



Financial Centres Likely to Become More Significant

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Financial Centre Futures





We are pleased to present another report in the Financial Centre Futures series. This report concentrates on financial centres that have been identified as the most likely to become more significant in the next few years.

Z/Yen Partners has been studying the competitiveness of financial centres for over fifteen years and has worked directly with over thirty financial centres. The most visible aspects of our work in this area is the Global Financial Centres Index (GFCI). The latest edition, GFCI 24 was compiled using over 130 sets of data provided by third parties including the World Bank, The Economist Intelligence Unit, the OECD, and the United Nations. These factors are combined with over 30,000 financial centre assessments provided by respondents to the [GFCI online questionnaire](#).

As well as producing the index itself, the questionnaire gives us valuable insights into what financial services professionals are thinking about the future.



The author of this report, Mark Yeandle would like to thank the Financial Centre Futures team for their help and contributions to this report. For more information, please contact: Mark Yeandle, Director, Z/Yen Partners, mark_yeandle@zyen.com / +44 (0)20 7562 9562

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Foreword

The world has changed. The world is changing. The world will continue to change.'

An old saying that is especially relevant for International Financial Centres today.

India is one of the fastest growing economies in the world and a large user of the International Financial Services. As India seeks to expand its economic and strategic activities globally, a dedicated international financial services centre (IFSC) will provide a platform to undertake these services efficiently. India's services exports were approximately US\$ 195bn and imports were approximately US\$ 117bn in 2017-18.

In April 2015 the Government of India took the initiative to develop an International Financial Services Centre at Gujarat International Finance Tec-City (GIFT City) a Special Economic Zone to help India realise its potential in the international financial services industry. GIFT City IFSC provides a strategic location to develop an efficient platform for all inbound and outbound foreign currency transactions. The Honourable Prime Minister of India gave the following vision for GIFT City IFSC:

"There has been criticism for long that a lots of trading, even in Indian financial instruments is currently taking place abroad. It is said that India has stopped becoming the price setter for even some Indian financial instruments. GIFT City IFSC will be able to mitigate many of these criticisms. But my vision for GIFT City IFSC is larger. My vision is that in ten years from now, GIFT City IFSC should become the price setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates or any other instrument."

Since the centre became operational in 2016, various banks have been operational and have already undertaken many foreign currency transactions. In addition, two international exchanges with around 100 intermediaries have been licensed to trade equities, commodities, currencies, and securities in foreign currencies. It also houses insurance entities for undertaking insurance and reinsurance business in foreign currencies.

We continue to collaborate with other centres and have tied up with centres in London, Chicago, New York, Singapore, Dubai, Abu Dhabi, Mauritius and Astana.

We are delighted to be included in the Global Financial Services Index so soon after beginning operations. It is also a matter of great pride to be assessed as third amongst the top 15 upcoming significant financial centres by the respondents to the GFCI. We welcome you to visit, collaborate and transact with GIFT City IFSC – financial gateway of India.



Mr Ajay Pandey
Managing Director and Group CEO - GIFT City IFSC



Introduction

Z/Yen is the City of London's leading commercial think-tank. Z/Yen was founded in 1994 to promote societal advance through better finance and technology. Z/Yen has built its practice around a core of high-powered project managers, supported by experienced technical specialists so that clients get expertise they need, rather than just the resources that are available. The firm is headquartered in London, but Z/Yen is committed to the 'virtual office' concept and is an intense user of technology in order to improve flexibility and benefit staff.

Z/Yen has been studying the competitiveness of financial centres for over fifteen years and has worked directly with over thirty financial centres. The most visible aspects of our work in this area is the Global Financial Centres Index (GFCI) and we have recently launched The Global Green Finance Index (GGFI). In March 2007 Z/Yen released the first edition of the GFCI, which continues to provide evaluations of competitiveness and rankings for the major financial centres around the world.

In July 2016 the China Development Institute (CDI) in Shenzhen and Z/Yen Partners in London established a strategic partnership for further research into financial centres. We continue our collaboration in producing the GFCI.

The GFCI is updated every March and September and receives considerable attention from the global financial community. The index serves as a valuable reference for policy and investment decisions. GFCI 24 was published in September 2018.

We researched 110 centres for GFCI 24. The number of financial centres in the main index is now 100 and there are ten associate centres awaiting potential inclusion in the main index.

GFCI 24 was compiled using 137 **instrumental factors**. These quantitative measures are provided by third parties including the World Bank, The Economist Intelligence Unit, the OECD, and the United Nations. The instrumental factors were combined with over 30,000 financial centre assessments provided by respondents to the **GFCI online questionnaire**.

As well as producing the index itself, the questionnaire gives us valuable insights into what financial services professionals are thinking about the future. One of the questions we ask is:

“Are there any financial centres that you feel might become significantly more important over the next two to three years?”

This report uncovers more information about the financial centres mentioned most often in response to this question.

The Most Significant Centres

The fifteen cities have been mentioned most frequently over the past three years in response to the question “Are there any financial centres that you feel might become significantly more important over the next two to three years?” are shown below:

The centres are listed in order of receiving the highest number of mentions with Shanghai receiving the most followed by Qingdao and then GIFT City.

Centre	GFCI 24		GFCI 23		Change in	
	Rank	Rating	Rank	Rating	Rank	Rating
Shanghai	5	766	6	741	▲ 1	▲ 25
Qingdao	31	679	33	662	▲ 2	▲ 17
GIFT City (Gujarat)	77	578	New	New	New	New
Frankfurt	10	730	20	708	▲ 10	▲ 22
Singapore	4	769	4	765	0	▲ 4
Dublin	37	652	31	666	▼ 6	▼ 14
Astana	61	599	88	548	▲ 27	▲ 51
Casablanca	28	684	32	664	▲ 4	▲ 20
Beijing	8	733	11	721	▲ 3	▲ 12
Toronto	11	728	7	728	▼ 4	0
Shenzhen	12	726	18	710	▲ 6	▲ 16
Dubai	15	722	19	709	▲ 4	▲ 13
Busan	44	631	46	618	▲ 2	▲ 13
Luxembourg	21	694	21	701	0	▼ 7
Chengdu	79	576	82	556	▲ 3	▲ 20

There are clearly two ‘types’ of centre featured in this list - centres that are already rated and ranked highly and the other centres that we can class as developing centres with the most to gain in future years.

Seven of the centres belong in the first group and are ranked within the top 15 financial centres of the world already and have ratings of over 700 (on a scale of 1,000). These are led by Shanghai, Frankfurt and Singapore and are ringed in dark red on the table on page 6.

The remaining eight developing centres (ringed in orange) are led by Qingdao and GIFT City in terms of how GFCI respondents rate their future significance.

It is worth noting that ten of these 15 centres are in Asia. It is no great surprise that countries are keen to establish or grow their own financial centres. Financial centres can be very important in building the economies of their host nations. The main reasons for this importance include:

- Economic Benefits** — perhaps the most obvious and most mentioned of benefit of hosting a successful financial centre. The top four centres in the Global Financial Centres Index, New York, London, Hong Kong and Singapore are all great examples of generating significant revenue through financial services. The square mile of the City of London is reckoned to contribute \$50bn¹ to the UK economy and also helps the finance industry in many other locations around the UK.

¹ ONS, Regional gross value added (balanced) by local authority in the UK, December 2017



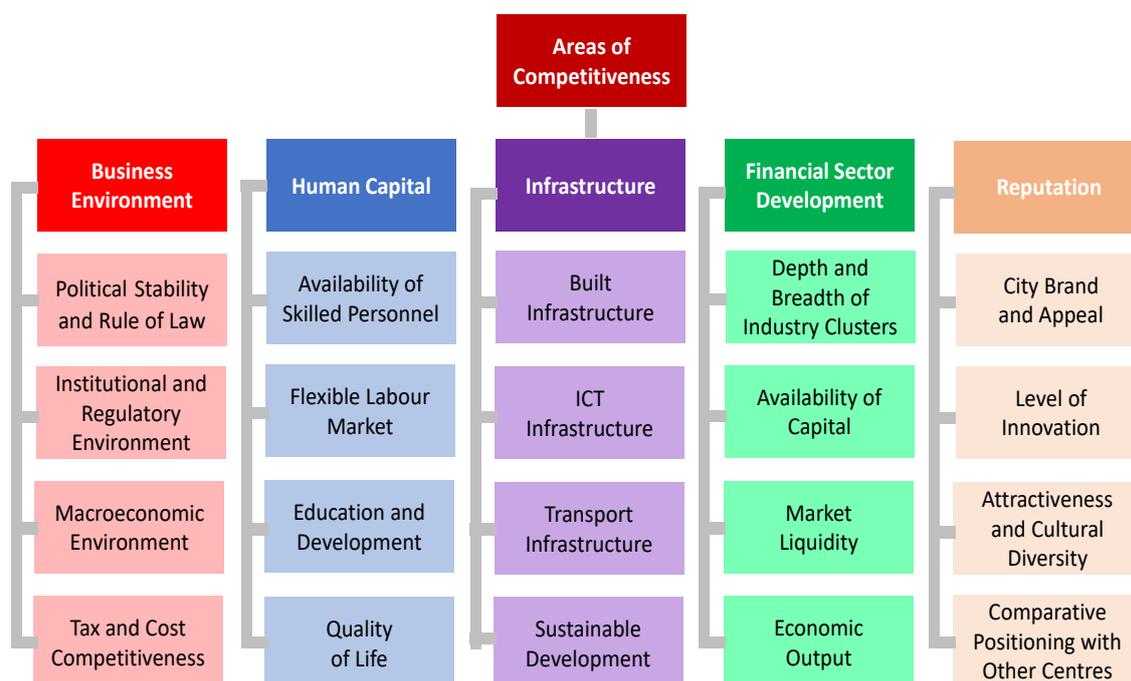
- **International Networking** — international financial centres hosting foreign firms generate information flows and networks that help the wider economy.
- **Knowledge and Innovation** — it is generally accepted that innovation and enhancements in the wider economy of a nation is driven by centres of innovation. These centres are often based in or near to financial centres. The financial services industry often generates the talent and investment needed for innovation.
- **Access To External Currency Markets** — financial centres encourage trading of financial assets. These assets include domestic and foreign currencies. Strong international financial centres create and strengthen access to international currency markets.
- **Greater External Influence** — a stronger economy, with greater international networking, and an enhanced reputation for innovation, gives a centre and its host nation, greater influence and bargaining power in international relations.

We now examine the fifteen centres in a little more detail.

