

Rapid Urbanization: Our sprawling urban landscape



By 2030 there will be 8.5 billion people walking the earth. 97% of that population growth will be in emerging economies,⁵ and most of these people will choose to call cities their home. By 2025, 5B people will live in cities, 2.5B of them in Asia

And as people move to cities, our cities will get larger, and we'll have more of them, including megacities in places many of us have never heard of today. In 1990 there were only 10 cities with more than 10 million people,⁷ but by 2030 we will have 41 such megacities. Meanwhile, the area of urbanized land could triple globally from 2000 to 2030. This is equivalent to adding an area bigger than Manhattan every single day.

With bigger cities come major economic growth. By 2025, urbanization will welcome an additional 1.8B consumers to the world economy, 95% of them in emerging markets. And consumers in emerging markets are forecast to spend \$30T in 2025, up from \$12T in 2010.

As economic conditions improve and social attitudes change, more women will have a major impact on the world economy. From growing participation in the global labor force, to economic wealth and spending drivers. In the US, it is estimated that women controlled an estimated \$14 trillion of wealth in 2015 and women influence 85% of all consumer purchases.

In the next decade, it is estimated that close to 1 billion women, mostly in the developing world, are going to enter the formal economy and become new economic contributors, as full-time workers and micro-entrepreneurs. The growing pace of urban migration, access to education, better health, mobile technologies and micro credit will continue to fuel this phenomenon.

But while emerging economies experience a growing middle class, a rift is expanding between haves and have-nots in developed nations, with many consumers driven more by value than quality. If the 20th-century economy can be defined by the burgeoning middle class in industrialized economies of the US and Europe, then the 21st-century economy will be defined by the expanding middle class in developing and emerging countries especially in Asia and specifically driven by India and China. These two middle classes will represent two very different consumer groups; one saddled with debt and declining income driven to by value purchases, and the other an affluent buyer looking for luxury and high-end products.

An influx of urban consumers will drive new business models changing the way, we buy and consume products, and increasing the need for more personalized and localized services. 3D printing capabilities, like the ones HP is spearheading, will enable cities to respond to the growing and changing needs of their residents by printing on demand whatever is needed for construction, entertainment, shopping, education, even new types of food items and more rather than relying on a physical supply chain. Using 3D printing, complex assemblies can be redesigned into a single part to simplify production.

As millions of people move to cities every week, they will also place a huge strain on space, on city resources, on energy requirements, and on infrastructure costs. Forcing homes, offices, and cities to become smarter, and more efficient. To address this, we are seeing a surge in the number of smart city and micro-living initiatives. In the past two years, the number of smart city initiatives has almost doubled. As more people move to cities, demand for housing and co-working spaces is also on the rise with micro-housing and co-working spaces becoming growing trends across the globe.

Large corporations, like HP, along with governments and city officials need to address the opportunities *and* challenges posed by rapid urbanization. Looking for ways to enable cities, homes and offices to be more sustainable and efficient. Creating new services customized to urban users in cities all over the world. Developing products and services with new classes of consumers in mind.

Rapid Urbanization presents an amazing opportunity to think smarter about products, services, and our surroundings.

The opportunity is ours.