



# The Global Financial Centres Index 14

SEPTEMBER 2013





The Qatar Financial Centre Authority sponsors Long Finance's 'Financial Centre Futures' programme.

**Qatar Financial Centre (QFC)** is a financial and business centre established by the government of Qatar in 2005 to attract international financial services and multinational corporations to grow and develop the market for financial services in the region.

QFC consists of a commercial arm, the QFC Authority; and an independent financial regulator, the QFC Regulatory Authority. It also has an independent judiciary which comprises a civil and commercial court and a regulatory tribunal.

QFC aims to help all QFC licensed firms generate new and sustainable revenue streams. It provides access to local and regional investment opportunities. Business can be transacted inside or outside Qatar, in local or foreign currency.

Uniquely, this allows businesses to operate both locally and internationally. Furthermore, QFC allows 100% ownership by foreign companies, and all profits can be remitted outside of Qatar.

The **QFC Authority** is responsible for the organisation's commercial strategy and for developing relationships with the global financial community and other key institutions both within and outside Qatar. One of the most important roles of QFCA is to approve and issue licences to individuals, businesses and other entities that wish to incorporate or establish themselves in Qatar with the Centre.

The **QFC Regulatory Authority** is an independent statutory body and authorises and supervises businesses that conduct financial services activities in, or from, the QFC. It has powers to authorise, supervise and, where necessary, discipline regulated firms and individuals.

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Z/Yen Group thanks the City of London Corporation for its cooperation in the development of the GFCI and for the use of the related data still used in the GFCI.

The authors of this report, Mark Yeandle and Nick Danev would like to thank Chiara von Gunten and Michael Mainelli for their contributions with research, modelling and ideas, along with other members of the GFCI team.

# Foreword

The Global Financial Centres Index (GFCI) was launched in March 2007, a mere 18 months before the onset of the global financial crisis, as marked by the collapse of Lehman Brothers, in September 2008. In the seven years since, the GFCI has become a hugely respected measure of the state of competitiveness between over 75 International Finance Centres (IFC's) and in particular, it has highlighted the importance of niche IFC's such as Jersey.

A British Crown Dependency located almost equidistantly between London and Paris, Jersey has a financial services track record spanning more than 50 years and, as its consistently high rankings in the GFCI demonstrate, has grown to become one of the world's leading offshore jurisdictions in the fields of wealth management, banking, funds and capital markets.

Despite the economic turmoil of recent years, the recovery from which we are only now starting to see solid evidence of, Jersey has been able to weather the storm better than most due to its high levels of economic and political stability, its world-class legal and regulatory frameworks and a highly educated and expert workforce, all of which act to cement and maintain its reputation among a truly global client base.

In addition, Jersey's long-established tax neutrality and close proximity and ties to the City of London have made it a compelling platform for the efficient allocation of capital flows, attracting investment from both international corporate institutions and private clients.

Indeed, the symbiotic relationship with the United Kingdom and London in particular, has always been an important element in Jersey's competitiveness. This year we undertook the most detailed quantitative analysis ever of

Jersey's value to the UK economy and the report findings were significant. They concluded, for example, that Jersey accounts for around £500bn of foreign investment into the UK (around 5% of the UK's total); generates up to £2.3bn in tax receipts for the UK Exchequer and supports over 100,000 British jobs.

On the global stage, Jersey has demonstrated its commitment to meeting international standards and our regulatory regime has been endorsed by independent assessments from some of the world's leading bodies including the World Bank, the OECD and the IMF.

Jersey's independent government has committed to numerous transparency and information exchange programmes and are participating fully in the debate on tax transparency, with a view to achieving a level playing field.

Looking to the future, and in common with other leading jurisdictions, Jersey is now fully engaged in enhancing its presence and developing business in key international markets including China, India, the Gulf, Russia and the African Continent. To succeed in these growth activities, we understand that reputation is a key ingredient in attracting new business and believe that the best reputation will stem from stability, experience, quality, innovation, an adherence to global standards and respect for client privacy, all features that Jersey is proud to embrace.



**Geoff Cook**  
Chief Executive, Jersey Finance

# GFCI 14 – Summary and Headlines

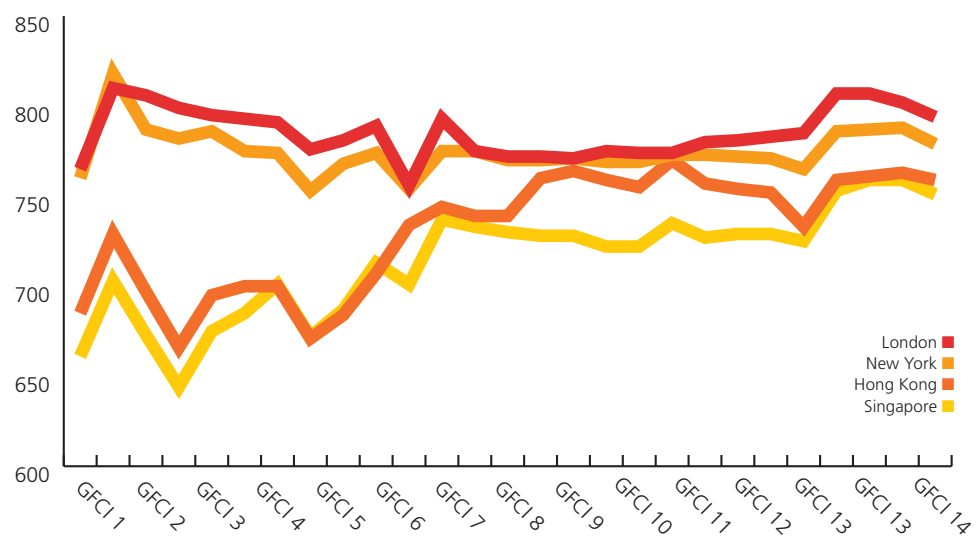
The Global Financial Centres Index (GFCI) provides profiles, ratings and rankings for 80 financial centres, drawing on two separate sources of data – instrumental factors (third party measures and indices) and responses to an online questionnaire. The GFCI was first published by Z/Yen Group in March 2007 and has subsequently been updated every six months. Successive growth in the number of respondents and data has enabled us to highlight the changing priorities and concerns of financial professionals over time, particularly since financial crises began to unfold in 2007 and 2008. This is the fourteenth edition of GFCI (GFCI 14).

**Instrumental factors:** previous research indicates that many factors combine to make a financial centre competitive. We group these factors into five broad 'areas of competitiveness': Business Environment, Financial Sector Development, Infrastructure, Human Capital and Reputational Factors. Evidence of a centre's performance in these

areas is drawn from a range of external measures. For example, evidence about the telecommunications infrastructure is drawn from a global digital economy ranking (supplied by the Economist Intelligence Unit), a telecommunication infrastructure index (by the United Nations) and an IT industry competitiveness survey (by the World Economic Forum). 102 of these factors have been used in GFCI 14, of which 37 have been updated since GFCI 13. There are 6 new factors in the GFCI (see page 46 for details on all external factors used in the GFCI model).

**Financial centre assessments:** GFCI uses responses to an ongoing online questionnaire<sup>1</sup> completed by international financial services professionals. Respondents are asked to rate those centres with which they are familiar and to answer a number of questions relating to their perceptions of competitiveness. Responses from 2,786 financial services professionals were collected in the 24 months to June 2013. These responses provided 25,749 financial centre

Chart 1 | Top Four Centres GFCI Ratings Over Time



<sup>1</sup> <http://www.zyen.info/gfci/>

assessments which were used to compute GFCI 14, with older assessments discounted according to age.

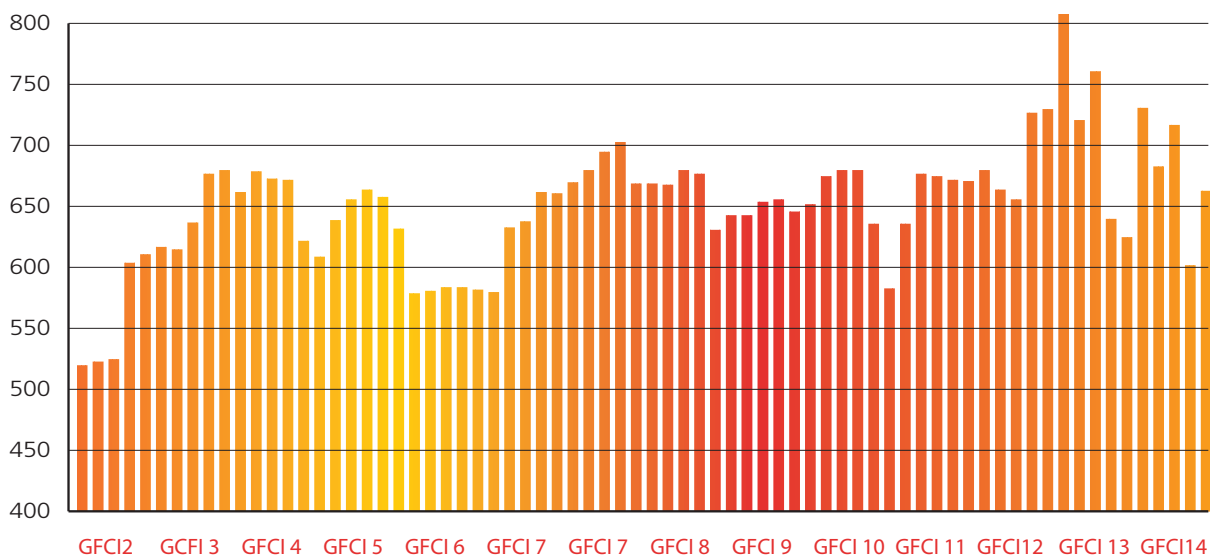
Full details of the methodology behind GFCI 14 can be found on page 42. The ratings and rankings are calculated using a 'factor assessment model', which combines the instrumental factors and questionnaire assessments.

