



**THE  
GLOBAL  
CITY**

# Our global offer to business: London and the UK's competitive strengths supporting economic growth

Fourth edition



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# Foreword



**Michael Mainelli**  
The Rt Hon the Lord Mayor of  
the City of London



**Chris Hayward**  
Policy Chairman of the  
City of London Corporation

How our financial services industry performs and competes against global peers has never been more important. Amidst a range of macroeconomic and geopolitical challenges, this latest report shows how the UK's financial services are key to driving growth and promoting the breadth of specialist expertise available in the City of London.

Now in its fourth year, our global offer to business: London and the UK's competitive strengths, provides a robust assessment of the international financial services industry. London continues to top the ranking of global financial centres, with strong and consistent performance across the five key dimensions.

Against a global backdrop of inflation and soaring interest rates in 2022, all the financial centres in this study saw a decline in capital markets activity. But London retained its position as a top centre for international banking, bond issuance and trading, foreign exchange, and insurance.

Improvements across our regulatory and legal regime and harnessing of top global talent also helped to offset any negative trends. The UK is seen as one of the most business-friendly markets in the world, opening its doors to international firms and highly skilled workers. The introduction of the Financial Services and Markets Act 2023 unblocked regulatory bottlenecks, allowing regulated financial activity to flow. UK regulators are now tasked with ensuring the UK financial services industry retains its competitive edge, a goal we strongly support.

Challenges arising from COVID-19 and Brexit have been addressed. New immigration legislation is ensuring top global talent can come to the UK via the highly skilled and entrepreneur visa streams, and thousands of the world's brightest people have taken up the opportunity. Global investors are confident in the UK's strengths; they have invested more than £2bn in opening UK offices and created 15,000 jobs. Many of those jobs are

in the UK's tech sector, the fastest-growing jobs market in the City of London.

These are all steps in the right direction, yet challenges remain. Reduced financial activity is a direct headwind to growth. We also face a digital skills gap and cost-of-living crisis. This year the City of London Corporation launched Vision for Economic Growth (V4EG) – a roadmap to prosperity, which highlighted the importance of developing a long-term strategy to drive growth across UK financial services for years to come. This requires government, regulators, and the industry to work together to support a competitive financial services industry. The City Corporation is proud to use its unique position in bringing together government and industry to facilitate this goal and support economic growth across the UK.

# Executive summary

This is the fourth edition of the City of London Corporation's international competitiveness study, which uses more than 100 independent metrics to evaluate the top seven global financial centres (GFCs). The period studied in this report began with Russia's invasion of Ukraine, which kick-started a new economic era of rampant inflation and the fastest cycle of interest rate hikes in history. The battle to tame inflation undertaken by governments and central banks around the world has presented challenges and opportunities alike for the financial and professional services (FPS) industry.

The UK's FPS industry is in a strong position. It employs 2.4 million people, generates 12%, or £278bn, of UK GDP and contributes £100bn to UK taxes. Financial services (FS) workers generate an average of £177,000 in economic output, making them some of the most productive workers in the UK. Foreign investors see the opportunity on offer: foreign direct investment (FDI) increased 68% from 2021 to more than £2bn as asset managers, fintechs and investment banks opened offices in London. This investment also created 15,000 jobs.

The 2024 City of London Benchmarking analysis shows that London is the top GFC in the world. London's overall competitiveness score in 2024 is the same as it was in 2023, but the score of each of the underlying dimensions has changed. For example, a decline in the 'reach

of financial activity' dimension is offset by gains in the 'enabling regulatory and legal environment' and 'talent and skills' dimensions. Bottlenecks in business activity caused by Brexit and the COVID-19 pandemic have been cleared – regulatory efficiency, immigration policies and workers returning to the office have all improved London's business ecosystem.

This position cannot be taken for granted, however. Some of the fundamentals driving the growth of financial services are in decline. This analysis is based on relative positioning and therefore shows that the challenges facing London and the UK are global trends. Higher interest rates and tighter monetary policy have reduced financial market activity everywhere. Equity trading activity, international bond issuance, and derivatives trading volume all

decreased in 2022. Investment fund AUM fell in 2022 for the first time since 2008 as bond investments lost significant value. These trends continued through 2023.

New metrics have been added and some metrics have been updated in this year's study. We have added metrics on pension quality, business complexity, the gender gap, visa access, and office vacancies to capture the post-pandemic business environment.

Our analytical model captures direction of travel as well as absolute size, and this is the driver of some changes in the ranking. For example, in last year's analysis New York benefited from the COVID-19 period bull market, which saw huge amounts of financial market activity and a spike in financial asset prices, but that trend has reversed as many



85 Gracechurch street roof terrace, City of London



**2.4m**

People employed by  
the UK's FPS industry



**£278bn**

of UK GDP generated by  
the UK's FPS industry (12%)



**£100bn**

of UK taxes generated by  
the UK's FPS industry

equities returned to their pre-COVID valuations and deal-making reduced significantly. All the GFCs in our analysis saw a reduction in their 'reach of financial activity' score as capital market trading volumes retreated with rising interest rates. London's score fell due to a decrease in investment fund AUM and capital markets activity, although foreign exchange volumes increased. Net FS exports remained consistent and FDI increased.

London gained in the 'talent and skills' dimension as new immigration legislation came into effect which improved the UK's attractiveness and accessibility to international talent. The UK and US share the title for most expensive work visa, however, UK skilled worker visas are more accessible and are processed more swiftly. The UK has the second best pension system amongst GFCs and 10th best in the world, in terms of benefits, regulations and adapting to demographic change. This is a positive for UK and international workers and contributes to a better quality of life for citizens.

London also improved its score in the 'enabling legal and regulatory environment' dimension. The UK regulatory regime is highly regarded around the world and ranks second in our analysis. Singapore ranks in first place due to its proactive and market-aware regulatory approach. Although the UK and Singapore financial industries share similarities – both are international finance hubs – the UK is a far larger global market and also has a large sophisticated

domestic market. Balancing domestic consumer protection with wholesale global finance players does not allow for a one-size-fits-all regulatory regime, something UK regulators must address to improve competitiveness.

London's recovery from the pandemic has also contributed to a healthier FPS ecosystem. London offices have undergone inspired renovations to create spaces that encourage workers back into the office. This can be seen in London's low office vacancy rates, full restaurants, and busy transport networks. The City of London's cultural offering is also a magnet for visitors.

To ensure London remains competitive in the next decade, the City of London Corporation has launched Vision for Economic Growth (V4EG), a roadmap that outlines recommendations to drive growth and improve outcomes for the FS industry. This report references the 'big moves' recommended in the V4EG report and links them to the data that will demonstrate progress. The change in economic cycle, competition for global talent and cost of living crisis are all real obstacles facing the FPS industry, in the UK and abroad. By taking regular stock of the UK's position, through the lens of objective data and analysis, we will be in a position to meet these head-on and thrive on the global stage.

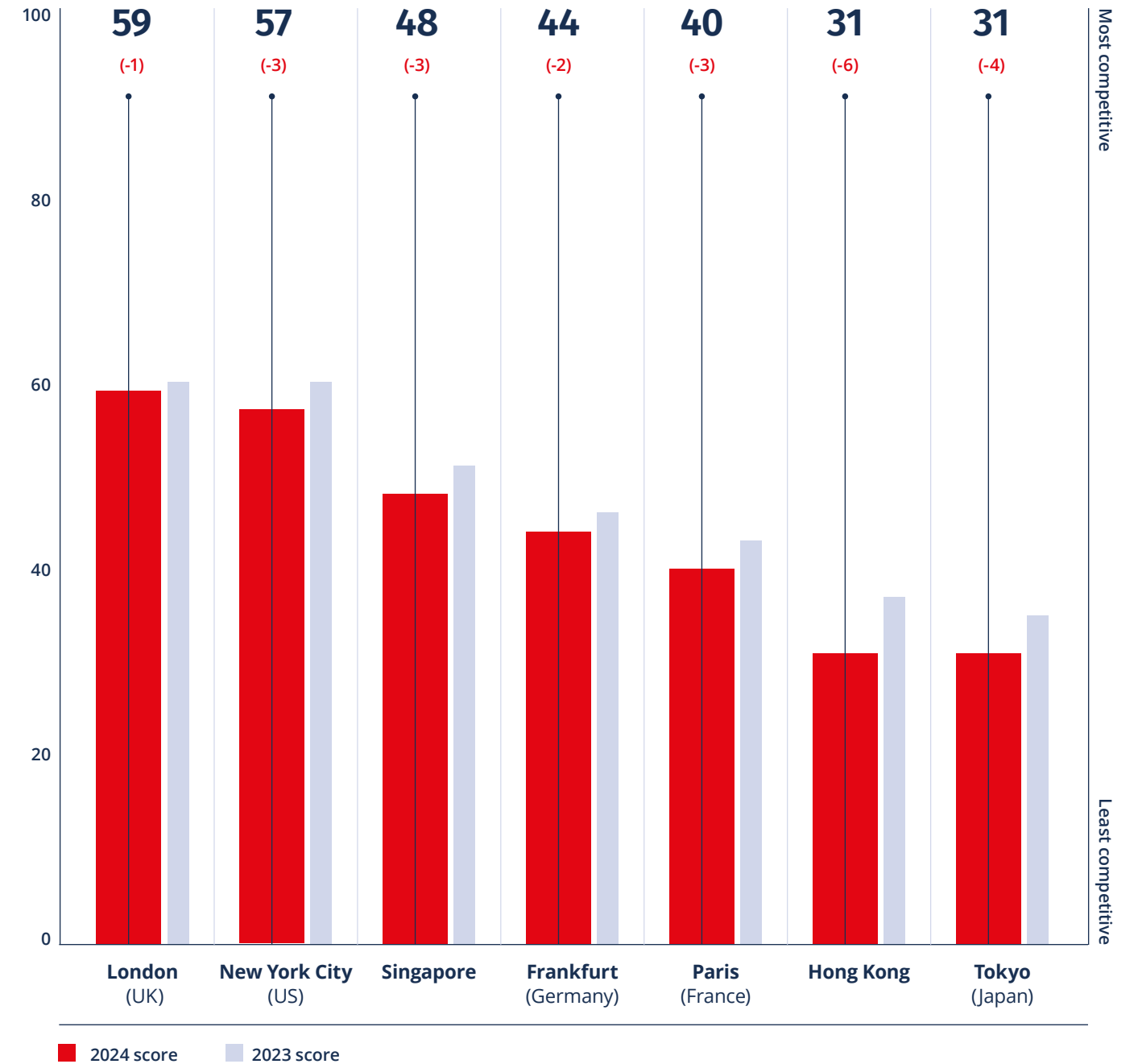
### Vision for Economic Growth - a roadmap to prosperity:

The City of London Corporation (CoLC) launched [Vision for Economic Growth \(V4EG\)](#) in September 2023. This ongoing work presents a roadmap to reinforce the UK's international competitiveness for years to come. V4EG convenes a steering board of leading FPS figures and engaged with more than 300 companies across London to define a series of 'big moves' to drive growth and improve

competitiveness. The Big Moves are referenced throughout this report.

#### Big move:

Develop a UK FPS strategy and FPS Partnership Council to support it. The impact of this by 2030 will be that Government's clearly defined strategy for UK-based FPS maximises the sector's contribution to UK jobs and economic growth.





# 1. Innovative ecosystem

The UK’s financial and professional services (FPS) industry is an essential cog in one of the world’s most innovative ecosystems. It drives growth and enables effective investment, while supporting innovative solutions to global challenges. FPS supports the tech industry and helps to achieve sustainability targets through capital allocation, deal-making, legal and accounting services, and providing the insurance necessary to drive groundbreaking projects. Businesses located in the UK benefit from a globally-connected market, highly-skilled domestic and international talent, both domestically and from around the world, and a supportive and ambitious policy environment.