GFCI 24

Centre	GFCI 24		GFCI 23		Change in	
	Rank	Rating	Rank	Rating	Rank	Rating
New York	1	788	2	793	▲ 1	▼ 5
London	2	786	1	794	▼ 1	▼ 8
Hong Kong	3	783	3	781	0	▲ 2
Singapore	4	769	4	765	0	▲ 4
Shanghai	5	766	6	741	▲ 1	▲ 25
Tokyo	6	746	5	749	▼ 1	▼ 3
Sydney	7	734	9	724	▲ 2	▲ 10
Beijing	8	733	11	721	▲ 3	▲ 12
Zurich	9	732	16	713	▲ 7	▲ 19
Frankfurt	10	730	20	708	▲ 10	▲ 22
Toronto	11	728	7	728	▼ 4	0
Shenzhen	12	726	18	710	▲ 6	▲ 16
Boston	13	725	10	722	▼ 3	▲ 3
San Francisco	14	724	8	726	▼ 6	▼ 2
Dubai	15	722	19	709	▲ 4	▲ 13
Los Angeles	16	721	17	712	▲ 1	▲ 9
Chicago	17	717	14	718	▼ 3	▼ 1
Vancouver	18	709	15	717	▼ 3	▼ 8
Guangzhou	19	708	28	678	▲ 9	▲ 30
Melbourne	20	699	12	720	▼ 8	▼ 21
Luxembourg	21	694	21	701	0	▼ 7
Osaka	22	693	23	692	▲ 1	▲ 1
Paris	23	691	24	687	▲ 1	▲ 4
Montreal	24	690	13	719	▼ 11	▼ 29
Tel Aviv	25	689	34	661	▲ 9	▲ 28
Abu Dhabi	26	686	25	683	▼ 1	▲ 3
Geneva	27	685	26	682	▼ 1	▲ 3
Casablanca	28	684	32	664	▲ 4	▲ 20
Cayman Islands	29	683	22	700	▼ 7	▼ 17
Bermuda	30	680	36	656	▲ 6	▲ 24
Qingdao	31	679	33	662	▲ 2	▲ 17
Taipei	32	670	30	673	▼ 2	▼ 3
Seoul	33	668	27	679	▼ 6	▼ 11
Doha	34	662	47	617	▲ 13	▲ 45
Amsterdam	35	657	50	613	▲ 15	▲ 44
Washington DC	36	655	48	616	▲ 12	▲ 39
Dublin	37	652	31	666	▼ 6	▼ 14
Cape Town	38	651	New	New	New	New
Munich	39	639	35	660	▼ 4	▼ 21
Kuala Lumpur	40	638	40	632	0	▲ 6
Hamburg	41	636	29	676	▼ 12	▼ 40
Calgary	42	635	38	642	▼ 4	▼ 7
Edinburgh	43	634	43	628	0	▲ 6
Busan	44	631	46	618	▲ 2	▲ 13
Wellington	45	630	44	621	▼ 1	▲ 9
Monaco	46	629	54	604	▲ 8	▲ 25
Jersey	47	628	39	637	▼ 8	▼ 9
Bangkok	48	626	37	643	▼ 11	▼ 17
Mauritius	49	625	56	601	▲ 7	▲ 24
Glasgow	50	622	49	614	▼ 1	▲ 8

Centre	GFCI 24		GFCI 23		Change in	
	Rank	Rating	Rank	Rating	Rank	Rating
Vienna	51	621	64	583	▲ 13	▲ 38
Tallinn	52	620	79	559	▲ 27	▲ 61
Madrid	53	619	41	631	▼ 12	▼ 12
Brussels	54	617	62	592	▲ 8	▲ 25
Sao Paulo	55	616	67	574	▲ 12	▲ 42
Milan	56	613	61	593	▲ 5	▲ 20
Johannesburg	57	612	52	610	▼ 5	▲ 2
Stockholm	58	611	42	629	▼ 16	▼ 18
Bahrain	59	607	51	612	▼ 8	▼ 5
Guernsey	60	603	53	605	▼ 7	▼ 2
Astana	61	599	88	548	▲ 27	▲ 51
Mexico City	62	598	70	569	▲ 8	▲ 29
British Virgin Islands	63	597	60	594	▼ 3	▲ 3
Oslo	64	596	55	602	▼ 9	▼ 6
Rio de Janeiro	65	594	81	557	▲ 16	▲ 37
Warsaw	66	592	45	620	▼ 21	▼ 28
Bahamas	67	591	59	596	▼ 8	▼ 5
Istanbul	68	590	76	562	▲ 8	▲ 28
Riyadh	69	588	68	573	▼ 1	▲ 15
Lisbon	70	585	74	564	▲ 4	▲ 21
Budapest	71	584	89	547	▲ 18	▲ 37
Rome	72	583	65	579	▼ 7	▲ 4
Liechtenstein	73	582	69	570	▼ 4	▲ 12
Prague	74	581	71	567	▼ 3	▲ 14
Gibraltar	75	580	66	576	▼ 9	▲ 4
Jakarta	76	579	90	546	▲ 14	▲ 33
GIFT City-Gujarat	77	578	New	New	New	New
Tianjin	78	577	63	588	▼ 15	▼ 11
Chengdu	79	576	82	556	▲ 3	▲ 20
St Petersburg	80	575	91	531	▲ 11	▲ 44
Copenhagen	81	573	58	599	▼ 23	▼ 26
New Delhi	82	572	78	560	▼ 4	▲ 12
Moscow	83	571	83	555	0	▲ 16
Reykjavik	84	570	93	521	▲ 9	▲ 49
Isle of Man	85	568	57	600	▼ 28	▼ 32
Manila	86	566	84	554	▼ 2	▲ 12
Riga	87	565	87	551	0	▲ 14
Malta	88	564	77	561	▼ 11	▲ 3
Hangzhou	89	563	New	New	New	New
Panama	90	562	80	558	▼ 10	▲ 4
Cyprus	91	560	72	566	▼ 19	▼ 6
Mumbai	92	558	73	565	▼ 19	▼ 7
Buenos Aires	93	557	75	563	▼ 18	▼ 6
Helsinki	94	556	85	553	▼ 9	▲ 3
Baku	95	555	95	511	0	▲ 44
Almaty	96	550	94	519	▼ 2	▲ 31
Sofia	97	544	New	New	New	New
Athens	98	518	92	525	▼ 6	▼ 7
Trinidad and Tobago	99	510	86	552	▼ 13	▼ 42
Dalian	100	499	96	501	▼ 4	▼ 2

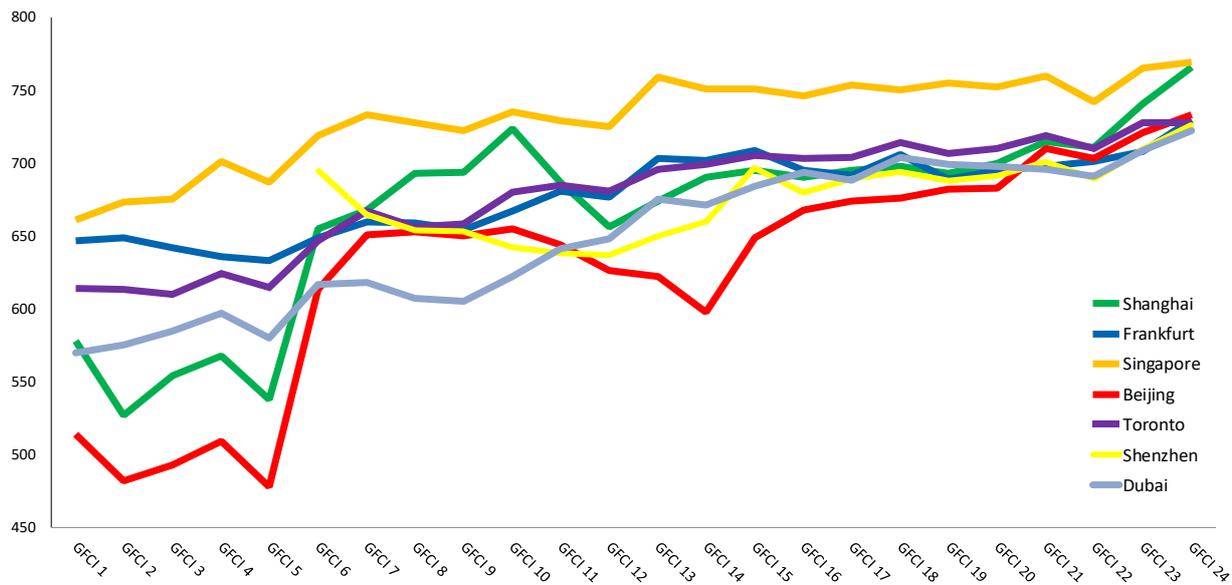


For the purpose of this report we have selected five factors in each area of competitiveness (based on their correlation with the overall GCFI):

Business Environment Factors	Source
Business Environment Rankings	Economist Intelligence Unit
Financial Secrecy Index	Tax Justice Network
Government Effectiveness	The World Bank
Best Countries for Business	Forbes
Global Cybersecurity Index	ITU
Human Capital Factors	Source
Citizens Domestic Purchasing Power	UBS
Number of High Net Worth Individuals	Capgemini
Quality of Living City Rankings	Mercer
World Talent Rankings	IMD Business School
Cost of Living City Rankings	Mercer
Infrastructure Factors	Source
Office Occupancy Cost	CBRE Research
Real Estate Transparency Index	Jones Lang LaSalle
Quality of Roads	World Economic Forum
Networked Readiness Index	World Economic Forum
Logistics Performance Index	The World Bank
Financial Sector Development Factors	Source
Global Connectedness Index	DHL
Total Net Assets of Open-End Funds	Investment Company Institute
Capitalisation of Stock Exchanges	WFSE
Domestic Credit Provided by Banks	The World Bank
Net External Positions of Banks	BIS
Reputation Factors	Source
World Competitiveness Scoreboard	IMD Business School
Global Competitiveness Index	World Economic Forum
Global Innovation Index	INSEAD
Innovation Cities Global Index	2ThinkNow
Global Cities Index	AT Kearney

The Established Centres

There are seven financial centres that are already well established and that respondents to the GFCI questionnaire believe will become more significant as financial centres over the next two to three years. The progress of these centres is shown below.



Two of the powerhouses of Asian financial services, Singapore and Shanghai are already within the top five centres in the world in GFCI 24—4th and 5th respectively.

Two other Chinese centres are featured in this list—Beijing is of course the political capital of China but many finance professionals also rate it as a financial centre. Shenzhen is the second financial centre after Shanghai and is the location of the second stock exchange in China. Beijing is 8th in GFCI 24, Shenzhen is 12th. There are four Chinese centres in the top 12 of GFCI 24. Hong Kong is 3rd in the GFCI but is not featured in the top 15 of likely to become more significant.

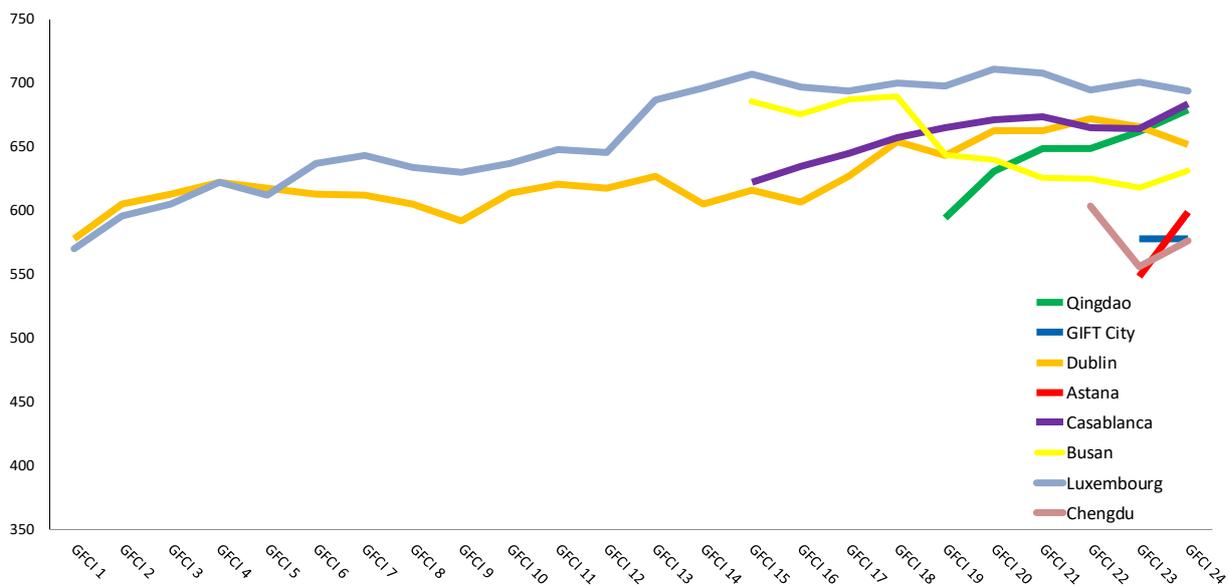
Frankfurt is currently 10th in GFCI 24 and after London is the leading European financial centre. Many believe that is one of the leading centres that can benefit from the United Kingdom leaving the European Union as it is set to do in 2019.

