

## Cities of the future

*The Wealth Report picks locations with a potentially bright future*

The cities featured on this spread are not those about to be listed among the world's top 10 or even top 20 most important cities. Indeed, none of them yet boasts any billionaire residents, according to data from WealthInsight, but their HNWI (millionaire) and UHNWI populations are rising, and they are locations whose influence we believe is growing strongly at a regional level. Even if they are unlikely to be on the second-home list of most UHNWIs, they should certainly be on their radars in terms of the wealth creation opportunities they will present.

### Belgrade, Serbia

As with all our featured cities, rising wealth is a key illustration of the growing strength of Belgrade's economic fortunes. While seeing only a steady 12% rise in the number of HNWI residents in the years from 2007 to 2014, the expectation is that this figure will jump markedly by 2024, with a forecast of 72% growth over the decade.

Accounting for 40% of Serbia's economic activity, the city acts as south-eastern Europe's financial and business centre and is witnessing rising levels of foreign direct investment.

Inward investment has been aided by tax incentives and grants and an increasingly competitive tax environment, which has attracted the likes of Fiat and Siemens to invest in plants in the city.

Lifestyle improvements over the past decade have been supercharged by a growing reputation as a tourist centre – Lonely Planet describes Belgrade as “one of the most happening cities in Europe” – luring



01  
01 BELGRADE South-eastern Europe's financial centre  
02 PANAMA CITY "A Singapore for Central America"  
03 ADDIS ABABA Africa's political capital  
04 YANGON Annual tourist visits to hit seven million by 2020

young visitors in particular, who are staying in increasing numbers, attracted by low-cost and relatively high-quality office accommodation to develop internet and app start-ups, including leading online gaming firms.

### Panama City

The unique geography that has blessed Panama with its canal has also aided economic growth and wealth creation in its capital, Panama City, by bridging the divide between Latin and North America. With a near doubling in the number of HNWI since 2007 to hit 4,700 in 2014 and nearly 7,000 by 2024, *The Economist's* decision to label the city “a Singapore for Central America” seems increasingly prescient.

In a Central American context Panama offers a high degree of economic and regulatory stability. Investors are attracted by the strongest economic growth offered in the region and also a very competitive tax environment – all



of which have contributed to foreign direct investment levels hitting 9% of GDP in recent years.

Tourism and retirement developments have added to the attractions of the city. High-quality transport and health care and a growing presence of global hotel brands have drawn investment from entrepreneurs looking to expand on a strong food and lifestyle scene.

### Addis Ababa, Ethiopia

Africa's fastest-growing economy, Ethiopia, benefits from not only the political importance of Addis Ababa but also the 3.8% annual growth rate of the population within the capital. In addition to natural growth, there is vast rural-urban migration, which planners predict combined could lead to the size of the city surging by 2040 to over 8.1 million.

Wealth creation has seen a near doubling of the population of HNWIs since 2007 to a little over 1,300, with one of the strongest forecast growth rates for the coming decade – with an expected expansion to 2,600 by 2024.

The city is understandably witnessing severe growing pains, with public investment in transport including an overhead rail network, and construction dominating GDP growth. Relocation of existing residents to accommodate new infrastructure has caused severe stresses on some sectors of the city's population. The Renaissance dam under construction on the Blue Nile is Africa's largest hydroelectric scheme and could provide energy security – a vital component for economic development.

With the presence of the African Union headquarters, and the headquarters of the United Nations Economic Commission for Africa, as well as a number of continental and international organizations, the city is commonly regarded as the political capital of Africa, lending a strong diplomatic and political edge to its growing economic strengths.



### Yangon, Myanmar

With its number of HNWI residents set to more than double over the coming decade, hitting in excess of 3,500 US dollar millionaires by 2024, Myanmar's former capital and largest city, Yangon, is a classic example of emerging market wealth creation.

Benefiting from the gradual opening up of its economy, following the introduction of democratic reforms in recent years, the city has seen strong employment growth and inward investment, with annual GDP growth at a national level predicted to eclipse that seen in India and even China in 2015 and 2016. Accounting for a fifth of

overall economic output, Yangon is set to be the lead beneficiary of this process.

Controls over non-resident property ownership have slowed private international investments, but private equity investment in business, especially those in the construction and development sectors, have been one method for non-residents to gain exposure to rising property values.

Restaurant, hotel and retail offer has been improving steadily over the past five years, and new entrants are arriving rapidly – with tourism visits forecast to grow from three million in 2015 to over seven million in 2020. A grand tour of Myanmar is now on the hotlist for wealthy tourists.

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