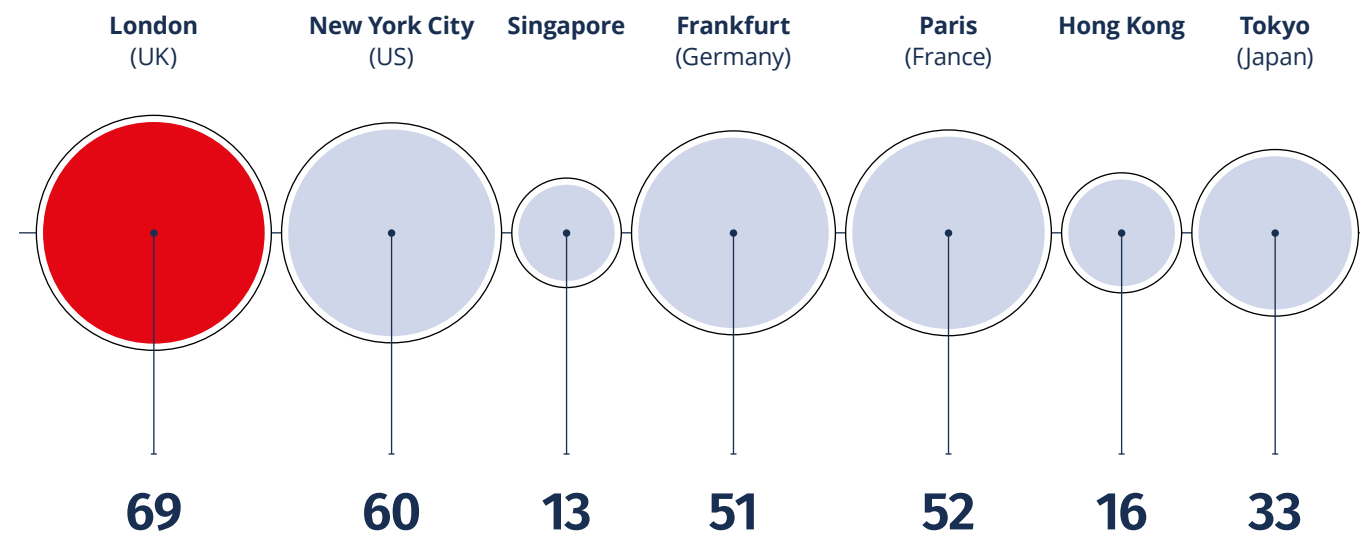
## Metrics

- Fintech investment
  - Number of fintech investment deals
  - Number of unicorns
  - Sandboxes (e.g. regulatory or digital) (yes/no)
  - Open banking (yes/no)
  - Share of FPS and tech-relevant graduates
  - Digital skills among population
  - Adoption of fintech
  - Number of patent applications, per resident
  - Green and ESG bonds, overall amount outstanding
  - Green and ESG bonds, annual issuance
  - Sovereign green bond (yes/no)
  - ESG scores of listed companies
  - Size of domiciled sustainable funds
  - Size of sustainable loan issuance
- Number of M&As involving sustainable companies
  - Number of FPS firms with science-based climate targets
  - Signatories to UN Principles of Sustainable Insurance (UN PSI)
  - Signatories to UN Principles of Responsible Banking (UN PRI)
  - Sustainable stock exchange (yes/no)
  - Stock exchange with a sustainable bond segment (yes/no)
  - Sustainable finance taxonomy (yes/no)
  - Better World MBA ranking
  - CDP A-list ranking
  - Signatories to Net Zero Banking Alliance
  - Signatories to Race to Net Zero
  - Signatories to Asset Owners Alliance

## 1.1 Sustainability

The UK is a leader in sustainable finance. CEOs and investors alike have embraced the principles of ESG and this commitment is reflected in company ESG scores nationwide. London ranks first in the Global Green Finance Index, and UK businesses have committed to environmental targets around emissions and net zero. All this adds up to greater opportunity for investors with a sustainability mandate – the UK is home to one of the world's largest green investor bases. The FPS industry plays a critical role in the green finance ecosystem, providing specialist support including capital structuring, insurance, and consultancy, which contributes to services exports.

### Sustainable finance score



**The UK financial services industry has embraced the challenge of transitioning the economy to net-zero emissions. More FPS firms have committed to net zero and green targets here than in any other country.**

The transition to net zero is ambitious. In 2019, the UK government announced a target of net zero greenhouse gas emissions by 2050, achievable through reduction and removal of emissions through technologies like carbon capture. Success will require concerted efforts from government and industry, and the FPS industry plays a pivotal role. To date, UK industry has demonstrated a clear commitment to tackling climate change. The nation is the undisputed leader in companies committed to net zero targets with 4,312 signatories in 2022. The US is second with 759 signatories. The UK also has the highest number of banks in the UN Net Zero Banking Alliance. The City of London is proud to contribute to advancing this important target through the Net Zero Delivery Summit, a high-profile conference designed to keep the net zero momentum going between COP meetings.

#### Source

UNFCCC Race to Zero 2022, UNNZBA 2022

**UK financial services companies are committed to sustainable operations and investments.**

UK companies are leaders in committing to environmental targets. Financial services companies in the UK have signed up to important global programmes to reduce their own emissions as well as those of investee companies. In 2022, 768 UK companies had signed up to the UN Principles of Responsible Investing (PRI) – fewer than in 2021 due to mergers and consolidation of businesses. The UK has the

highest number of firms signed up to science-based climate targets with 86 signatories to SBTi; the US is second with 35 signatories. Institutional investors in the UK are also committed to ESG investing principles through the UN Net Zero Asset Owner Alliance, accounting for 11 of the 74 global signatories. Not only do these commitments help achieve environmental outcomes; they also drive a greater range of sustainable investment options in the UK.

#### Source

UNEPFI 2023, UN Climate Change 2023

**4,312**

UK companies committed to net zero

**768**

UK financial services firms signed up to UN PRI

### Vision for Economic Growth

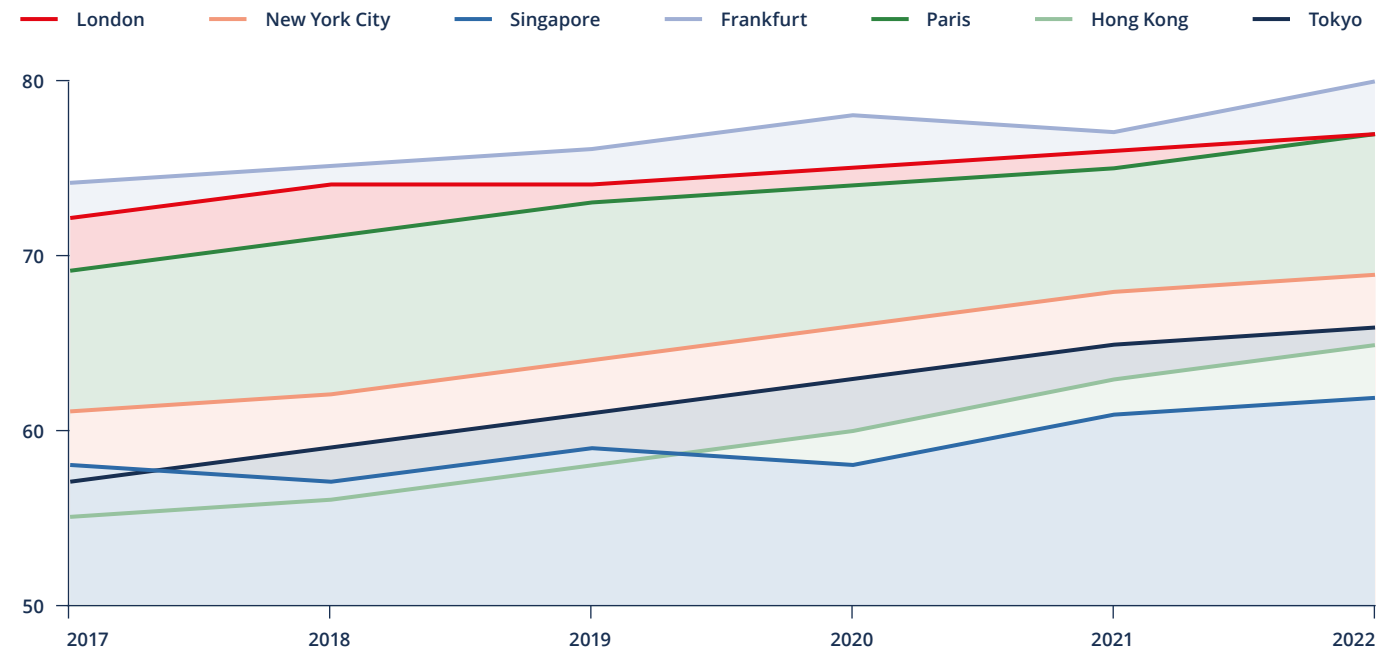
#### Big move:

Create the conditions to scale and accelerate financing for a just transition towards a low-carbon economy. Financial and professional services already play an important role in supporting the transition and will continue to do so.

#### Big move:

Scale innovative approaches to sustainable finance. The UK has a history of pioneering sustainable finance. There is an opportunity for it to cultivate high-integrity voluntary carbon markets, high-integrity nature markets and natural capital approaches.

## UK listed companies achieve high ESG scores



### The UK is an international hub for sustainable investment opportunities.

Companies listed on UK stock exchanges were among the first to embrace ESG commitments and have therefore achieved high ESG scores for the past five years. In 2022, the average ESG score of the 100 largest companies in the UK was 77 (out of 100). The London Stock Exchange Group (LSEG) introduced the 'Green Economy Mark' in 2021, and in the past two years companies identified as part of the 'green economy' have raised £6.2bn through 85 IPOs.

There are 524 bonds issued on the LSEG Sustainable Bond Market (SBM) by 136 issuers in 39 countries, which have raised more than £210bn since February 2021. In 2022, 77 bonds were admitted to the SBM, raising over £42bn. However, the UK lags other GFCs in total green bond issuance. Both the US and EU issue higher amounts of sovereign and quasi-sovereign bonds, for example US green municipal bonds and NextGenerationEU bonds.

UK investors have been keen to allocate to sustainable investment funds and more than £210bn was invested in UK-domiciled green funds. But many of the most

popular ESG funds in the UK are domiciled in cross-border markets such as Luxembourg which makes measuring the true size of the UK sustainable investor market harder. The Investment Association reports that around half of the £10tn of fund assets managed in the UK follows ESG principles.

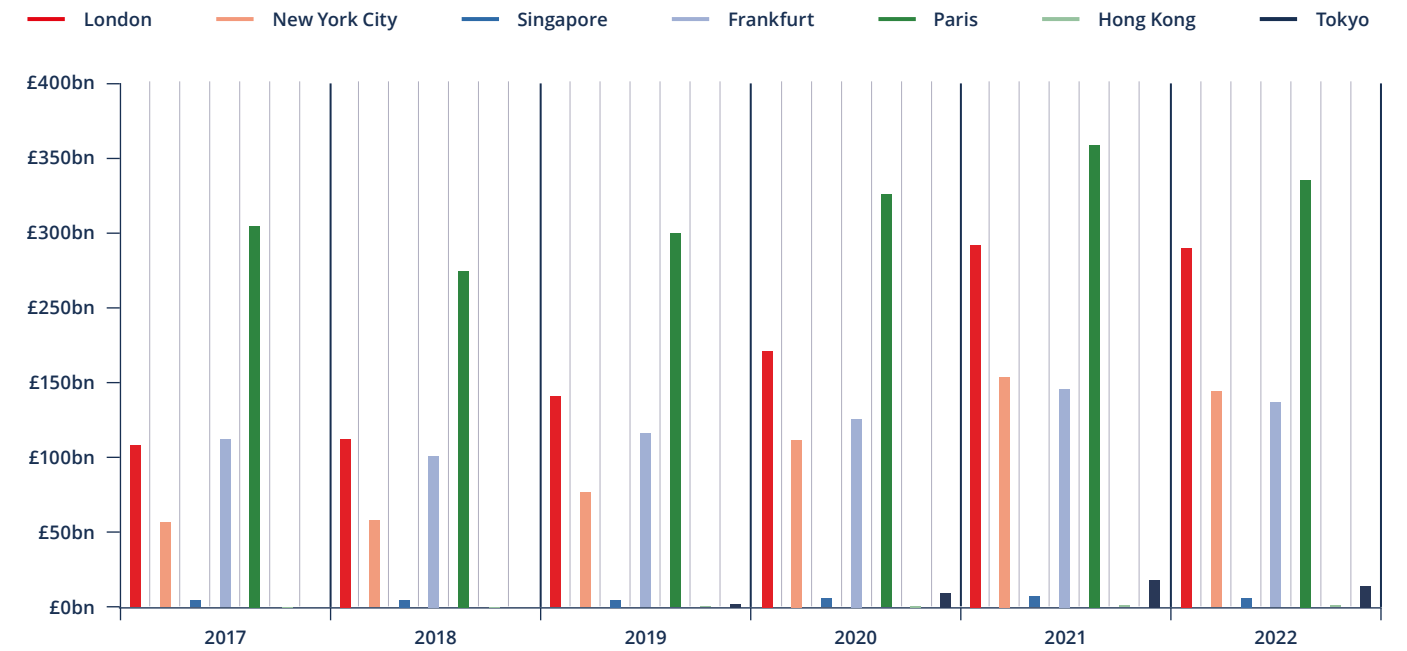
#### Source

LSEG 2023, IA 2023, Refinitiv 2023



**£210bn**  
green bonds issued  
in London

## UK investment in green funds has increased



### The UK has a deep pool of sustainable finance professionals and graduates, which ensures high ESG investment standards and a pipeline of future sustainability talent.

