ is one of the global pillar business of A.T. Kearney, serving more than 60 countries and regions, delivering 1000+ projects, many of which were flagship projects of countries or regions

 Entered China in 1980s and has offices in Shanghai, Beijing, Hong Kong and Taipei

 A.T. Kearney was among first global consulting firms launching GED practice in China, with footprints covering core city clusters and metropolis over nearly past 2 decades

 Write series of leading-edge reports and insights with global impacts on a regular basis to provide ideas and recommendations for global economic development

1. GED stands for Government Economy Development practice
Source: A.T. Kearney

GED services and flagship projects

- City strategy
- Industry planning
- City brand strategy
- City talent strategy
- Public service optimization
- Business environment assessment and improvement
- Park/new district planning
-

 US: global positioning and strategy of Silicon Valley
US: New York 2025 manufacturing plan
Korea: National industrial competitive analysis 2015
EU: innovation capability building
Turin: economic planning for the Olympic organization committee
France: national tourism strategy
.....

 Shanghai: financial industry development plan for Lujiazui Financial City
Research on related assessment of Disney parks
Zhengzhou: national central city development strategy
Qingdao: design of GCI
Shenzhen: Qianhai core district development plan
.....

Important industrial and economic research and index report series

				
Global Cities Index	FDI Confidence Index	Global Retail Development Index	Global Services Location Index	Global Cities Business Environment Index

Established in 2008, Global Cities Index was well-designed to show the function and position of cities across the globe

About Global Cities Index

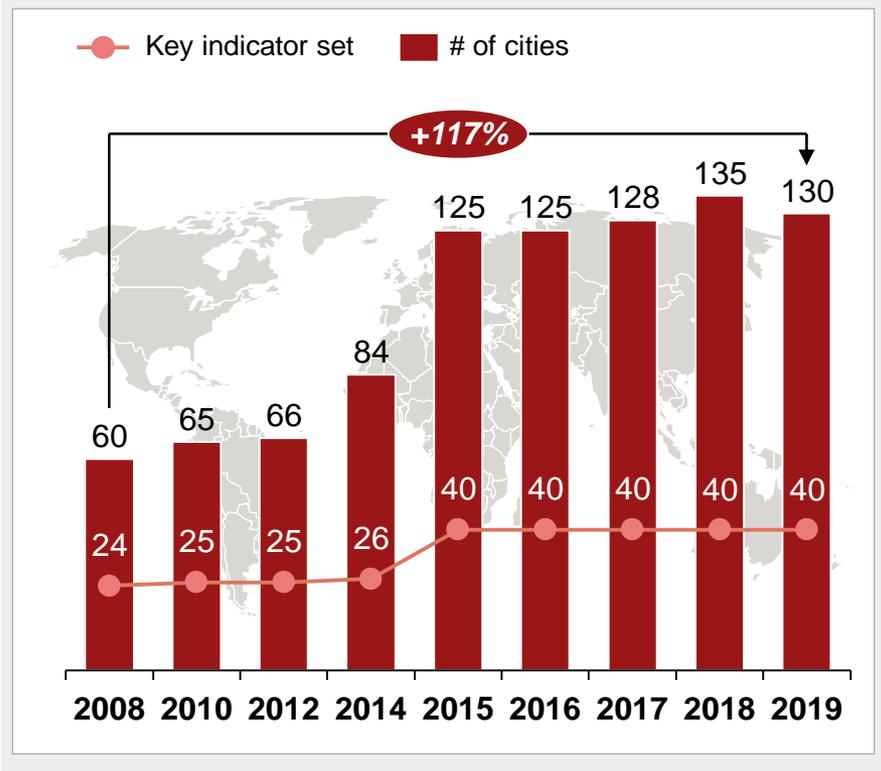
Since establishment, Global Cities has been focusing on how cities develop along macroeconomic changes



- Global Cities was launched in 2008 by A.T. Kearney in joint efforts with the Chicago Council on Global Affairs and Foreign Policy
- A.T. Kearney has launched the report for over 10 years, which is one of the first and most authoritative to rank the largest number of global cities based on the most comprehensive data