Toronto, 11th out of the 100 centres in GFCI 24, is rated just above Boston as the second most competitive financial centre in North America (after New York in 1st place). It benefits from a stable and strong regulatory environment.

Dubai is 15th in GFCI 24 and is the leading centre in the Middle East just ahead of Abu Dhabi and Doha.

The Developing Centres

There are eight financial centres that are less well established and outside the top twenty of the GFCI but that respondents to the GFCI questionnaire believe will become more significant as financial centres over the next two to three years. These are shown below:



The two European centres on the list, Luxembourg and Dublin are more established than the remainder of the group and have both featured in the GFCI since the start of the series in 2007. Luxembourg is currently in 21st place and Dublin is in 37th place.

There are a further two Chinese centres in this list—Qingdao (31st in GFCI) and Chengdu (79th), less well known than the four leading Chinese centres but both growing in importance.

Busan in South Korea is a centre we watch closely—a leading port city that is beginning to attract some big companies in marine finance. It is currently in 44th place in the GFCI.

GIFT City in Gujarat is a brand new entrant to the GFCI and is in 77th place. It is in an early stage of development and many have high hopes for it in the near future.

Astana has replaced Almaty as the main financial centre in Kazakhstan and with large investment and careful planning is seen as a potential leading regional player in the Chinese belt and road initiative.

Casablanca is already in 28th place in the GFCI and have been making significant progress in it endeavors to become a financial hub for the Francophone area of North West Africa.

The Established Centres - Shanghai

Shanghai has become one of the great financial centres in Asia, a good place to visit, to work in and a home to many ex-patriates from the West.



China is the largest country on earth (by population) and has the second largest economy after the United States of America. Shanghai is China's largest and most populous city, and is also the country's showcase for finance and technology. The population is just over 25 million which makes the city one of the largest in the world. 46% of the population is foreign born.

China's rapidly growing economy is evident all over the city, where an unprecedented building boom has been taking place for the past two decades. The city is divided into two halves, Puxi and Pudong (meaning the West and East sides of the Huangpu River, respectively). Puxi is the old part of Shanghai, and contains the historic Bund and French Concession as well as the city's best selection of shopping, dining, and sightseeing options. Pudong, by contrast, is more business-oriented, with a futuristic skyline that, amazingly, was all farmland just a couple of decades ago. It is here where the bulk of the financial services industry is based. Numerous bridges, tunnels, and a subway now connect the two sides.

Shanghai is mentioned more than any other financial centre as likely to become more significant. It is already one of the most important financial centres in the world. Why is it considered as likely to become even more significant? The short answer is that it has got most things right. Looking at the sub-indices for the five areas of competitiveness we see that Shanghai is 5th overall in the GFCI. As can be seen from the top table on page 11, Shanghai is 6th in the Business Environment sub-index, 7th for Human Capital, 5th for Infrastructure, 4th for

Financial Sector development and 8th for Reputation. It also has a strong reputational advantage. Collectively these ranks signify a very strong performance in all areas. However, we need to look at the five instrumental factors in each area (listed on the right with Shanghai's rank out of the 100 centres in the GFCI).

In the business environment, Shanghai is only in the middle band of all the financial centres (it should be noted however that several of these factors are only available at a country level rather than at city level).

The bottom table on the right shows Shanghai's performance in the industry sector sub-indices. Shanghai is 4th in the banking and investment sub-indices and 5th in both the insurance and professional services sub-indices.

So, will Shanghai become more significant?

Arguments For:

- well established already;
- strong in most areas;
- good reputation;
- World Bank support for reforms;
- a 100 point plan for opening up.

Arguments Against:

- uncertainty caused by long term intentions of the Chinese government;
- opening-up is very slow;
- currency is still not genuinely globally tradeable and government seems reluctant to accept the perceived risks of a floating currency.

Our Verdict:

Shanghai is already a very significant player in global finance. It is hard to see it becoming much stronger than it already is except under two conditions, a truly tradeable currency and the sheer scale and growth of the national economy.

Area Sub-Index	Rank
Business Environment	6
Human Capital	7
Infrastructure	5
Financial Sector Development	4
Reputation	8

Business Environment Factors	Rank
Business Environment Rankings	66
Financial Secrecy Index	41
Government Effectiveness	68
Best Countries for Business	80
Global Cybersecurity Index	41

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	45
Number of High Net Worth Individuals	14
Quality of Living City Rankings	58
World Talent Rankings	62
Cost of Living City Rankings	6

Infrastructure Factors	Rank
Office Occupancy Cost	56
Real Estate Transparency Index	49
Quality of Roads	51
Networked Readiness Index	77
Logistics Performance Index	48

Financial Sector Development Factors	Rank
Global Connectedness Index	82
Total Net Assets of Open-End Funds	22
Capitalisation of Stock Exchanges	10
Domestic Credit Provided by Banks	88
Net External Positions of Banks	50

Reputation Factors	Rank
World Competitiveness Scoreboard	24
Global Competitiveness Index	53
Global Innovation Index	42
Innovation Cities Global Index	28
Global Cities Index	18

Sector Sub-Index	Rank
Banking	4
Investment Management	4
Insurance	5
Government & Regulatory	7
Professional Services	5

Frankfurt

With the exception of London, Frankfurt is arguably the leading financial centre in Western Europe. It is a relatively small city with a population of approximately 736 thousand people



although it forms part of contiguous urban area of over 2 million people - out of a total German population of nearly 82 million. Frankfurt is located on both sides of the River Main and the northern side is where the historic centre and the business district of the city are situated. Frankfurt is culturally and ethnically diverse, around half of the population (and a majority of young people) are migrants with a quarter of the population being foreign nationals. It is home to the European Central Bank, the Deutsche Bundesbank, the Frankfurt Stock Exchange and several significant international banks.

Frankfurt is already a major international financial centre. It is rated 10th overall out of 100 financial centres in the GFCI—currently two points on a scale of 1,000 behind Zurich. In the GFCI sub-indices Frankfurt is 7th in the world for financial sector development and in the top 15 in the business environment, infrastructure and human capital sub-indices.

Why is it considered as likely to become even more significant? There are two reasons that Frankfurt could become more significant. The first is that it is a centre for which the finance industry is a central and strategically vital industry. Accordingly it pays a great deal of attention to the finance industry and has got most things right.

Frankfurt scores well in the business environment factors that we study with the exception of the Global Cybersecurity Index prepared by International Telecommunication Union. Frankfurt also generally performs well in the Human Capital Factors. It is also seen to have

good infrastructure and the large international airport serves the city well. Frankfurt has a positive reputational advantage as a result of being strong in most areas.

So, will Frankfurt become more significant in the next few years?

Arguments For:

- a strong and well performing financial centre in the heart of Europe and the EU;
- a good international network;
- a natural base for many European financial institutions;
- good international marketing.

Arguments Against:

- seen as a less interesting place to live than other financial centres by expatriates;
- culturally less interesting than other great European cities like London and Paris;
- less room for expansion than some other centres.

Our Verdict:

Frankfurt will undoubtedly remain a very strong European financial centre. Whether it becomes even more significant than it is already, will be decided mainly by the outcome of the Brexit negotiations. If London becomes weaker as a financial centre after Brexit then Frankfurt is ideally placed to gain business and become more significant.

Area Sub-Index	Rank
Business Environment	13
Human Capital	15
Infrastructure	12
Financial Sector Development	7
Reputation	20

Business Environment Factors	Rank
Business Environment Rankings	23
Financial Secrecy Index	14
Government Effectiveness	18
Best Countries for Business	26
Global Cybersecurity Index	57

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	9
Number of High Net Worth Individuals	10
Quality of Living City Rankings	5
World Talent Rankings	9
Cost of Living City Rankings	45

Infrastructure Factors	Rank
Office Occupancy Cost	32
Real Estate Transparency Index	20
Quality of Roads	16
Networked Readiness Index	36
Logistics Performance Index	2

Financial Sector Development Factors	Rank
Global Connectedness Index	8
Total Net Assets of Open-End Funds	11
Capitalisation of Stock Exchanges	25
Domestic Credit Provided by Banks	46
Net External Positions of Banks	3

Reputation Factors	Rank
World Competitiveness Scoreboard	34
Global Competitiveness Index	12
Global Innovation Index	21
Innovation Cities Global Index	18
Global Cities Index	27

Sector Sub-Index	Rank
Banking	9
Investment Management	19
Insurance	11
Government & Regulatory	9
Professional Services	14

Singapore

Singapore, an island city-state off southern Malaysia, is a global financial centre with a multi-cultural population. It is a heavily urbanised island at the south-east end of the Malayan peninsula between Malaysia and Indonesia. The country has become known for its transition from a developing economy to a fully developed one within a single generation.



Singapore has a population of 5.6 million and has one of the highest population densities in the world. Nearly 30% of the population is non-resident, approximately two thirds of the population is foreign and there is a wide ethnic mix with Chinese, Malay and Indian being the largest groups. Over 80% of the labour force works in the services sector with over a quarter of GDP accounted for by financial services.

Singapore has a highly developed free-market economy. Its economy is rated as one of the most open in the world. In other measures Singapore is the 7th least corrupt, the most pro-business, has low tax rates and has the third highest per-capita GDP in the world (measured by Purchasing Power Parity).

The country is already one of the top four financial centres in the world as measured by the GFCI. Much of its success is down to the business environment it provides and the effectiveness of the government in maintaining business friendly conditions. As expected in such a successful financial centre, Singapore excels in most areas measured by the GFCI. It is 4th in all five areas of competitiveness sub-indices.

The city already has a well developed financial sector. It is 2nd in the insurance sub-index, 4th for professional services and 5th in both the banking and investment management sub-indies.

So, will Singapore become more significant?

Arguments For:

- excellent business environment;
- excellent government effectiveness;
- very strong business and ICT infrastructure;
- the most important Asian financial centre, perhaps excluding Hong Kong.

Arguments Against:

- high cost of office space;
- a severe shortage of domestic housing;
- very little space for expansion;
- cultural and racial tensions are often reported;
- the collapse in the marine, oil and gas service sector has led to a lot of job losses in a previously well paid sector.

Our Verdict:

It is hard to see how Singapore can be much more significant as it is already one of the leading financial centres in the world. However, financial professionals who respond to the GFCI questionnaire always rate it as a centre that will become more significant.

Part of this is due to the healthy state of the sector at the moment. After New York and London, Singapore and Hong Kong are continuously competing for third place in the GFCI and recently Hong Kong has been ahead. Some see Singapore as the natural leader in Asia and with the mainland government in China showing signs of wanting more control over Hong Kong, perhaps Singapore will emerge as the clear leader in Asia.