Professional bodies from across the UK FPS industry are signatories to the Green Finance Education Charter, a framework introduced in 2019 to integrate green and sustainable finance principles into professional training. This includes accounting, actuarial, banking and investment analysis.

Several professional bodies have recently launched sustainable

investment qualifications and more than 12,000 financial services professionals have either registered for or completed ESG-focused programmes.

Warwick Business School increased its position in 2022 and is now second in the Better World MBA Ranking, after adding two further sustainability-focused modules to its MBA. However, a gap in specialist faculty has slowed progress across all of the top MBA providers globally.

#### Source

Corporate Knights 2023, CFA 2023, CFA UK 2023, Chartered Banker Institute 2023, Green Finance Institute 2023



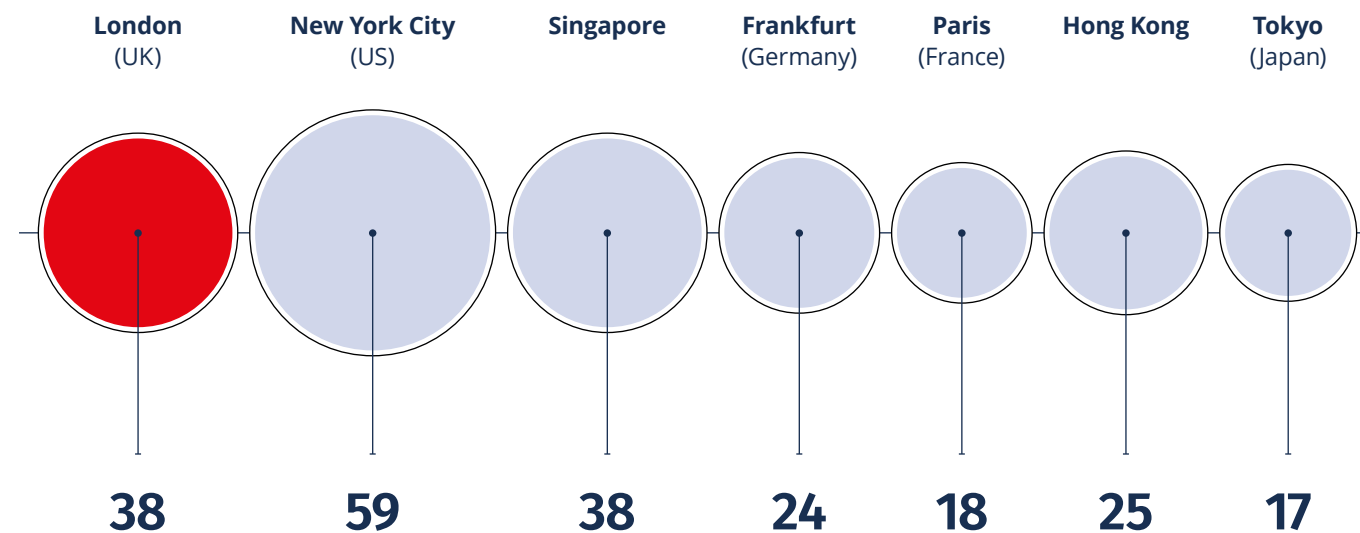
**12,000**

FS professionals have  
completed or registered  
for ESG qualifications

## 1.2 Tech and innovation

The UK is at the cutting edge of fintech developments, and a world leader in innovative payments systems, regtech, insurtech and cyber security. It is the leading fintech centre in Europe – London attracts more fintech investment than the next 13 European cities combined. The UK's FPS industry helps ambitious new companies to thrive by providing an established customer base, as well as the financing and services to succeed.

### Tech and innovation score



**Tech and innovation are at the heart of the City of London's growth plans, with support from industry and government.**

Tech innovation has the power to drive growth and profits across the business landscape. Financial services is a natural partner: the industry has a long history of pushing technological boundaries to gain a competitive edge. Tech jobs in the City have almost doubled between 2017 and 2022 and make up 14% of jobs in the City of London, compared to financial services and professional services which account for 32% and 28%, respectively. Tech is the fastest-growing employment sector in the City. There are 104 unicorns in the capital (companies with a US\$1bn+

 **104**  
unicorns in London

valuation or exit), out of 138 unicorns in the UK. This demonstrates London's position as a hub for high-growth, innovative companies, and the City of London alongside UK government has invested in the policy and programmes to support them.

#### Source

Dealroom 2023, BRES 2023

**AI can drive improvements in efficiency and competitiveness for British business.**

£3bn of private capital was invested into UK-based AI scaleups in 2022: nearly double the funding compared to France, Germany, and the rest of Europe combined. The UK is a global thought leader on AI development, driving debate and cooperation with other financial centres. The Bletchley Declaration on AI safety and security cooperation, led by the UK government, was agreed and signed by 28 countries and the

## £3bn

invested in UK AI scaleups

EU in November 2023. The UK also convened business leaders and top government officials at the AI Safety Summit, where outcomes included an agreement to harmonise testing efforts before new releases. The UK launched the AI Safety Institute, the world's first government capability for testing AI models – the US, Singapore and EU have since followed with their own versions of the UK's model and agreed to work together. The UK has led this important global work stream and other countries including France and South Korea have agreed to host the next AI Safety Summits.

#### Source

UK Intellectual Property Office

### Vision for Economic Growth

#### Big move:

Be internationally competitive on data and digital. Create a differentiated approach to data policy and regulation that combines high standards with pragmatism. Promote digital verification by scaling the deployment of the robust standards government has been developing. Also, consider emulating the US's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system to make it easier for investors to assess information about public companies when making investment decisions.

#### Big move:

Invest in an innovation and growth mindset across government, regulatory agencies, and industry. Digital transformations of the next few years will require agile responses that cut across existing regulatory boundaries. Deploying machine-readable regulation, and tasking regulators to do so, would be another critical change.



**The UK government launched ambitious plans to regulate cryptocurrency and incorporate crypto and distributed ledger technology (DLT) into capital markets.**

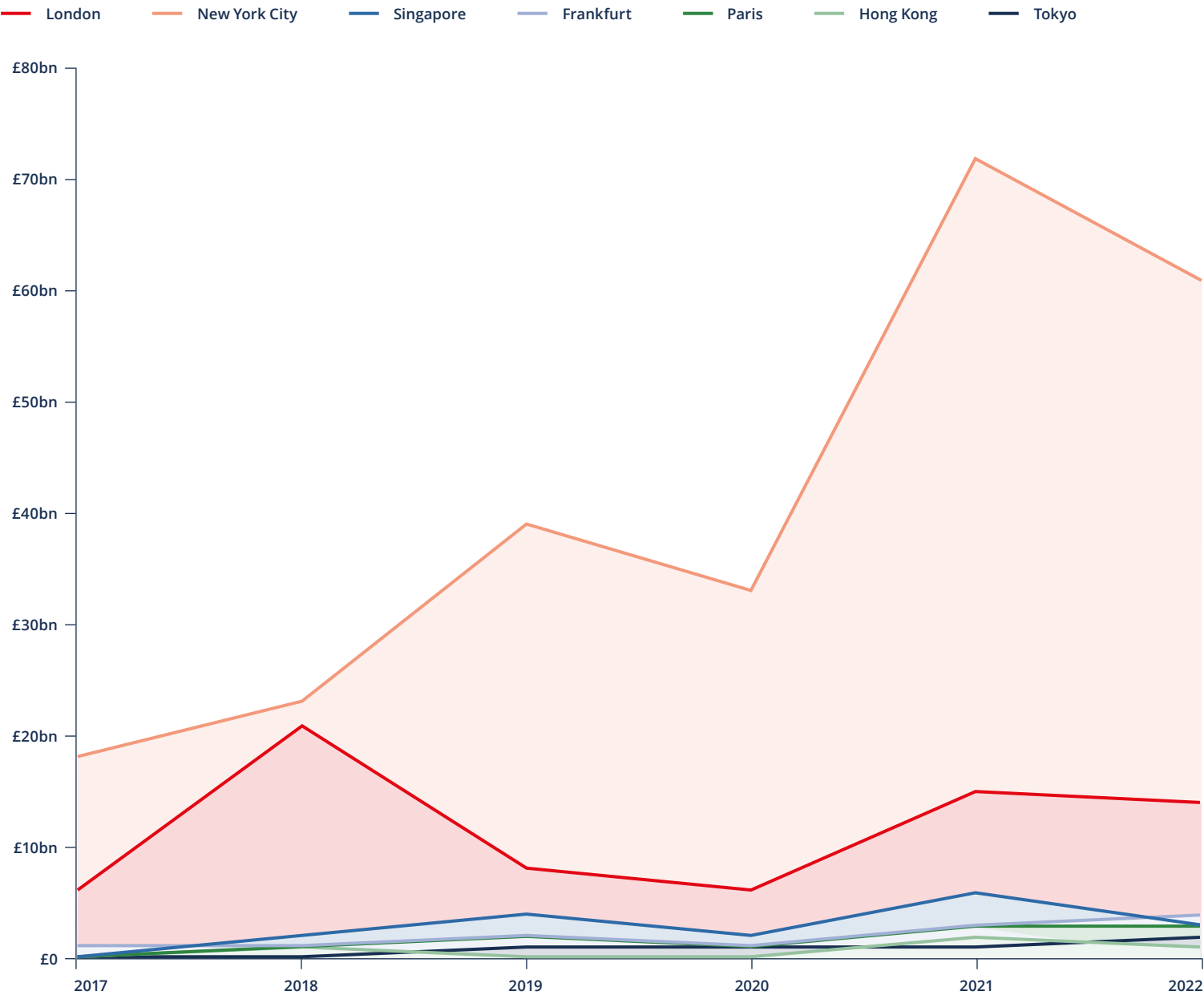
Properly regulated crypto assets could enhance payments and money transfer processes, improving costs and efficiency for consumers. In April 2022, the UK government committed to launching a regulatory regime for crypto assets and HM Treasury completed a consultation on their regulation in October 2023. That month, the UK government also released plans for the regulation of fiat-backed cryptocurrencies to harness their benefits within the financial system. Regulating crypto assets within the current framework allows for associated new technologies, such as DLT, to be incorporated into established capital markets operations, such as debt issuance or tokenisation of funds. The UK's leading position in cryptocurrency development has attracted investment companies from around the world to open offices in London.

**The UK is Europe's leading centre for fintech investment and London is one of the world's top tech ecosystems.**

Private equity (PE) and venture capital (VC) firms invested £14bn into early stage UK fintech companies in 2022, £1bn less than in the year before but three times more than in France, Germany, HK, Japan and Singapore combined. The US saw the highest

### The UK is the largest tech ecosystem in Europe

Investment in fintech, £bn



amount of PE and VC investment into fintech last year (£61bn). The number of fintech investment deals globally peaked in 2021 with 4,355 across our GFCs. There were around 1,000 fewer deals in 2022: the US recorded most of these (2,142) and the UK was second with 587.

Source

Pitchbook 2023

**The government is supporting the need for top tech talent in the UK.**

The UK tech ecosystem is widely considered one of the best in the world and this keeps global talent flocking to innovative UK companies. However, there is a global tech skills gap; High Potential Individual (HPI) visas were introduced in 2020 to ensure the UK is able to keep attracting and retaining the right talent. There were 3,000 HPI and entrepreneur visas issued in 2022 and more than 2,000 issued in the first half of 2023. The UK government also announced a £118m skills package to develop more homegrown talent and attract more skilled people from overseas.

Source

Home Office 2023

£14bn

PE and VC investment into UK fintech last year

**The FCA is harnessing fintech to improve regulatory processes and giving UK FS companies a competitive edge.**

The FCA is working with the Bank of England to reduce the cost of data collection for FS firms. The regulators are harmonising data standards, updating reporting instructions, and integrating reporting to a more streamlined and efficient data collection process. The FCA created a permanent Digital Sandbox service which promotes solutions to complex regulatory challenges like Authorised Push Payment (APP) Fraud, greenwashing, and scam detection. They are also investing in AI to support supervision work, identify online scams, and digital intelligence.

