



HWWI/Berenberg City Ranking: Berlin is the new leader – three cities in eastern Germany among the top ten

- Berlin ousts Munich from No. 1
- Leipzig holds steady at No. 2, Dresden in 7th place
- Augsburg (No. 8) and Wuppertal (No. 14) show the greatest advances
- Gelsenkirchen once more brings up the rear

Hamburg/Frankfurt. The HWWI/Berenberg City Ranking has a new winner. Berlin leads the field of the 30 largest cities in Germany for the first time. That puts three East German cities into the Top 10, with Leipzig again coming second in overall ranking and Dresden climbing to seventh place. Bavarian state capital Munich is showing the first limits in its growth, losing some of its former dynamism to slip back to third place.

For the sixth time, the Hamburg Institute of International Economics (HWWI) and the Berenberg private bank examined the competitiveness of the 30 biggest cities in Germany. “The future of Germany depends greatly on the economic and demographic development of its urban areas. The economic activities of the country cluster there, and they are where regional growth gets its impetus and drive,” said Dr Hans-Walter Peters, Spokesman of the managing partners of Berenberg. “It is gratifying to see that 30 years after reunification three large cities in eastern Germany, namely Leipzig, Dresden and most of all Berlin, have managed to move to the top of the German city rankings and show good prospects for the future.”

The importance of cities as living and economic areas continues to increase. Currently 23 % of Germany’s population lives in the 30 largest cities, and productivity and population are growing there faster than the national average.

The cities were analysed with regard to their present economic performance (**trend**

index), their future demographic development (**demographic index**) and key business factors like education and innovation, internationality and accessibility (**location index**). Education levels of city dwellers are high, and since universities and research institutions typically locate in urban centres, they give companies in knowledge-intensive industries a better pool of qualified employees. “Regional urban centres favour information exchange as well as the division of labour and specialisation in the knowledge economy, which has positive consequences for the economic development of cities,” notes HWWI Director Professor Dr Henning Vöpel.

The results

After coming in fifth in 2017, **Berlin** climbed to the top of the 30 largest cities. The German capital benefits from high percentual population growth (+4.1%), the highest employment growth (+6.8%) of any of the 30 cities, and a noticeable improvement in productivity. “Berlin has become one of the most dynamic cities in the country. Good location factors, especially internationality and accessibility, contribute to its positive development,” says Peters. The future outlook for the capital city is excellent. Through 2030 its high percentual population increase is expected to continue, alongside a continued high absolute rise in the working age (+101,000) population. Berlin will also see above-average growth in persons under 20. “Skilled workers may become the critical bottleneck in the race to attract firms, so the future competitiveness of a city will increasingly depend on the growth of its working-age population,” says Vöpel.

Leipzig maintained its second-place position, only narrowly missing first. No other city has improved its economic performance as dramatically in recent years as this, Saxony’s largest city. At just under 7% it saw the largest population growth of any of the 30 cities in the last few years. This trend will continue, as Leipzig is at the front in population prognoses through 2030, especially in terms of under-20s and working-age people. The excellent developments in the trend and demography indexes are so strong that for years they have more than compensated for Leipzig’s poorer showing in the location index. “The below-average ratings in the location factors of education, innovation, internationality and accessibility have clear improvement potential,” notes Vöpel.

Munich lost the pole position it held in 2017 and 2015, slipping from first to third place in the total rankings. This, the Bavarian state capital is seeing the first limits to growth. The city grew robustly in recent years and had the highest productivity of

any metro. Further increases will be much harder to achieve than they will for Berlin and Leipzig, whose productivity levels are 30% to 40% under those of Munich. Nevertheless, the business outlook in Munich remains excellent. “With its high proportion of highly-qualified workers and knowledge-intensive industries, Munich is in a very good position,” notes Vöpel.

Frankfurt am Main came in fourth this year in overall rankings. In the location index the city just held on to its lead over Munich to be in first place for the sixth time in a row. “Frankfurt got points from its high proportion of academically educated employees, high internationality and good accessibility. Furthermore, demographic projections, especially for under-20s and people of working age, are outstanding for this financial centre,” explains Peters.

Cologne (5th place) and **Hamburg** (6th place) also have good future prospects, since they offer balanced business and quality of life factors in all areas. “Neither of these cities shows any real weaknesses, and both have been consistent performers in the rankings for years,” says Peters.

Wuppertal (14th place) and **Augsburg** (8th place) were the biggest overtakers, jumping 11 and 10 places respectively over their showing in 2017. Wuppertal leapt to the top half of the rankings thanks to very positive productivity and labour market numbers, high fertility (birth) rates and a positive prognosis for growth in the number of under-20s. Augsburg made the Top Ten in overall rankings thanks to its greatly improved demographic projections.