Area Sub-Index	Rank
Business Environment	4
Human Capital	4
Infrastructure	4
Financial Sector Development	4
Reputation	4

Business Environment Factors	Rank
Business Environment Rankings	1
Financial Secrecy Index	12
Government Effectiveness	1
Best Countries for Business	14
Global Cybersecurity Index	101

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	
Quality of Living City Rankings	17
World Talent Rankings	20
Cost of Living City Rankings	4

Infrastructure Factors	Rank
Office Occupancy Cost	48
Real Estate Transparency Index	27
Quality of Roads	3
Networked Readiness Index	1
Logistics Performance Index	8

Financial Sector Development Factors	Rank
Global Connectedness Index	2
Total Net Assets of Open-End Funds	
Capitalisation of Stock Exchanges	43
Domestic Credit Provided by Banks	52
Net External Positions of Banks	23

Reputation Factors	Rank
World Competitiveness Scoreboard	9
Global Competitiveness Index	10
Global Innovation Index	18
Innovation Cities Global Index	12
Global Cities Index	7

Sector Sub-Index	Rank
Banking	5
Investment Management	5
Insurance	2
Government & Regulatory	4
Professional Services	4

Beijing

The capital of the largest country on earth (by population) with the second largest economy after the United States of America. Situated in the North East of China and one of the oldest



existing cities in the world, Beijing has much to offer. The population is over 22 million. Beijing is an important world capital and one of the world's leading centers for politics, business, finance, education, culture, innovation, technology, architecture, language, and diplomacy.

Beijing is home to the headquarters of most of China's largest state-owned companies and houses the largest number of Fortune Global 500 companies in the world, as well as the world's four biggest financial institutions. Many people are surprised that the GFCI lists Beijing in the top ten financial centres in the world. It is viewed as China's undoubted political capital but is often underrated as a financial centre by people who are less familiar with financial services.

In the GFCI sub-indices, Beijing is ranked 7th for infrastructure and 12th for human capital. Having a strong reputation helps Beijing attract many foreigners to the city either as students in one of over 90 universities or to work. The GFCI measure of reputation gives Beijing a reputational advantage of +26 which is relatively high amongst the centres featured here.

However, Beijing is seen unfavourably in a number of the instrumental factors we examine. China is viewed as 80th out of a hundred in the Best Countries for Business listing by Forbes, 68th in the Government Effectiveness measure supplied by the World Bank and 66th in the Business Environment Rankings by the Economist Intelligence Unit.

So, will Beijing become more significant?

Arguments For:

- a megacity with huge recognition;
- very well established;
- culturally very strong;
- public transport;
- strong air travel links.

Arguments Against:

- air pollution;
- traffic congestion;
- uncertainty caused by government decision-making regarding opening up the economy to world trade and making the Renminbi a fully tradeable currency;
- Hukou - the system of household registration makes it hard for many talented Chinese nationals to work in Beijing.

Our Verdict:

Beijing is already a very significant world city. It is perhaps overrated as a financial centre - 8th overall in the world in GFCI 24 seems too high to many finance professionals.

Beijing receives very strong and loyal support from respondents based in other Chinese centres and elsewhere in Asia. Without this support the city would be outside the top 20 centres in the GFCI rankings.

Beijing is a highly successful, thriving city in so many ways but it is unlikely in our opinion, to become even more significant as an international financial centre. It should be remembered that China has many financial centres (ten within the GFCI top 100) —the most prominent being Hong Kong, Shanghai and Shenzhen which are major financial centres already.

Area Sub-Index	Rank
Business Environment	22
Human Capital	12
Infrastructure	7
Financial Sector Development	24
Reputation	16

Business Environment Factors	Rank
Business Environment Rankings	66
Financial Secrecy Index	41
Government Effectiveness	68
Best Countries for Business	80
Global Cybersecurity Index	41

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	46
Number of High Net Worth Individuals	14
Quality of Living City Rankings	62
World Talent Rankings	62
Cost of Living City Rankings	7

Infrastructure Factors	Rank
Office Occupancy Cost	60
Real Estate Transparency Index	49
Quality of Roads	51
Networked Readiness Index	77
Logistics Performance Index	48

Financial Sector Development Factors	Rank
Global Connectedness Index	82
Total Net Assets of Open-End Funds	22
Capitalisation of Stock Exchanges	10
Domestic Credit Provided by Banks	88
Net External Positions of Banks	50

Reputation Factors	Rank
World Competitiveness Scoreboard	24
Global Competitiveness Index	53
Global Innovation Index	42
Innovation Cities Global Index	28
Global Cities Index	9

Sector Sub-Index	Rank
Banking	7
Investment Management	9
Insurance	14
Government & Regulatory	18
Professional Services	16

Toronto

Toronto is the capital city of Ontario in Canada. It is the largest city in Canada (by population) with over 2.7 million inhabitants although the Greater Toronto Area has 5.9 million. Toronto is a leading centre for business, finance, the arts and culture.



Many people recognise it as one of the most cosmopolitan and multicultural cities in the world. The diverse population is a result of its historical role as a destination for immigrants to Canada and more than half of Toronto's residents are from one of over 200 ethnic origins. Whilst English is the main language, over 160 languages are spoken in the city.

Toronto is home to the Toronto Stock Exchange, the HQ of Canada's five largest banks and the base of many large Canadian companies. The economy of the city is well diversified with strengths in financial services, business services, technology, life sciences and design. There is healthy competition with Montreal the next leading Canadian financial centre and another highly cosmopolitan city. It is also in competition with New York which is only 350 miles away.

Toronto is 11th in GFCI 24 and is a well established North American financial centre (having been 7th in GFCI 23). It is very highly regarded and is in the top 14 of all five of the sub-indices based on areas of competitiveness. Canada in general has a very good reputation for its regulatory environment and all financial centres based there benefit. During the financial crisis starting in 2008, there were no Canadian bank failures and the country survived the crisis well. So well in fact that Mark Carney, the Governor of the bank of Canada, was hired to run the Bank of England.

It is true that Canadian regulation was derided as being rather too conservative prior to the crisis - it is widely respected now.

Toronto is 5th in the world in the Business Environment Rankings (EIU) and 7th in the Best Countries for Business (Forbes). It is also 13th in the World Bank rating of government effectiveness.

Toronto compares well with many other financial centres in North America for human capital measures, infrastructure and reputation. It has a positive reputational advantage of +40. It is ahead of Boston, San Francisco, and Chicago in GFCI 24. So, will Toronto become more significant?

Arguments For:

- excellent business environment;
- very solid regulatory regime;
- strong reputation;
- offers a good lifestyle and popular with expatriates;
- well developed financial sector.

Arguments Against:

- strong competition from Montreal;
- traffic and long commuting times;
- cold climate (but not as cold as other parts of Canada).

Our Verdict:

Toronto is already a very important financial centre in North America. 38% of the city's GDP comes from financial services so it is very focused on the industry. It has a strong industry association that promotes the centre well.

Toronto and Montreal can both become more significant if the competitiveness of the big USA centres falls. There is a significant chance that this may happen with the risk of a trade war and retaliatory sanctions being imposed on the USA.

Area Sub-Index	Rank
Business Environment	10
Human Capital	14
Infrastructure	12
Financial Sector Development	14
Reputation	13

Business Environment Factors	Rank
Business Environment Rankings	5
Financial Secrecy Index	30
Government Effectiveness	13
Best Countries for Business	7
Global Cybersecurity Index	84

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	6
Number of High Net Worth Individuals	29
Quality of Living City Rankings	12
World Talent Rankings	15
Cost of Living City Rankings	58

Infrastructure Factors	Rank
Office Occupancy Cost	24
Real Estate Transparency Index	14
Quality of Roads	32
Networked Readiness Index	32
Logistics Performance Index	28

Financial Sector Development Factors	Rank
Global Connectedness Index	48
Total Net Assets of Open-End Funds	31
Capitalisation of Stock Exchanges	21
Domestic Credit Provided by Banks	68
Net External Positions of Banks	10

Reputation Factors	Rank
World Competitiveness Scoreboard	18
Global Competitiveness Index	34
Global Innovation Index	35
Innovation Cities Global Index	12
Global Cities Index	17

Sector Sub-Index	Rank
Banking	15
Investment Management	7
Insurance	17
Government & Regulatory	11
Professional Services	13

Shenzhen

Shenzhen, in South Eastern China, is a modern city that links mainland China with Hong Kong. It forms a 'mega-city' on the Pearl River Delta. The official population is just under 13 million although many claim that with all the un-registered inhabitants the real total is closer to 20 million.



Contrary to a common misconception of Shenzhen being a fishing village prior to becoming a city, Shenzhen was a regional market town with a long history. In 1980 Shenzhen was identified as the first of five Special Economic Zones created as an experimental ground for market capitalism within a country run on socialist ideals.

Shenzhen is now a very successful modern city and has become the second financial centre in mainland China after Shanghai (excluding Beijing). It is home to the Shenzhen Stock Exchange and the headquarters of many multinational companies including ZTE, Tencent, Huawei and Ping An Insurance. It was Ping An Insurance that commissioned the Ping An International Finance Centre - a 115 storey skyscraper.

Shenzhen is also one of the busiest container ports in the world and was one of the fastest-growing cities in the world in the 1990s and the 2000s. Shenzhen has become a very important centre for Hi Tech development as well as a financial centre. Shenzhen is currently 12th in the GFCI (having been 18th in GFCI 23) and has become a very significant centre in its own right. It is still considered likely that it will become even more significant. Like the other leading centres it appears to score fairly well in most areas.

Shenzhen does not have quite the excellent ratings that Shanghai enjoys. However, looking at the sub-indices for the five areas of competitiveness we see that Shenzhen is 29th in the Business Environment sub-index, 22nd for Human Capital, 23rd for Infrastructure, 15th for Financial Sector development and 33rd for Reputation. It also has a strong reputational advantage of +44. So, will Shenzhen become more significant?

Arguments For:

- a beautiful city with over 200km of coastline which has a comfortable climate with 45% of its urban space laid out as park land;
- a very innovative city;
- a very young and cosmopolitan city with an average age of just 30 and over 90% of the population from elsewhere;
- a very efficient municipal government;
- strong transport infrastructure.

Arguments Against:

- the city is still 'growing up' culturally;
- not quite as international or as cosmopolitan as Hong Kong;
- still a secondary financial centre to Shanghai.

Our Verdict:

Shenzhen is a beautiful city and is growing rapidly. It is hard to imagine that it will not become a more significant city and a more significant financial centre. Some have predicted that Shenzhen will surpass Beijing and Shanghai in GDP terms and become China's number one city in ten to fifteen years. Whether or not it will continue to grow at the rapid pace as in the last twenty years, time will tell. We are confident that it will become a more significant Chinese city, as well as a far more significant financial centre in the future.