Source

FCA 2023, Transforming Data Collection 2023

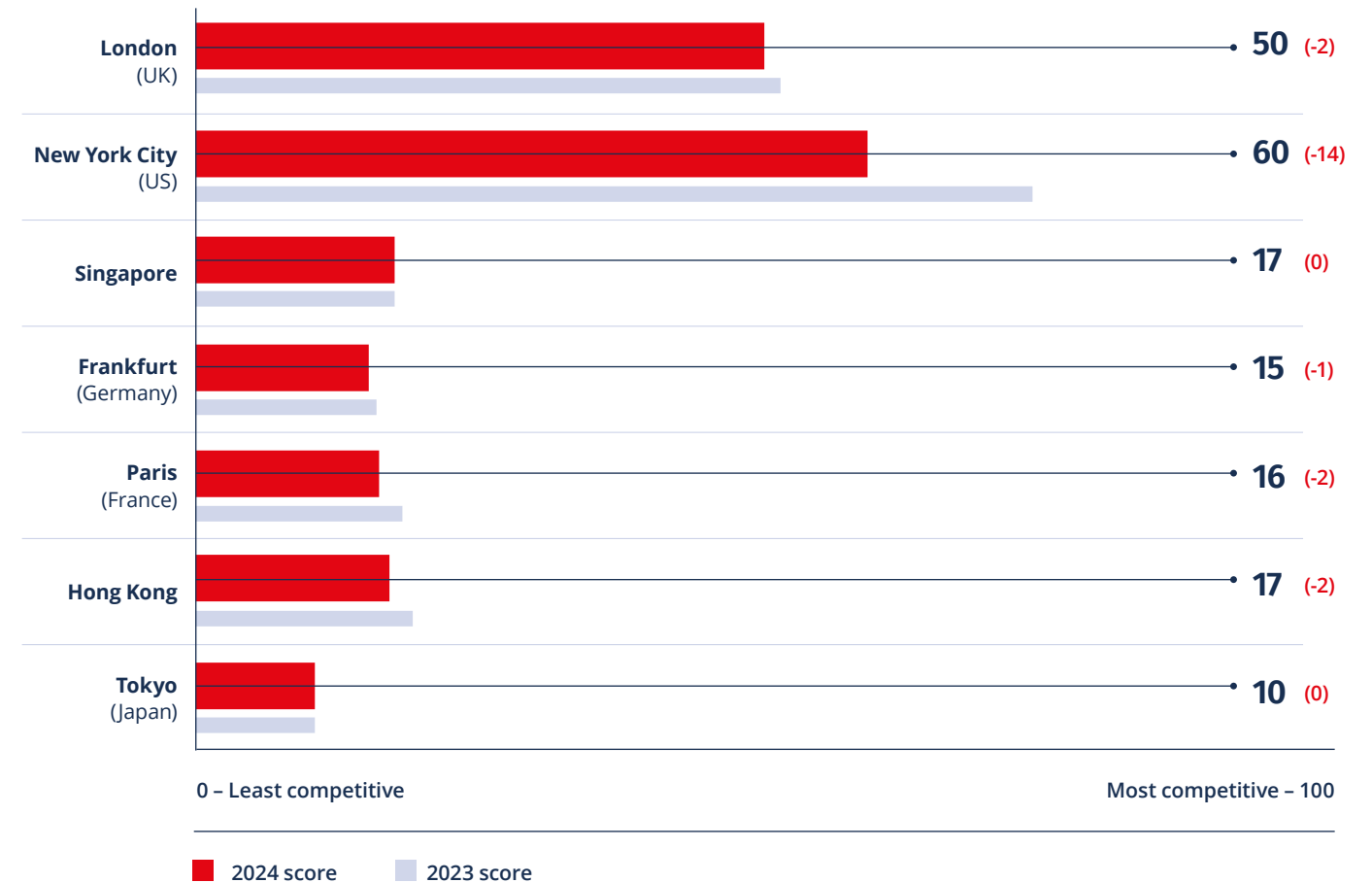


3,000

HPI and entrepreneur visas issued in the UK in 2022

## 2. Reach of financial activity

The UK is the largest international finance hub and plays a key role in facilitating cross-border finance around the world. The UK offers global companies a broad spectrum of financial services, from capital markets to insurance, access to international markets, and a deep pool of the brightest talent. The UK remains the world's largest centre for international bond issuance and trading, commercial (re)insurance, foreign exchange trading, and the second largest asset management centre.



### Metrics

- Assets under management (AUM)
- Investment funds
- Net financial services exports
- Foreign direct investment (FDI) in financial services
- Number of foreign companies listed
- Number of IPOs by foreign companies
- Value of IPOs by foreign companies
- Value of foreign equity trading
- International debt securities, amount outstanding
- International debt securities, gross issuance
- Cross-border bank positions
- Foreign exchange trading turnover
- Over-the-counter interest rate derivatives trading turnover



The UK is the world's largest net exporter of financial services.

Net FS exports reached a record £72bn in 2022, ensuring the UK's place as the largest net exporter of FS in the world. The US comes in second with £59bn of net exports in 2022. However, these decreased by 2% year-on-year, as exports fell by 3% and imports fell by 4%. The US saw net FS exports fall by 13% in 2022 as exports fell by 2% and imports increased by 7%. The UK is a beneficiary of this trend as UK FS exports to the US increased by 4%. The US continues to be largest market for UK FS exports, accounting for a 34% share.

Source

UNCTAD 2023



Victoria Square In Birmingham City Centre

Foreign investment in UK FPS reached £2.1bn in 2022 and created 15,000 jobs.

The UK is a top destination for FPS FDI with a 68% increase in capital invested compared to 2021, and 39% more projects. In the past five years, London has been the world's number one destination for financial services FDI with 779 projects. The United States is the largest investor for FS FDI in the UK and investment managers made up a third of FS FDI projects in 2022.

Source

fDi Markets 2023

The UK is the world's leading international asset management hub with £4.2tn managed for overseas clients.

The UK is the second largest asset management centre in the world and the largest in Europe with 13% of global AUM. Globally, AUM dropped 10% in 2022 to £79.5tn. This was due to negative net sales and fund performance, driven by the changing macroeconomic landscape. US and European fund AUM fell 13% in this period, whereas UK AUM fell 11%, from £11.6tn to £10.3tn. This is the first annual decline in UK AUM since 2008.

Source

Investment Association 2023, BCG 2023



London is a global insurance hub. The London Market is the largest specialist insurance market, and the UK is the third largest insurance market in the world.

The US ranks top in the insurance world with 43.7% market share and over £2.5tn of premium volume in 2022, driven in part by the size of the domestic market. The UK is the third largest market, by total premium volume (£305bn in 2022). Insurance premiums in the UK fell by 2.8% in 2022, and market share dropped

0.1% points to 5.4%. The London Market for specialist insurance is world leading, however. It covers 42% of global marine, aviation and energy insurance, and is the market leader in direct insurance premiums. Solvency II reforms will make London's insurers more competitive as £100bn of capital is released over the next ten years.

Source

SwissRe Institute 2023, London Market Group 2022

### The UK is the largest centre for international bonds.

The UK is still the largest centre for international bond issuance, but the value of outstanding international bonds in the UK fell 5% in 2022 to US\$3.2tn. The US was more than US\$800bn behind, in second place. The amount of outstanding international bonds fell across all GFCs in 2022 except Singapore, although still a fraction of the UK market. Gross issuance also fell across all GFCs in 2022 as interest rate hikes took hold. The UK saw a 10% decrease in issuance while other GFCs saw an average fall of 18%. Overall, the UK retains the highest share of international bond issuance.

#### Source

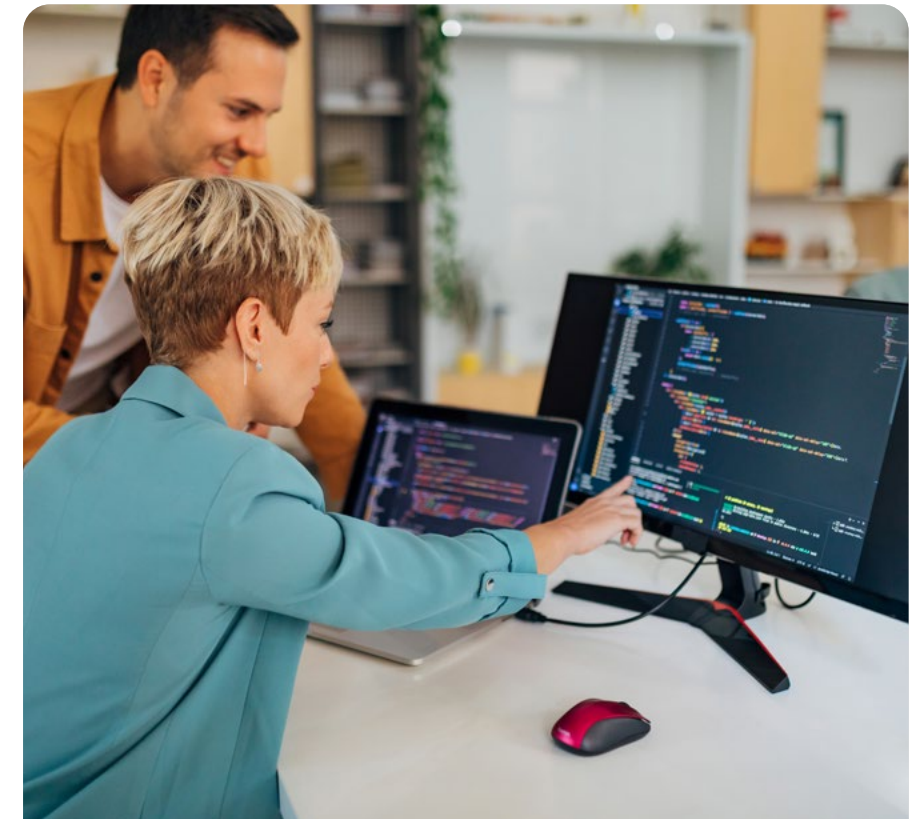
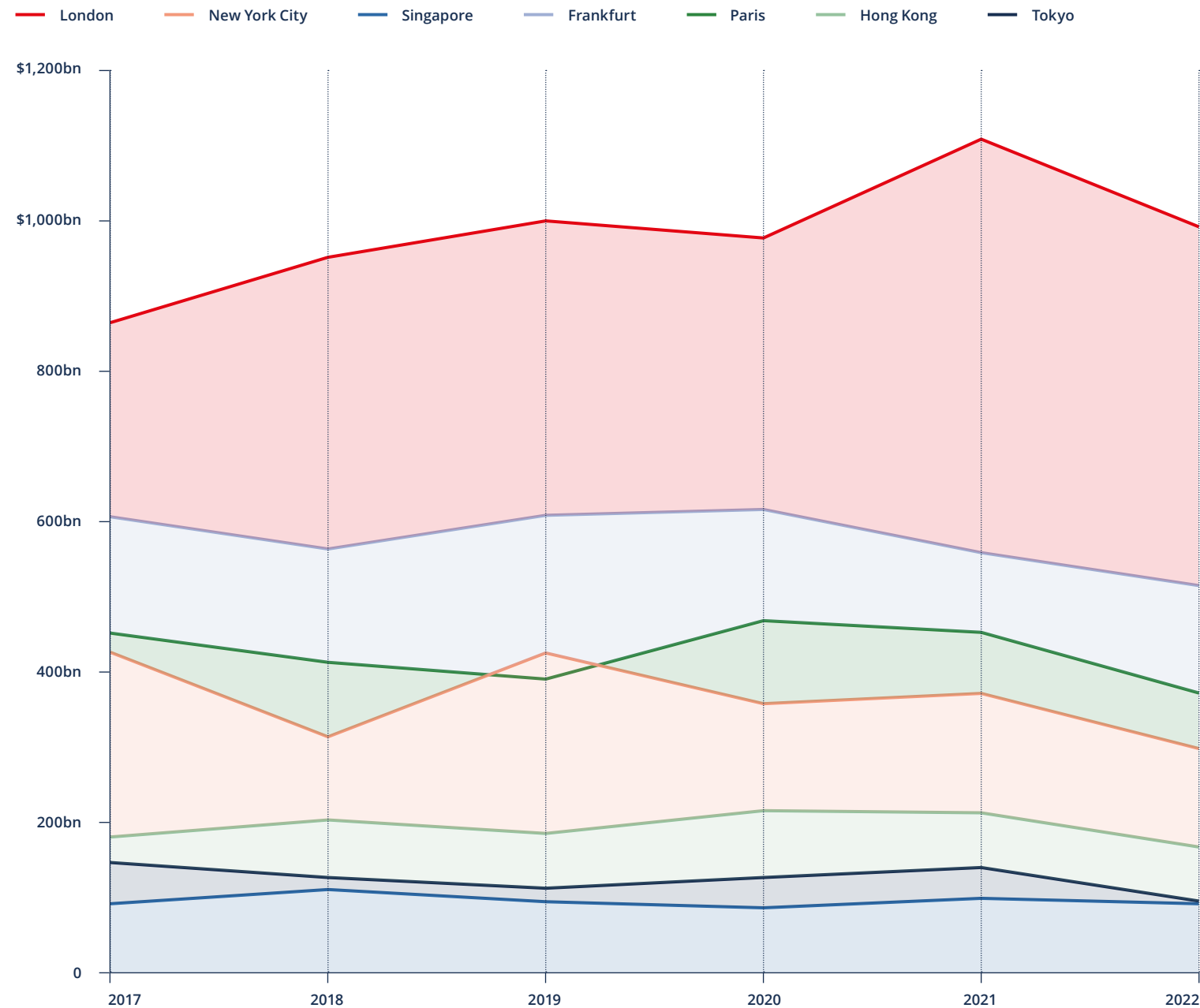
Bank of International Settlements 2023



# #1

the UK is the largest centre for international bond issuance

### London is the world's largest centre for international bond issuance



### Vision for Economic Growth

#### Big move:

Fully implement a programme of change for UK pension and insurance funds. These reforms will benefit long-term savers while also supporting growth companies, infrastructure, and the wider economy.

