

# The Future Development of Shanghai as A Global Centre City: A Comparison with New York City

Jialu Wan\*

University of Pittsburgh, Pittsburgh, PA

\* Corresponding Author Email:JIW239@pitt.edu

**Abstract.** Shanghai, China can be one of the world's economic hubs, and the Shanghai government has enacted a new policy in recent years - Shanghai steps up the pace on readying five 'new cities' for investment - which will enable the city's economy to grow further. New York, which is also the center of the world economy, is not as good as Shanghai under the new policy. The main source of the problem is that Shanghai's city area is 8 times larger than New York, and with the development of new areas and the renovation of old ones of Shanghai City, the resources and urban area of New York become the main problem.

**Keywords:** Economics, Finance development, Shanghai City economic, Shanghai City future finance development, New York City economic, Economy analysis

## 1. Introduction

This article is written to transforming the city of Shanghai and introducing more resources, Shanghai will be compared with New York's economy in the coming decades. The new policy is mainly based on the advantages of Shanghai's huge urban area, while New York's urban area is more than eight times smaller than Shanghai's, how Shanghai's economy has developed. Although Shanghai is already a world leader in economic development, there is still a lot of room for economic development in Shanghai. If New York State were an independent nation, it would rank as the 10th largest economy in the world. Recently Shanghai has enacted a new policy - it is ready to invest in renovating the new and old cities of Shanghai, so that more resources will be available for the growth of Shanghai's GDP and the introduction of financial and technological research institutes. In this survey, we will be discussing the ideas, more revenue from urban buildings and traffic, and more financial companies and research institutions moving in. This paper survey's structure goes as follows: 1. The main application, details, and implementation of the new policy in Shanghai, also introduction to the historical and economic status of new in need of renovation. 2. Predicting the economic development of Shanghai's old cities after their renovation, and the statistical benefits and impacts of introducing research and financial institutions to Shanghai. 3. Introduce the reasons for the economic development and backwardness of Brooklyn and Queens in New York and compare with Manhattan. 4. Forecast the construction, financial investment economy of the renovated Shanghai and the comparison of New York.

## 2. Shanghai New Policy

### 2.1. investment of new cities

The four cities developing new cities in Shanghai are Jiading new city, Qingpu new city, Songjiang new city, and Fengxian new city.

Jiading District plans to build a complete modern industrial system, which will not only be good for the future development of Shanghai, but also add to one role of the few industrial cities in China. Also, East Money Information Co, a Chinese financial and stock information provider, plans to establish a fintech institute in the region [1].

Qingpu New City is mainly developed in the innovation center established with Fudan University, including the establishment of integrated circuits and institutes for micro- and nanoelectronics,

computing and intelligence, biomedical engineering, intelligent robotics and advanced manufacturing. Fudan University has gained more research bases and resources to improve the development of new intelligence disciplines in China [1].

Songjiang New City is mainly developed in medical services, and the establishment of a branch of the General Hospital in Songjiang also means that it will directly meet the medical needs of Songjiang New City and the southwestern part of Shanghai, so that Shanghai's medical resources are not concentrated in the city center [1].

Fengxian New City focuses on the development of innovative, digital and consumer industries. For example, Shanghai Electric Group has established Shanghai Electric New Energy Development Company in Fengxian New City, which is a new start for the Group to develop new energy equipment industry and independent technology innovation [1].

Most of Shanghai's suburbs are still unutilized, which is why Shanghai is so large. Urban resources are concentrated in the city center, resulting in slow suburban development. Long periods of low development areas result in the loss of many opportunities. Shanghai needs to invest a lot of money and resources to develop these new areas. There are four new areas to be developed, each with an average size of 600 sq km, compared with Singapore's land area of only 733 sq km. As can be imagined, the development of new areas is very difficult.

The planning of the new area by the Shanghai government is very reasonable, which not only realizes the economic growth of the suburbs, but also connects the resources of the suburbs and the city, so that the resources and economy of Shanghai are closely connected like a "spider's web", and each part is inseparable. For example, Songjiang District has established a branch of Shanghai General Hospital [2], which can expand resources and distribute resources and patients from the headquarters to Songjiang, thus stimulating the economic development and population flow of Songjiang District, as well as the introduction of more talents [1].