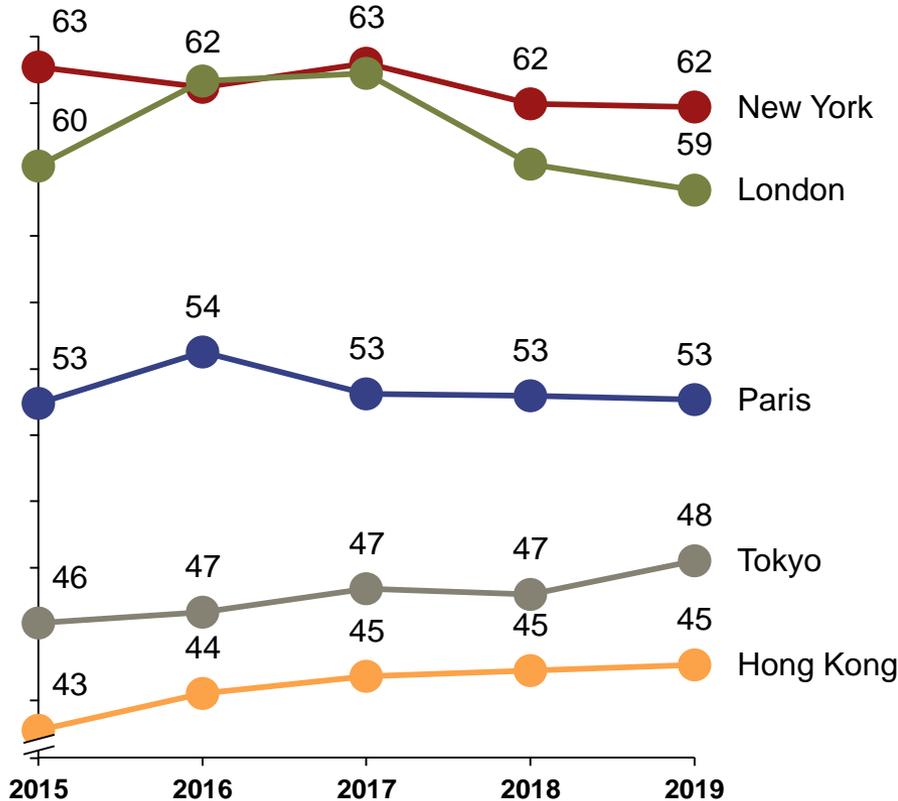
ATKearney | Global Cities 2019

Global Cities constantly improve coverage and precise of assessment model

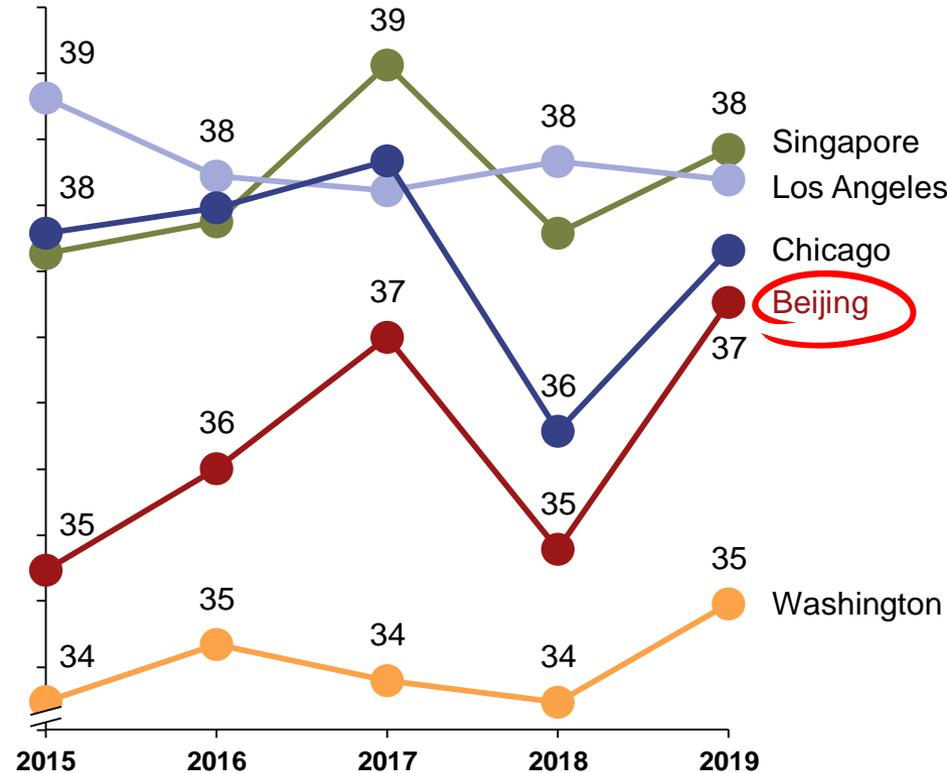


New York, London, and Paris remain top 3 for 10 years, and competition is intensifying to get the 5th spot. Beijing ranks the 9th, following Chicago closely

**Global Cities Index (GCI)
Index score trend: top 5**



Index score trend: 6th to 10th position



Chinese Cities lead in key dimensions like business activity and human capital – but none are “perfect” cities