#### Big move:

Maximise the effectiveness of every pound of government support for growth companies. Government deploys financial support across the economy, nationally and locally. Clarifying how these disparate funding schemes align to major strategic outcomes would provide strong signalling.



### The UK does more cross-border banking business than any other market.

The UK is the world's leading financial centre in terms of cross-border banking activity. It had US\$5.3tn of cross-border banking claims (15% global market share) and US\$5.4tn of cross-border liabilities in Q4 2022. Japan ranks second with 12% market share, followed by France and Germany with 11% and 10%, respectively. The US ranks fourth with 9% share. Global cross-border bank claims fell by US\$1.4tn in Q4 2022: rising interest rates and a decline in the market value of derivatives led to a drop in cross-border credit. This trend continues into 2023, and although the UK remains the market leader, absolute volumes are in decline.

#### Source

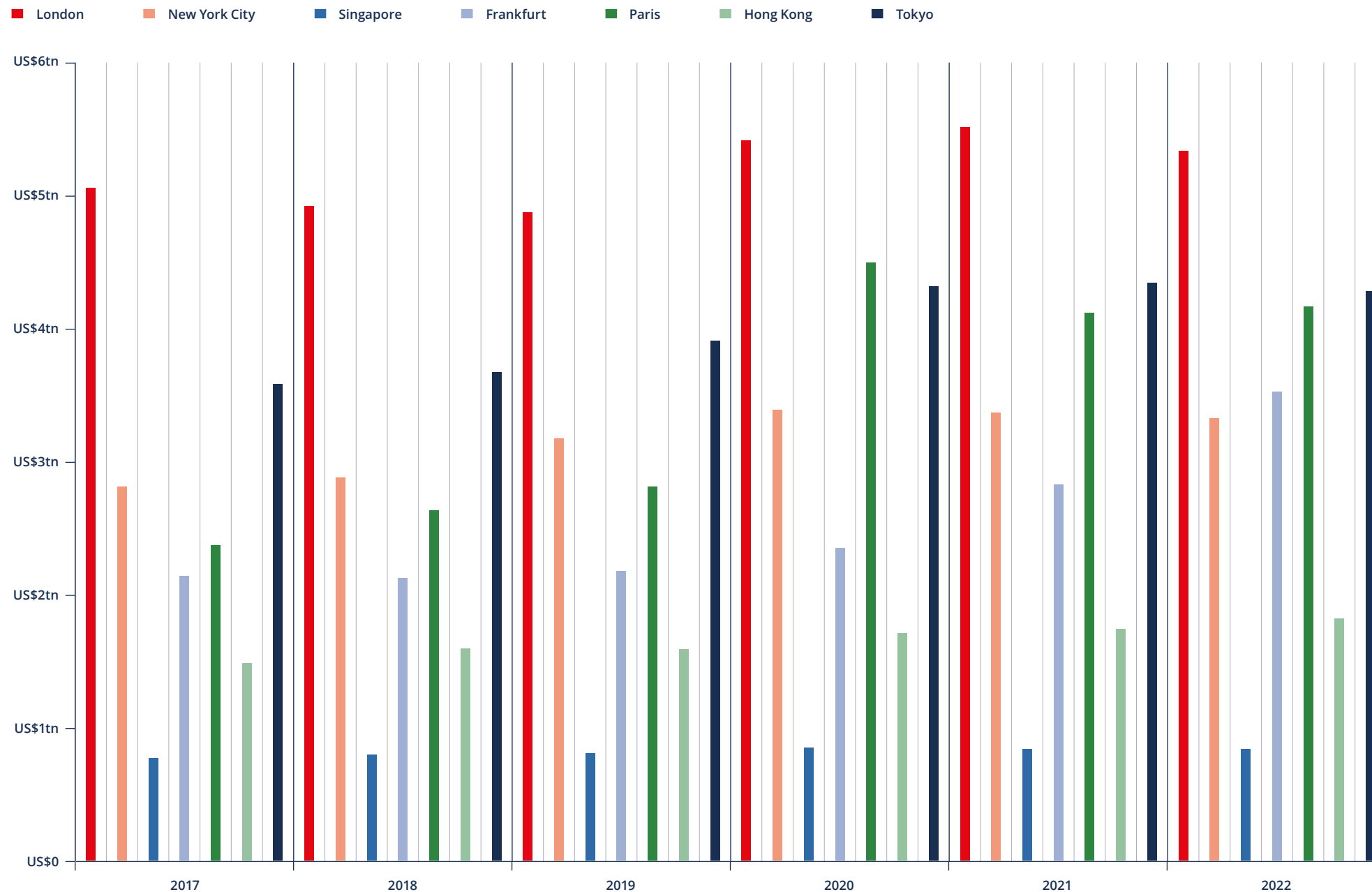
Bank of International Settlements 2023



# US\$3.8tn

daily FX trades handled  
in London in 2022

### London is the top cross-border banking centre in the world



### London remains the world's largest centre for FX and OTC derivatives trading.

The UK uses its advantageous position between Asia and the US to be the world leader in FX trading. In 2022 London handled a daily average of US\$3.8tn in FX trades, double New York (the next largest centre) which saw daily average volumes of US\$1.9tn. The UK is the leader in OTC derivatives trading but saw a 28% fall in volumes between 2019 and 2022 as financial market activity reduced with increasing interest rates. Singapore's OTC derivatives trading increased 34%, but at far lower volumes. Derivatives-based investment products have been increasingly popular amongst Asian retail investors.

### The attractiveness of UK equity markets is in decline.

The number of foreign companies listed in the UK is dropping. 328 foreign companies listed in 2022, down from 352 in 2021. This is in contrast to the US where the number of foreign listings increased to reach 1,452. However, London still saw more foreign listings than other European financial centres: nine international firms launched their IPO in the UK capital. Across all GFCs, the value of foreign IPOs fell by an average of 68% YoY. London saw a drop of 87% and NYC 90%.

#### Source

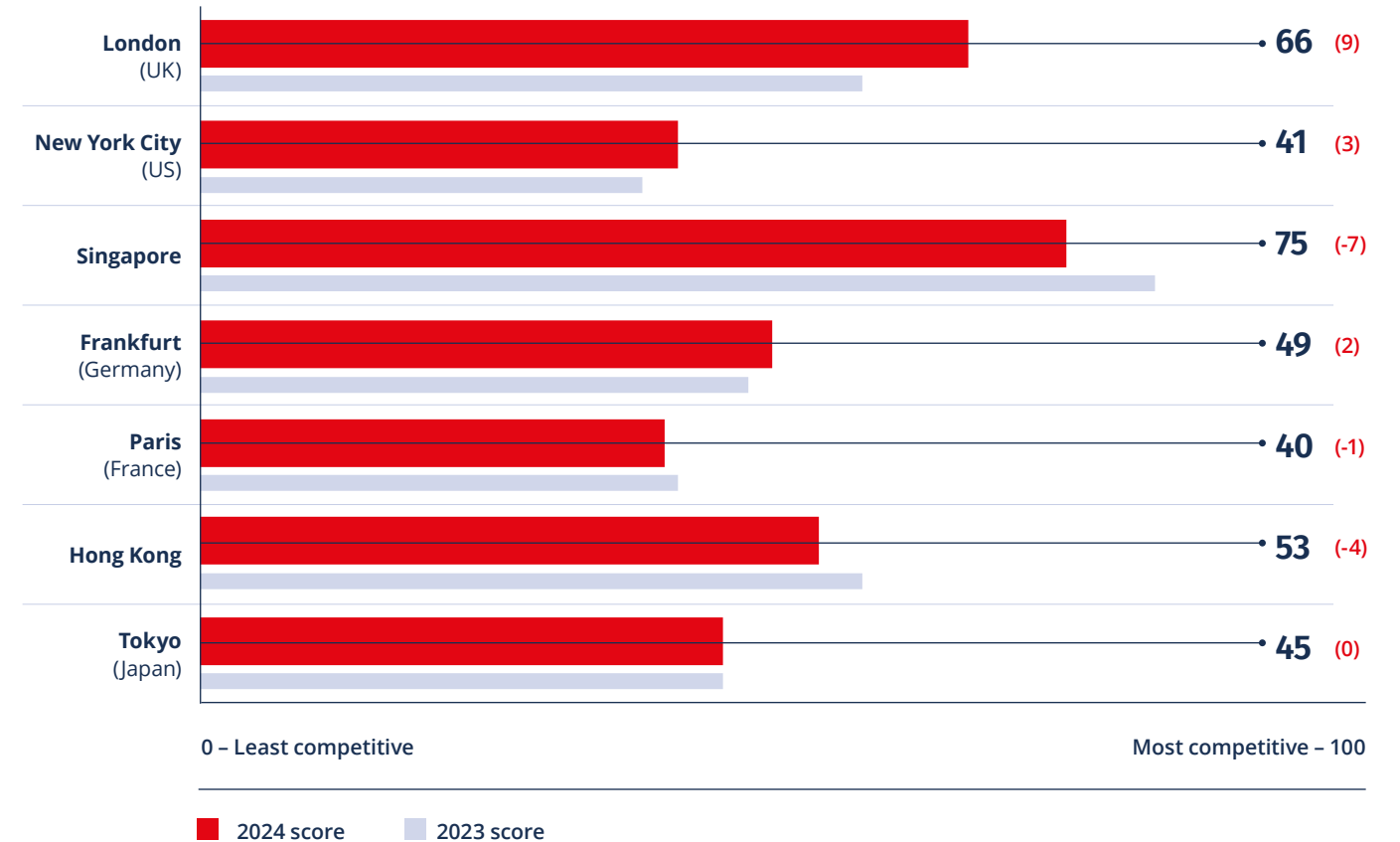
World Federation of Exchanges 2023

## 3. Regulatory environment

Businesses in the UK benefit from a widely respected regulatory regime that protects consumers and increasingly opens doors for global investment professionals. UK regulators have taken on a secondary objective to promote growth and keep the UK financial services internationally competitive. The FCA and PRA are ensuring that domestic FS companies can leverage the latest technology to drive efficiencies and productivity, while regulatory coherence with global partners ensures access to international markets.



Manchester's city centre



### Metrics

- Government effectiveness
- Regulatory quality
- Control of corruption
- English Common Law
- Financial centre = political centre
- Regulatory sandbox
- Open banking
- Regulatory coherence / equivalence
- Sustainable finance taxonomy
- Most favourable regulatory regime for FS
- Preferred seat of arbitration
- Corporate tax rate
- Individual income tax rate
- Size of international tax treaty network
- Additional taxes applicable in FS sector
- Tax complexity
- Controls of the movement of capital and people
- Services trade restrictiveness index
- Cost of regulatory barriers to FS trade
- Business complexity (NEW)



## 3.1 Regulatory stability and innovation

The regulatory regime in the UK is widely admired and considered the most favourable for FS companies. It is a major factor in businesses deciding to locate in the UK and supports the UK’s international competitiveness. In the City of London’s Vision for Economic Growth we outline the need for a clear long-term strategy for FS regulations, given the emphasis companies place on stability. We also need to introduce new regulation gradually, allowing time for changes to take effect.

**Supporting a global finance hub with a sophisticated domestic market.**

The UK is home to a wide range of FS companies servicing domestic consumers and international business. This presents a unique challenge for regulators who aim to protect consumers of domestic FS products, without blocking global finance firms from international capital markets. The UK government has tried to address this through the Financial Services and Markets Act 2023, while recognising the role that regulation plays in safeguarding international competitiveness. Regulators have been tasked with ensuring requirements are proportionate in speed and cost and appropriate to the customer type. They should also be transparent, to help markets work better and improve UK competitiveness. However, finding this balance has

left many companies with regulatory fatigue. As more resources are directed toward compliance with regulatory changes, costs and competition for qualified staff have increased.

Regulators have improved their efficiency and effectiveness through technology and increasing staff levels. UK regulators are supportive of innovation in capital markets and were the first to introduce sandboxes to test fintech advancements. Sandboxes streamline the introduction of new tech into markets and operational processes.

