



**THE
GLOBAL
CITY**

**London and the UK's
global offer to business:**
Resilient business infrastructure



Resilient business infrastructure

Financial and professional services firms in London and the UK benefit from world-leading business infrastructure and operational resilience. The UK's location on the world map provides for unrivalled global connections, and the country's strong cyber security framework and digital security measures offer firms a business environment they can operate in with trust. To remain competitive, further investment into the UK's digital and transport infrastructure is needed – for the country not to lose ground to financial centres in Asia.

London/UK

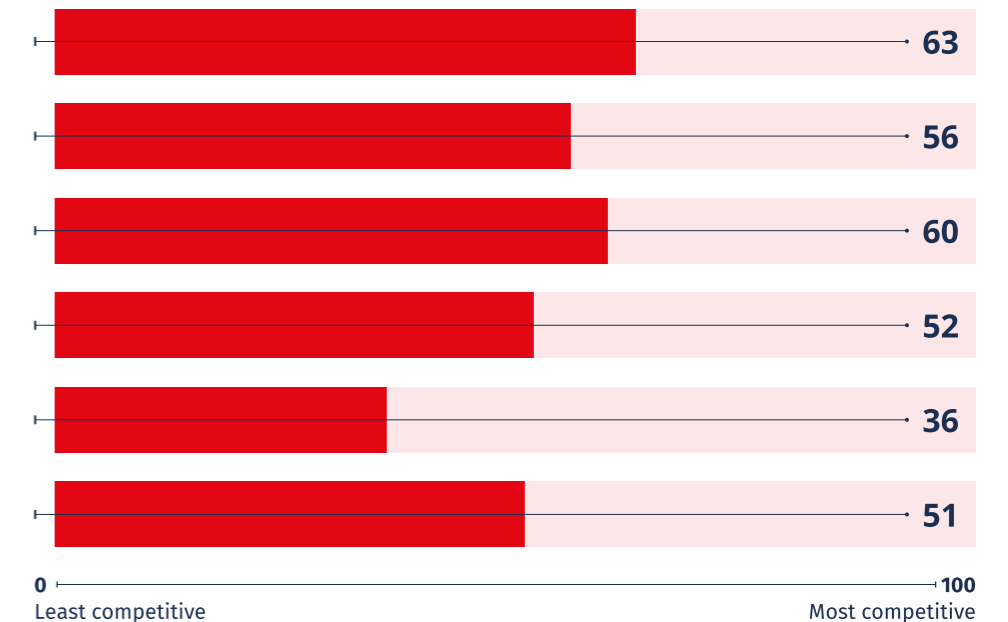
New York City/US

Singapore

Frankfurt/Germany

Hong Kong

Tokyo/Japan



Metrics

- Fortune Global 500 corporate headquarters in city
- Office occupancy costs
- Size of international association meetings
- International airport capacity
- Quality of road and rail infrastructure
- Congestion levels
- Time zone
- English proficiency
- Broadband speed
- Mobile network availability
- Mobile network speed
- 5G roll-out (yes/no)
- Level of internet freedom
- Cyber security strength
- Secure internet servers
- Digital security measures



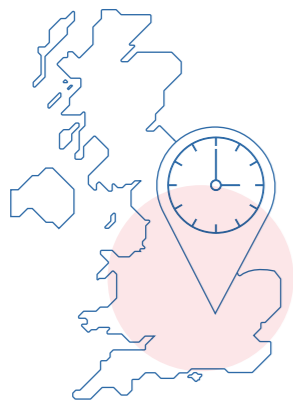
View online at:
theglobalcity.uk/competitiveness

Global business connectivity

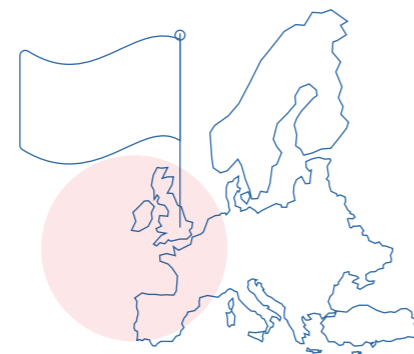
London and the UK are not only home to the world's business language: Its location on the world map and favourable time zone provide businesses with strong connections to any part of the world. London has a higher international airport capacity than New York City, is home to more Fortune Global 500 headquarters than Singapore, and offers more affordable office space than Hong Kong. But to remain competitive, investment in London and the UK's transport infrastructure is key – as well as a quick recovery from travel restrictions caused by COVID-19.

London and the UK's favourable time zone makes it easy to do business with major markets to both east and west within the working day.¹

London and the UK are ideally located on the world map. The favourable time zone makes it easy to do business with major markets to both east and west within the working day. Market trading hours in the UK overlap with those in Asian, European, and American financial centres – an advantage only shared with Frankfurt in our comparators.