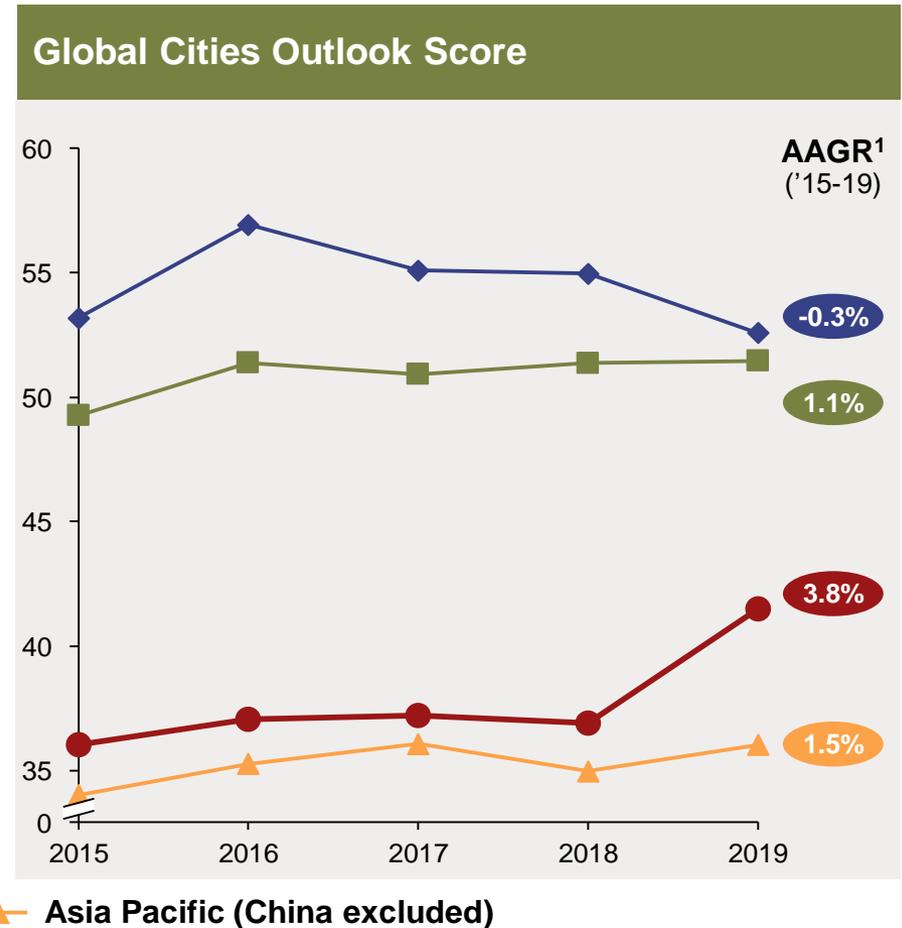
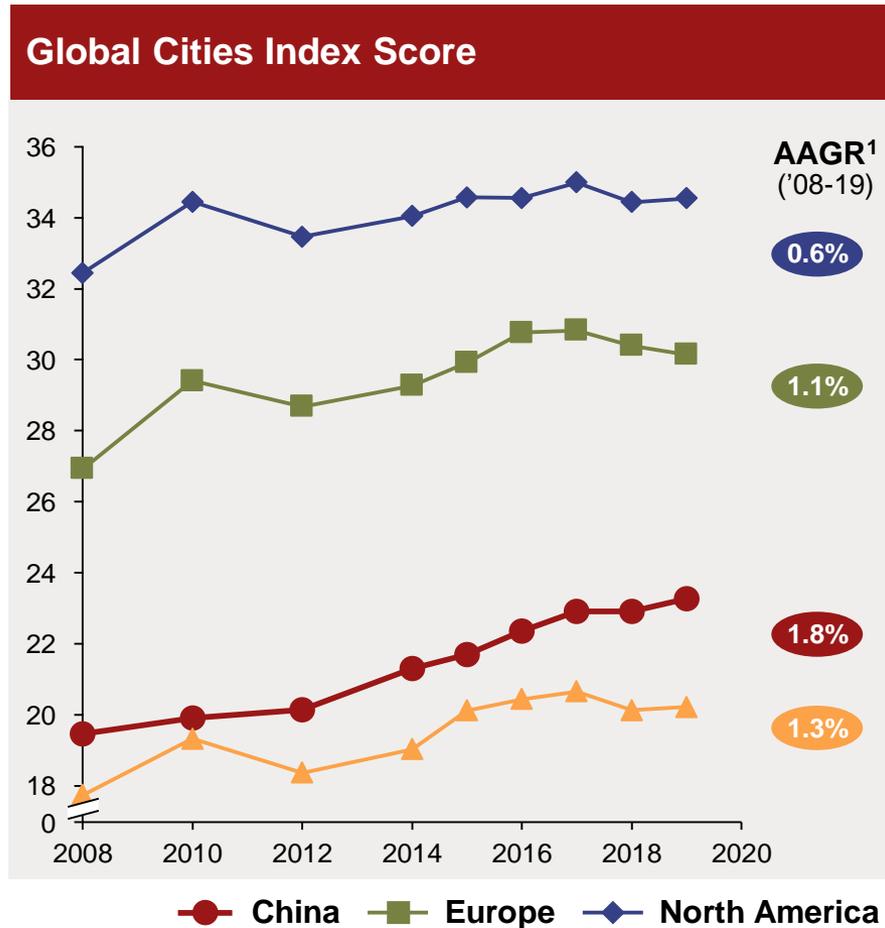
Global Cities Index: Leaders by metric