**International trade and alignment on standards open routes to growth for UK companies.**

The UK is aligned with international finance standards to ensure interoperability across multiple markets. UK banks have either

implemented, or begun to implement, all currently required Basel Regulatory Framework standards and they are broadly aligned with US and EU banks.

The UK has also signed several trade and regulatory cooperation agreements to ease cross-border business. Memorandums of understanding or free trade agreements (FTA) have been signed with the US, EU, Australia, CPTTP, India, and Saudi Arabia, to allow UK firms to access those markets. There are ongoing negotiations with Switzerland, Canada, Australia and Mexico, as part of FTA negotiations.

**Source**

Basel Regulatory Framework Adoption 2023

**The UK regulatory regime is highly respected on the global stage.**

Perceptions of a regulator’s, or government’s, ability to formulate and implement effective policy is an important factor in attracting international business. The UK is perceived to be one of the most effective and respected regulatory regimes in the world. The international business community’s perception of government effectiveness has turned negative across nearly all financial centres, Singapore being the only exception. However, perceptions of UK regulatory effectiveness turned positive in 2022 for the first time in three years. Regulatory stalemate, due to Brexit and COVID-19, has been addressed with new legislation and policy to permit and promote private sector development. A survey of business leaders by the IMD Business School shows the UK saw the greatest improvement in regulatory perception in 2022.

**Source**

IMD 2023

**London’s Commercial Courts remain a preferred destination for international dispute resolution.**

English law provides the legal basis for many international jurisdictions, comprising an estimated 40% of all governing law in global corporate arbitration. 77% of UK Commercial Court claims in 2019 involved at least one party outside England and Wales and 43% of claims involved parties all located outside England and Wales.



Plantation Lane, City of London

Most insurance, derivatives and commodities trading contracts globally are written in English law, covering trillions of pounds of financial transactions each year. English law supports business ambitions, it is visionary and progressive, and it has the support of a robust court, arbitration and disputes infrastructure. London is the

home of English law, and companies based here have access to its top practitioners. Companies based in the UK also benefit from formation, restructuring and insolvency laws, and UK regulations.

**Source**

LegalUK 2023



## 3.2 Tax

High tax rates in the UK negatively affect its international competitiveness. Companies may be dissuaded from opening offices because of high corporate tax rates, and international talent may prefer to relocate to countries with lower taxes. Singapore and Hong Kong have the most competitive tax bases but operate different economic models. Firms and individuals in the UK benefit from the largest double taxation treaty network.

**Corporate and personal tax rates in the UK are comparatively high.**

Tax is an important consideration for both companies and workers deciding on a location. At 25%, the UK and France have the highest corporate tax rate across our GFCs. However, France recently reduced its tax rate from 27.5%, whereas the UK's increased from 19%, leapfrogging the US with a corporate tax rate of 21%. Germany has the lowest corporate tax rate at 15.8%.

For personal tax, Hong Kong and Singapore are outliers with far lower rates than other GFCs (17% and 22% respectively). The UK's highest rate is 45%, shared by France, Germany and Japan. Despite the US having lower tax rates in general, NYC has a top earner rate of 37%, levied on earnings greater than \$693,751. In contrast, the UK's top rate is applied on earnings above £125,140. Although the US generally has lower taxes, its tax system is considered one of the most complex in the world. The UK has a

mid-level complexity in comparison to other GFCs.

**Source**

PWC 2023, KPMG 2023, EY 2023

**The UK will soon be the only GFC to levy additional taxes on financial services companies.**

The UK, France and Germany all levy additional taxes on FS companies. The US, Singapore, Hong Kong and Japan do not. UK banks also pay the highest rate of tax amongst financial centres and have seen an increase in corporation tax, as well as the bank levy and bank surcharge. Banks in London paid a 45.5% tax rate in 2023, higher than New York (27.9%) but lower than Frankfurt (46.8%). Although European banks are currently paying similar tax rates as UK banks, this is expected to decrease as the EU winds up the European Single Resolution Fund. This would leave the UK as the only major financial centre with sector-specific taxes.



25%

corporate tax in the UK



45.5%

tax rate paid by  
London banks in 2023



154

Double tax treaties between the UK  
and countries around the world

**Double tax treaties fuel cross-border business activity.**

Double tax treaties (DTTs) benefit businesses and individuals as they allow a single instance of profits or income to be taxed. Businesses located in countries with a high number of DTTs can access more markets but only pay tax at home. Similarly, employees can work across borders without being taxed in two places. The UK has the highest number of DTTs amongst GFCs: 154 treaties with countries around the world. Hong Kong and the US have the fewest with 56 and 68, respectively. This helps bring international talent to the UK and allows UK citizens to work in more countries without being penalised by double taxation.

**Source**

UK Finance 2023



Edinburgh city centre



### 3.3 Market access

The UK remains one of the most open and global financial centres with fewer restrictions on companies than those based in the US, France, or Japan. It’s considered one of the least complex jurisdictions to operate from. However, future growth is dependent on international trade opportunities: trade agreements and alignment of standards are key in retaining the UK’s position as an international finance hub.

**The UK is one of the most business-friendly markets in the world.**

The UK has one of the least complex business environments in the world with Netherlands and Hong Kong the only large economies considered easier places to open a business. New businesses can easily set up here and benefit from a business-friendly ecosystem compared to other GFCs; the UK ranks second behind Hong Kong, the US ranks 11th, and Singapore 20th. France is ranked as the most complex market in the world to set up and run a business due to its inflexible working practices, strict employment laws and complexity arising from fast adoption of international legislation.

The UK improved its ranking in 2023 as new legislation and a more stable government helped to temper the



George Best Belfast City Airport

legal and regulatory uncertainty affecting global decision-makers post-Brexit. The UK has stringent checks in place to combat fraud and money laundering which, while they slow down some international business operations, provide critical peace of mind and risk mitigation.

Source

TMF Group 2023

**The UK is the least restrictive GFC for movement of capital and people.**

The international finance industry is built on liquidity; without movement of capital and people trade is strangled. The annual Economic Freedom of the World report describes the UK as a centre that is open for international business. Based on an assessment of the country’s restrictions on foreign ownership and investment, capital controls, and the freedom of foreigners to visit for short-term business purposes, the UK is more open than all other GFCs. The UK’s openness dropped in the wake of Brexit as the movement of people was restricted, but this has now been rectified.

Source

Fraser Institute 2023



#2

The UK is the second most business-friendly global financial centre



#### Vision for Economic Growth

**Big move:**

Showcase the UK’s FPS firms like never before through the creation of an FPS Knowledge and Support Hub. The international promotion of the UK’s financial industry relies on a network of promotion agencies at home and abroad. With targeted support, these organisations could have far stronger impact.

**Big move:**

Create innovative networks across the world. The UK should flip its trade policy to focus on services, as much as goods. Trade negotiators should use the full “trade toolbox” including digital and, where appropriate, mutual recognition agreements of professional qualifications or regulatory frameworks.

## 4. Access to talent and skills

Businesses in London and the UK can draw from a deep pool of highly-skilled workers at home and abroad. The FPS industry employs 2.4m people in the UK, 317,000 of whom are based in the City of London. Over 40% of employees in London's FS industry are from overseas. The quality of life in the capital attracts people from around the world, and the UK government has revitalised the visa system to ensure continued access to the best global talent. London's workforce is also the most skilled and productive in the UK, fed by world-leading universities and MBA programmes.



### Metrics

- Employee training
- Gender gap (NEW)
- Diversity
- Relevant graduates
- Top-level business schools
- The Times Higher Education World University Rankings
- Math/science skills attainment
- Digital skills among active population
- Skilled labour
- Productivity
- Visa costs
- Visa access (NEW)
- Fluent English
- Ease of hiring foreign labour
- Foreign-born population
- Inbound internationally mobile students
- Cost of living
- Cultural interaction
- Air quality
- Happiness
- Green spaces
- Pension quality (NEW)



## 4.1 Skills, hiring and training

The FS industry generates an average contribution to economic output of £177k per employee, making it is one of the most productive in the UK. This productivity is due in part to the calibre of UK universities, MBA courses and professional qualifications programmes, which are some of the world's best. However, in-job training and re-skilling needs to be improved. UK FS has a history of 'buying in' skills rather than retraining employees, but with low unemployment and an acute digital skills gap, this has become more expensive to do.

**The UK strives for gender equality and is one of the highest-ranked countries in the world in this regard, but there is more to be done.**

Compared to other countries, the UK ranks highly for gender equality, but has far to go. The WEF Global Gender Report 2023 ranks the UK fifteenth in the world for gender parity. In comparison to other financial centres, the UK is second, behind Germany. The UK has a higher proportion of female graduates from tertiary education, and a higher proportion of female graduates in FPS-relevant subjects: natural sciences, business administration and law.

FTSE Women Leaders research shows that women make up 40% of FTSE 350 company board members. However, the percentage is lower within the finance sector. Female representation on financial services company boards and at executive

level fell across all financial centres in 2022. The UK has the highest proportion of female executives working in financial services amongst GFCs, but at 27% this is lower than other industries in the UK.

### Source

WEF 2023, FTSE Women Leaders 2023, Refinitiv 2023

**The UK has one of the best pension systems in the world.**

UK pensions rank second amongst GFCs and tenth in the world in terms of benefits provided to pensioners, quality of regulation and meeting demographic challenges. Singapore is the only GFC that ranks higher than the UK; its smaller population allows it to provide greater state pension benefits than other countries.

Good pensions benefit workers as they increase total compensation and contribute to quality of life

post-retirement. Pensioners in the UK benefit from a state pension as well as their own personal pension schemes. All UK companies contribute a minimum of 8% of an employee's salary to a pension, unless the employee opts out.

### Source

Mercer/CFA 2023

**There are over one million UK students studying for FPS-related related degrees.**

There are 2.8m undergraduate and postgraduate students in the UK.

The share of FPS-relevant graduates in the UK peaked in 2019, with 42% graduating with related degrees. The share fell to 38% in 2021. France, with a similar number of students in tertiary education, increased the share of FPS-qualified graduates to 48% in 2021. However, in absolute terms this means that there are over 1m FPS-relevant students in the UK. Although the share of students fell, the absolute number increased by 14,000 from 2019 to 2021 in line with student population.

### Source

UNESCO 2023, HESA 2023

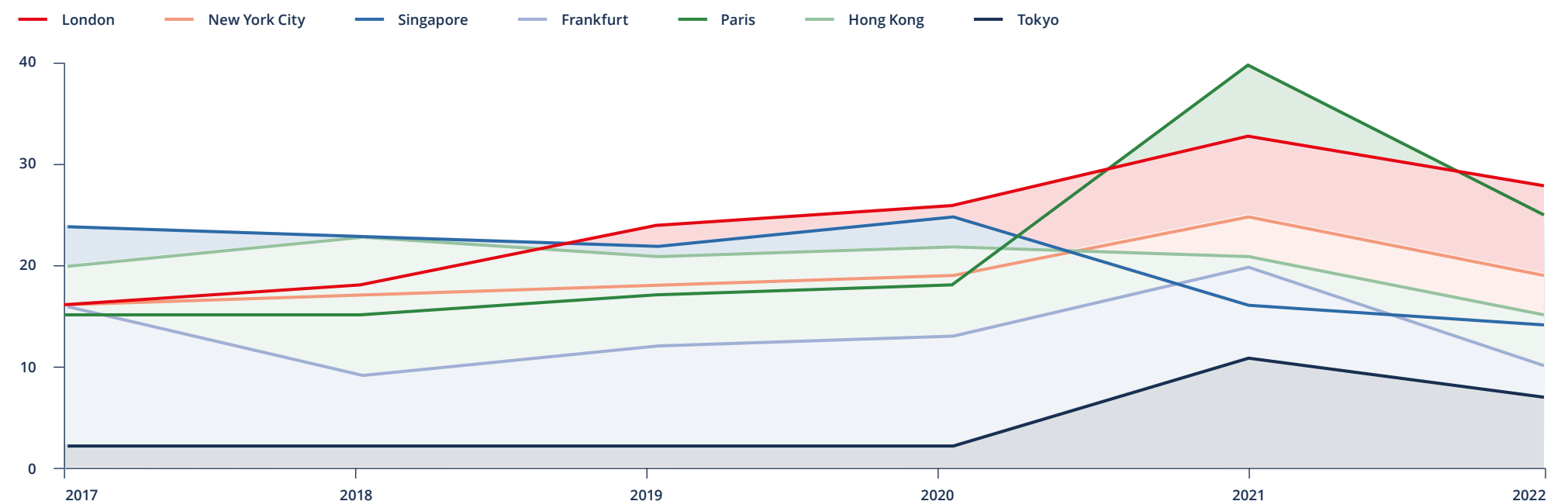


>1m

FPS-relevant students in the UK

## The UK has the highest share of senior women in finance

### % of women in senior FS positions



FPS companies need better digital skills in the workforce which must be addressed through training and re-skilling.