Market trading hours in the UK overlap with those in Asian, European, and American financial centres



London remains the top location for European headquarters of Fortune Global 500 companies

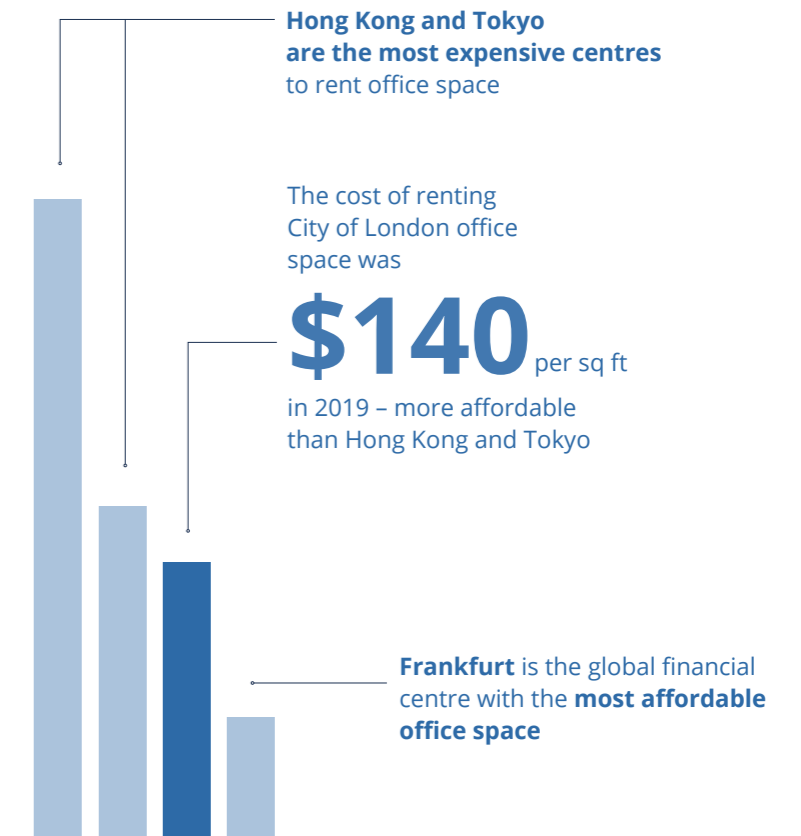
Less Fortune Global 500 firms choose London or New York City as location for their headquarters. Whilst decreasing cluster effects, this development elevates the importance of a market being open and global.²

Financial and professional services firms succeed when they can access clients with global networks. The number of Fortune Global 500 corporate headquarters in a financial centre both is a sign of a centre's competitiveness and demonstrates the size of the market businesses can tap into. Of all comparator global financial centres, Tokyo is home to the most Fortune Global 500 firms – 36 at the end of 2019. New York City ranks second with 14 firms, followed by London with 11. London remains the top location for European headquarters of Fortune Global 500 companies. However, between 2015 and 2019, the numbers of Fortune Global 500 headquarters in both New York City and London decreased, reflecting a changing world economy. Whilst decreasing cluster effects, this development elevates the importance of a market being open and global.



The cost of renting office space in the City of London slightly fell between 2015 and 2019 and is more affordable than in Hong Kong and Tokyo.³

The cost of renting commercial space is a decisive factor for businesses deciding where to locate. Pre-COVID, Hong Kong's Central Business District was the most expensive area for renting office space, with costs reaching USD 322 per sq ft in 2019. This was up from USD 254 per sq ft in 2015, a 27% increase. At USD 168 per sq ft, Tokyo ranked second. Costs of renting office space in the City of London slightly fell, from USD 143 per sq ft in 2015 to USD 140 in 2019. The global financial centre with the most affordable office space is Frankfurt, where rents were at USD 62 per sq ft in 2019. With businesses shifting to more flexible ways of working during the COVID-19 pandemic and a possible reduced dependency on office space, office occupancy costs may become more volatile. Whilst dependant on when leases come to their contractual end, this could open up central business districts for a new and more diversified range of occupants.



English is the world's business language – and London is the world's English-language capital.⁴

English is the world's business language – and London is the world's English-language capital. The high proficiency in English in both London and New York City helps businesses connect with partners all around the world. Whilst uptake of English is rising in other financial centres, their overall English proficiency lags – with Tokyo and Japan being the centre with the lowest proficiency in English.

Sources

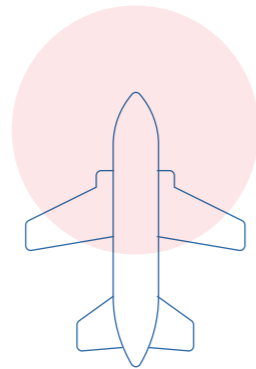
¹ Own analysis.
² Own analysis.
³ CBRE 2019.
⁴ EF 2019.

