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The Show that demystifies Economics

Global Cities – part 3

Tokyo©

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Tokyo, including its surrounding metropolitan area, is the most populated city on earth. The city of Tokyo is the heart of a massive urban region of 37 million inhabitants. It is also part of the Japanese Megalopolis that stretches from Tokyo to Osaka, and includes Kobe, Nagoya and Yokohama, among other cities, accounting for a population of around 80 million people. With Japan's boom in the second half of the last century, since the reconstruction after World War II, Tokyo's population saw itself multiply tenfold within 50 years, and at present the city proper is home to 13 million people.

Tokyo has the largest metropolitan economy in the world. The total GDP of the metropolis is close to \$2 trillion. With such a huge GDP, if the city were a separate country it would be the 11th economic power in the world, ahead of Canada, Australia and South Korea. Of the Global 500 listed companies, fifty-one are based in Tokyo, almost twice as many as in Paris.

The city is considered as one of three command centers of the world's economy, along with London and New York. The Tokyo Stock Exchange is the fourth in the world by market capitalization and share turnover. Tokyo could have been the most influential city in the world some years ago, but in the early 1990's the country was hit by the bursting of the Japanese asset price bubble, leading to the "Lost decade", which is now even referred to as the Lost Two Decades, when Japan's economy went through a severe recession and the economy's growth drastically declined, for which Tokyo paid a heavy economic price. Yet the city is still the home of many Keiretsu, a set of companies with interlocking business relationships and shareholdings, such as the companies Mitsui, Mitsubishi and Sumitomo, which represented nearly 30% of Japan's GNP a few years ago.

Tourism in Tokyo is also a major contributor to the economy, and in 2013 the city played host to 13 million visitors, accounting for €74 billion in revenue, according to city officials. Among the most visited sites are the Tokyo Tower (which resembles the Eiffel Tower), the Japanese pop culture districts of Shibuya and Harajuku, as well as the Tsukiji Fish market, which is the biggest wholesale seafood market in the world. The modern architecture of Tokyo is itself a major attraction, as are the shopping districts and malls of Ginza, Roppongi, and Omotesando. The Tokyo National Museum houses 37% of the country's artwork and attracts many visitors along with the cities other notable museums. Finally, the Studio Ghibli, a Japanese animation film studio, is also a highly popular and trendy destination.

Tokyo has a vast transportation network linking to suburban and national train lines, including an extensive subway system that bears many similarities to the London Underground, the Paris Metro, and the New York Subway. The Tokyo subway is one of the busiest in the world, carrying around 8.7 million people daily, but this is only about 22% of the 40 million commuters who ride Greater Tokyo's rail network every day.

In comparison with the population of other Asian cities, Tokyo is on the way to being overtaken by three Chinese megalopolises: the Pearl Delta region around Hong Kong, Guangzhou and Shenzhen; the Yangtze River Delta, comprising Shanghai and Nanjing; and the Bohai economic rim made up of Beijing and Tianjing - all are a threat to Greater Tokyo's dominance in Asia. As for economy, Japan has already been overtaken by China, and it's just a matter of time before cities such as Shanghai take the lead over Tokyo. Among other Asian cities, Seoul can be seen as a mini-Tokyo, and just like in Japan, a huge amount of South Korea's GDP is concentrated in the capital city, but as Korea's population is not nearly as great as Japan's, it is highly improbable that Seoul will ever overtake Tokyo and its global influence.

Tomorrow we will stay in Asia and take a look at a city that is also an autonomous political and economic center of China: Hong Kong

