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# CITYA.M.

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## LORD MAYOR JOHN STUTTARD

# We need world-class buildings to stay ahead



LAST week, Michael Snyder, the City's policy and resources chairman, led our delegation to the Marché International des Professionnels de l'Immobilier (MIPIM) in Cannes, a world-class congress of all those involved and interested in the world of real estate.

There, the City also launched its latest research – the Global Financial Centres Index (GFCI), which is available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Amidst the expected public controversy over the shape, size and location of this or that planned new building, what often gets lost is the crucial role that real estate plays in a world-class business environment.

But this research underlines just how important the quality and availability of commercial property is for business in the financial sector.

In fact, a key challenge for the Square Mile over the next decade is ensuring that we have enough of the right quality of office space as the City's working population rises.

A point to remember in terms of office costs is that while costs per office worker can be high in primary locations like the Square Mile, efficiency is also high. So, taking costs per trade as a

measure, the top locations compare well with the others.

The GFCI research makes fascinating reading for anyone working at the top level in a City-type business, wherever they are based.

It evaluates the competitiveness of 46 financial centres worldwide under the five main headings of people, business environment, market access, infrastructure and general competitiveness.

Since the previous research of this kind in 2005 there have been quite a few changes.

The top 11 rankings now run: London just ahead of New York, followed by Hong Kong, Singapore, Zurich, Frankfurt, Sydney, Chicago, Tokyo, Geneva and Paris.

The detailed insights provided by this report show exactly why the City of London Corporation lays so much emphasis on basing high-level decisions on research-led policies.

Indeed, conducting frequent and detailed research into the broad range of City industries is a key part of the role of the City of London Corporation and one of the ways we serve the modern City as well as Britain in general.

One of the authors of the report is

Michael Mainelli, professor of Commerce at Gresham College, which has offered superb free public lectures in the City for 400 years.

The name Gresham is, of course, associated with the success of the City since Tudor times.

The 16th-century financier Sir Thomas Gresham – an expert exponent of Gresham's law ("When there is a legal tender currency, bad money drives good money out of circulation"), and the son of Lord Mayor Sir Richard Gresham – was in his day a sort of combined Warren Buffett and Alan Greenspan.

The Guildhall sits on Gresham Street and the heraldic Gresham grasshopper can be seen in a hanging sign in Lombard Street and in many other City places.

Sir Thomas long ago knew the importance of high-quality commercial property in suitable locations.

It was he who proposed to the aldermen of London to build what became the Royal Exchange with his own money.

Look at the building's weather vane – it has contained a grasshopper since Sir Thomas founded it in 1565.

## WHAT THE PAPERS SAY

### TODAY

#### FINANCIAL TIMES

##### BP PAINTS GRIM PICTURE OF TEXAS REFINERY BEFORE BLAST

BP management paints a grim picture of the poor state of the Texas refinery that exploded in 2005, according to the conclusions of a wide-ranging internal report conducted into the fatal blast.

Copies of BP's interview summaries, seen by the FT, quote various levels of management saying the Texas City refinery had a high acceptance of risk; employees worked weeks, if not months, of 12-hour days without a day off; maintenance was deferred; and training had been scaled back before the explosion, which killed 15 and injured 500 in and around the facility.

#### THE TIMES

##### PRIVATE EQUITY FIRM TAKES BURTON'S BISCUITS

The company behind Wagon Wheels and Jammie Dodgers was yesterday snapped up by Duke Street Capital, the private equity firm, in an estimated £210m deal. Duke Street saw off competition from Jacob Fruitfield Food Group, the Irish owner of Jacob's Fig Rolls, in the final round of bidding to seal a deal with Burton's Foods, Britain's second-biggest biscuit maker.

### THE SUNDAYS

#### THE SUNDAY TIMES

##### FAT FACE PAIR'S £90M PAYOUT

THE founders of Fat Face will be in line for a £90m windfall when the fast expanding lifestyle clothing retailer changes hands this month.

NM Rothschild, which has been appointed to sell the business, is inviting first-round bids by today.

Bridgepoint and HG Capital, the mid-market private-equity groups, are among suitors lining up to table offers.