* indicates new leaders in 2019

2019 Global Cities Index leaders by dimensions				
Business Activity	Human Capital	Information Exchange	Cultural Experience	Political Engagement
New York	New York	Paris	London	Brussels*
2019 Global Cities Index leaders by metric				
<ul style="list-style-type: none"> • Fortune 500 Beijing • Top Global Services Firms Hong Kong • Capital markets New York • Air freight Hong Kong • Sea freight Shanghai • ICCA conferences Paris 	<ul style="list-style-type: none"> • Foreign-born population New York • Top universities Boston • Population with tertiary degree Tokyo • International student population Melbourne • Number of international schools Hong Kong 	<ul style="list-style-type: none"> • Access to TV news Geneva, Brussels • News agency bureaus London, New York*, Moscow* • Broadband subscribers Geneva, Zurich • Freedom of expression Amsterdam, Stockholm • Online presence Singapore 	<ul style="list-style-type: none"> • Museums Moscow • Visual and performing arts New York • Sporting events London • International travelers London • Culinary offerings London* • Sister cities Saint Petersburg 	<ul style="list-style-type: none"> • Embassies and consulates Brussels • Think tanks Washington, D.C. • International organizations Geneva • Political conferences Brussels • Local institutions with global reach Paris*

Chinese cities improve their ranking on both GCI and GCO, reshaping the landscape of global cities

GCI and GCO score – historical average



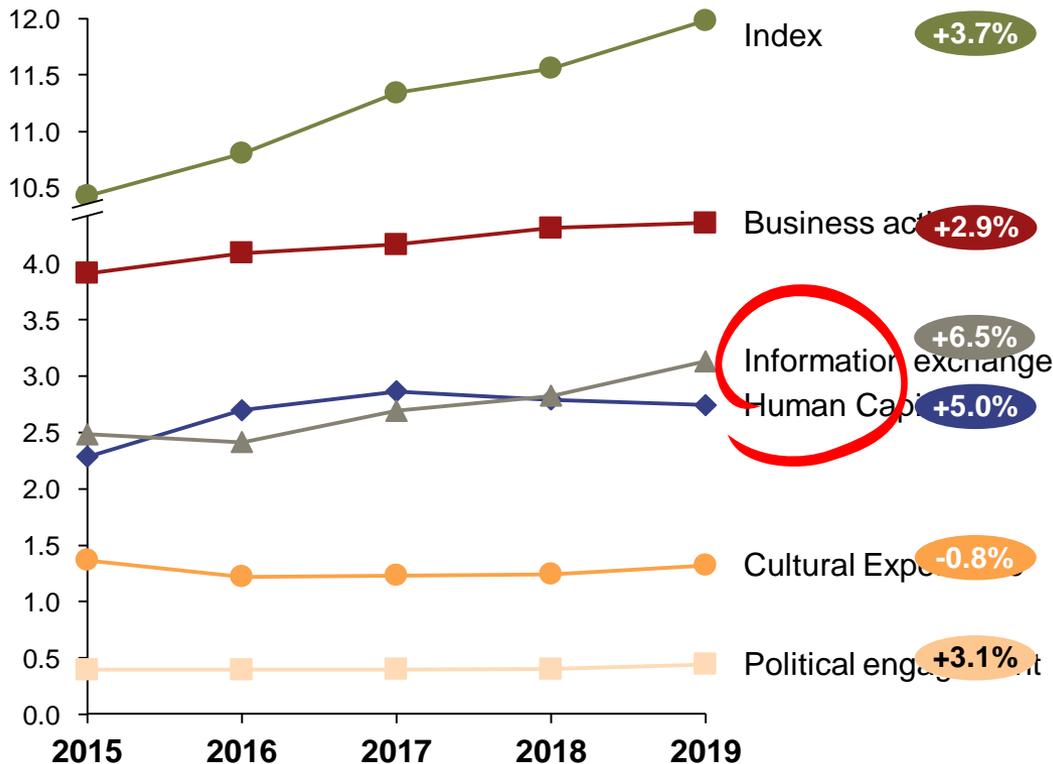
1: AAGR: Average annual growth rate
Source: A.T. Kearney 2019 Global Cities Report

