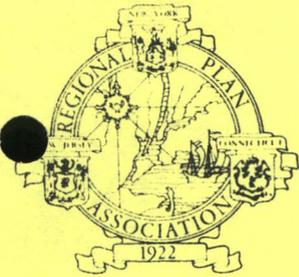


# Regional Plan Association

... a research and planning agency supported by voluntary membership to promote the coordinated development of the New York- New Jersey-Connecticut Metropolitan Region.

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## NEWS RELEASE

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NEW YORK REGION TO REMAIN AHEAD IN GLOBAL ECONOMIC COMPETITION,  
NINE ECONOMISTS TELL ASS'N OF WORLD METROPOLISES

The New York-New Jersey-Connecticut Region has emerged as the paramount metropolis in the global economy, and its unique advantages should guarantee that it remains competitive in the future, according to a study by economists from nine regional institutions. Their conclusions were presented in Mexico City this week at a conference of urban planners and economists from major metropolitan areas throughout the world.

The report compares the New York Metropolitan Region to a central "FRONI" of the global system--absorbing, producing and disseminating information from around the world and adding value to it by processing and packaging, marketing and transmitting.

More and more, key decisions affecting world production, trade, investment and finance are taken in this Region, not only because it has more multinational headquarters than anywhere else in the world, but also because the branch offices that foreign companies have opened here are becoming important decision-making locations for international deals.

In fact, "decisions" are among the Region's major exports and an important source of its pervasive influence on the global economy.

These are among the conclusions of a report entitled New York in the Global Economy: Studying the Facts and Issues. It was prepared by Regional Plan Association for the World Association of Major Metropolises. Copies are available to the press from RPA.

The nine contributing authors are Regina B. Armstrong of Regional Plan Association; Robert Cohen of the New York State Urban Development Corporation; Eric Kruger of The Conference Board; John Mollenkopf of City University of New York; Mitchell Moss of New York University; Thierry Noyelle of Conservation for Human Resources; Carol O'Cleireacain of District Council #37 of AFSCME; Saskia Sasson-Koob of Columbia University; and Rosemary Scanlon of the Port Authority of New York and New Jersey.

#### Emergence of the Global Economy

Since World War II, a truly international marketplace has evolved not only for goods, but for capital and currencies, for information, for advertising, insurance and many other services. The world has become a single, global marketplace in which companies seek the locations with the lowest costs and highest net profits--and in which high-speed, high-capacity telecommunications permit complex transactions among parties in many different countries at the same time.

Out of this historic reshaping of world economic activities have emerged a handful of "World Cities" which serve as downtowns to the other downtowns--where smaller cities turn for a variety of specialized financial and business services. Among these World Cities, only Tokyo and London can rival the tri-state Region's central role in global economic activities.

Tokyo exports the most goods and services. It is also the world's largest source of international capital, with four of the world's five largest banks.

London, because of its time zone, can handle transactions in Tokyo, New York and countless lesser centers all in the same business day. As a result, London does business in more countries than any other world center.

But the New York Region, the largest capital market in the world, must be considered the dominant location in today's economy because of its pervasive influence on world finance, business, marketing, art, education, politics, music, fashion, film, television, medicine and research, the authors claim.

#### The Region's Advantages

The tri-state Region's competitiveness is based on five major advantages, according to the report:

1. It's the leading port for the world's largest market, the United States. Consequently, it imports and exports tremendous volumes of goods and services--including handling more than 20 percent of all American oceanborne imports and more than 40 percent of American air imports.

2. It's the financial center for the most widely-used global currency, the dollar.

3. It has superior telecommunications capabilities. While the consumption of telecommunications may be a force for decentralization (by letting companies put their back offices in South Dakota and their plants in South Korea), the production and transmission of telecommunications is a force for centralization in the few places where there are enough people who need specialized communications to share the cost of telecommunications facilities.

4. It remains an important incubator of new products and services. The ability to be continuously innovative in a wide variety of advanced products and services is the Region's most crucial comparative advantage in the competition with other parts of the world.

5. It continues to be open to new influences. The most unique of this Region's traditions is a willingness to let successful new ideas and activities into its system, even at the expense of established activities that are only slightly less successful.

The Region's Disadvantages

The tri-state Region's advantages will help it to remain the leading World City, but there are also problems which could undermine that position. Among them:

- a high-tax, high-cost economic environment;
- a shortage of affordable housing throughout the Region;
- transportation problems, including deteriorating traffic conditions and inadequate access to the airports;
- a gap between the skills needed to perform the new jobs being created here and the skills available in the Region's workforce;
- infrastructure needs for waste disposal and water supply;
- development of farmland and environmentally sensitive open spaces.

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