Area Sub-Index	Rank
Business Environment	29
Human Capital	22
Infrastructure	23
Financial Sector Development	15
Reputation	33

Business Environment Factors	Rank
Business Environment Rankings	66
Financial Secrecy Index	41
Government Effectiveness	68
Best Countries for Business	80
Global Cybersecurity Index	41

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	14
Quality of Living City Rankings	68
World Talent Rankings	62
Cost of Living City Rankings	9

Infrastructure Factors	Rank
Office Occupancy Cost	47
Real Estate Transparency Index	49
Quality of Roads	51
Networked Readiness Index	77
Logistics Performance Index	48

Financial Sector Development Factors	Rank
Global Connectedness Index	82
Total Net Assets of Open-End Funds	22
Capitalisation of Stock Exchanges	20
Domestic Credit Provided by Banks	88
Net External Positions of Banks	50

Reputation Factors	Rank
World Competitiveness Scoreboard	24
Global Competitiveness Index	53
Global Innovation Index	42
Innovation Cities Global Index	53
Global Cities Index	62

Sector Sub-Index	Rank
Banking	13
Investment Management	12
Insurance	8
Government & Regulatory	24
Professional Services	15

Dubai

Whilst not the capital city of the United Arab Emirates, Dubai is certainly the economic and trading centre. With a population of just over three million Dubai is the largest of the seven Emirates (the UAE capital is Abu Dhabi with a population of 1.2 million).



Dubai has a history as a trading hub and is strategically located between the East and West. It has a reputation of providing a stable and secure base for businesses and financial institutions to engage with the emerging markets of the Middle East, Africa and South Asia.

The Dubai International Financial Centre (DIFC) is a special economic zone in Dubai covering 110 hectares and was established in 2004. DIFC has its own independent, internationally recognised regulator and judicial system, a common law framework, a global financial exchange and a tax-friendly regime. It has attracted a large business community and now is home to hundreds of financial institutions, including wealth funds and private investors. It also hosts many multinationals, retail outlets, cafés, restaurants, residential space, public green spaces, hotels and art galleries.

In 2017 Dubai launched the 'FinTech Hive' an initiative to accelerate the growth of financial technology in the region with an aim to connect innovators in FinTech with the banks, financial institutions and service providers within the DIFC. Dubai are hosting the 2020 World Expo which could lead to GDP growth accelerating well over the current 3.5% estimate. The Expo is expected to be one of the largest events ever seen in the Gulf with over 170 nations taking part.

Dubai is currently ranked 15th in the GFCI and is already a leading financial centre. It is ranked 9th in terms of infrastructure, 10th in business environment and 11th in human capital.

Dubai is ranked 8th in the GFCI banking sub-index and 9th in the professional services sub-index. So, will Dubai become more significant?

Arguments For:

- an excellent legal and regulatory system;
- strong human capital;
- a very healthy economy;
- travel and building infrastructure.

Arguments Against:

- ICT infrastructure might need enhancement;
- environmental issues seem low priority;
- not many opportunities for local population;
- underutilisation of women in the workforce.

Our Verdict:

Dubai is already very significant. It is dominant as a financial centre in the region and the economy of the region is set to develop further. This is likely to result in the economy of Dubai, and specifically of the DIFC, expanding. DIFC has a very healthy future ahead of it and is likely to become an even more significant regional hub.

Dubai is the last of the seven established centres that respondents to the GFCI questionnaire mention as likely to become more significant.

The next sections of this report focus on the eight developing centres that are likely to become more significant.

Area Sub-Index	Rank
Business Environment	10
Human Capital	11
Infrastructure	9
Financial Sector Development	18
Reputation	25

Business Environment Factors	Rank
Business Environment Rankings	48
Financial Secrecy Index	19
Government Effectiveness	37
Best Countries for Business	49
Global Cybersecurity Index	28

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	11
Number of High Net Worth Individuals	
Quality of Living City Rankings	42
World Talent Rankings	44
Cost of Living City Rankings	17

Infrastructure Factors	Rank
Office Occupancy Cost	42
Real Estate Transparency Index	
Quality of Roads	1
Networked Readiness Index	51
Logistics Performance Index	26

Financial Sector Development Factors	Rank
Global Connectedness Index	19
Total Net Assets of Open-End Funds	
Capitalisation of Stock Exchanges	59
Domestic Credit Provided by Banks	35
Net External Positions of Banks	

Reputation Factors	Rank
World Competitiveness Scoreboard	14
Global Competitiveness Index	40
Global Innovation Index	65
Innovation Cities Global Index	28
Global Cities Index	26

Sector Sub-Index	Rank
Banking	8
Investment Management	15
Insurance	15
Government & Regulatory	16
Professional Services	9

The Developing Centres - Qingdao

Qingdao is a major city in the east of Shandong province of China on the Yellow Sea coast. It is currently at least as well known for its seafood and beer as it is for financial services. It also claims to have the largest bathing beach in Asia. The city was occupied by the Germans for a



short while before the first world war and then by the Japanese until the end of the second world war. The population has grown rapidly and is now well over 9 million.

Foreign institutions are beginning to be attracted to Qingdao because they see strong prospects for the financial sector. This is because of a number of factors including the city's geographical position, a large and active port and a strong industrial economy. In particular, the government has given support to building Qingdao as a centre of wealth management and private banking. The government's preferential policies have already attracted eleven banks to set up private banking branches with combined asset values of 70 billion yuan.

The Qingdao Blue Ocean Equity Exchange, a regional equity trading market is now located in Laoshan International Innovation Park. More than 300 companies have been listed in the market since 2014 and it has raised more than 2.7 billion yuan. The city has formed a financial leadership group, headed by Qingdao Mayor Zhang Xinqi to plan the future of the finance sector within Qingdao. Officials from the city government are travelling widely and attending many industry events and gaining insight into the conditions that allow private banking companies to thrive.

Qingdao is currently 31st in the GFCI and is the second most mentioned city when questionnaire respondents are asked to name cities most likely to become more significant.

So, will Qingdao become more significant as many predict?

Arguments For:

- government support;
- overall good quality of life;
- successful equity exchange;
- a good reputation for innovation;
- the highest reputational advantage of any centre in this report.

Arguments Against:

- continuing uncertainty of Chinese government long term intentions for currency;
- questions about ICT infrastructure with low rankings in the Networked Readiness Index and the Global Connectedness Index;
- low recognition in Europe and North America;
- extremely rapid growth in population may lead to overcrowding.

Our Verdict:

One of the key determinants of success for any venture in China is government support. Qingdao appears to have full government support at regional and national level.

Qingdao officials are very clear about their plans to become a wealth management centre. Many financial centres struggle to maintain their focus on a particular sector or a particular area of expertise. Qingdao shows no signs of losing their focus and the city is certainly a name that will become more familiar in financial services. The government must continue to grow its reputation in other markets such as Western Europe.

Area Sub-Index	Rank
Business Environment	18
Human Capital	20
Infrastructure	18
Financial Sector Development	16
Reputation	28

Business Environment Factors	Rank
Business Environment Rankings	66
Financial Secrecy Index	41
Government Effectiveness	68
Best Countries for Business	80
Global Cybersecurity Index	41

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	14
Quality of Living City Rankings	74
World Talent Rankings	62
Cost of Living City Rankings	27

Infrastructure Factors	Rank
Office Occupancy Cost	
Real Estate Transparency Index	49
Quality of Roads	51
Networked Readiness Index	77
Logistics Performance Index	48

Financial Sector Development Factors	Rank
Global Connectedness Index	82
Total Net Assets of Open-End Funds	22
Capitalisation of Stock Exchanges	10
Domestic Credit Provided by Banks	88
Net External Positions of Banks	50

Reputation Factors	Rank
World Competitiveness Scoreboard	24
Global Competitiveness Index	53
Global Innovation Index	42
Innovation Cities Global Index	28
Global Cities Index	69

Sector Sub-Index	Rank
Banking	29
Investment Management	26
Insurance	34
Government & Regulatory	71
Professional Services	23

GIFT City

India's first International Financial Services Centre has been located at GIFT City in Gujarat, one of the fastest growing states in India. GIFT City is also strategically positioned close to Gandhinagar, state capital of Gujarat and close to the megacity Ahmedabad that has a population of 8 million in its urban agglomeration.



GIFT City is well connected with Ahmedabad International Airport only 20 minutes drive away. The airport provides connections to all major countries around the world and has over twenty flights a day to cities such as Mumbai and Delhi. Together, the Ahmedabad-Gandhinagar corridor is a major centre for business, finance, culture and government.

India is one of the fastest growing economies in the world with the GDP of US\$ 2.6 trillion and India's services sector contributes approximately 55% to this. Financial services is expected to contribute approximately 15% of GDP by 2020. India is conveniently located to serve all time zones and has long-standing trading and cultural ties with markets around the world. India also enjoys low real estate and wages compared to many other centres.

GIFT IFSC is a multi-services special economic zone with 105 hectares and started business in 2015. In just three years, it has already become host to more than 125 financial entities licensed by financial services regulators including the Reserve Bank of India (RBI), the Securities & Exchange Board of India (SEBI) and the Insurance Regulatory & Development Authority of India (IRDAI). GIFT IFSC has already attracted two large international exchanges and host a number of banks, insurance companies, intermediaries, consultants and law firms as a part of its ecosystem. While India has a capital account restriction, GIFT City provides an enabling platform in the form of full capital account convertibility and thereby provides easy access to Indian and foreign institutions to undertake foreign currency transactions. GIFT City

provides cost effective operations with a very competitive tax regime, relaxed company law provisions, and an international arbitration centre. GIFT City is now moving toward a unified regulatory mechanism.

Arguments for:

- India - fastest growing economy globally;
- a large hinterland demand for international financial services;
- availability of skilled manpower;
- potential to become the most important financial gateway to India;
- India's first operational smart city with high quality infrastructure.

Arguments Against:

- a unified regulator for GIFT City is not yet operational;
- no retail participation is permitted limiting the growth of the centre;
- international air connectivity is limited;
- social and cultural life are currently limited.

Our Verdict:

GIFT City will emerge as an important platform for India to transact international financial services. India is already a large consumer of international financial services and has the potential to reach US\$ 5 trillion in the next five to seven years. GIFT City's entry into the GFCI such an early stage of its development, clearly signifies the importance this financial centre is likely to play in coming years. Respondents to the GFCI survey have rated GIFT City third as likely to become most significant in next 2 to 3 years.

The success of GIFT City will depend on the speed at which the Indian government licences a unified regulatory authority. The regulatory regime needs to be comparable to well established global financial centres.

Area Sub-Index	Rank
Business Environment	67
Human Capital	98
Infrastructure	84
Financial Sector Development	65
Reputation	82

Business Environment Factors	Rank
Business Environment Rankings	79
Financial Secrecy Index	53
Government Effectiveness	88
Best Countries for Business	74
Global Cybersecurity Index	61

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	37
Quality of Living City Rankings	
World Talent Rankings	82
Cost of Living City Rankings	

Infrastructure Factors	Rank
Office Occupancy Cost	
Real Estate Transparency Index	59
Quality of Roads	70
Networked Readiness Index	101
Logistics Performance Index	63

Financial Sector Development Factors	Rank
Global Connectedness Index	93
Total Net Assets of Open-End Funds	43
Capitalisation of Stock Exchanges	29
Domestic Credit Provided by Banks	20
Net External Positions of Banks	44

Reputation Factors	Rank
World Competitiveness Scoreboard	78
Global Competitiveness Index	74
Global Innovation Index	83
Innovation Cities Global Index	61
Global Cities Index	

Sector Sub-Index	Rank
Banking	90
Investment Management	73
Insurance	78
Government & Regulatory	85
Professional Services	69

Dublin

Dublin, capital of the Republic of Ireland, is on Ireland's east coast at the mouth of the River Liffey. It is a thriving city, attracts many tourists and the citizens enjoy a high standard of



living. Its historic buildings include Dublin Castle, dating to the 13th century, and the imposing St Patrick's Cathedral, founded in 1191. The city has a population of approximately 1.4 million. Ireland is a well recognised centre for specialist financial services. It is home to over 400 financial services companies including over 200 foreign-owned companies and employs 42,000 people in the sectors including banking, fund management, asset management and investment, insurance and reinsurance, and FinTech. Dublin ranks 24th overall for investment management in the GFCI sub-index and is seen favourably by the government and regulatory sector (23rd in the GFCI sub-index). Dublin offers a proven track record in the area of green and sustainable finance with €28bn worth of activities listed there.

