

The New Normal: Counting the Economic Toll of Coronavirus on Cities

October 2020

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INTRODUCTION

Scope

Key findings

CITIES AND COVID-19

90% of cities to see an economic contraction in 2020

Developing cities to see faster return to growth

Urban economic contraction will have large impact on global growth

INDUSTRIES IN FOCUS: KEY AFFECTED URBAN INDUSTRIES

Key urban sectors and industries impacted by COVID-19

Tourism: airport industry to be hit hard by dropping visitor numbers

Amsterdam keen to focus on liveability and sustainable tourism

Retail: consumption-based cities are more exposed to falling spending

Brisbane airport turns to online retailing

Transport: consumers are swapping mass for solo mobility

COVID-19 and improving infrastructure prompts more cycling in cities

Municipalities face budget cuts

London faces nearly USD650 million hole in its budget due to coronavirus

Vilnius municipality stepping in to aid citizens and local businesses

Sydney: providing grants to small businesses amid COVID-19 crisis

Montreal: local government providing support to cultural enterprises

Real estate sector may see a slump in some cities

New York's Manhattan records over 13,000 vacant apartments

Vilnius's house prices continue surging amid the pandemic

CITIES IN FOCUS: EXAMINING 10 MAJOR GLOBAL CITIES – DEVELOPED

Euromonitor presents three scenarios probing COVID-19's impact

New York: GDP per capita poised to return to pre-COVID levels in 2023

New York: C segment to see the biggest change in growth from baseline

London: GDP per capita in 2024 will remain below 2019 levels

London: large rise in poorer households under a Pessimistic 1 scenario

Paris: hotels and catering to see a 15 percentage point growth change

CITIES IN FOCUS: EXAMINING 10 MAJOR GLOBAL CITIES – DEVELOPED

Paris: D segment to see an 8% surge in a Pessimistic 1 scenario

Tokyo: city to record much slower growth in education spending

Tokyo: L-shaped recovery, with COVID-19 suppressing income growth

Sydney: disposable income to return to pre-COVID-19 levels in 2022

Sydney: all scenarios show minimal change to income distributions

CITIES IN FOCUS: EXAMINING 10 MAJOR GLOBAL CITIES – DEVELOPING

Beijing: the economy advances despite slight economic slowdown

Beijing: city to continue seeing rapid surge in high-income households

Moscow: GDP per capita to return to pre-COVID 19 levels in 2024

Moscow: worst case scenario could see segment C lose 360k households

São Paulo: economy to recover after slow growth in the last five years

São Paulo: could lose 1/5 of all Segment C households in Pessimistic 3

Delhi: inhabitants to see a 20% rise in average wealth

Delhi: COVID-19 just a short-term blip, as middle class gains strength

Johannesburg: income growth to foster positive economic changes

Johannesburg: will avoid major dip in household income growth

KEY TAKEAWAYS

Business takeaways

Focus should be on how to get cities pandemic proof

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