The digital skills gap is a global problem that countries are competing to solve. The UK is lagging in digital skills and ranks behind Singapore, the US, and Hong Kong. The FPS industry has a particularly high demand for digital skills: one in eight roles is now tech-reliant, twice as high as the wider UK economy. UK employers have a history of buying in skills, hiring new people rather than re-skilling current employees. However, a tight labour market, particularly with global demand for digital skills, makes buying in skills more expensive and does not address underlying gaps. Analysis from the Financial Services Skills Commission shows that re-skilling and training could boost economic output by £550m a year.

The UK ranks behind Singapore and the US in availability of skilled labour, however, this measure is based on the total economy rather than the FPS industry. City of London Corporation engagement with the FPS industry indicates that a high amount of skilled labour is available in London. However, more can be done to improve the wider UK labour force through re-skilling.

Source

IMD 2023, FSSC 2023

Employee training is perceived to be a lower priority in the UK than in other GFCs, creating employee churn.

The UK does not prioritise employee training and, despite improving in 2022, the UK is lowest-ranked among GFCs for attitudes towards employee training according to a survey of business leaders. Employers in the UK are more likely to view training and re-skilling as time taken away from an employee's role. The culture around training in the UK must be addressed, as skills gaps continue to appear. The 'redundancy and re-hire' approach observed across the FS industry is costly and diminishes international competitiveness. Working practices in other financial centres see employees moved into growth areas at the same company. Internal mobility instils longevity of employment, retains company culture, and keeps valuable experience within the company.

Source

IMD 2023



Financial services is a key driver of growth in the UK.

FS is one of the most productive industries in the UK. In 2022, it produced £278bn of economic output – 12% of the UK's economic output and £177k per worker. London is the most productive area of the UK, with productivity measured as 'output per job'. This is 40% higher than the UK average, but the UK ranks behind the US and Singapore in terms of productivity per worker.

Source

ONS 2023, ILO 2023



University of Leeds

The UK has one of the most highly-respected education systems in the world and is home to the world's top universities.

UK universities are ranked amongst the best in the world, with Oxford University ranked top in 2023 for the eighth year running. Among top financial centres the UK is second

only to Singapore in university quality. However, the UK has ten universities in the Times Higher Education top 100 and 163 universities in total, whereas Singapore only has two.

The US has the highest-rated business schools, taking eight of the top ten places in the FT Global MBA Ranking. The FT ranking is based on

earning potential, however, and US salaries are higher than in the UK. London Business School is ranked eighth globally.

Source

Times Higher Education 2023, FT Global MBA Ranking 2023



## 4.2 International talent

An international finance hub needs an international workforce. London attracts top talent from around the world - 41% of workers in London were born abroad. This diversity ushers in global knowledge, language skills and cultural influence. The UK visa system is one of the most open for skilled workers, and its universities attract the brightest minds from around the world.

**UK work visas are expensive, but in high demand and the UK has fewer restrictions on skilled immigrants.**

The UK is the most open market for international talent among financial centres. Other visas may be cheaper, but have more restrictive barriers, such as labour market testing, language skills tests or long processing times. UK and US working visas are among the most expensive in the world. A three-year skilled worker visa for someone entering the US or UK cost around £7,500 in 2023. This is a significant barrier to the movement of skilled workers across borders and hampers our ability to attract talent. In comparison, a three-year skilled worker visa for France or Germany costs £283 and £155, respectively. Singapore has the most expensive visas of Asian GFCs at £217, whereas for Hong Kong and Japan a work visa costs just £25 and £17, respectively.

Source

Fragomen 2023

**The City of London has a highly international workforce, but the UK is less attractive to foreign workers than the US.**

The UK continues to rank behind the US, Singapore and Germany in its ability to attract highly-skilled foreign talent. Reasons for this are high visa costs, high cost of living and availability of jobs in a tight labour

market. However, the City of London has the most diverse international workforce amongst financial centres, with 41% of workers born overseas. Our engagement with industry finds that London is still highly attractive to foreign FPS workers.

Source

IMD 2023



The UK has the least restrictive visa programme amongst GFCs



41%  
of City of London workers born overseas



**The number of international students continues to increase, but where they come from has changed.**

The number of international students in the UK has increased annually since data has been available and reached 680,000 in 2022. The US has the largest number of

international students across a larger student population. The number of international students from the EU has decreased since Brexit, particularly from Germany and Ireland, as EU students must now pay full international student fees. China, India, and Nigeria are now the largest sources of international students

to the UK. Non-EU international students make up 36% of business management courses and 30% of technology, computing, and mathematical sciences degrees.

Source

HESA 2023, OpenDoors 2023, Study in Japan 2023, Erudera 2023



## 4.3 Quality of life

**London has the best cultural offering in the world, and the City of London wants to make it even better.**

London is a global creative hub as well as a global financial centre. London has the best cultural offering in the world, making it a more attractive place to live for financial services workers. London has more foreign visitors than other financial centres, offers a broad range of theatres, concert halls, and museums, as well as a wide spectrum of dining and shopping options.

Destination City is the City of London Corporation's programme to reinvent the Square Mile as a leading leisure destination for workers, residents and visitors to enjoy. In 2023 the City of London's first leisure brand was launched, with a new website and digital channels dedicated to showcasing the City's cultural and leisure offer to new and existing audiences. A new Destination Insights programme will help inform developer decisions, the operating plans of occupiers, and measure the impact of the leisure economy – by understanding who comes to the City and why. Working closely with landlords, managing agents and Business Improvement



RESURGAM by BANDALOOP. Bartholomew Fair 2023. Credit PA/Doug Peters.

Districts, the programme will work to drive domestic and international footfall and support SMEs through increased spend.

### Source

Mori Memorial Foundation 2023, Destination City 2023

**UK cost of living continues to rise, making working in London harder for young people.**

Rampant inflation and higher interest rates have increased the cost of living around the world, making living in cities harder for FPS workers. The cost of living in London increased significantly in 2022. It is now the

third most expensive financial centre to live in, after NYC and Singapore, and ahead of Hong Kong. The rising cost of housing is responsible for a lot of this pressure. It has increased for both homeowners (through higher mortgage rates) and renters. The cost of renting in London increased 10% in 2023, following a 20% increase in 2022. This makes hiring younger employees and encouraging them into the office more challenging, and so salaries and benefits have increased accordingly.

### Source

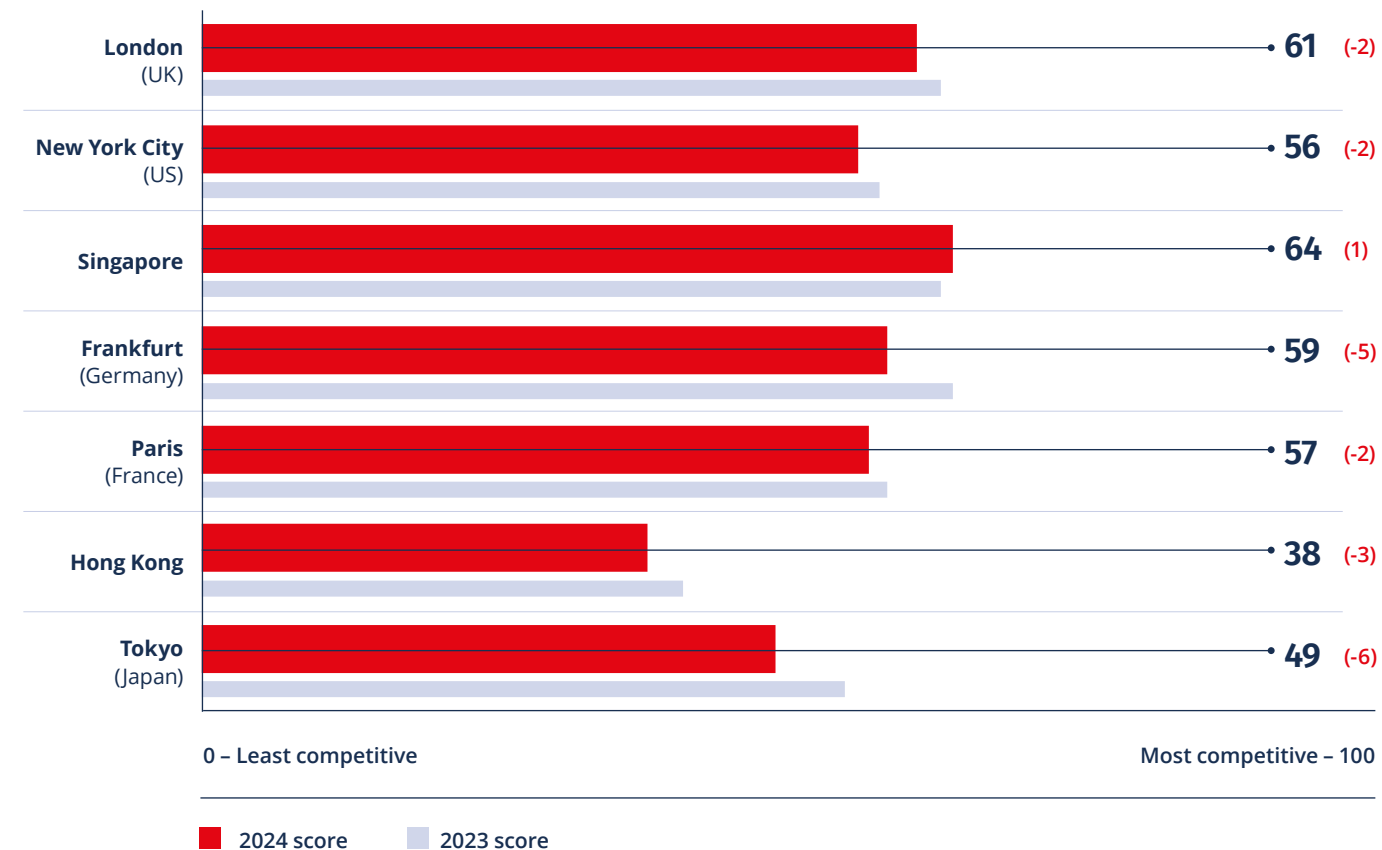
Numbeo 2023, OpenRent 2023

*“London has the best cultural offering in the world, making it a more attractive place to live for financial services workers.”*



## 5. Resilient business infrastructure

Good business infrastructure drives success. High quality offices, well-connected transport links and reliable technology are essentials for global business. The rise in hybrid working has brought flexibility to people's work-life balance, but the office remains an important part of business life.



Cardiff Bay

## 5.1 Global business connectivity

Despite the development and widespread use of video calling, meeting and working together in person is still a fundamental component of business life. International, domestic and intra-city transport networks are essential in ensuring people can work, meet, network and socialise.



### London airports have the highest capacity and are a hub for international transfers.

Air passenger numbers remain below 2019 across all GFCs except for Tokyo which has seen a 20% increase. Passenger numbers in London, NYC, Paris and Frankfurt decreased between 10%-20%, but Singapore passenger numbers are still down 50% compared to 2019. London saw the highest number of air passengers in 2022, increasing 257% from 2021 to 134m. However, this is still around 30,000 below 2019 passenger numbers.

#### Source

Airports annual reports and statistics releases



**134m**  
people travelled  
through London's  
airports in 2022

### Efficient commuting has become an important factor in the 'return to work' debate.

High quality infrastructure improves productivity and quality of life. Singapore is a leader in infrastructure quality, however, it is smaller and therefore needs less long-distance infrastructure than other GFCs. People's perception of their country's infrastructure worsened across all of the GFC countries in 2022 except the US which improved, but remains the lowest rated.

There are around nine million journeys on London's transport network every day. London's newest underground train, the Elizabeth Line (opened in May 2022) is already the UK's busiest train line, with more than 600,000 passengers daily.

#### Sources

Global Infrastructure Investment Association 2023 and TFL 2023

### London's construction boom has caused higher congestion in its tight street network.

London was the most congested city in the world in 2022 as construction and redevelopment caused road closures and lane restrictions. London drivers spend an average of 13.5 days in rush hour traffic each year, 5.8 days longer than the optimum journey time. The average morning and evening rush hour speed is 14km/h in London and rush hour journeys take almost twice as long as the optimum journey. However, London's strong transport network and miles of cycling lanes offer multiple transport routes.

#### Source

TomTom Traffic Index 2023



## 5.2 Offices and working trends

Increased hybrid working is one of the few trends from the COVID-19 pandemic that has stuck with us. Working from home and hybrid working remain popular with many employees. However, questions remain over the most productive way of working, and whether hybrid working makes training and development more challenging. London's offices are being refitted to be more environmentally-friendly and to attract people back in. Younger workers in particular are drawn to offices with a cultural and social offering. Newer buildings that offer better facilities, amenities and working conditions also have lower vacancy rates.