The main headlines of GFCI 14 are:

- London, New York, Hong Kong and Singapore remain the top four centres with a gap of 43 points between London in first and Singapore in fourth. There is then a gap of 31 points to Tokyo in fifth place. The top four centres have seen their ratings decline slightly. London's ratings have fallen by more than any other centre in the top 25.
- Frankfurt, Zurich and Geneva remain in the GFCI top ten and Luxembourg has climbed five places to 13th. Most of the remaining financial centres in Europe are still suffering from uncertainty in the Eurozone. Paris is down by 14 points, Munich by 16, Amsterdam by 26, Milan by 34, Madrid by 28 and Brussels by 44 points. Lisbon and Athens also fall and Athens remains at the bottom of the index.
- There is a mixed picture from Asia at the moment. Tokyo, Sydney, Shanghai and Shenzhen all climb in the ratings but other centres including Hong Kong, Singapore, Seoul and Beijing all lose points.
- There is another mixed picture in North America with Boston and San Francisco each climbing by one place but New York, Chicago and Washington DC falling slightly. With the exception of Toronto, the Canadian centres all saw slight reversals to the rapid rises they have shown recently.
- Latin America continues to grow in importance with Rio de Janeiro, Sao Paulo and Buenos Aires all climbing in the ranks. Rio de Janeiro in particular performed well and climbed 17 places.
- In the Middle East, Qatar, Bahrain and Istanbul see significant increases in their rankings whilst other centres fall slightly.

Confidence amongst financial services professionals, indicated by average assessments given to the top centres, was relatively stable during 2011 and the first half of 2012. The second half of 2012 saw higher but more volatile assessments. This volatility persisted for the first half of 2013. Chart 2 below shows the stability of overall ratings since 2007.

**Chart 2 | Three Month Rolling Average Assessments of the Top 50 Centres**



In GFCI 14, 32 financial centres made improvements in their rankings, 40 centres declined in the rankings, seven centres experienced no change, and one new centre – Tel Aviv – entered the GFCI. The full set of GFCI 14 ranks and ratings are shown in Table 1.

Sofia and Nairobi have been added to the GFCI questionnaire recently and we track their progress with interest. They join other cities that have yet to acquire sufficient assessments to be included in the index (Almaty, Busan, Guangzhou, Liechtenstein, New Delhi, Riga, Santiago and Tianjin).

Other notable features of GFCI 14 include:

- The largest risers in the ranks include Rio de Janeiro, Malta, Monaco, and Istanbul;
- Chicago and Toronto fall out of the top ten into 11th and 12th places respectively;
- Beijing continues its decline in the ranks and has been declining steadily since GFCI 10;
- Tel Aviv enters the GFCI for the first time in 32nd place.

**Table 1 | GFCI 14 Ranks and Ratings**

| Centre         | GFCI 14 |        | GFCI 13 |        | CHANGES |        |
|----------------|---------|--------|---------|--------|---------|--------|
|                | Rank    | Rating | Rank    | Rating | Rank    | Rating |
| London         | 1       | 794    | 1       | 807    | -       | ▼ 13   |
| New York       | 2       | 779    | 2       | 787    | -       | ▼ 8    |
| Hong Kong      | 3       | 759    | 3       | 761    | -       | ▼ 2    |
| Singapore      | 4       | 751    | 4       | 759    | -       | ▼ 8    |
| Tokyo          | 5       | 720    | 6       | 718    | ▲ 1     | ▲ 2    |
| Zurich         | 6       | 718    | 5       | 723    | ▼ 1     | ▼ 5    |
| Boston         | 7       | 714    | 8       | 711    | ▲ 1     | ▲ 3    |
| Geneva         | 8       | 710    | 7       | 712    | ▼ 1     | ▼ 2    |
| Frankfurt      | 9       | 702    | 10      | 703    | ▲ 1     | ▼ 1    |
| Seoul          | 10      | 701    | 9       | 710    | ▼ 1     | ▼ 9    |
| Toronto        | 11      | 699    | 12      | 696    | ▲ 1     | ▲ 3    |
| San Francisco  | 12      | 697    | 13      | 695    | ▲ 1     | ▲ 2    |
| Luxembourg     | 13      | 696    | 18      | 687    | ▲ 5     | ▲ 9    |
| Chicago        | 14      | 695    | 11      | 698    | ▼ 3     | ▼ 3    |
| Sydney         | 15      | 692    | 19      | 686    | ▲ 4     | ▲ 6    |
| Shanghai       | 16      | 690    | 24      | 674    | ▲ 8     | ▲ 16   |
| Washington DC  | 17      | 689    | 14      | 692    | ▼ 3     | ▼ 3    |
| Montreal       | 18      | 688    | 16      | 689    | ▼ 2     | ▼ 1    |
| Vancouver      | 19      | 686    | 15      | 690    | ▼ 4     | ▼ 4    |
| Vienna         | 20      | 685    | 20      | 685    | -       | -      |
| Calgary        | 21      | 684    | 17      | 688    | ▼ 4     | ▼ 4    |
| Kuala Lumpur   | 22      | 675    | 21      | 681    | ▼ 1     | ▼ 6    |
| Monaco         | 23      | 674    | 35      | 654    | ▲ 12    | ▲ 20   |
| Qatar          | 24      | 672    | 30      | 661    | ▲ 6     | ▲ 11   |
| Dubai          | 25      | 671    | 23      | 675    | ▼ 2     | ▼ 4    |
| Oslo           | 26      | 669    | 29      | 667    | ▲ 3     | ▲ 2    |
| Shenzhen       | 27      | 660    | 38      | 650    | ▲ 11    | ▲ 10   |
| Jersey         | 28      | 657    | 28      | 668    | -       | ▼ 11   |
| Paris          | 29      | 656    | 26      | 670    | ▼ 3     | ▼ 14   |
| Osaka          | 30      | 655    | 22      | 676    | ▼ 8     | ▼ 21   |
| Rio de Janeiro | 31      | 654    | 48      | 639    | ▲ 17    | ▲ 15   |
| Tel Aviv       | 32      | 653    | -       | -      | New     | New    |
| Melbourne      | 33      | 652    | 25      | 672    | ▼ 8     | ▼ 20   |
| Munich         | 34      | 651    | 27      | 669    | ▼ 7     | ▼ 18   |
| Rome           | 35      | 650    | 40      | 648    | ▲ 5     | ▲ 2    |
| Guernsey       | 36      | 649    | 31      | 660    | ▼ 5     | ▼ 11   |
| Stockholm      | 37      | 644    | 32      | 657    | ▼ 5     | ▼ 13   |
| Sao Paulo      | 38      | 643    | 44      | 644    | ▲ 6     | ▼ 1    |
| Cayman Islands | 39      | 642    | 41      | 647    | ▲ 2     | ▼ 5    |
| Hamilton       | 40      | 641    | 49      | 638    | ▲ 9     | ▲ 3    |

| Centre                 | GFCI 14 |        | GFCI 13 |        | CHANGES |        |
|------------------------|---------|--------|---------|--------|---------|--------|
|                        | Rank    | Rating | Rank    | Rating | Rank    | Rating |
| Isle of Man            | 41      | 638    | 43      | 645    | ▲ 2     | ▼ 7    |
| Abu Dhabi              | 42      | 637    | 39      | 649    | ▼ 3     | ▼ 12   |
| Wellington             | 43      | 636    | 42      | 646    | ▼ 1     | ▼ 10   |
| Istanbul               | 44      | 633    | 57      | 626    | ▲ 13    | ▲ 7    |
| Amsterdam              | 45      | 629    | 34      | 655    | ▼ 11    | ▼ 26   |
| Buenos Aires           | 46      | 628    | 53      | 633    | ▲ 7     | ▼ 5    |
| Riyadh                 | 47      | 627    | 33      | 656    | ▼ 14    | ▼ 29   |
| British Virgin Islands | 48      | 626    | 47      | 640    | ▼ 1     | ▼ 14   |
| Copenhagen             | 49      | 625    | 45      | 643    | ▼ 4     | ▼ 18   |
| Taipei                 | 50      | 619    | 36      | 653    | ▼ 14    | ▼ 34   |
| Milan                  | 51      | 618    | 37      | 652    | ▼ 14    | ▼ 34   |
| Bahrain                | 52      | 610    | 64      | 607    | ▲ 12    | ▲ 3    |
| Malta                  | 53      | 608    | 68      | 595    | ▲ 15    | ▲ 13   |
| Madrid                 | 54      | 607    | 51      | 635    | ▼ 3     | ▼ 28   |
| Jakarta                | 55      | 606    | 69      | 592    | ▲ 14    | ▲ 14   |
| Dublin                 | 56      | 605    | 56      | 627    | -       | ▼ 22   |
| Helsinki               | 57      | 604    | 52      | 634    | ▼ 5     | ▼ 30   |
| Bangkok                | 58      | 600    | 59      | 619    | ▲ 1     | ▼ 19   |
| Beijing                | 59      | 598    | 58      | 622    | ▼ 1     | ▼ 24   |
| Brussels               | 60      | 597    | 46      | 641    | ▼ 14    | ▼ 44   |
| Johannesburg           | 61      | 592    | 62      | 610    | ▲ 1     | ▼ 18   |
| Edinburgh              | 62      | 590    | 54      | 632    | ▼ 8     | ▼ 42   |
| Panama                 | 63      | 589    | 67      | 597    | ▲ 4     | ▼ 8    |
| Manila                 | 64      | 587    | 72      | 588    | ▲ 8     | ▼ 1    |
| Glasgow                | 65      | 586    | 50      | 636    | ▼ 15    | ▼ 50   |
| Mexico City            | 66      | 584    | 55      | 628    | ▼ 11    | ▼ 44   |
| Bahamas                | 67      | 583    | 73      | 587    | ▲ 6     | ▼ 4    |
| Mauritius              | 68      | 581    | 70      | 590    | ▲ 2     | ▼ 9    |
| Moscow                 | 69      | 580    | 65      | 606    | ▼ 4     | ▼ 26   |
| Gibraltar              | 70      | 572    | 60      | 615    | ▼ 10    | ▼ 43   |
| Warsaw                 | 71      | 571    | 63      | 608    | ▼ 8     | ▼ 37   |
| Mumbai                 | 72      | 570    | 66      | 605    | ▼ 6     | ▼ 35   |
| Prague                 | 73      | 565    | 61      | 611    | ▼ 12    | ▼ 46   |
| Cyprus                 | 74      | 536    | 75      | 576    | ▲ 1     | ▼ 40   |
| Lisbon                 | 75      | 535    | 76      | 552    | ▲ 1     | ▼ 17   |
| St Petersburg          | 76      | 522    | 74      | 585    | ▼ 2     | ▼ 63   |
| Budapest               | 77      | 515    | 78      | 541    | ▲ 1     | ▼ 26   |
| Tallinn                | 78      | 495    | 71      | 589    | ▼ 7     | ▼ 94   |
| Reykjavik              | 79      | 479    | 77      | 546    | ▼ 2     | ▼ 67   |
| Athens                 | 80      | 469    | 79      | 473    | ▼ 1     | ▼ 4    |