Information exchange and human capital are core drivers for the striking performance of Chinese cities

GCI Performance of Chinese cities

% Average annual growth rate

Average Index Score¹ (2015 - 2019)



Insights

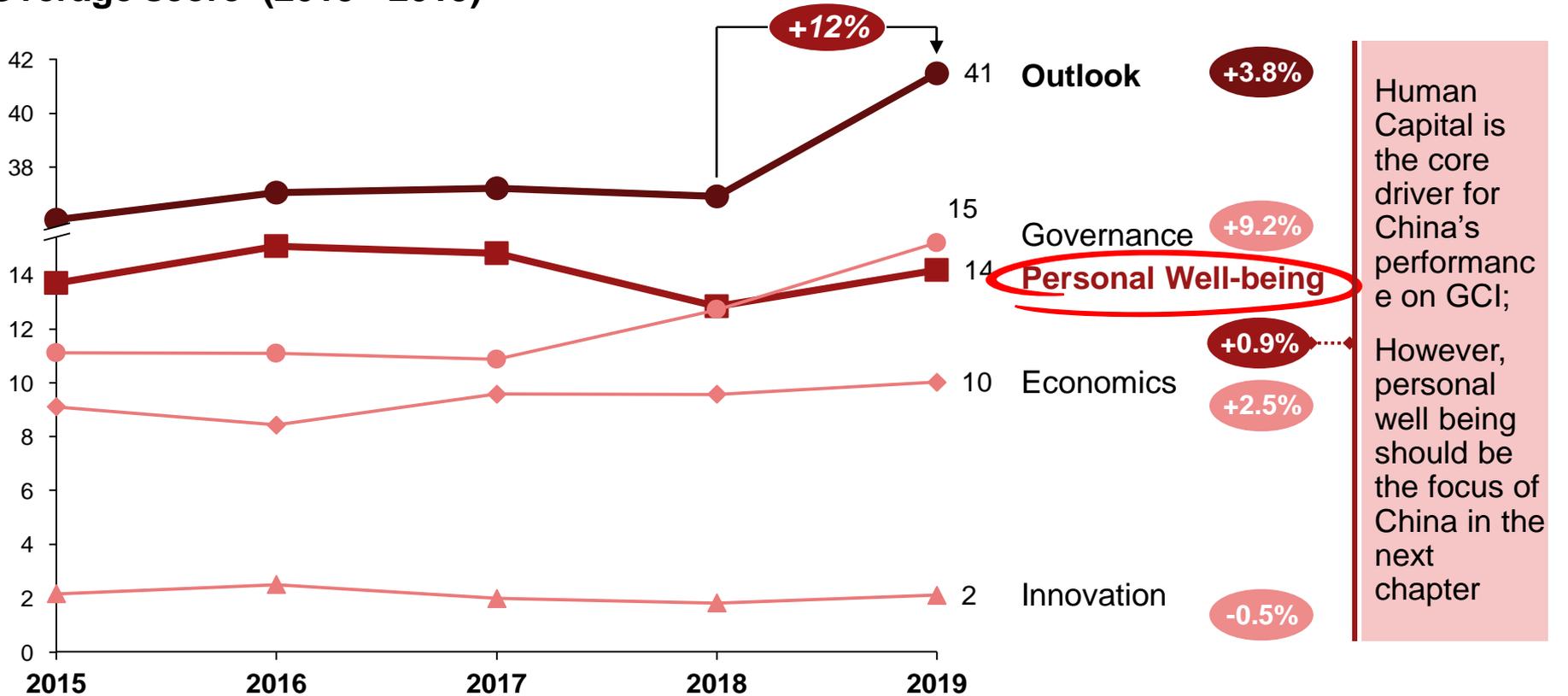
- China witnessed constant strong improvement, closing the gap with leading cities
- As an essential driver for the development of Chinese cities over the past decade, business activity is a strong pillar of China's performance in the Index
- **Information Exchange and Human Capital experienced strong improvements driving the growth of Chinese cities, which will also be a new pillar for China to build competitive edge over the next decade**
- Human Capital experienced great performance, retaining and attracting qualified and diversified talent is essential to continue with the great momentum
- Foster cultural offering to national citizens and international travelers and strengthen **new brand image** may be a focused area to China