The Republic of Ireland is a fully committed member of the EU and has guaranteed access to financial services passporting across the EU and EEA. The unemployment rate, at 5.4%, is well below the EU average and all key economic indicators point to continued economic growth - real GDP growth of 7.5% is forecast for 2018.

Dublin is currently 37th in the GFCI (having been 31st in GFCI 23). It is a well known and established financial centre in Europe. This is demonstrated by its position in the GFCI sub-indices: Dublin is 15th in the reputation sub-index, 24th for infrastructure, 28th in both the business environment and human capital sub-indices and 30th for financial sector development.

Dublin is ranked 13th out of 100 centres in the GFCI in the Best Countries for Business index by Forbes, and 29th out of 100 GFCI cities in the Business Environment Rankings by the EIU. It is also highly ranked in the Quality of Living Rankings and the World Talent Rankings. Dublin is also ranked in the top ten of all GFCI centres in the Global connectedness Index by DHL.

Dublin is very well regarded by most professionals that have worked there. But, will Dublin become more significant at a financial centre over the next few years?

Arguments For:

- a strong business environment;
- well connected – 70 daily flights to London and direct flights to other major centres including Beijing and Hong Kong;
- a strong business start-up ecosystem;
- large scale building investment.

Arguments Against:

- surprisingly low ranks in innovation measures (e.g. the Networked Readiness Index and the Innovation Cities Global Index);
- uncertainty about the wider economy caused by Brexit and the USA position on tax avoidance;
- property prices and rental costs;
- continuing grumbles about public transport.

Our Verdict:

Dublin is a great venue for business and well liked by most professionals who have worked there. It is likely to get more significant organically and the government is constantly seeking to improve and is particularly focused on financial services (e.g. the IFS2020 Strategy). If the UK does not manage to secure a smooth exit from the EU then Dublin is ideally poised to a much more significant financial centre soon.

Area Sub-Index	Rank
Business Environment	28
Human Capital	28
Infrastructure	24
Financial Sector Development	30
Reputation	15

Business Environment Factors	Rank
Business Environment Rankings	29
Financial Secrecy Index	39
Government Effectiveness	43
Best Countries for Business	13
Global Cybersecurity Index	55

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	13
Number of High Net Worth Individuals	
Quality of Living City Rankings	24
World Talent Rankings	21
Cost of Living City Rankings	23

Infrastructure Factors	Rank
Office Occupancy Cost	44
Real Estate Transparency Index	24
Quality of Roads	42
Networked Readiness Index	50
Logistics Performance Index	35

Financial Sector Development Factors	Rank
Global Connectedness Index	3
Total Net Assets of Open-End Funds	9
Capitalisation of Stock Exchanges	69
Domestic Credit Provided by Banks	31
Net External Positions of Banks	24

Reputation Factors	Rank
World Competitiveness Scoreboard	23
Global Competitiveness Index	49
Global Innovation Index	25
Innovation Cities Global Index	46
Global Cities Index	39

Sector Sub-Index	Rank
Banking	50
Investment Management	24
Insurance	31
Government & Regulatory	23
Professional Services	30

Astana

Astana is the capital city of Kazakhstan (having taken over from Almaty) and was designed specifically as a capital city. Kazakhstan is the 9th largest country in the world by area and has a population of over 18 million. Kazakhstan is also the economically dominant nation of Central Asia, generating 60% of the region's GDP, primarily through its oil/gas industry.



The country also has vast mineral resources. Astana is located on the banks of the Ishim River in the north of Kazakhstan. Kazakhstanis are famous for their friendliness and hospitality and visitors and expatriates living there generally have a very enjoyable time.

With a population of just over 1 million, Astana is the site of the Parliament House, the Supreme Court, the Ak Orda Presidential Palace and numerous government departments and agencies. It is home to many amazing futuristic buildings, hotels and skyscrapers. As an example, the stock exchange building is one of the largest spherical buildings in the world.

Astana's financial centre was only officially opened in July 2018 but has already climbed to 61st place in the GFCI - a remarkable achievement for such a young centre. Astana International Financial Centre (AIFC) has just received three GIFA awards in the field of Islamic Finance further enhancing its reputation as a developing centre. Members of the GFCI team have visited Astana several times in the past two years and are encouraged by the way that the AIFC is working to develop the centre. They have generated all the basics needed by a

financial centre and are busy making a wide network of international contacts. So, will Astana become more significant than it is already?

Arguments For:

- a newly developed international exchange;
- a special tax regime;
- a simplified visa system;
- a good lifestyle for ex-patriates;
- vigorous application of English common law;
- a regulatory sandbox to aid FinTech.

Arguments Against:

- the central government has a past record for an authoritarian approach;
- the city is still very new and has not yet generated a true cosmopolitan character of its own;
- Astana is still fairly unknown as a financial centre and perceptions take time to change;
- fragile banking sector;
- air connectivity still needs development.

Our Verdict:

Astana is a rather remote city in some ways. However, connectivity is improving fast and the city is in an excellent strategic position between Europe and the Far East. The Chinese 'belt and road' initiative has Astana as a key location along the land route and this will only simplify travel and transport and benefit the Kazakhstan economy.

There is a large project of privatisation to reduce undue government influence in business. We believe that Astana has a particularly prosperous future and if the AIFC continue with their administrative and marketing efforts, finance professionals around the world will hear a lot more about Astana in the future.

Area Sub-Index	Rank
Business Environment	88
Human Capital	99
Infrastructure	79
Financial Sector Development	97
Reputation	95

Business Environment Factors	Rank
Business Environment Rankings	85
Financial Secrecy Index	
Government Effectiveness	94
Best Countries for Business	78
Global Cybersecurity Index	8

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	
Quality of Living City Rankings	
World Talent Rankings	50
Cost of Living City Rankings	

Infrastructure Factors	Rank
Office Occupancy Cost	
Real Estate Transparency Index	81
Quality of Roads	92
Networked Readiness Index	63
Logistics Performance Index	90

Financial Sector Development Factors	Rank
Global Connectedness Index	
Total Net Assets of Open-End Funds	
Capitalisation of Stock Exchanges	38
Domestic Credit Provided by Banks	5
Net External Positions of Banks	

Reputation Factors	Rank
World Competitiveness Scoreboard	70
Global Competitiveness Index	89
Global Innovation Index	95
Innovation Cities Global Index	94
Global Cities Index	

Sector Sub-Index	Rank
Banking	68
Investment Management	47
Insurance	97
Government & Regulatory	73
Professional Services	69

Casablanca

Casablanca is in central Morocco bordering the Atlantic Ocean, is the largest city in Morocco. It is also one of the largest and most important cities in North Africa, both economically and demographically.



Casablanca is the main port in the country and one of the largest financial centres on the continent. The population is about 3.35 million in the urban area and over 6.8 million in the wider Casablanca-Settat region. Casablanca is considered the economic and business center of Morocco, although the national political capital is Rabat.

Casablanca Finance City (CFC) was created in 2010 with the full support of King Mohammed VI and is an economic and financial hub that aspires to become a bridge between the Europe and Africa. It seeks to attract and encourage international institutions and investors to invest and operate in North, West and central Africa and to choose Casablanca as a base for their activities. It is especially beneficial with professionals from other Francophone countries. CFC intends to build a fully developed business ecosystem evolving around three business sectors: financial services, professional services and African headquarters of multinationals.

CFC as a centre, offers an attractive package of incentives including tax incentives, exchange control facilitation measures and other benefits to ease the conduct of business. Registered companies are granted opportunities to relocate into a new real estate area which is based in the now-defunct Anfa Airport right in the heart of the city.

Casablanca is currently 28th in the GFCI having been 32nd in GFCI 23. It is not ranked very highly by a number of the instrumental factor providers and consequently does not perform

as well as it should in the GFCI sub-indices. However, the city is well regarded by people who know it. So, will Casablanca become more significant?

Arguments For:

- economic and political stability;
- strategically located as a natural link between Europe and Africa;
- a nice climate, clean air and the Atlantic ocean;
- track record of making things happen;
- regulatory framework.

Arguments Against:

- relatively unknown as a financial centre in Western Europe and North America;
- pace of reform and decision making;
- weak democratic rights;
- ICT infrastructure.

Our Verdict:

We believe that Casablanca has a bright future ahead of it and will certainly become more significant in the mid-term. The city is gaining a good reputation for environmental issues and holds many international conferences. It has forged many international strategic alliances with leading financial centres (including London, Paris, and Toronto). Lujiazui Financial City (Shanghai) has recently signed an agreement with Casablanca Financial City to strengthen co-operation in green finance and resource exchange

The CFC administration is well very run and dynamic and is marketing Casablanca well at the moment and it is likely that Casablanca will achieve its ambition of becoming a leading centre in Africa.

Area Sub-Index	Rank
Business Environment	90
Human Capital	73
Infrastructure	78
Financial Sector Development	82
Reputation	89

Business Environment Factors	Rank
Business Environment Rankings	87
Financial Secrecy Index	
Government Effectiveness	96
Best Countries for Business	68
Global Cybersecurity Index	26

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	
Quality of Living City Rankings	65
World Talent Rankings	
Cost of Living City Rankings	67

Infrastructure Factors	Rank
Office Occupancy Cost	
Real Estate Transparency Index	77
Quality of Roads	70
Networked Readiness Index	98
Logistics Performance Index	92

Financial Sector Development Factors	Rank
Global Connectedness Index	96
Total Net Assets of Open-End Funds	
Capitalisation of Stock Exchanges	64
Domestic Credit Provided by Banks	37
Net External Positions of Banks	

Reputation Factors	Rank
World Competitiveness Scoreboard	
Global Competitiveness Index	98
Global Innovation Index	91
Innovation Cities Global Index	86
Global Cities Index	67

Sector Sub-Index	Rank
Banking	52
Investment Management	79
Insurance	94
Government & Regulatory	77
Professional Services	29

Busan

Busan, a city of over 3.5 million population, is the second city in South Korea (after the capital Seoul). It is located in the center of an economic bloc that encompasses Busan, Ulsan and Gyeongnam Province. As well as being the second largest city in Korea, Busan is home to the largest port in the country which is currently ranked as the sixth largest in the world.



The financial centre is located in the center of Busan, well served by Gimhae International Airport, 15 minutes from the main train station, and close to the renowned Haeundae Beach area.

Neighbouring cities such as Geoje and Ulsan are locations for some of the world's leading shipbuilders. With its strategic location in the center of marine logistics in North East Asia, Busan is seen by many as a gateway to the world for the Eurasian continent.

Busan was designated by the government as a financial hub of South Korea in 2009 and is growing into an international financial centre with a focus on maritime finance, derivatives, and back office operations. To enhance its position as a financial centre, Busan has prioritised the development of its financial institutions and improving the business environment to become an even more competitive cluster.

The South Korean government has recently selected Busan as a smart city to act as a test-bed for other Korean cities that want to become smart cities. With advanced IT infrastructure, Busan has been selected by global leaders such as Amazon and Microsoft as a cloud innovation and technology center and as a data hub for the Asian markets.