“London is great because you can see all the core shareholders in one morning”

President of a Global Investment Bank based in London

# Areas of Competitiveness

The GFCI questionnaire asks respondents to indicate which factors of competitiveness they consider the most important. The number of times that each area is mentioned is summarised in Table 2:

**Table 2 | Main Areas of Competitiveness**

| Area of competitiveness | Number of mentions | Main concerns   |
|-------------------------|--------------------|---|
| Business environment    | 337                | Rising regulatory burden;<br>Efficiency and simplicity of regulations;<br>Stable and predictable environment. |
| Taxation                | 300                | Lower, competitive tax regime;<br>Stability and transparency.   |
| People                  | 294                | Rising availability of skilled labour (especially in EU);<br>Flexibility and mobility.                        |
| Infrastructure          | 271                | Focus on airports and trains (physical connectivity);<br>ICT infrastructure is also critical                  |
| Reputation              | 265                | Quality of life and safety<br>Emphasis on promotional bodies & urban authorities                              |
| Market Access           | 233                | Largely taken for granted   |





The GFCI questionnaire asks respondents which centres they consider likely to become more significant in the next few years. As with previous editions of GFCI, Asia-Pacific centres continue to dominate expectations with Singapore in the lead and Shanghai second. Luxembourg and Gibraltar, two European off-shore centres that ranked 6th and 7th, are the only non-Asian centres that seem to feature strongly:

**Table 3 | The Ten Centres likely to become more significant**

| Centres likely to become more significant | Number of mentions |
|---|--------------------|
| Singapore                                 | 62                 |
| Shanghai                                  | 60                 |
| Busan                                     | 57                 |
| Hong Kong                                 | 36                 |
| Seoul                                     | 35                 |
| Gibraltar                                 | 27                 |
| Luxembourg                                | 26                 |
| Beijing                                   | 17                 |
| Dubai                                     | 15                 |
| Shenzhen                                  | 15                 |
| Istanbul                                  | 11                 |

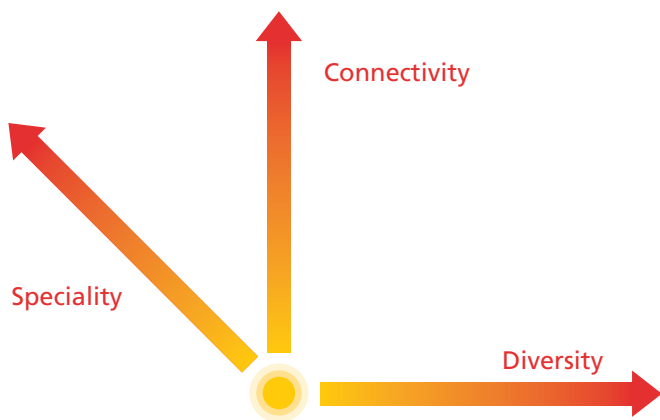
“I think Hong Kong and Singapore are poised to challenge London and New York as the leading global centres”

Investment Banker based in Frankfurt



# Financial Centre Profiles

Using clustering and correlation analysis we have identified three key measures (axes) that determine a financial centre's profile along different dimensions of competitiveness:



'Connectivity' – the extent to which a centre is well known around the world, and how much non-resident professionals believe it is connected to other financial centres. Respondents are asked to assess only those centres with which they are personally familiar. A centre's connectivity is assessed using a combination of 'inbound' assessment locations (the number of locations from which a particular centre receives assessments) and 'outbound' assessment locations (the number of other centres assessed by respondents from a particular centre).

'Diversity' – the breadth of financial industry sectors that flourish in a financial centre. We consider this sector 'richness' to be measurable in a similar way to that of the natural environment and therefore, use a combination of biodiversity indices (calculated on the instrumental factors) to assess a centre's diversity. A high score means that a centre is well diversified; a low diversity score reflects a less rich business environment.

'Speciality' - the depth within a financial centre of the following industry sectors: investment management, banking, insurance, professional services and government and regulatory. A centre's 'speciality' performance is calculated from the difference between the GFCI rating and the industry sector ratings.

In Table 4 opposite, 'Diversity' (breadth) and 'Speciality' (depth) are combined on one axis to create a two dimensional table of financial centre profiles. The 80 centres are assigned a profile on the basis of a set of rules for the three measures: how well connected a centre is, how broad its services are and how specialised it is.

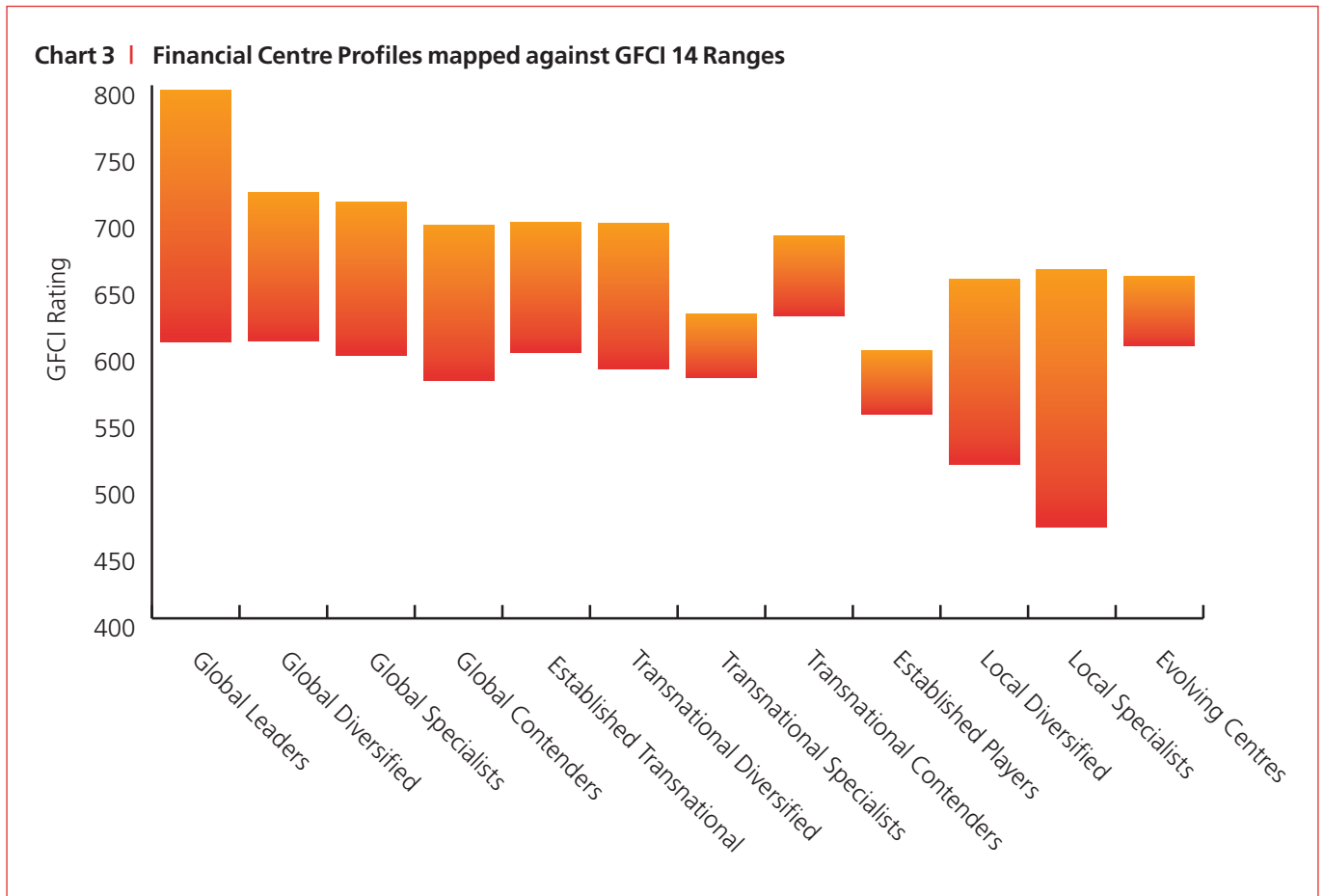
The 11 Global Leaders (in the top left of the table) have both broad and deep financial services activities and are connected with many other financial centres. This list includes London, New York, Hong Kong and Singapore, the leading global financial centres. A significant number of centres have moved profile since GFCI 13:



Table 4 | GFCI 14 Financial Centre Profiles

|          | Broad & deep        | Relatively broad          | Relatively deep           | Emerging                  |
|----------|---------------------|---------------------------|---------------------------|---------------------------|
| Global   | Global Leaders      | Global Diversified        | Global Specialists        | Global Contenders         |
|          | Amsterdam           | Madrid                    | Beijing                   | Luxembourg                |
|          | Boston              | Seoul                     | Dubai                     | Moscow                    |
|          | Dublin              | Tokyo                     | Geneva                    |                           |
|          | Frankfurt           |                           |                           |                           |
|          | Hong Kong           |                           |                           |                           |
|          | London              |                           |                           |                           |
|          | New York            |                           |                           |                           |
|          | Paris               |                           |                           |                           |
|          | Singapore           |                           |                           |                           |
|          | Toronto             |                           |                           |                           |
|          | Zurich              |                           |                           |                           |
|          | Transnational       | Established Transnational | Transnational Diversified | Transnational Specialists |
| Brussels |                     | Copenhagen                | Bahrain                   | British Virgin Islands    |
| Chicago  |                     | Istanbul                  | Buenos Aires              | Calgary                   |
| Milan    |                     | Kuala Lumpur              | Edinburgh                 | Cayman Islands            |
| Montreal |                     | Rome                      | Gibraltar                 | Guernsey                  |
| Munich   |                     | San Francisco             | Mumbai                    | Isle of Man               |
|          |                     | Shanghai                  | Riyadh                    | Jersey                    |
|          |                     | Sydney                    |                           | Monaco                    |
|          |                     | Vancouver                 |                           | Qatar                     |
|          |                     | Vienna                    |                           |                           |
|          |                     | Washington DC             |                           |                           |
| Local    | Established Players | Local Diversified         | Local Specialists         | Evolving Centres          |
|          | Budapest            | Osaka                     | Athens                    | Abu Dhabi                 |
|          | Johannesburg        | Stockholm                 | Bahamas                   | Hamilton                  |
|          | Lisbon              |                           | Bangkok                   | Malta                     |
|          | Melbourne           |                           | Cyprus                    | Oslo                      |
|          | Mexico City         |                           | Glasgow                   | Rio de Janeiro            |
|          | Prague              |                           | Helsinki                  | Wellington                |
|          | Sao Paulo           |                           | Jakarta                   |                           |
|          | Warsaw              |                           | Manila                    |                           |
|          |                     |                           | Mauritius                 |                           |
|          |                     |                           | Panama                    |                           |
|          |                     |                           | Reykjavik                 |                           |
|          |                     |                           | Shenzhen                  |                           |
|          |                     |                           | St Petersburg             |                           |
|          |                     |                           | Taipei                    |                           |
|          |                     | Tallinn                   |                           |                           |
|          |                     | Tel Aviv                  |                           |                           |

The Chart 3 below shows the profiles mapped against the range of GFCI 14 ratings:



“Moscow is a global city but has a long way to go to become a global financial centre”

Asset Manager based in London



# Europe

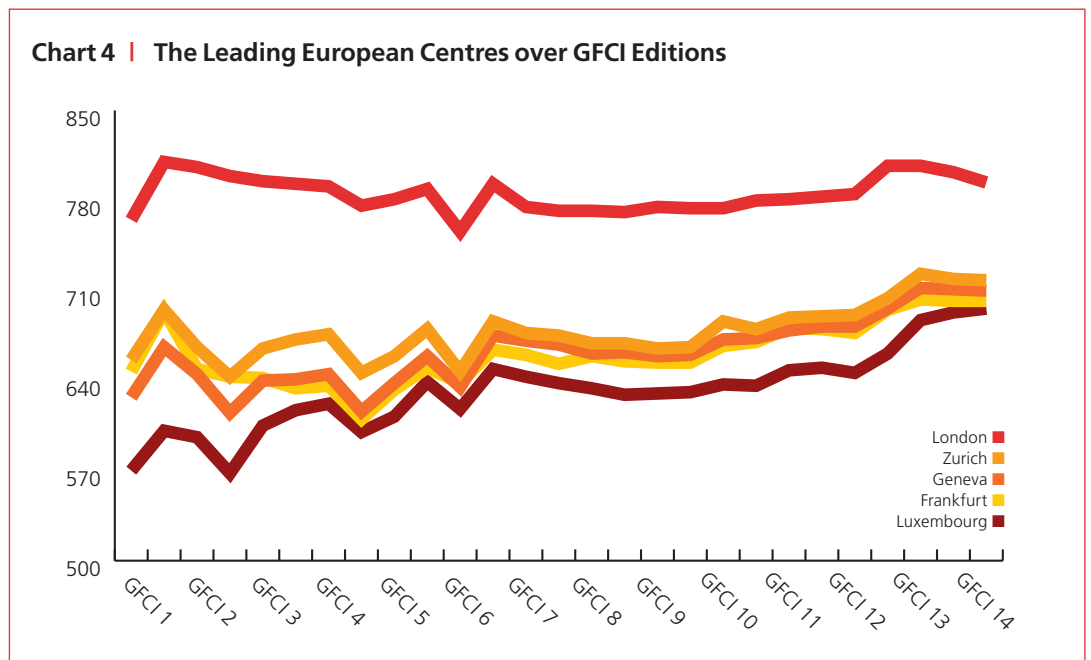
Table 5 shows the top 20 European financial centres in the GFCI. The leading centres in Europe are London, Zurich and Geneva. London has seen a significant drop in rating but has managed to retain its leadership. Zurich and Geneva remain in the top 10 but Zurich has

been overtaken by Tokyo and Geneva by Boston. Frankfurt has climbed one place to ninth but Luxembourg has seen the largest rise – up five places to 13th. Glasgow, Milan and Brussels have seen the largest falls in their ranking:

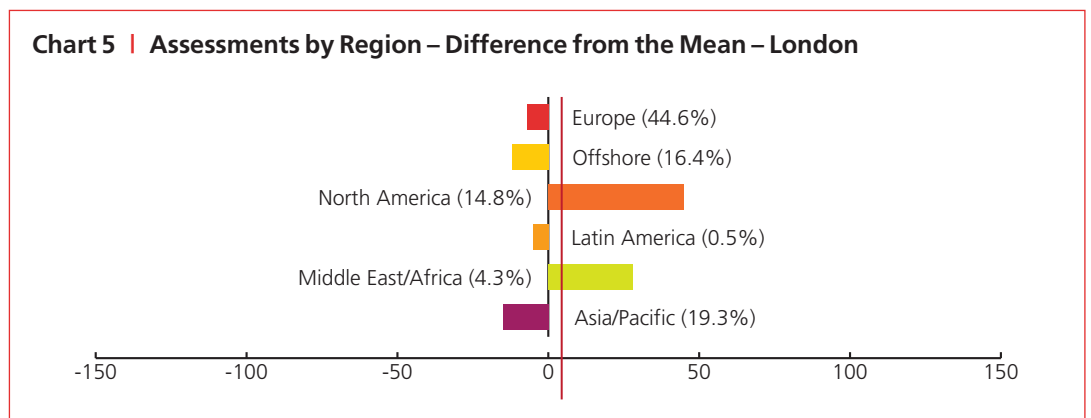
**Table 5 | Top 20 European Centres in GFCI 14**

|            | GFCI 14 rank | GFCI 14 rating | GFCI 13 rank | GFCI 13 rating | Change in rank | Change in rating |
|------------|--------------|----------------|--------------|----------------|----------------|------------------|
| London     | 1            | 794            | 1            | 807            | -              | ▼ 13             |
| Zurich     | 6            | 718            | 5            | 723            | ▼ 1            | ▼ 5              |
| Geneva     | 8            | 710            | 7            | 712            | ▼ 1            | ▼ 2              |
| Frankfurt  | 9            | 702            | 10           | 703            | ▲ 1            | ▼ 1              |
| Luxembourg | 13           | 696            | 18           | 687            | ▲ 5            | ▲ 9              |
| Vienna     | 20           | 685            | 20           | 685            | -              | -                |
| Monaco     | 23           | 674            | 35           | 654            | ▲ 12           | ▲ 20             |
| Oslo       | 26           | 669            | 29           | 667            | ▲ 3            | ▲ 2              |
| Paris      | 29           | 656            | 26           | 670            | ▼ 3            | ▼ 14             |
| Munich     | 34           | 651            | 27           | 669            | ▼ 7            | ▼ 18             |
| Rome       | 35           | 650            | 40           | 648            | ▲ 5            | ▲ 2              |
| Stockholm  | 37           | 644            | 32           | 657            | ▼ 5            | ▼ 13             |
| Amsterdam  | 45           | 629            | 34           | 655            | ▼ 11           | ▼ 26             |
| Copenhagen | 49           | 625            | 45           | 643            | ▼ 4            | ▼ 18             |
| Milan      | 51           | 618            | 37           | 652            | ▼ 14           | ▼ 34             |
| Madrid     | 54           | 607            | 51           | 635            | ▼ 3            | ▼ 28             |
| Dublin     | 56           | 605            | 56           | 627            | -              | ▼ 22             |
| Helsinki   | 57           | 604            | 52           | 634            | ▼ 5            | ▼ 30             |
| Brussels   | 60           | 597            | 46           | 641            | ▼ 14           | ▼ 44             |
| Edinburgh  | 62           | 590            | 54           | 632            | ▼ 8            | ▼ 42             |
| Glasgow    | 65           | 586            | 50           | 636            | ▼ 15           | ▼ 50             |