### **3. Shanghai old town revolution**

#### **3.1. Shanghai old town plan**

Shanghai had a town in the Song Dynasty, which shows that the city of Shanghai has a very long history. With the development of time, the area of Shanghai is getting bigger and bigger, and these old cities are slowly failing to keep up with the pace of Shanghai as an international financial metropolis. Firstly, the low and dense structures and historical buildings within the old city will be preserved, while taller buildings will be built in areas other than these, and high-rise buildings will enable the environment of the old town to be improved rapidly. The old town will develop high-rise buildings, such as apartments or office blocks and so on, also developing on commerce, retail, hotels, and entertainments while retaining the original character of the old historical city [3]. The aim is to attract new industries, and diversity and innovation will stimulate economic growth in the old town.

#### **3.2. Shanghai old town future finance**

The financial sector, an important pillar of Shanghai's economic growth, is a growing force for Shanghai's economy. As mentioned in the program to renovate the new city, Jiading District has brought in financial investment companies, which will surely stabilize Shanghai's position in the financial sector nationwide and globally [1]. Prior to the transformation, economic development in Shanghai's older cities had been slow or even unprogressive. This improvement of old town, if fully successful, will have a huge impact on Shanghai's economy. Shanghai's older areas account for 60 percent of the total area, and because of its huge size, achieving full economic development of the city is very challenging and is a long-term plan. However, it is wise to start with the transformation of the old city, because it is possible to add modern elements to the old city and to make the second development of the area to achieve growth and economic development [3].

"According to Shanghai statistics, over the past 30 years, more than 30 million square meters of housing in Shanghai have been renovated, benefiting about 1.3 million residents [4]." The

transformation of Shanghai is very difficult, the old transformation work is difficult, the later, the more complex the remaining problems, the higher the difficulty coefficient. It took 30 years for the old city of Shanghai to undergo a preliminary transformation. The reconstruction of the old area should not only meet the needs of the aborigines to improve their living conditions, but also inherit the historical context and protect the historical landscape [3].

## **4. New York City finance**

### **4.1. Brooklyn in New York comparing with Manhattan**

In terms of property values, the average rent for an apartment in Brooklyn is \$2,665 compared to \$4,091 in Manhattan. The GDP of a city determines the standard of living of the people in that city. The almost double difference in price shows that there is still a big gap between the economies of Brooklyn and Manhattan. In Brooklyn, you need \$6,126 a month to maintain your standard of living [5]. To maintain your standard of living in Manhattan, you would need a salary of \$8,333. Manhattan is the center of more sophisticated, high-end fine dining. The Brooklyn boroughs appeal to the masses with affordable, delicious food that is prepared in a more casual atmosphere. There are 453 Michelin-starred restaurants in New York City. Manhattan has 303 such restaurants. The wages and standard of living are higher in Manhattan than in Brooklyn, and people can usually afford to spend money on expensive restaurants. Although this gap is closing, overall, the cost of living in Manhattan is still higher, means the GDP is higher, and the income of the residents and the price of goods are higher [6].

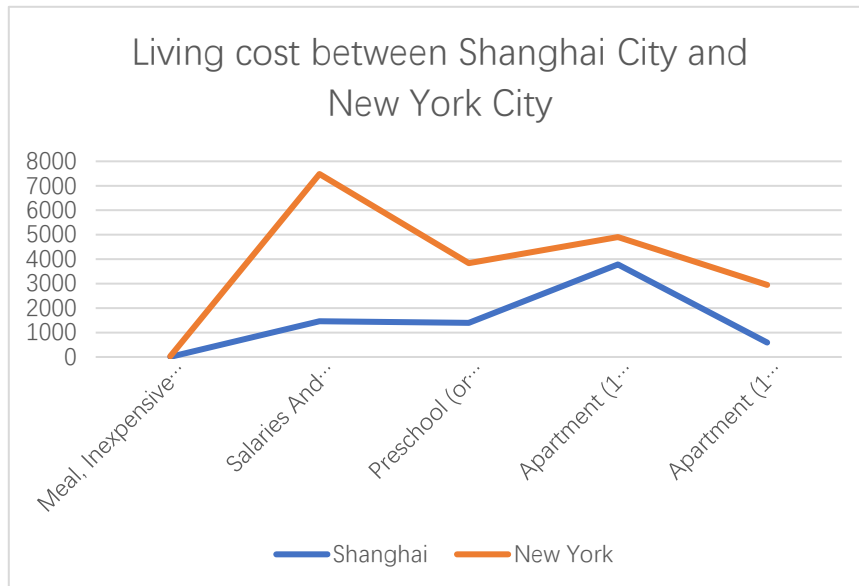
### **4.2. Queens in New York comparing with Manhattan**