1. Average scores of cities included since the 2015 edition
Source: A.T. Kearney 2019 Global Cities Report

However, in citizens' overall well-being, China still has a long way to go

China's performance in GCO

Overage score¹ (2015 - 2019)

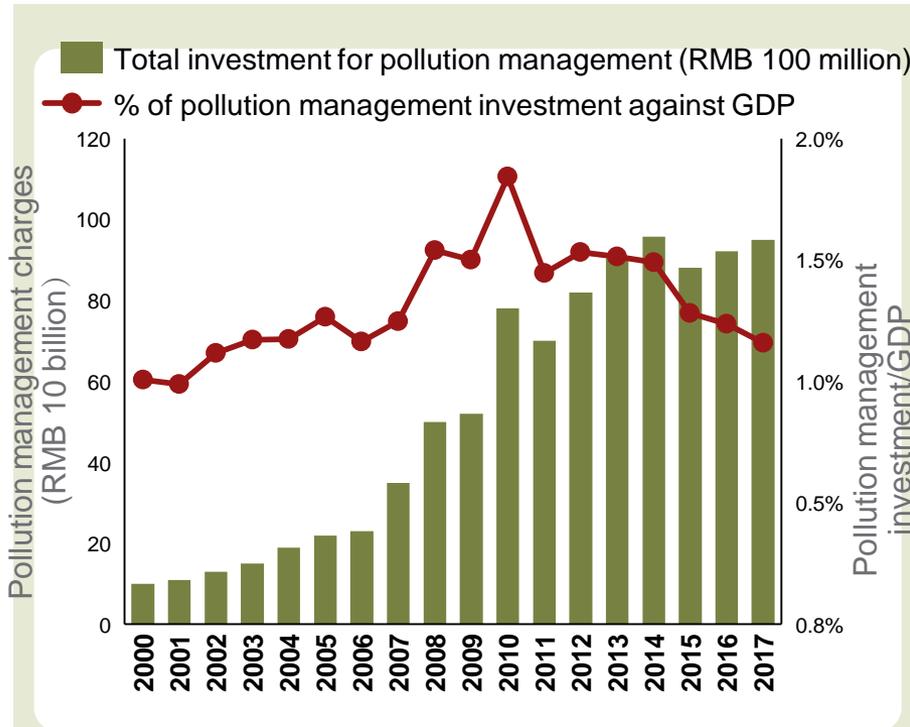


1. Average scores of cities included since the 2015 edition
Source: A.T. Kearney 2019 Global Cities Index

In China, Cities launched policies to improve city living quality, attract talents, improve citizen’s well-being, city ranking improved significantly

	2019 GCI ranking	20-19 GCO ranking	Explanation
 <p>Hangzhou</p>	<p>91</p> <p>Increase 26</p>	<p>59</p>	<p>Hangzhou entered TOP 100 list for the first time, as they have launched several talent policies, and increase urban livability, making a big improvement on GCI’s human capital vector.</p>
 <p>Guangzhou</p>	<p>71</p> <p>Unchanged</p>	<p>65</p>	<p>Guangzhou remained stable, as they focus on city livability. Recently, Guangzhou promote concept of “prioritize ecology, transform to lean management and pursue high quality”, which improved city livability.</p>
 <p>Suzhou</p>	<p>95</p> <p>Increase 20</p>	<p>54</p>	<p>Suzhou entered TOP 100 list for the first time, as they introduced high-level education system, and launched talent policies, making big improvement on talent training and attraction.</p>
 <p>Ningbo</p>	<p>116</p> <p>Increase 7</p>	<p>72</p>	<p>Ningbo’s ranking improved quickly, as they invested heavily in infrastructure, medical care, education and culture, city appearance improved significantly.</p>

As ecological improvement stabilizes, “garbage siege” become a new task for city reform



- Pollution management investment continued to grow before 2012, showing **China’s focus on ecological improvement**
- After 2012, pollution management investment kept stable with a slight decline, showing Chinese cities, esp. 2nd-tier cities have less pollution to mitigate and **will focus on addressing the “garbage siege” in the future**



“Garbage classification is a new fashion”

—President Xijiping addressed on an inspection tour on community-level garbage sorting in Shanghai in Nov. 2018

Garbage sorting and treatment is the foundation of China to build a green, low-carbon and cyclic economic system, and the market scale continues to rise

Local governments provide incentives and subsidies and establish featured demonstration areas to support the roll-out of garbage sorting and treatment

Chemical players have financial and technology advantages to develop terminal treatment of garbage