On the other side of the ledger, **Wiesbaden** (down nine places), and **Brunswick** and **Bielefeld** (both down six) saw their rankings slide. Wiesbaden lost ground in all three indexes. Brunswick’s drop is based in losses in the demographic and location indexes, while Bielefeld saw declines in the demographic and trend indexes.

In the bottom third of the rankings, **Mönchengladbach** (rank 22) and long-time worst performer **Chemnitz** (rank 26) showed welcome improvement, moving up four and three places respectively. **Gelsenkirchen** (30th) remains in last place as it was in the previous ranking.

Summary

“Many of the 30 metropolises are well equipped to meet the challenges of the future, others not at all. Cities that offer people and companies outstanding location factors, and successfully manage the structure shift to knowledge economy, have

positive future prospects,” summarises Peters. “I’m glad to see that the development trajectories for cities with issues that have kept them at the lower end of the rankings, have for the first time edged closer to the successful cities at the top. The gap between top and bottom has narrowed slightly from the last ranking.”

Highlights

Population: Berlin is the biggest city with 3.6 million inhabitants, while Aachen and Chemnitz are the smallest in the ranking with around 246,000 inhabitants.

Location: Only four of the cities analysed in the City Ranking are in eastern Germany, while North Rhine-Westphalia boasts 13.

Population growth: The highest growth by percentage in the last three years took place in Leipzig (+6.9 %), Augsburg (+4.2 %), Berlin and Frankfurt am Main (+4.1 %), and Karlsruhe (+4.0 %). The highest absolute growth (2014–2017) was in Berlin (+143,646), Hamburg (+67,793), Leipzig (+37,501) and Cologne (+33,714).

Population density: With 4,686 inhabitants per square kilometre, four and a half times as many people live in Munich per square kilometre as in Münster (1,034). The greatest growth in density in the last two years was in Berlin at +107 persons per square kilometre (+2.7 %). Inhabitants per square kilometre also grew substantially in Bremen +78 (+4.6 %) and Leipzig +72 (+3.8 %), but only +18 (+0.4 %) in Munich.

The ranking can be downloaded at

www.berenberg.de/files/HWWI_Berenberg_Staedteranking_2019.pdf

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Results of the HWWI/Berenberg City Ranking 2019, 2017, 2015, 2013, 2010 and 2008

Rank 2019	Rank 2017	Rank 2015	Rank 2013	Rank 2010	Rank 2008	City	Trend index placement, 2019	Demography index placement, 2019	Location index placement, 2019
1	5	2	5	8	24	Berlin	2	4	3
2	2	3	12	11	25	Leipzig	1	1	26
3	1	1	2	2	2	Munich	9	2	2
4	3	4	1	1	1	Frankfurt a. M.	13	3	1
5	6	6	6	5	7	Cologne	3	11	6
6	8	8	11	7	7	Hamburg	10	7	7
7	4	10	7	9	5	Dresden	5	6	16
8	18	19	21	19	12	Augsburg	4	5	28
9	9	5	9	16	3	Stuttgart	7	14	5
10	10	7	4	3	11	Düsseldorf	20	8	8
11	15	20	17	23	13	Mannheim	18	9	19
12	14	13	13	13	6	Karlsruhe	11	22	10
13	11	14	18	14	17	Nuremberg	15	17	13
14	25	26	27	28	29	Wuppertal	6	16	22
15	13	9	3	4	9	Bonn	25	15	4
16	7	11	8	6	4	Wiesbaden	23	10	11
17	12	24	16	15	21	Münster	8	19	21
18	22	15	14	10	15	Hanover	14	20	17
19	16	12	15	12	14	Aachen	12	28	9
20	19	21	20	18	16	Bremen	19	18	18
21	23	17	10	21	19	Essen	26	12	12
22	26	23	24	26	18	Mönchengladbach	16	24	24
23	17	16	19	22	20	Brunswick	22	23	14
24	20	29	23	24	-	Kiel	17	27	25
25	24	18	25	20	10	Dortmund	27	21	20
26	29	30	30	30	30	Chemnitz	24	13	30
27	21	22	26	27	23	Bielefeld	21	26	27
28	28	25	22	17	21	Duisburg	28	29	15
29	27	27	29	29	27	Bochum	29	30	23
30	30	28	28	25	28	Gelsenkirchen	30	25	29

Source: HWWI/Berenberg (2019). The position in the overall ranking is not determined by aggregating the positions in the three individual rankings.

About Berenberg

Founded in 1590, Berenberg is one of Europe's leading privately owned banks today with its Wealth and Asset Management, Investment Bank and Corporate Banking divisions. Headquartered in Hamburg and led by managing partners, Berenberg maintains a strong presence in the financial centres of Frankfurt, London and New York.

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