



# Urban Issues and Challenges

## The Location and Importance of London

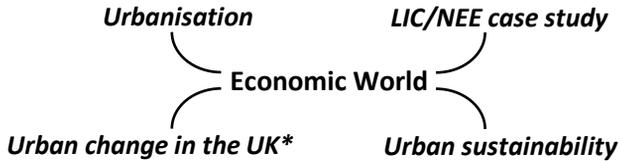


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### The Big Picture



### Key Terms



**Transnational Corporation** – companies that operate in more than one country.



**GDP** – the monetary value of final goods and services — produced in a country in a given period of time.



### The Location of London



### National Importance

- London is the UK's largest and wealthiest city. During the twenty-first century the gap in earnings and house prices has increased between the city and the rest of the UK. Wages and house prices have increased rapidly in London.
- London generates around 22 per cent of the UK's GDP, even though it only accounts for 12.5 per cent of the UK population.
- London is a national centre for education, media and communications networks, medial and legal facilities and culture, tourism and entertainment.



### International Importance

- London is a world city. Along with New York, London is one of the two most important financial centres in the world. Much of London's finance industry is located at the "Square Mile" or the "City," the long standing business hub of London.
- Many headquarters of international companies are located in London as well as major British companies. The city attracts highly skilled workers from across the globe.
- London is also an international centre for education, media and communications networks, medial and legal facilities and culture, tourism and entertainment.
- London has the second best global air connections in the world after Dubai. It is home to the UK's two busiest airports, Gatwick and Heathrow. These help to maintain its importance as a tourist destination and maintain London's global connections.



### Why did London Grow?

Two main factors were important to London's success as a city. These were:

- The city was constructed at the lowest bridging point on the Thames.
- The city became a port because the Thames is a tidal river.

During the 18th century employment opportunities in ports led to many people migrating from rural areas to London. Towards the end of the twentieth century, London's role as a port had significantly declined, however, it remains a hub for the UK's transport network.