As part of Busan's drive to grow the city into a competitive financial hub, the BIFC, a 63-story landmark, was completed in 2014 and is the first stage of a development plan. The BIFC is now home to a number of financial institutions including the Korea Exchange, the Korea Securities Depository, the Korea Asset Management Corporation, and the Marine Finance Center.

Busan has world-class infrastructure for exhibitions and international conferences. In May 2018, Busan hosted the Annual Meetings of the African Development Bank in May and Busan became the fifth city to host the event outside Africa. Also in May, Busan hosted the AfDB Annual Meetings at the Busan Exhibition and Conference Centre. It was one of the largest global congresses in 2018 and drew more than 4,000 visitors. Can Busan become more significant?

Arguments For:

- great infrastructure;
- full support of the Korean government;
- skilful and determined promotion agency;
- beautiful city with hills, forests, the sea and clean air.

Arguments Against:

- still has low recognition as a financial centre by Western professionals;
- has difficulty attracting professional services staff from Europe and North America;
- has to fight an inclination to be based in Seoul.

Our Verdict:

Busan is very well supported by the Korean government, has excellent infrastructure, already has one of the most important ports in the world. The Koreans are very determined and hard working and we believe that Busan will definitely become more significant.

Area Sub-Index	Rank
Business Environment	92
Human Capital	81
Infrastructure	80
Financial Sector Development	96
Reputation	78

Business Environment Factors	Rank
Business Environment Rankings	42
Financial Secrecy Index	56
Government Effectiveness	52
Best Countries for Business	35
Global Cybersecurity Index	74

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	41
Quality of Living City Rankings	55
World Talent Rankings	60
Cost of Living City Rankings	

Infrastructure Factors	Rank
Office Occupancy Cost	
Real Estate Transparency Index	46
Quality of Roads	16
Networked Readiness Index	30
Logistics Performance Index	44

Financial Sector Development Factors	Rank
Global Connectedness Index	28
Total Net Assets of Open-End Funds	40
Capitalisation of Stock Exchanges	32
Domestic Credit Provided by Banks	66
Net External Positions of Banks	

Reputation Factors	Rank
World Competitiveness Scoreboard	60
Global Competitiveness Index	51
Global Innovation Index	26
Innovation Cities Global Index	18
Global Cities Index	

Sector Sub-Index	Rank
Banking	41
Investment Management	58
Insurance	55
Government & Regulatory	36
Professional Services	91

Luxembourg

The Grand Duchy of Luxembourg, to give it its full title, is a small country between France, Belgium and Germany. It does over 70% of its trade, both import and export, with these three countries. The capital is Luxembourg City and is one of the three official capitals of the European Union and the seat of the European Court of Justice, the highest judicial authority in the EU.



Its culture, people, and languages are highly intertwined with its neighbours, making it essentially a mixture of French and German cultures. It's population is 0.6 million.

The country's infrastructure, institutions and industrial relations are very high standard. A favourable tax regime and regulation, including some bank secrecy, have attracted a large number of financial institutions. The main activities in the sector are insurance, fund management and banking. The fund management industry is the second largest in the world and the banking sector is huge with bank assets that are 18 times GDP, the largest ratio in Europe. However, banking is dominated by foreign-owned banks, serving as foreign investment vehicles to their parent companies and having few ties to the local economy.

As a nation Luxembourg has the third highest GDP per person in the world (after Monaco and Liechtenstein). Over 40% of GDP is generated by financial and professional services. It is politically stable, and has an innovative and international culture and has built itself up as one of the leading private banking centres in the world. The country is also a leading domicile for investment funds.

Luxembourg growth rate is still one of the highest in the Euro-zone driven by job-creation, low inflation and favourable financing conditions. Luxembourg has a strong legal environment and a focus on investor protection which has attracted international banks, insurance companies,

investment fund promoters and specialist service providers. However, the economy of Luxembourg is very open and therefore vulnerable to external shocks.

In the GFCI Luxembourg is currently ranked 21st in the world and 4th in Europe (behind only London, Zurich and Frankfurt). It performs strongly in the financial sector developments sub-index where it is 20th and in human capital where it is 25th. It is rated 13th in the world in the GFCI sub-index for the government and regulatory sector and 16th for investment management. So, will Luxembourg become more significant?

Arguments For:

- fiscal stability;
- strong innovation;
- a high standard of living;
- a skilled multi-lingual workforce.

Arguments Against:

- the country is highly dependent on the financial sector;
- economy vulnerable to euro-zone economic cycles;
- an ageing population which may have a future economic impact;
- a small city with a very conservative lifestyle - fine if you enjoy this.

Our Verdict:

Luxembourg growth rate is still one of the highest in the Euro-zone and there is a very stable and well regulated business environment.

Luxembourg is already a significant financial centre, especially within Europe.

It may be hard to become even more significant as there is only a limited scope for growth.

However, we believe that Luxembourg will continue as a very significant centre in Europe.

Area Sub-Index	Rank
Business Environment	35
Human Capital	25
Infrastructure	65
Financial Sector Development	20
Reputation	51

Business Environment Factors	Rank
Business Environment Rankings	
Financial Secrecy Index	13
Government Effectiveness	23
Best Countries for Business	43
Global Cybersecurity Index	37

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	4
Number of High Net Worth Individuals	
Quality of Living City Rankings	13
World Talent Rankings	14
Cost of Living City Rankings	48

Infrastructure Factors	Rank
Office Occupancy Cost	
Real Estate Transparency Index	48
Quality of Roads	16
Networked Readiness Index	25
Logistics Performance Index	5

Financial Sector Development Factors	Rank
Global Connectedness Index	6
Total Net Assets of Open-End Funds	8
Capitalisation of Stock Exchanges	19
Domestic Credit Provided by Banks	85
Net External Positions of Banks	7

Reputation Factors	Rank
World Competitiveness Scoreboard	22
Global Competitiveness Index	43
Global Innovation Index	28
Innovation Cities Global Index	71
Global Cities Index	

Sector Sub-Index	Rank
Banking	20
Investment Management	16
Insurance	21
Government & Regulatory	13
Professional Services	27

Chengdu

Chengdu, with a population of more than 14 million, is currently China's fourth largest city and one of the world's fastest growing metropolises. By 2030, more than 18 million people are expected to live within its expanding boundaries, as the regional government presses ahead with large-scale construction projects. These include a second airport (with four runways) and a new economic development zone with its own population of 6 million people.



Chengdu is over 2,000 years old and is the only city in China to retain its historic name. The Chinese government have recently opened a railway line that connects Chengdu to Poland and carries freight to Europe in just twelve days. The city is keen to be seen as a symbol of modernity and, crucially, a centre for foreign investment.

A symbol of Chengdu's future ambitions is the recently built Global Centre. It is the largest building by floor space in the world. Beneath a rolling glass roof is a structure that, according to its developers, could accommodate 20 Sydney Opera Houses. In October 2018, Chengdu hosted the annual World Chinese Entrepreneurs Convention - a conference bringing together more than 3,000 Chinese business owners from overseas and encouraging them to invest in China.

Chengdu is currently 79th in the GFCI (having risen three places since GFCI 23). It is currently ranked lower than that in the five area of competitiveness sub-indices but in the sub-indices by market sector, Chengdu is as high as 54th in the Government and Regulatory sub-index.

Overall Chengdu is ranked well in several of the most important instrumental factors 41st in Financial Secrecy and in the Global Cybersecurity Index, 22nd in the Cost of Living City Rankings, 24th in the World Competitiveness Scoreboard and 42nd in the Global Innovation Index. The national and local government have very large ambitions but will Chengdu become more significant in the next few years?

Arguments For:

- huge support from the central government;
- air links and direct flights to key international cities are being continuously developed;
- strong infrastructure;
- relatively good environmental protection but pollution is still present;
- good record of innovation.

Arguments Against:

- not yet well connected with some international cities;
- as with all Chinese cities, it is held back by lack of a genuinely convertible currency;
- not as multicultural or cosmopolitan as Shanghai, Beijing and Shenzhen.

Our Verdict:

Chengdu possesses the strength to become the most 'Western' centre in China. However, the clustering of certain industry sectors needs improvement.

Chengdu's status as a global city status is developing and its strong geographical features and cultural characteristics hold it in good stead for the future. We cannot imagine that Chengdu will not become a more significant financial centre in the future.

Area Sub-Index	Rank
Business Environment	99
Human Capital	95
Infrastructure	99
Financial Sector Development	99
Reputation	99

Business Environment Factors	Rank
Business Environment Rankings	66
Financial Secrecy Index	41
Government Effectiveness	68
Best Countries for Business	80
Global Cybersecurity Index	41

Human Capital Factors	Rank
Citizens Domestic Purchasing Power	
Number of High Net Worth Individuals	14
Quality of Living City Rankings	70
World Talent Rankings	62
Cost of Living City Rankings	22

Infrastructure Factors	Rank
Office Occupancy Cost	
Real Estate Transparency Index	49
Quality of Roads	51
Networked Readiness Index	84
Logistics Performance Index	56

Financial Sector Development Factors	Rank
Global Connectedness Index	89
Total Net Assets of Open-End Funds	22
Capitalisation of Stock Exchanges	10
Domestic Credit Provided by Banks	88
Net External Positions of Banks	50

Reputation Factors	Rank
World Competitiveness Scoreboard	24
Global Competitiveness Index	53
Global Innovation Index	42
Innovation Cities Global Index	73
Global Cities Index	65

Sector Sub-Index	Rank
Banking	81
Investment Management	83
Insurance	70
Government & Regulatory	54
Professional Services	90

Summary

We have two groups of financial centres that respondents to the GFCI questionnaire mentioned as likely to become more significant. The first is the seven centres that are already significant financial centres but that respondents think will become even more significant in the near future. In summary:

Centre	Likelihood of Becoming More Significant	Notes
Shanghai	Moderate	Depends on 'opening up' and full convertibility of the Chinese currency.
Frankfurt	Good	The outcome of the Brexit negotiations is key - if London becomes weaker, Frankfurt is ideally placed to gain.
Singapore	Moderate	Already in 4 th place in the GFCI and extremely strong - could perhaps overtake Hong Kong.
Beijing	Low	A very significant global city but unlikely to become an even more significant financial centre.
Toronto	Good	A strong centre with an excellent reputation. Could potentially benefit if USA centres decline.
Shenzhen	Moderate / Good	Depends on 'opening up' and full convertibility of the Chinese currency.
Dubai	Good	Currently the leading centre in the Middle East and working hard to improve further.

These centres have existed as financial centres for a long time (Shenzhen and Dubai being the most recent). They are already well developed and already significant. As such they have less ability to become even more significant. The most obvious example of this is perhaps Singapore. It is already the 4th most competitive financial centre in the world and is therefore a very significant financial centre. It is an island and has very little space to expand its operations.