To remain competitive, investment in London and the UK's transport infrastructure is key – and with Crossrail and HS2, first steps are being taken.⁵

To remain competitive, well-maintained and efficient transport infrastructure is key. Investment in London and the UK's infrastructure, be it Crossrail or HS2, is needed to not lose further ground to competing financial centres. In 2019, measured by road connectivity, quality of road infrastructure, railroad density, and efficiency of train services, Singapore, Tokyo/Japan, and Hong Kong were the three financial centres with the highest quality of transport infrastructure. London and the UK rank second to last, with only New York City and the US further behind. Lack of road infrastructure quality and low efficiency of train services are the main reasons behind the UK's low ranking. This is reflected in London congestion levels as well, with average trips in 2019 having taken 38% longer compared to the city's baseline uncongested conditions. This is more time lost in traffic than in New York City, Singapore, Hong Kong, and Frankfurt. Any COVID-19 recovery spending on infrastructure needs to be aimed at building a better and more efficient transport system than pre-crisis for London and the whole of the UK.



Kings Cross Station, London



166m

international travellers
passed through
London's airport gates
in 2019

London's airport infrastructure and central location on the world map will help the city remain a financial centre with unmatched global connections.⁶

With five major international airports in its vicinity, London is the global financial centre that is best connected to the rest of the world. The city's high international airport capacity facilitates meetings and business travel and enables firms to do business with any part of the world. In 2019, more than 166m international travellers passed through London's airport gates – up from 142m in 2015. This is more than double the number of international travellers at Hong Kong International Airport (71m). At 51m, New York City's airports have the lowest number of international travellers of all comparator financial centres. With the pandemic grinding global travel to a halt, traveller figures dropped significantly in 2020; but London's airport infrastructure and central location on the world map will help the city remain a financial centre with unmatched global connections. This will aid London to find new strength post-COVID: If the number of international business trips decreases, London has the potential to position itself as the must-visit destination for business travellers from around the globe.



22 Bishopsgate, London

Sources

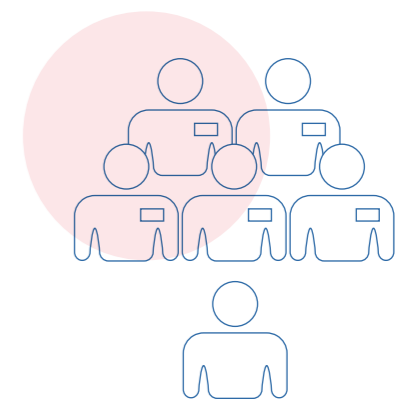
⁵ World Economic Forum 2019, TomTom 2019.

⁶ Own analysis of airports annual reports and aviation department statistics.

⁷ ICCA 2019.

With great congress and meeting venues, London is ready to continue to host international meetings and gatherings once it is again safe to do so.⁷

Businesses benefit when the cities in which they operate host large international meetings. These meetings bring opportunity to meet current and future stakeholders, suppliers, and clients. Face-to-face interaction is vital to establish business relationships. In 2019, before the coronavirus pandemic began, London was the global financial centre that hosted the most international meeting participants. According to ICCA figures, 76,114 people attended international meetings in London – up from 54,788 in 2018. At 61,182 participants, Singapore welcomed the second-most attendees, despite hosting a larger number of meetings than London. Hong Kong ranked third. With great congress and meeting venues, London is ready to continue to host gatherings once it is again safe to do so. In the meantime, London-based businesses have shown resilience and quickly adapted to virtual forms of collaboration.



In 2019,

76,114

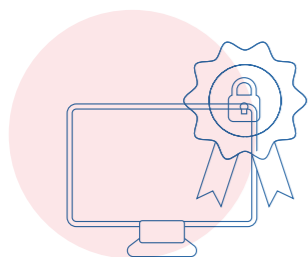
people attended international
meetings in London

Digital and cyber resilience

A strong cyber security framework underpins London's resilient business environment. Not only does the UK rank higher than any other global financial centre in ITU's Global Cybersecurity Index, it also has made the most improvement in digital security measures. But its network infrastructure needs an upgrade: Internet speeds, both broadband and mobile, are considerably slower than those measured in other global financial centres.