Chart 4 below shows that the competitiveness of the four European leaders has declined after rising significantly between GFCI 12 and GFCI 13:

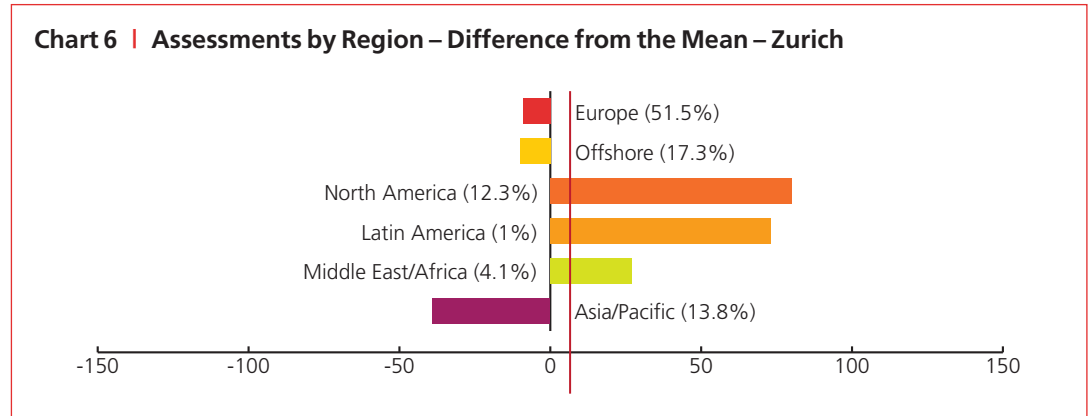


Examining the assessments given to each major centre is a useful means of assessing the relative strength and weakness of their reputations in different regions. It is important to note that assessments given to a centre by people based there are excluded from the GFCI model to eliminate 'home preference'. The charts below show the difference between overall mean assessments by region. The additional vertical line shows the mean if all assessments from the whole of the home region are removed:

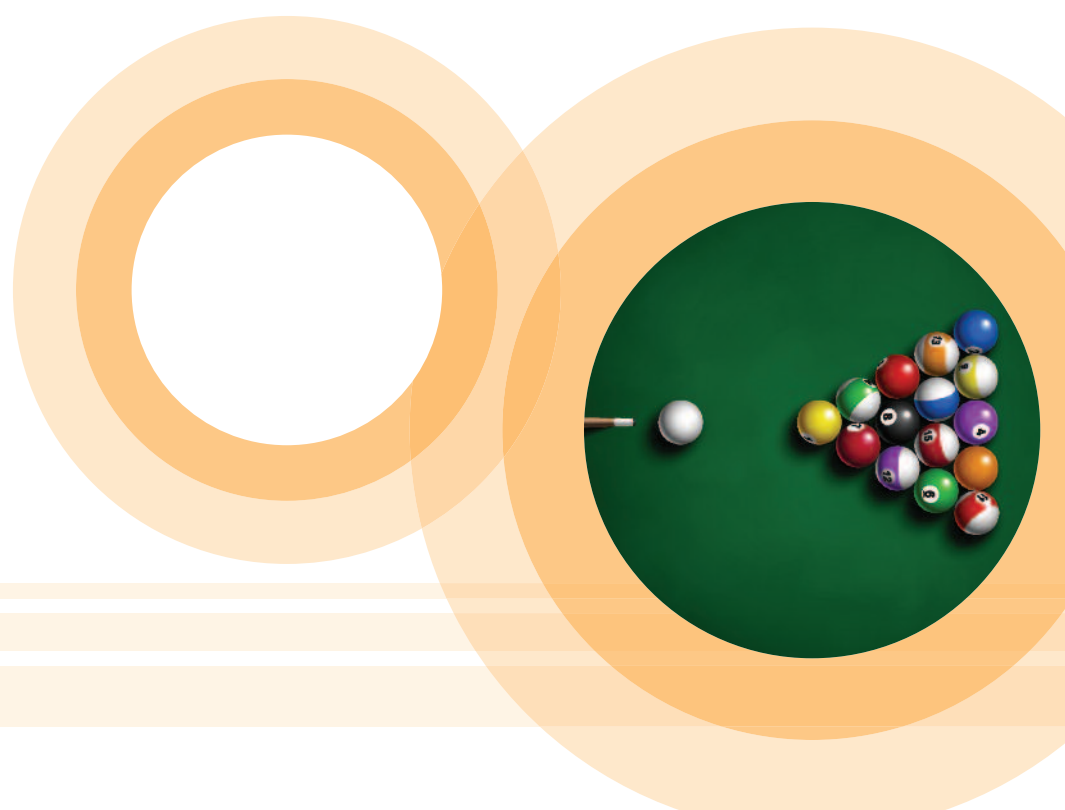
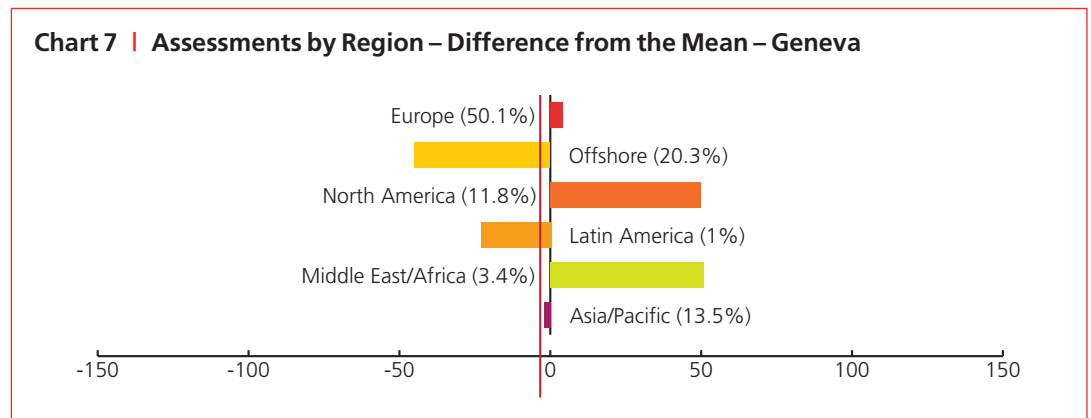


London's overall average assessment is 834, down from 839 in GFCI 13. It is worth noting that assessments from Europe are, on average, lower than assessments from elsewhere. In most cases, assessments from within a centre's own region tend to be higher than average. As in the past, London continues to be well regarded in the Americas and the Middle East but less well rated by respondents from Asia/Pacific and Offshore centres – respectively the second and third largest groups of professionals who rated London.

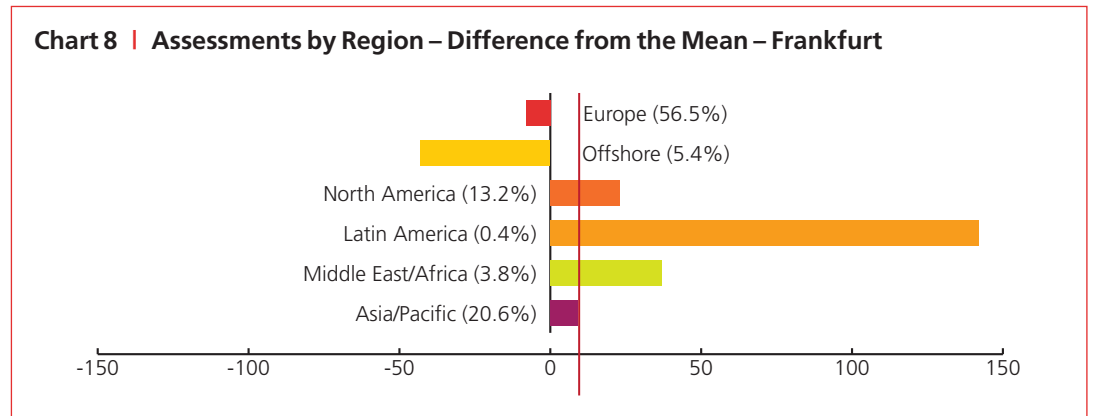
Zurich’s overall average assessment is 756 down from 762 in GFCI 13. As in GFCI 13 the Americas and Middle East/Africa regions assess Zurich, higher than average.



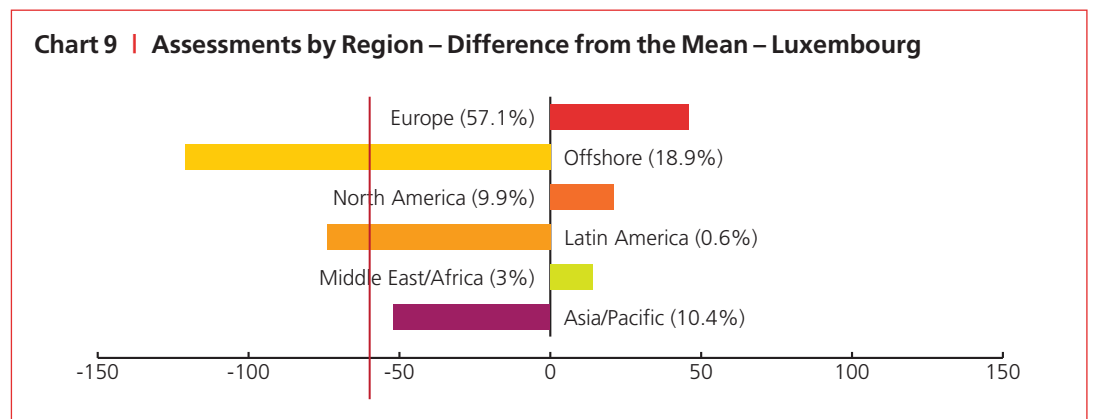
Geneva’s overall average assessment is 737, slightly down from 739 in GFCI 13. Geneva is well regarded by respondents based in Middle East/Africa, North America and to a lesser extent – Europe.