Queens is the largest borough in New York City (108.53 square miles), and despite its size, Queens is one of the most densely populated neighborhoods. Queens remains below Manhattan in terms of rent. Housing options range from high-rise to typical suburban, and Queens is probably the best neighborhood to rent in because it has the lowest rents. However, although many companies are established in Manhattan and Wall Street, because it represents the center of New York and American finance. But in recent years Queens is a new office district competitor in Manhattan. There is a growing demand for office space in Queens because he is cheaper than Manhattan and is so close to Manhattan that people usually do the subway from Manhattan to Queens faster than those who drive to work in Manhattan [7].

## **5. Shanghai City and New York City**

### **5.1. Comparing Shanghai City and New York City (living cost)**

With the statistics, the cost of living in Shanghai is 50% lower than in New York, including restaurants, supermarkets, transportation, Utilities. This means that the economic findings in New York are much more than in Shanghai. Even though Brooklyn and Queens are among the lower GDP areas of New York City, New York has a stable and large economic base and culture compared to Shanghai [5]. As can be seen from the chart below, the consumption levels in Shanghai and New York are completely different. The high consumption in New York is even 85% higher than that in Shanghai [8].



**Figure 1.** Living cost between Shanghai City and New York City

Source from: NUMBEO [8].

The five categories in the figure are all the most concerned issues in people's lives, with the biggest difference being the salary, which is also the most important part. Income determines people's living standards and the GDP and economic development of a city. The low wages in Shanghai compared with New York result in a lower level of consumption in other aspects than in New York [8]. As mentioned in section3, the renovation of Shanghai's old urban areas has taken more than 30 years, and even this is just the beginning. Shanghai's economic development is very slow if its opponent is New York. [3]

**5.2. comparison with shopping**

In terms of shopping for leisure, Shanghai's per person spending is higher than New York's, even at about twice the price. This is because many international brands such as Adidas, Nike, Puma, Coach. These brands of clothing, bags, shoes can be bought at low prices in the United States, such as Nike t-shirts on sale generally at about \$10 [9], but in Shanghai, China, Nike t-shirts generally cost more than \$60 [10], even if the discount will rarely be as low as \$10. Because Nike and Coach are headquartered in the United States, and they are world-renowned brands, almost every person knows this brand. Also, people can buy their goods at a lower price in the United States than in other countries, while these goods imported into China will be higher than the price in the United States.



**Figure 2.** Nike Men T-Shirt Price (China and US)

Source from: US Nike website and China Nike website [9], [10].

I compared the prices of men's T-shirts on the official website of Nike in the United States and Nike in China, based on the order of price from lowest to highest by statistics, and converted the price in RMB to USD (exchange rate 1 USD=7 RMB) and made this chart. It can be observed from this chart that the lowest price of Nike T-shirts in China is about 5 dollars higher than the price on the official website of the United States [10]. Moreover, the official website price in the United States increases by every dollar, while the price in China increases by 2 or even 6 dollars [9].

## 6. Conclusion

This paper reviews the Shanghai's future economic development, and New York's current comparison. As two countries represent the economic and financial cities, their respective economic systems and residents' living and consumption levels. In summary, this paper shows Shanghai's plan to build a new town and its subsequent economic development made Shanghai's economic system more stubborn and unified. The reconstruction of old town areas in Shanghai makes the city more modern. Adding modern elements to the old areas makes the population flow, thus increasing the urban GDP.

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