### **GDP BY METROPOLITAN AREA**

Metropolitan areas are the prime engine of growth. A better understanding how cities function offers a unique opportunity to identify solutions for the problems faced by individual cities.

**Definition** 

281 metropolitan areas have been identified across 30 OECD countries. They are defined as the functional urban areas (FUA) with population above 500 000. The functional urban areas are defined as densely populated municipalities (city cores) and adjacent municipalities with high levels of commuting towards the densely populated urban cores (commuting zone). Functional urban areas can extend across administrative boundaries, reflecting the economic geography of where people actually live and work.

GDP is the standard measure of the value of the production activity (goods and services) or resident producer units. Values of the GDP in the metropolitan areas are estimated by adjusting the GDP values of small (TL3) regions.

GDP per capita is the ratio between GDP and population in a metropolitan area.

#### Comparability

Functional urban areas have not been identified in Iceland, Israel, New Zealand and Turkey. The FUA of Luxembourg does not appear in the figures since it has a population below 500 000 inhabitants.

Overview

The aggregate GDP growth of metropolitan areas in the period 2000-13, appeared for a large part due to a small number of large metropolitan areas. Indeed, fourteen metropolitan areas (around 5% of the total) contributed to 40% of the GDP metropolitan growth in the OECD area. Seoul Incheon, Houston and New York recorded the highest contribution to the GDP growth in the OECD area.

The role of metropolitan areas for the national GDP growth can be quite different across OECD countries. Metropolitan areas in Norway, Japan and Denmark accounted for more than 75% of the national growth in the period 2000-13. In contrast, in Switzerland and the Netherlands, metropolitan areas accounted for less than 30% of the national growth.

Metropolitan areas tend to be wealthier than the rest of the economy. The GDP per capita gap between the metropolitan areas and the rest of the economy in the OECD area was around 37% in 2013. Such a gap is higher in the Americas and in Europe than in Asia. Overall, GDP per capita is on average higher in large metropolitan areas (with population above 1.5 million).

GDP values in metropolitan areas are estimates based on GDP data at TL3 level except for Australia, Canada, Chile and Mexico were it is TL2. The figures for the United States were provided by the U.S. Bureau of Economic Analysis.

#### Sources

• OECD (2013), OECD Regions at a Glance, OECD Publishing.

# Further information

#### **Analytical publications**

- OECD (2012), Promoting Growth in All Regions, OECD Publishing.
- OECD (2012), Redefining "Urban": A New Way to Measure Metropolitan Areas, OECD Publishing.
- Piacentini, M. et K. Rosina (2012), "Measuring the Environmental Performance of Metropolitan Areas with Geographic Information Sources", OECD Regional Development Working Papers, No. 2012/05, OECD Publishing.

#### Online databases

• Metropolitan areas.

#### Websites

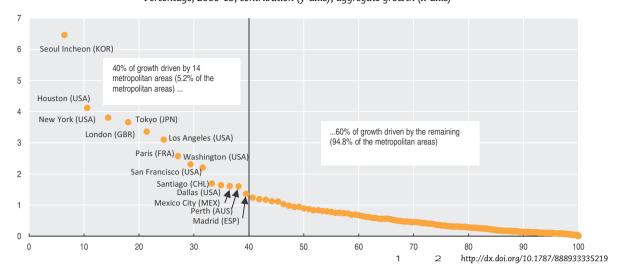
- Regional Statistics and Indicators, www.oecd.org/gov/ regional-policy/regionalstatisticsandindicators.htm.
- Regions at a Glance Interactive, http://rag.oecd.org.

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GDP BY METROPOLITAN AREA

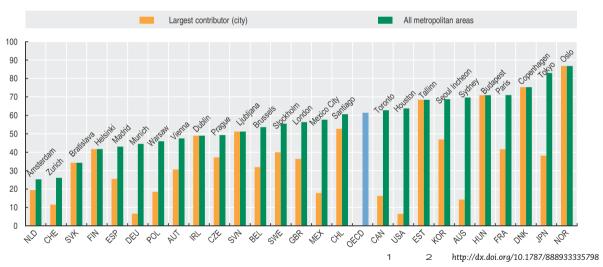
#### Contribution of metropolitan areas to OECD aggregate growth

Percentage, 2000-13; contribution (y-axis), aggregate growth (x-axis)



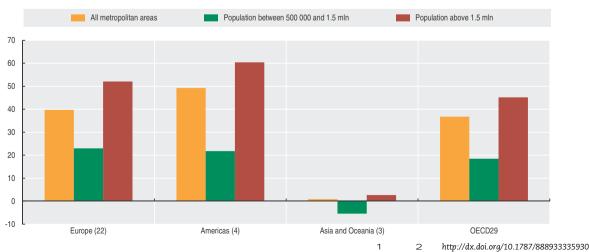
## Per cent of national GDP growth contributed by the metropolitan areas

Percentage, 2000-13

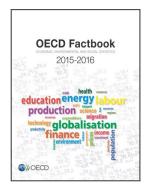


#### GDP per capita gap between metropolitan areas and the rest of the economy





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