Frankfurt's overall average assessment is 724, slightly down from 727 in GFCI 13 and is given lower assessments by people based in Offshore centres and in other European centres.



Luxembourg's GFCI score is 774, significantly up from 736 in GFCI 13. The centre is well regarded in Europe, the source of 57% of its assessments, and in North America and Middle East/Africa regions.



“London and Frankfurt are still the most powerful centres in Europe and I think they will be for a long time to come”

Investment Banker based in Zurich





# Asia/Pacific

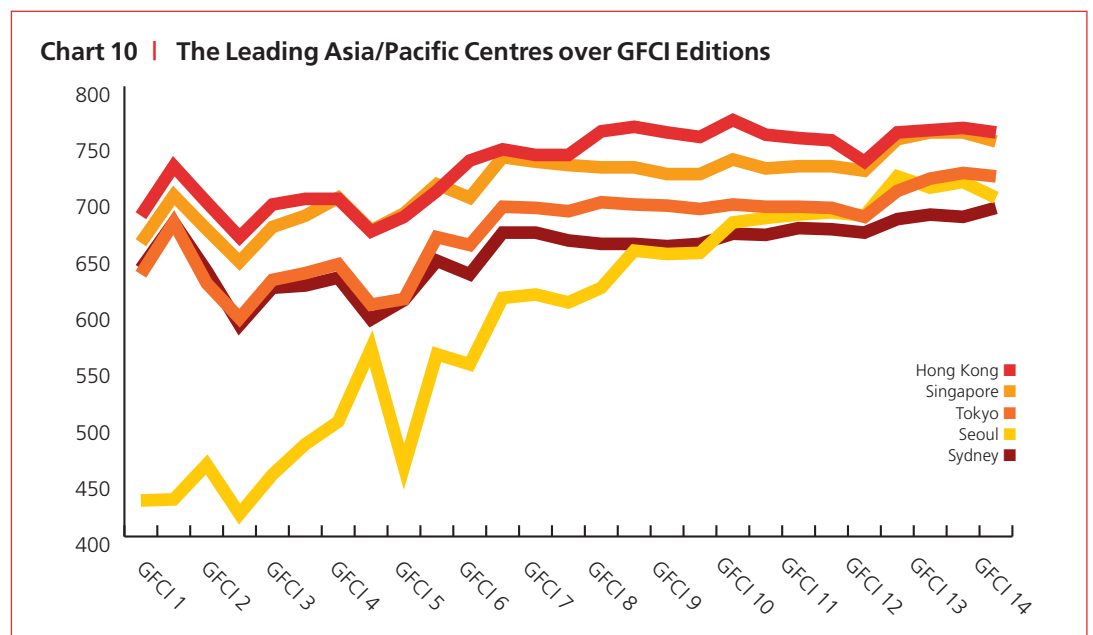
GFCI 14 sees significant gains and losses of rankings amongst Asia/Pacific centres. Tokyo, Sydney, Shanghai and Shenzhen all climb in the ratings but other centres including Hong Kong, Singapore, Seoul and Beijing all lose points.

**Table 6 | The Top 10 Asia/Pacific Centres in GFCI 14**

|              | GFCI 14 rank | GFCI 14 rating | GFCI 13 rank | GFCI 13 rating | Change in rank | Change in rating |
|--------------|--------------|----------------|--------------|----------------|----------------|------------------|
| Hong Kong    | 3            | 759            | 3            | 761            | -              | ▼ 2              |
| Singapore    | 4            | 751            | 4            | 759            | -              | ▼ 8              |
| Tokyo        | 5            | 720            | 6            | 718            | ▲ 1            | ▲ 2              |
| Seoul        | 10           | 701            | 9            | 710            | ▼ 1            | ▼ 9              |
| Sydney       | 15           | 692            | 19           | 686            | ▲ 4            | ▲ 6              |
| Shanghai     | 16           | 690            | 24           | 674            | ▲ 8            | ▲ 16             |
| Kuala Lumpur | 22           | 675            | 21           | 681            | ▼ 1            | ▼ 6              |
| Shenzhen     | 27           | 660            | 38           | 650            | ▲ 11           | ▲ 10             |
| Osaka        | 30           | 655            | 22           | 676            | ▼ 8            | ▼ 21             |
| Melbourne    | 33           | 652            | 25           | 672            | ▼ 8            | ▼ 20             |

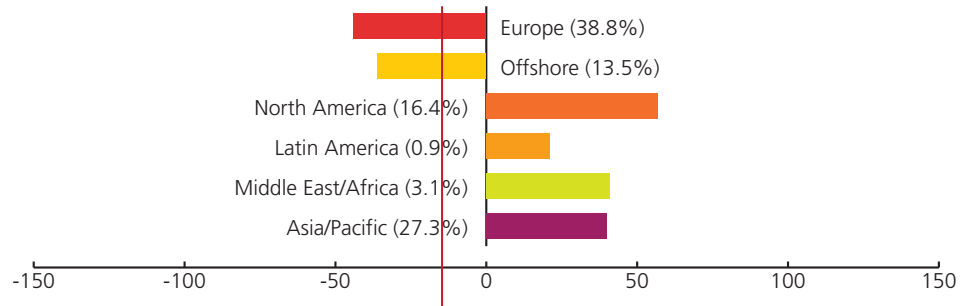
Hong Kong and Singapore retain their leadership in Asia and their top four positions in GFCI 14. Tokyo is still well behind the two Asian leaders but has made progress and has climbed one position to fifth. Seoul has lost nine points but remains in GFCI's top 10.

Chart 10 below shows some stabilisation of competitiveness for Asia/Pacific centres. Seoul seems to be the only centre of the top 5 to experience a marked decline:



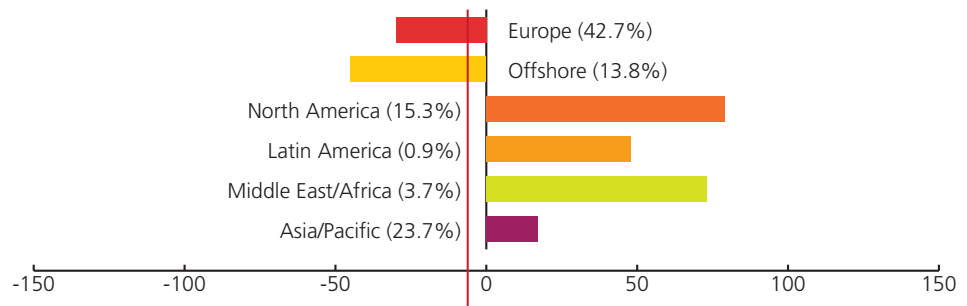
Hong Kong has an average assessment of 816 up from 811 in GFCI 13. It continues to attract higher than average assessments from Asia and the Americas but it is less well perceived by respondents based in Offshore and European centres.

**Chart 11 | Assessments by Region – Difference from the Mean – Hong Kong**



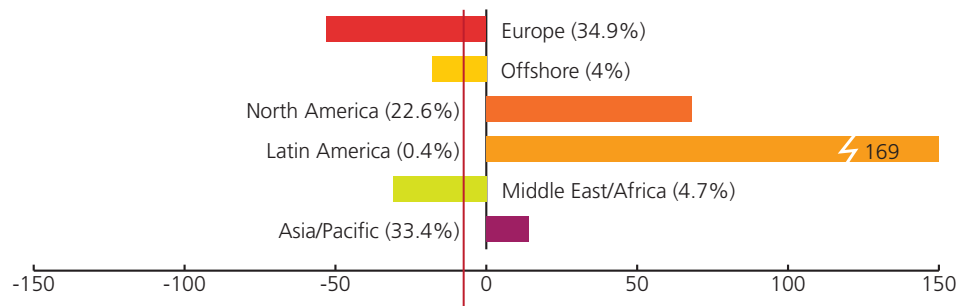
Singapore's average assessment is 810, slightly down from 816 in GFCI 13. It continues to attract higher than average assessments from Asia and the Americas.

**Chart 12 | Assessments by Region – Difference from the Mean – Singapore**

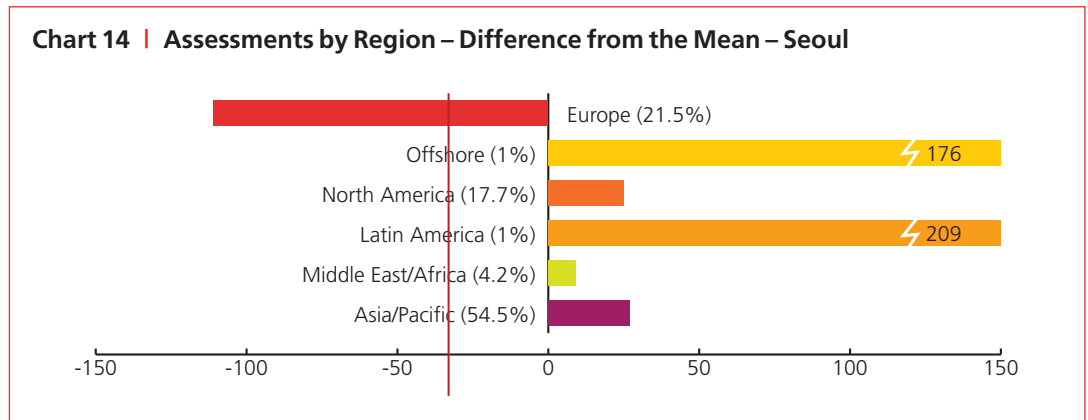


The average assessment for Tokyo is 781 up from 770 in GFCI 13. Asia/Pacific responses are slightly more favourable than average while responses from North America are significantly more positive. Responses from Europe and the Offshore centres are less positive than average for all Asian centres.