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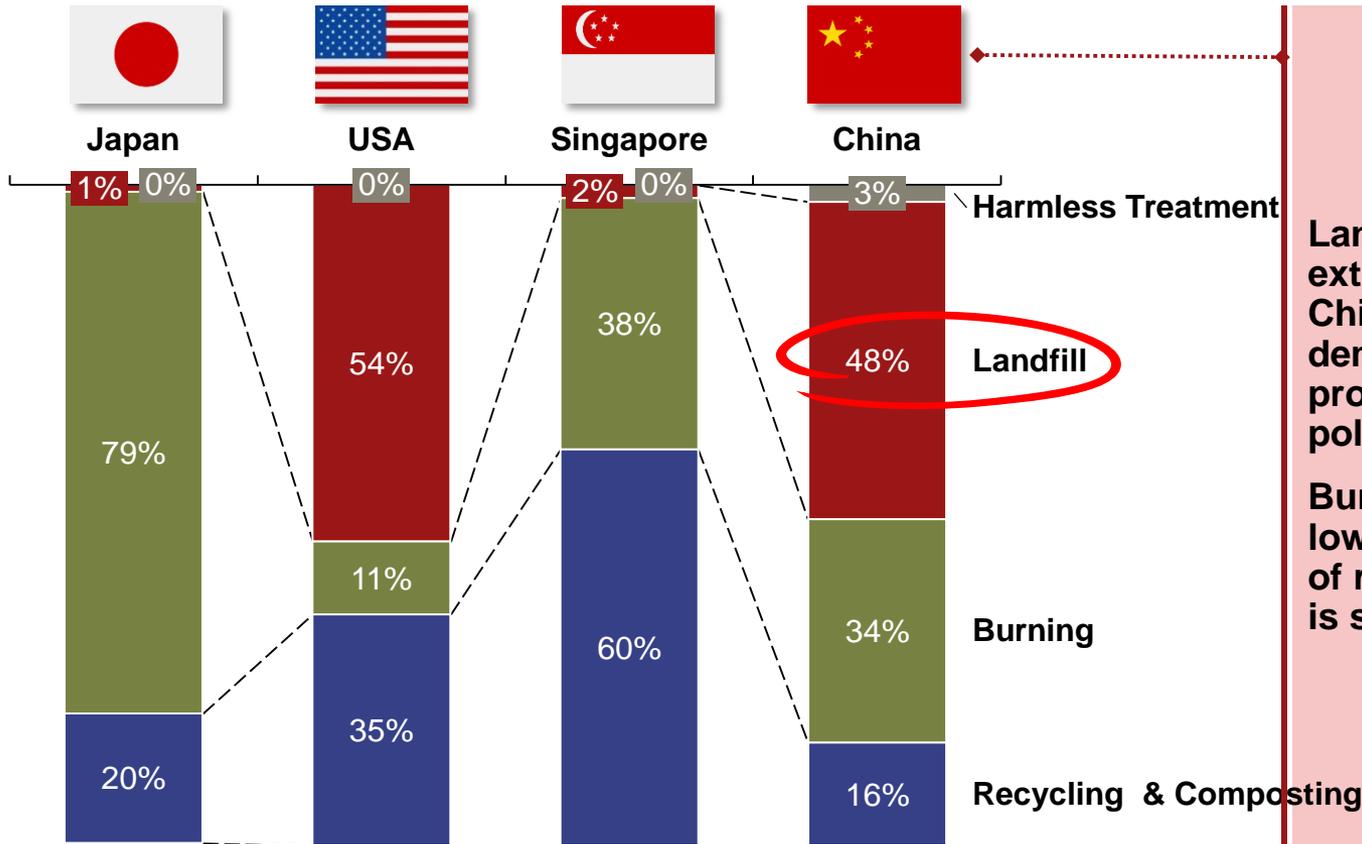
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Landfill is the mainstream for household garbage disposal in China, followed by burning. Recycling and composting are rare