##### BLAIR TO ASK BUSH FOR REPRIEVE ON OPEN SKIES

Tony Blair is to make a dramatic, last-minute intervention in the row over a new transatlantic aviation pact. He is expected to ask George Bush for special concessions for Britain ahead of a European vote on the "open-skies" agreement. Open skies would scrap restrictions on flights across the Atlantic and force Britain to open up Heathrow, the world's busiest and most lucrative international airport.

#### SUNDAY TELEGRAPH

##### SFO LOOKS INTO VODAFONE PARTNER:

The ownership of Kenya's largest

mobile phone network, in which Britain's Vodafone has a significant stake, is being studied by the Serious Fraud Office.

Officials from the white collar crime agency travelled to Nairobi earlier this month to meet members of a Kenyan parliamentary watchdog investigating government corruption.

A number of companies were discussed, including Safaricom, a mobile phone network in which Vodafone holds a 40 per cent stake.

##### ALTADIS HAS GALL TO SNUB BID

Imperial Tobacco could return with a new bid for Franco-Spanish rival Altadis as early as this week after its €45-per-share (£31-a-share) offer was unanimously rejected by the Madrid-based company's board yesterday.

Altadis said the unsolicited £8bn bid did not reflect either the company's "strategic value" or "unique and diversified assets". However, insiders say Altadis could also be looking to place a premium price on the fact that such a deal would represent the last significant consolidation among the global market's top tobacco manufacturers.

## The Observer

##### MKONE DROPS BURMA CLOTHING

MkOne, the high street value fashion store, has withdrawn a range of clothes after The Observer told the

## the week ahead

### TODAY

#### INTERIMS

Kier Group, Synairgen, Wolseley

#### FINALS

Abbot Group, Anglo Asian Mining, Burren Energy, Chaucer Holdings, Enterprise, Forth Ports, Gatekeeper Systems, Hansteen Holdings, Newport Networks, Regus Group, Staffline, Trafficmaster

### TUESDAY

#### INTERIMS

BlueBay, Careforce Group, ChoicesUK

#### FINALS

ACTA, ArmorGroup, Brady, Capital and Regional, Cello Group, Friends Provident, H&T Group, Headlam Group, Inion, Intercytx, JKX Oil & Gas, John Menzies, Kingdom Hotel, Mobile Streams, Morson Group, Newcourt Group, Osmetech,

### WEDNESDAY

#### INTERIMS

Ascribe, Asian Citrus, Just Retirement

#### FINALS

Adventis, Alkane Energy, Autoclenz, FDM, Henry Boot, Huntsworth, Hutchison China Meditech, Kesa Electricals, Metalrax, Oxonica, Ted Baker, Tullow Oil, Weir Group

### THURSDAY

#### FINALS

Alliance Pharma, Burst Media, Dignity, EG Solutions, European Goldfields Limited, M&C Saatchi, Motivcom, Next, Premier Oil, RAB Capital, Songbird Estates, Styles & Wood, Tikit, Universe Group

### FRIDAY

#### FINALS

Fyffes, Hydrogen Group, Iimia Investment, Inspicio, Intimas, Johnson, Judges Capital

## THE INDEPENDENT ON SUNDAY

### RIVALS UNIT TO OUST BSKYB

The big guns of the British television industry are lining up to strip BSkyB of its stake in Freeview, the free-to-watch digital TV service led by chairman Tom Betts. The BBC, ITV and Channel 4 are to tell Ofcom, the media regulator, that Sky should forfeit its shareholding in Freeview if it is allowed to replace its free channels on the digital platform with pay-to-view channels.

### AIR INDUSTRY FIGHTS "UNFAIR" GREEN TAXES

Low-cost airline easyJet and airports operator BAA are spearheading a new coalition to lobby against what they believe are unfair environmental taxes being levied on the aviation industry.

The group, which has yet to decide on a name, will meet formally for the first time on 27 March as the industry plans a belated fightback against politicians and environmentalists.

# CITY A.M. Podcast

## MONDAY

### Chip Hornsby

Wolseley chief executive on interim results



### Andy Lloyd

With all the latest news from the Cricket World Cup



Download the City's biggest names at 5pm every day [www.cityam.com/podcast](http://www.cityam.com/podcast)