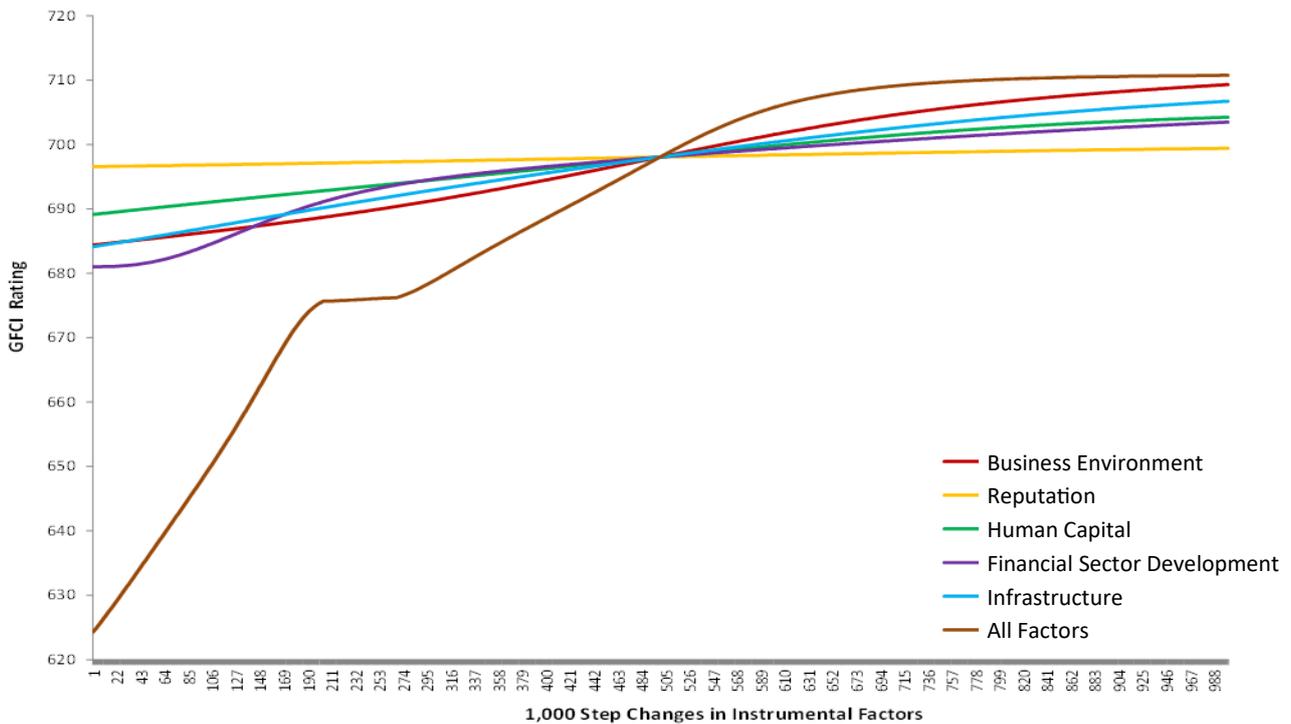
In some more interesting, are the eight centres that are only just emerging as financial centres. They have more to gain:

Centre	Likelihood of Becoming More Significant	Notes
Qingdao	Good	Strong government support to become a more significant wealth management centre.
GIFT City	Good	Strong demand for international financial services are likely to make GIFT City more significant in the future.
Dublin	Good	A very good venue for business and ideally positioned to gain if London declines due to Brexit.
Astana	Good	Great planning and strong marketing. Very likely to become more significant.
Casablanca	Good	Very well planned and thought out. Every chance of becoming successful.
Busan	Good	Strong support from the Korean government. Korea has a track record of achieving its ambitions.
Luxembourg	Moderate	Very strong growth rate and could become more significant post Brexit.
Chengdu	Moderate / Good	Ideally positioned to become a 'Western' style financial centre.

It is likely that these centres will become stronger in the future as they develop. We should be hearing a lot more from all these centres. GIFT City has the most to gain as it is fast emerging as an international financial services centre within India which has a huge hinterland demand.

Building A Financial Centre

Z/Yen has been researching financial centres for over a decade and has a large database to analyse. One of the topics of greatest interest is how to build a new financial centre. The data suggests that a new financial centre can become more competitive faster by concentrating on different factors in a particular sequence:



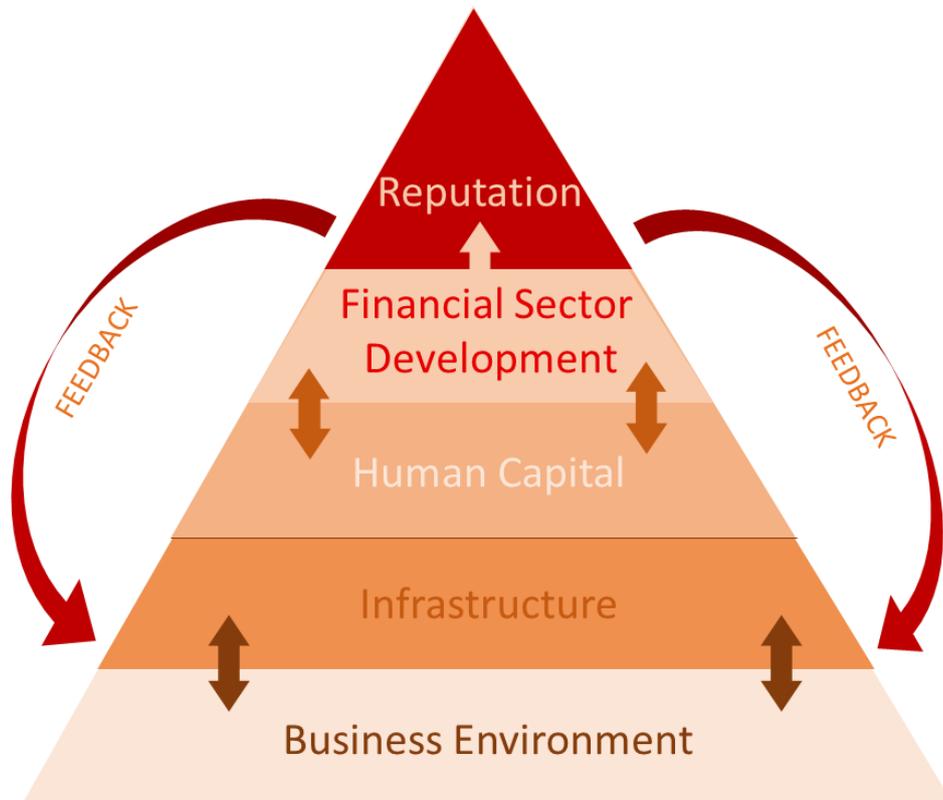
There are five rules that we refer to about financial centres:

- You cannot be an international centre without international people;
- Successful people want to live and work in successful places;
- People want to live in cosmopolitan places and gravitate to clusters;
- Reputation is vital;
- Trust is the glue that holds all relationships together.

Getting the business environment, especially in terms of the regulatory environment acceptable from the outset and combining this with adequate infrastructure is the most reliable way of getting a financial centre started. All too often we see a government contract with a construction company to build a tower or series of towers and then struggle to let or sell the space.

Financial services companies will typically only commit to working in a foreign country if they trust the people and organisations there. Establishing the regulatory environment goes a long way to establishing that trust.

This is best shown diagrammatically:



Firstly, establish the business environment that treats all fairly, and at the same time establish that the infrastructure offered is adequate. Infrastructure is not just the build environment but ICT infrastructure and good transport infrastructure are vital.

Once these elements are in place, market the financial centres to attract human capital and financial sector firms and institutions. Once these have started to occupy the financial centre the reputation of the centre will begin to establish itself.

As the centre grows it is necessary to constantly monitor the development to ensure that the business environment and infrastructure keep developing to match the growing demands of the centre. It is also necessary to market the centre to develop the continuing growth of the centre.

Vantage	Vantage Financial Centres is an exclusive club of financial centres around the world run by Z/Yen Partners for organisations looking for a deeper understanding of financial centre competitiveness. Members receive enhanced access to GFCI data, marketing opportunities, and training for centres seeking to enhance their profile and reputation.
<i>Financial Centres</i>	



Astana International Financial Centre

The AIFC is the new destination for business offering ample opportunity for growth. AIFC is the unrivalled financial centre in the region to facilitate an access to world class capital markets and asset management industry. It also promotes financial technology and drives the development of niche markets such as Islamic and green finance in the region. Located at the heart of Eurasia, AIFC provides unprecedented conditions and opportunities for its participants and investors: legal system based on the principles of the English law, independent regulatory framework consistent with internationally recognised standards, no corporate tax regime, depth and breadth in financial services and instruments' offering, simplified visa and labour regimes, English as a working language. Astana strives to become the gateway to the Eurasian Economic Union and has already been dubbed "The Buckle on the Belt"—key regional financial services hub for the Belt and Road.

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BUSAN INTERNATIONAL FINANCE CENTER

Approaching a new decade since the designation as one of two financial hubs in Korea, Busan has successfully developed into a maritime finance and derivatives-specialized financial city. Busan International Finance Center, located in the heart of the city, is set to provide an unparalleled business environment for leading financial companies as well as for innovative startups in new growth industries such as FinTech. Busan Metropolitan City and Busan International Financial City Promotion Center are committed to providing full support for financial institutions and favourable incentives including tax breaks and subsidies are offered. Come and discover Busan, one of the most dynamic cities in Asia.

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Based in Shenzhen, Guangdong Province China Development Institute (CDI) is a market oriented, non-governmental think tank which was founded in 1989 on approval from the Chinese State Council. CDI was designated as one of the 25 China Top Think Tanks in 2015. CDI is committed to providing proactive, innovative and practical research and consultation for China's central and local governments and businesses at home and abroad. Its research and consultation is centered on macro strategy, regional economy, urbanization, industrial development and policies, business strategy and investment decision-making. CDI has been exploring to improve its mechanism and operation models which are beneficial to development of non-governmental think tank. With leadership of its Board of Directors, CDI is in the charge of its President. There are more than 140 employees in CDI, 70% of them are researchers.

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ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

Abu Dhabi Global Market (ADGM), an international financial centre in the capital of the UAE, opened for business in October 2015. Strategically situated in Abu Dhabi, home to one of the world's largest sovereign wealth funds, ADGM plays a vital role in positioning Abu Dhabi as a global hub for business and finance that connects the growing economies of the Middle East, Africa and South Asia. ADGM also earned industry recognition as the Financial Centre of the Year (MENA) 2016, its first year of operations, for its strategic and innovative contributions. In its second year, ADGM was recognised as the Top FinTech Hub in MENA.

With the support of three independent authorities, the Registration Authority, the Financial Services Regulatory Authority and ADGM Courts, local and global companies are able to conduct their business efficiently within an international regulatory framework that has an independent judicial system and a robust legislative infrastructure based on Common Law.

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CASABLANCA FINANCE CITY
القطب المالي للدار البيضاء

Casablanca Finance City is an African financial and business hub located at the crossroads of continents. Recognized as the leading financial center in Africa, and partner of the largest financial centers in the world, CFC has built a strong and thriving community of members across four major categories: financial companies, regional headquarters of multinationals, service providers and holdings. CFC offers its members an attractive value proposition and a premium "Doing Business" support that fosters the deployment of their activities in Africa. Driven by the ambition to cater to its community, CFC is committed to promoting its members expertise across the continent, while enabling fruitful business and partnership synergies through its networking platform.

**contact@cfca.ma
www.casablancafinancecity.com**



**GUJARAT INTERNATIONAL
FINANCE TEC-CITY**

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The China Development Institute (CDI) is a non-governmental think tank that develops solutions to public policy challenges through broad-scope and in-depth research to help advance China’s reform and opening-up to world markets. The CDI has been working on the promotion and development of China’s financial system since its establishment nine years ago. Based on rigorous research and objective analysis, CDI is committed to providing prospective, innovative and pragmatic reports for governments at different levels in China and corporations at home and abroad.

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