London and the UK have one of the strongest cyber security frameworks world-wide, providing firms with a highly resilient business environment.⁸

London and the UK have one of the strongest government-led cyber security frameworks world-wide. In the latest ITU Global Cybersecurity Index, assessing a market's cyber security initiatives covering legal, technical, and organisational areas as well as capacity building and cooperation, the UK ranks first amongst all global financial centres. The US and Singapore follow. At city-level, London, New York City, Tokyo, and Singapore are all leading centres for digital security, with London having made the most improvement between 2015 and 2019. The rich ecosystem security created by UK government and industry, supported by the City of London Police and the City Corporation's collaboration with business, underpins this. Whether citizens are aware of digital threats and if cities have dedicated cyber security teams increase a centre's cyber safety and thus operational resilience. However, the UK's availability of secure internet servers is much lower than in other centres – the US and Singapore both have more than 120,000 secure servers per 1m people, whereas the UK only has 36,000.



The UK ranks first in the ITU Global Cybersecurity Index



London and the UK have the slowest broadband speeds of all global financial centres.⁹

Faster broadband speeds lead to more efficient work processes and stronger global connections. Even though speeds have increased between 2017 and 2019, London and the UK have the slowest broadband speeds of all our comparator global centres. In 2019, average broadband speeds were at just 22.37 Mbps. This compares to 70.86 Mbps in Singapore. Especially in future business environments where flexible and remote working will be more common, the UK needs to step up efforts to ensure internet connectivity remains competitive in London and across the country.

The UK has one of the highest levels of internet freedom world-wide, enabling businesses to operate freely and efficiently.¹⁰

Apart from Singapore, all comparator global financial centres provide high levels of internet freedom. The think tank Freedom House considers the UK, the US, Germany, and Japan as markets that have free internet, whereas Singapore is only a 'partly-free' market. The analysis is based on obstacles to internet access, limits on content, and violations of user rights. Less restrictions when using the internet enables businesses to operate more efficiently.



The UK has **one of the highest levels** of internet freedom world-wide

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In the City of London we recognise that our community requires high-quality protection against cyber criminality and a police service that can deliver this. Through the Cyber Griffin initiative we have developed specialist officers tasked with target hardening individuals and businesses in the Square Mile. Today, our community enjoys access to police led incident response training, cyber awareness briefings, exercising and security maturity assessments all at no cost. We believe that our greatest opportunities to prevent cyber criminality lie in our collective defences to it. We are pleased to report that more than 10,000 people have now received this police training and to confirm that we intend to increase our efforts to build layered defences into our community ahead of any crime taking place.

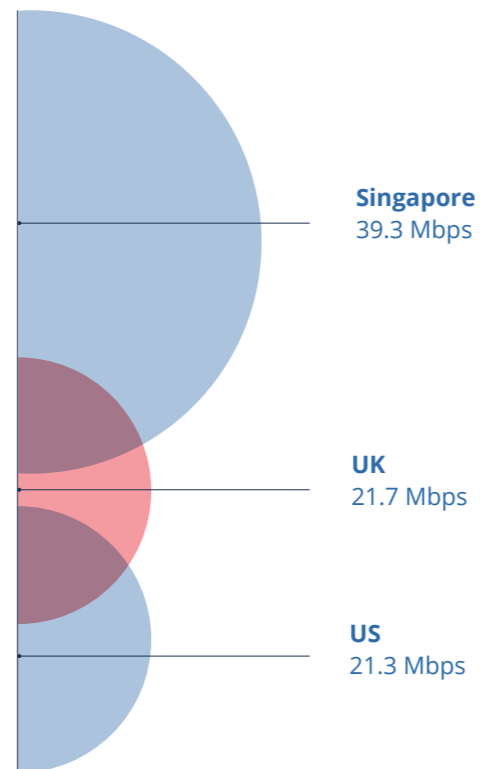
Charlie Morrison
Police Sergeant, Cyber Crime Unit
City of London Police.

Sources

⁸ ITU 2018, EIU 2019, World Bank/Netcraft 2019.
⁹ Freedom House 2019.
¹⁰ cable.co.uk/M-lab 2019.

Mobile network availability and speeds in the UK lag those on offer in other markets – especially in Asian financial centres. But the UK's early 5G roll-out can become a competitive advantage.¹¹

In 2019, UK mobile users had access to a fast 4G network for 84.7% of their time. Whilst this number increased from 50% in 2015, it still ranks the UK second to last with only users in Germany having less access to 4G mobile networks. Japan is in the lead – here users had access to a 4G network for 96.3% of their time in 2019. For mobile network speeds, the UK and the US share the last rank, with users in both markets seeing speeds of around 21-22 Mbps in 2019. However, the US have shown more improvement than the UK between 2015 and 2019. As it is the case for broadband speeds, Singapore is in the lead with 39.3 Mbps in 2019. The UK's roll-out of 5G, ahead of other markets, can be a competitive advantage, but discussions around the operators of network infrastructure may hinder the advancement of the UK's 5G plans.



The UK and the US share the lowest ranking for mobile network speeds amongst the global financial centres, with Singapore in the lead



Source

¹¹ Opensignal 2019.



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



**THE
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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.

www.cityoflondon.gov.uk