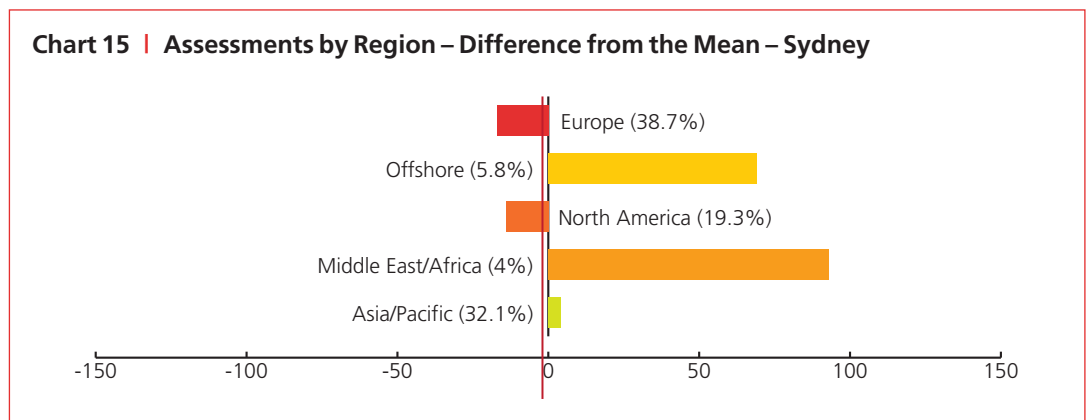
**Chart 13 | Assessments by Region – Difference from the Mean – Tokyo**



Seoul's average assessment for GFCI 14 is 757 slightly down from 759 in GFCI 13. Assessments from Europe are significantly lower than in GFCI 13.



Sydney's average assessment in GFCI 14 is 725, up from 715 in GFCI 13.



“Sydney doesn’t seem to attract much attention as a financial centre and I struggle to see why”

Investment Banker based in Sydney



# The Americas

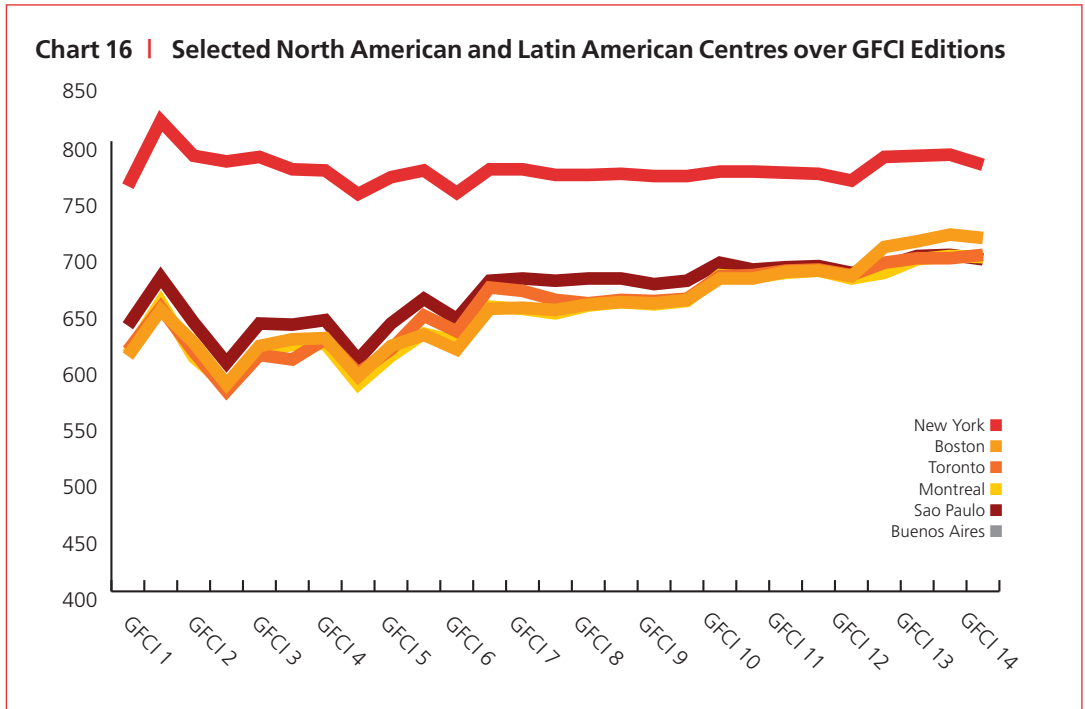
New York remains second in GFCI 14. All major North American financial centres, except Chicago have seen improvements in both ratings and ranks. Boston, Toronto and San Francisco move up one place to 7th, 11th and 12th places respectively, while Chicago falls by three places to 14th. Latin America continues to grow in importance with Rio de Janeiro, Sao Paulo and Buenos Aires all climbing in the ranks. Rio de Janeiro in particular performed well and climbed 17 places.

**Table 7 | North American and Latin American Centres in GFCI 14**

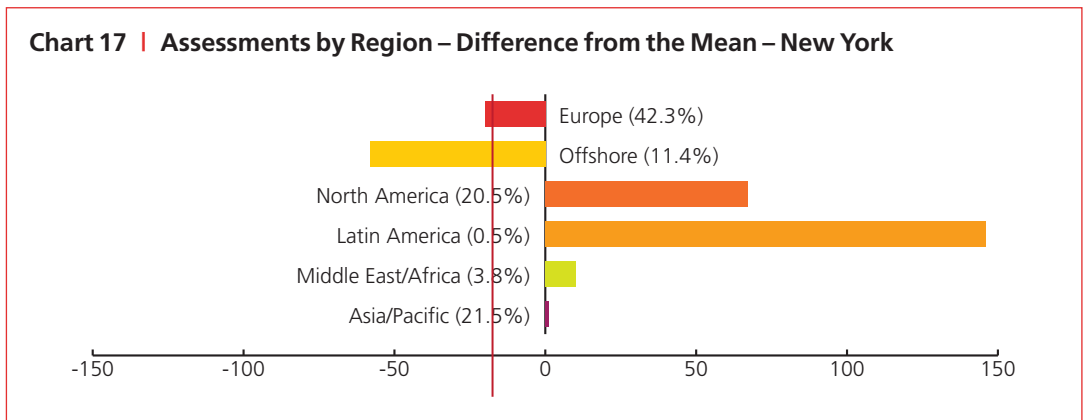
|                 | GFCI 14 rank | GFCI 14 rating | GFCI 13 rank | GFCI 13 rating | Change in rank | Change in rating |
|-----------------|--------------|----------------|--------------|----------------|----------------|------------------|
| New York        | 2            | 779            | 2            | 787            | -              | ▼ 8              |
| Boston          | 7            | 714            | 8            | 711            | ▲ 1            | ▲ 3              |
| Toronto         | 11           | 699            | 12           | 696            | ▲ 1            | ▲ 3              |
| San Francisco   | 12           | 697            | 13           | 695            | ▲ 1            | ▲ 2              |
| Chicago         | 14           | 695            | 11           | 698            | ▼ 3            | ▼ 3              |
| Washington D.C. | 17           | 689            | 14           | 692            | ▼ 3            | ▼ 3              |
| Montreal        | 18           | 688            | 16           | 689            | ▼ 2            | ▼ 1              |
| Vancouver       | 19           | 686            | 15           | 690            | ▼ 4            | ▼ 4              |
| Calgary         | 21           | 684            | 17           | 688            | ▼ 4            | ▼ 4              |
| Rio de Janeiro  | 31           | 654            | 48           | 639            | ▲ 17           | ▲ 15             |
| Sao Paulo       | 38           | 643            | 44           | 644            | ▲ 6            | ▼ 1              |
| Buenos Aires    | 46           | 628            | 53           | 633            | ▲ 7            | ▼ 5              |
| Panama          | 63           | 589            | 67           | 597            | ▲ 4            | ▼ 8              |
| Mexico City     | 66           | 584            | 55           | 628            | ▼ 11           | ▼ 44             |

Chart 16 opposite shows leading American centres stabilising their ratings since GFCI 13. New York is the only one experiencing a noteworthy decline in rating but it is hard to see any of the American centres challenging its leadership in North America:





The difference between regional assessments for some of the major North American centres is shown below:

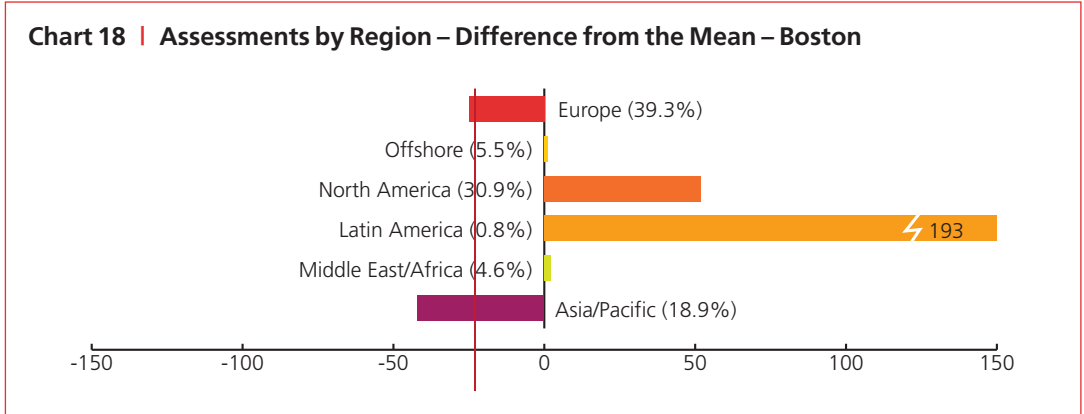


New York's overall average assessment is 834 the same as in GFCI 13. New York continues to benefit from strong support from both North and Latin America. Asia/Pacific's assessments however are markedly less favourable on New York compared to GFCI 13. European and Offshore centres remain negative.