**London has a low office vacancy rate, but this varies across the city with the West End and The City attracting more companies than Canary Wharf.**

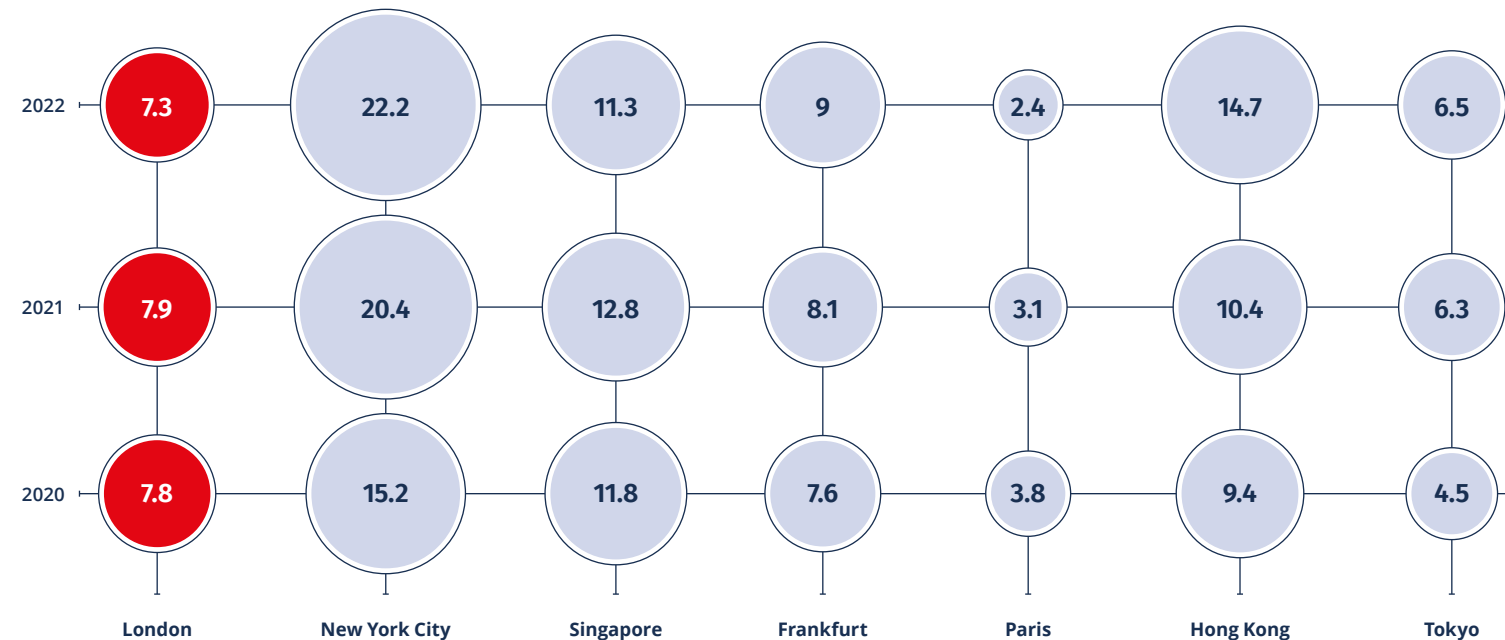
London's office vacancy rates have decreased since the pandemic to 7.3% in 2022, indicating a healthier corporate ecosystem and willingness to return to the office. Conversely, NYC office vacancies have increased annually since 2020 to reach 22.2% in 2022. Higher office vacancy rates not only lessen the effectiveness of the professional ecosystem but reduce the attractiveness of a city to new businesses and lead to fewer amenities and services.

#### Source

Savills 2023, Colliers CRE 2023, Cushman & Wakefield 2023, Statista 2023

### London has low office vacancies as workers return

% of vacant office space



**Office space in London has become cheaper and is half the price of New York.**

Office leasing costs fell across all GFCs except Paris in 2022. The cost of London office space dropped 11%, to US\$101/sqft/year. Office space in New York fell by 16% but, despite far lower occupancy rates, is still more than double the cost of London at US\$220/sqft/year. Paris remains the cheapest GFC for rented office space, at US\$48/sqft/year.

#### Source

Jones Lang LaSalle 2023

**Nine of the largest companies in the world are headquartered in London.**

There were 81 Global 500 companies headquartered across all GFCs in 2022, down from 96 in 2021 and 100 in 2016. This shows that the largest companies in the world are drifting away from global financial centres. The exception to this is Japan; there are 41 Japanese companies in the Fortune Global 500, 29 of which are headquartered in Tokyo. New York has 16 Global 500 company headquarters, 11 of which are FS companies. London has nine Global 500 company headquarters, but only two of these are financial services companies. London is, however, the location of many global firm's largest offices.

#### Source

Fortune 2023

## 5.3 Digital and cyber

Whether it's needed for securities trading in milliseconds or reliable video calls, data is the world's most in-demand commodity. Businesses rely on fast connections and broad data streams. The UK is a leader in fintech, AI and digital finance, but London's digital infrastructure needs to improve in line with increasing demand.

“Demand for data has increased across nearly all industries, but particularly in financial services.”

London has the slowest fixed line and mobile internet speeds across all GFCs.

London has the slowest broadband across all GFCs; average speeds in New York, Hong Kong and Singapore are more than twice as fast as the UK. The UK also has the slowest mobile internet speeds amongst GFCs. Demand for data has increased across nearly all industries, but particularly in financial services. Apps and programmes use higher levels of data to run smoothly, and the UK needs to provide sufficient data efficiencies. The UK government launched the National Data Strategy to address future needs, this is a key aspect of the UK remaining competitive.

Source

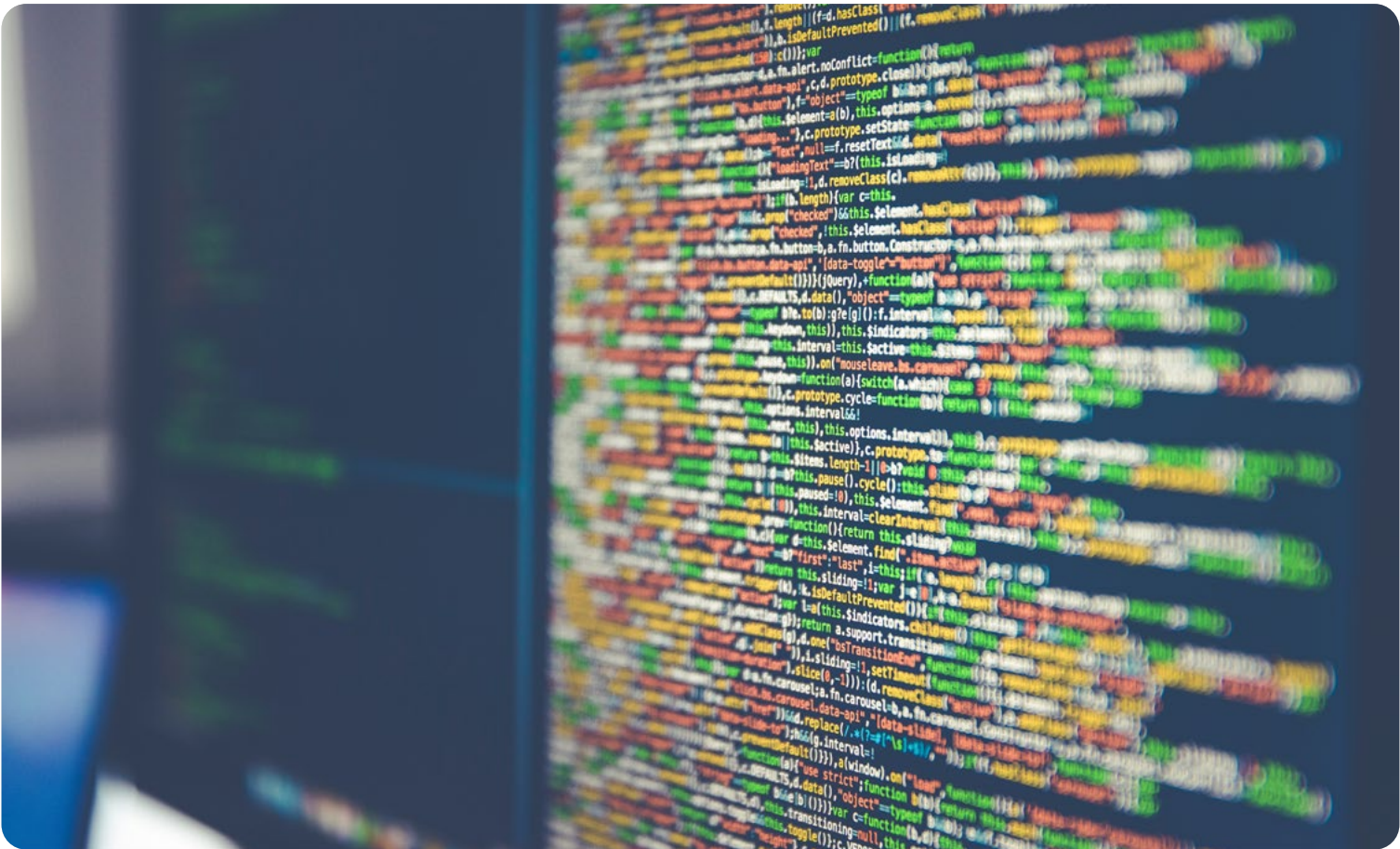
CoLC analysis of multiple providers

Cyber security remains a high priority to combat the risk of online fraud.

All the GFCs in our analysis have strong cyber security networks, with the UK ranking third behind the US and Singapore. Cyber security is a growing risk, and the UK insurance industry is leading the way in insuring those risks, which improves security networks. Companies must meet minimum cyber security levels in order to take out cyber insurance policies. This has driven up the level of security at companies that are prone to attacks and therefore improved cyber security for everyone.

Source

CoLC analysis of EIU data



People in the UK have the highest level of internet freedom.

Internet freedom is an important factor when a tech company decides where to locate its headquarters. There is little point in setting up shop in a country that would not allow your product to be used. The UK has the highest internet freedom among GFCs: it blocks the least amount of content and does not infringe on consumer rights. Linked to this is control of corruption and the UK is strong in this area. It ranks high above the US, but below Singapore and Germany.

Source

Freedom House 2023



# Methodology

This City of London Corporation 'Our global offer to business' benchmarking research assesses the competitiveness of major financial centres.

The centres have been chosen based on their rankings in other major indices, such as the WEF Global Competitiveness Report and Z/Yen's Global Financial Centres Index, as well as their overall international financial activity.

Where the report refers to 'global financial centres' or 'GFCs', it refers to the following centres: London (UK), New York City (US), Singapore, Hong Kong, Tokyo (Japan), Frankfurt (Germany) and Paris (France).

The benchmarking model is based on analysis of 98 unique metrics across five key competitiveness dimensions. Three of these metrics are used to support the assessment in more than one competitiveness dimension. For example, 'digital skills' are relevant in both 'innovative ecosystem' and 'access to talent and skills'. We have added several new metrics including;

business complexity, visa processing and gender gap. This results in the analysis using 101 metrics in total.

Data is collected at a national and city level, depending on availability. Where metrics are at city level – such as 'cost of living' – data has been collected for each market's main financial centre.

Where possible, the data collected covers the five-year period between 2018 and 2022. Where 2023 data is available the five-year period used is 2019-2023. The data is normalised to make relative comparisons between different types of data (values, ratings, index scores, percentages) possible. The most competitive data point between 2018 and 2022 across all centres – for example, the largest amount of assets under management – is assigned a score of 100. The least competitive data point is assigned a

score of 0. All other data points are scored relative to the maximum and minimum values.

The mean of all metrics scores in each of the five competitiveness dimensions constitutes a GFC's score in this dimension. Where data is unavailable for a centre, the mean has been adjusted accordingly.

A centre's overall score is produced by calculating the mean of the centre's five dimensional scores, with each dimension having an equal weighting of 20%.

The relative year-on-year competitiveness score change has been calculated using revised figures and updated metrics, therefore it is not directly comparable with the competitiveness scores published in the City of London Corporation's 2023 'Our global offer to business' report.

To discuss this report, contact:

**Alastair Wainwright**  
Economic.Research@cityoflondon.gov.uk



## About the Global City campaign

The Global City campaign is the City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

[theglobalcity.uk](https://theglobalcity.uk)



**THE  
GLOBAL  
CITY**

## About the City of London Corporation

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

[cityoflondon.gov.uk](https://cityoflondon.gov.uk)