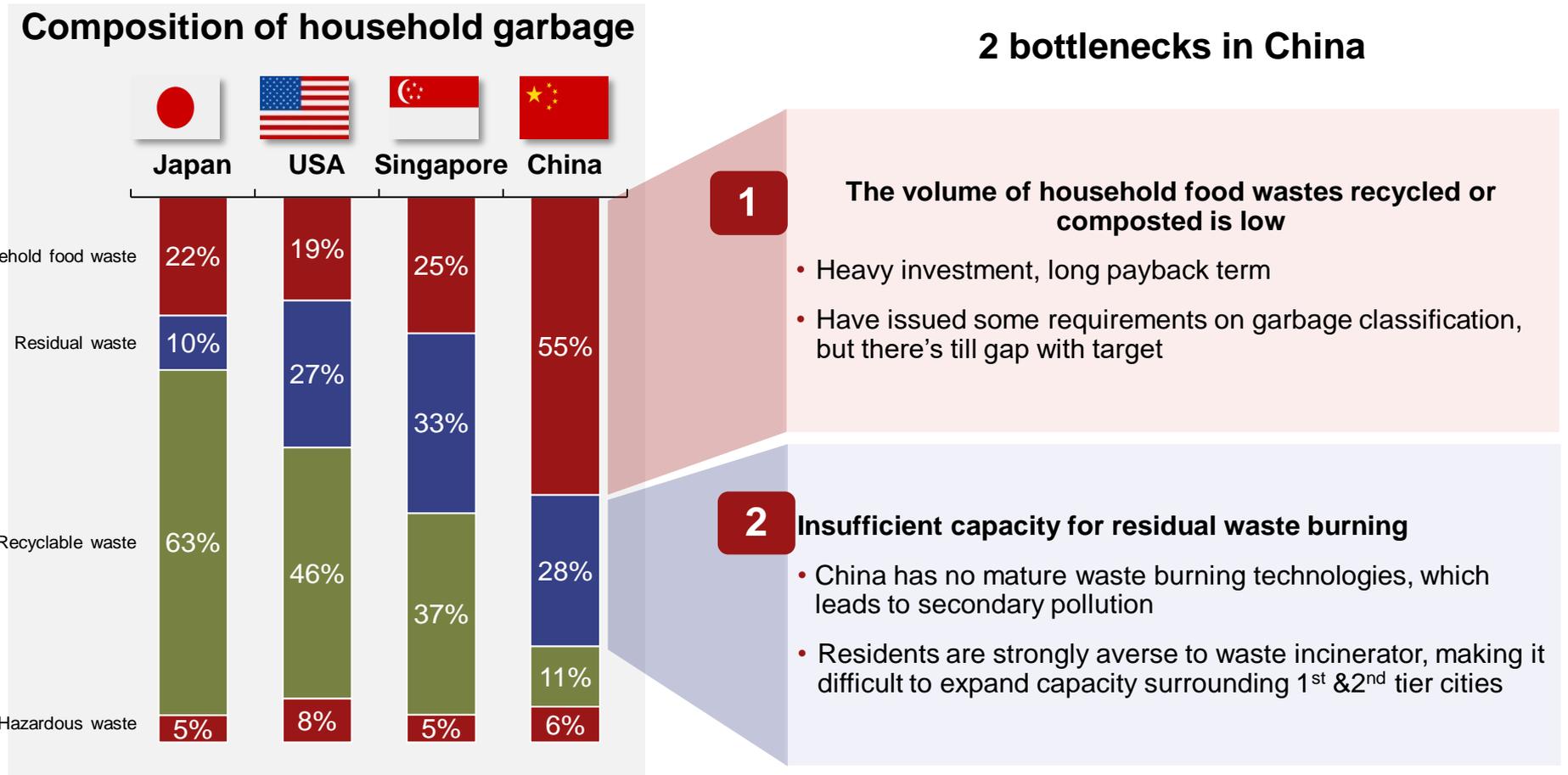
Household garbage treatment comparison by country



Landfill represents an extremely high proportion in China, which has large a demand on land and is prone to cause secondary pollution;

Burning accounts for a very low share, and development of recycling and composting is severely insufficient

...Given the dominance of household food waste in garbage composition, there're 2 bottlenecks for waste disposal in China



Source: Research on Current Situation of Urban Household Garbage and Recycling and Reuse (《城市生活垃圾现状与资源化处理技术研究》); desktop research; A.T. Kearney

Chemical players have the opportunity to break the bottlenecks leveraging its strong financial /technological position



In past one year, the policies on garbage classification that started from Shanghai will roll out across the country. Local government will issue policies and incentives.

- Landfill will lead to the high risk of secondary pollution and land resource wasting
- Lack of burning technologies and residents' opposition lead to slow development of burning technologies and difficulties in capacity expansion

The shortage of garbage end treatment will cause severe resource wasting. The chemical players can break the bottle neck with their strong financial and technological position

Chemical players should explore the role as environmental protection infrastructure provider with innovation breakthroughs



Deeply bond with governments for business model innovation

- **PPP model**, invest to develop end garbage processing equipment with long payment period, e.g. pre-treatment and anaerobic digestion equipment for household food waste disposal
- **Partner with governments in the model of EPC**, e.g. complex large garbage disposal stations, which can help with plan optimization and project construction and operations
- ...

Invest in the latest garbage treatment equipment and technologies to build leading technology position in the future



EE21 thermal garbage decomposition



Household food waste reducing



Bio-chemical processor for household food waste



High temperature furnace for Gasification and Melting tech



E-waste frozen and crash machine



Bio-fuel producer (from waste)

You can download the full reports



2019 GCI Report



2018 GCI Report



Contract
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