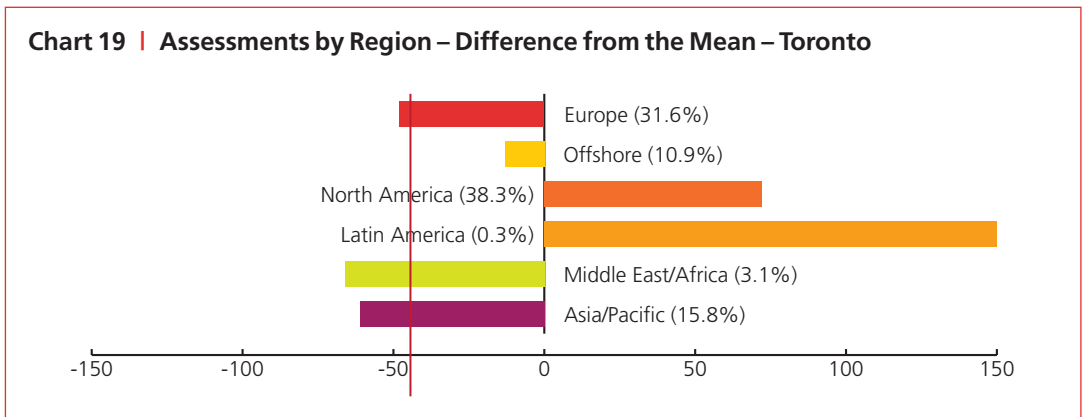
“Boston seems to operate in New York’s shadow but it is a great place to do business and I find myself going there more often”

Asset Manager based in New York

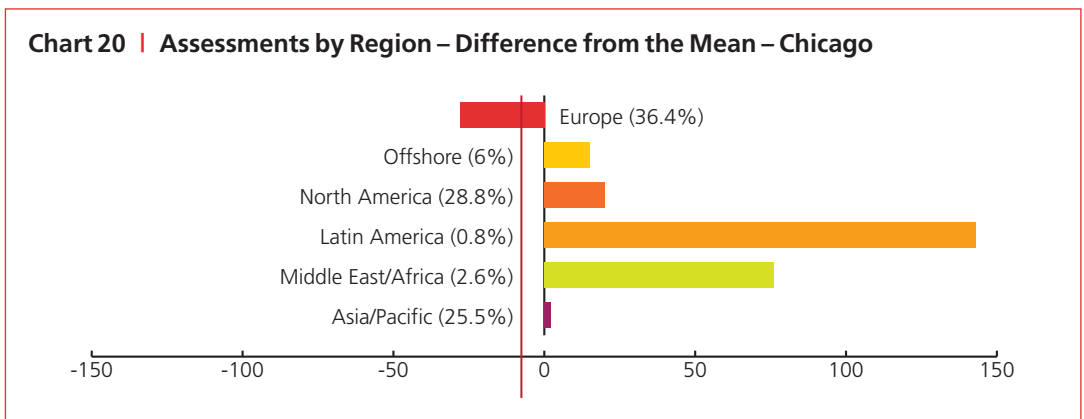
Boston’s overall average assessment is 782, up from 768 in GFCI 13. Like New York, Boston enjoys strong support from respondents in North America and Latin America. It is less well rated by respondents from Asia/Pacific, Offshore and European centres.



Toronto’s average assessment is 766, down from 773 in GFCI 13. As is evident from the chart respondents from North and Latin America give by far the most favourable assessments.



Chicago’s overall average assessment is 724, slightly down from 725 in GFCI 13. Respondents from everywhere except Europe gave Chicago above average assessments.



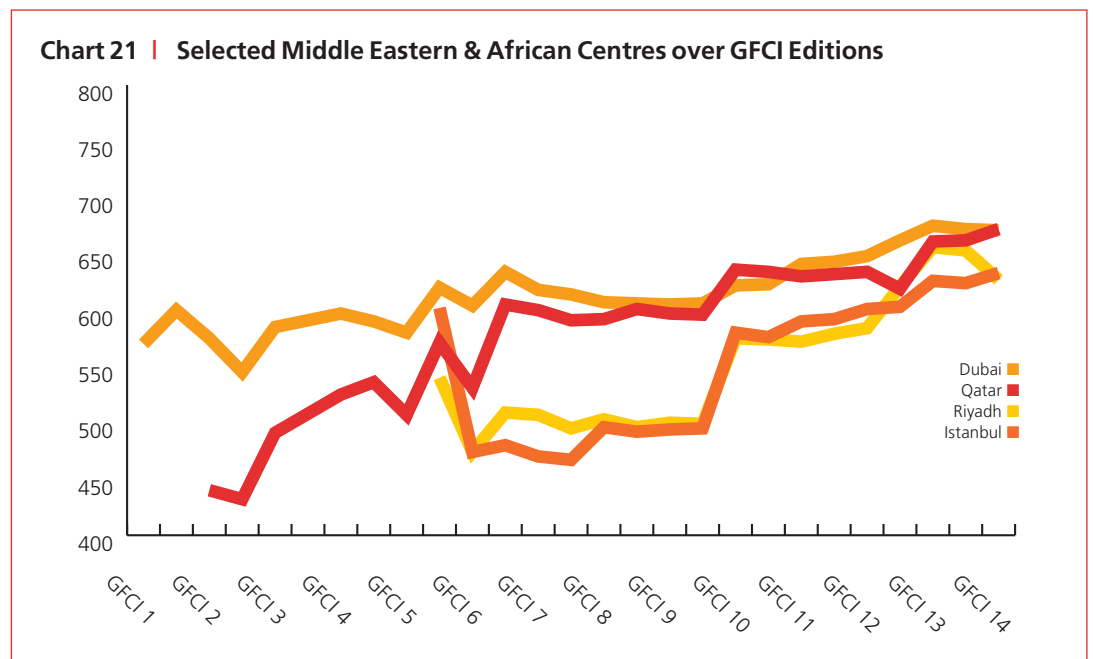
# The Middle East and Africa

The GFCI shows that Qatar and Dubai are only one point apart as the most competitive centres in the region. Qatar's rating rose by 11 points, which helped it move up the ranks to 24th place. Dubai on the other hand has declined by two places. Tel Aviv makes a strong entry in the GFCI as the third place in the Middle East/Africa group and 32nd place globally. Istanbul continues its strong performance and overtakes Riyadh whose position has deteriorated since GFCI 13.

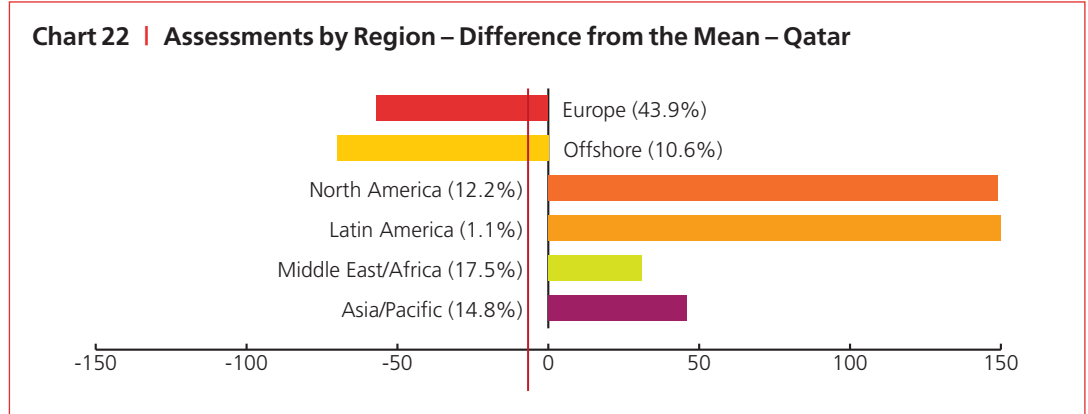
**Table 8 | The Middle Eastern and African Centres in GFCI 14**

|              | GFCI 14 rank | GFCI 14 rating | GFCI 13 rank | GFCI 13 rating | Change in rank | Change in rating |
|--------------|--------------|----------------|--------------|----------------|----------------|------------------|
| Qatar        | 24           | 672            | 30           | 661            | ▲ 6            | ▲ 11             |
| Dubai        | 25           | 671            | 23           | 675            | ▼ 2            | ▼ 4              |
| Tel Aviv     | 32           | 653            | New          | New            | New            | New              |
| Abu Dhabi    | 42           | 637            | 39           | 649            | ▼ 3            | ▼ 12             |
| Istanbul     | 44           | 633            | 57           | 626            | ▲ 13           | ▲ 7              |
| Riyadh       | 47           | 627            | 33           | 656            | ▼ 14           | ▼ 29             |
| Bahrain      | 52           | 610            | 64           | 607            | ▲ 12           | ▲ 3              |
| Johannesburg | 61           | 592            | 62           | 610            | ▲ 1            | ▼ 18             |

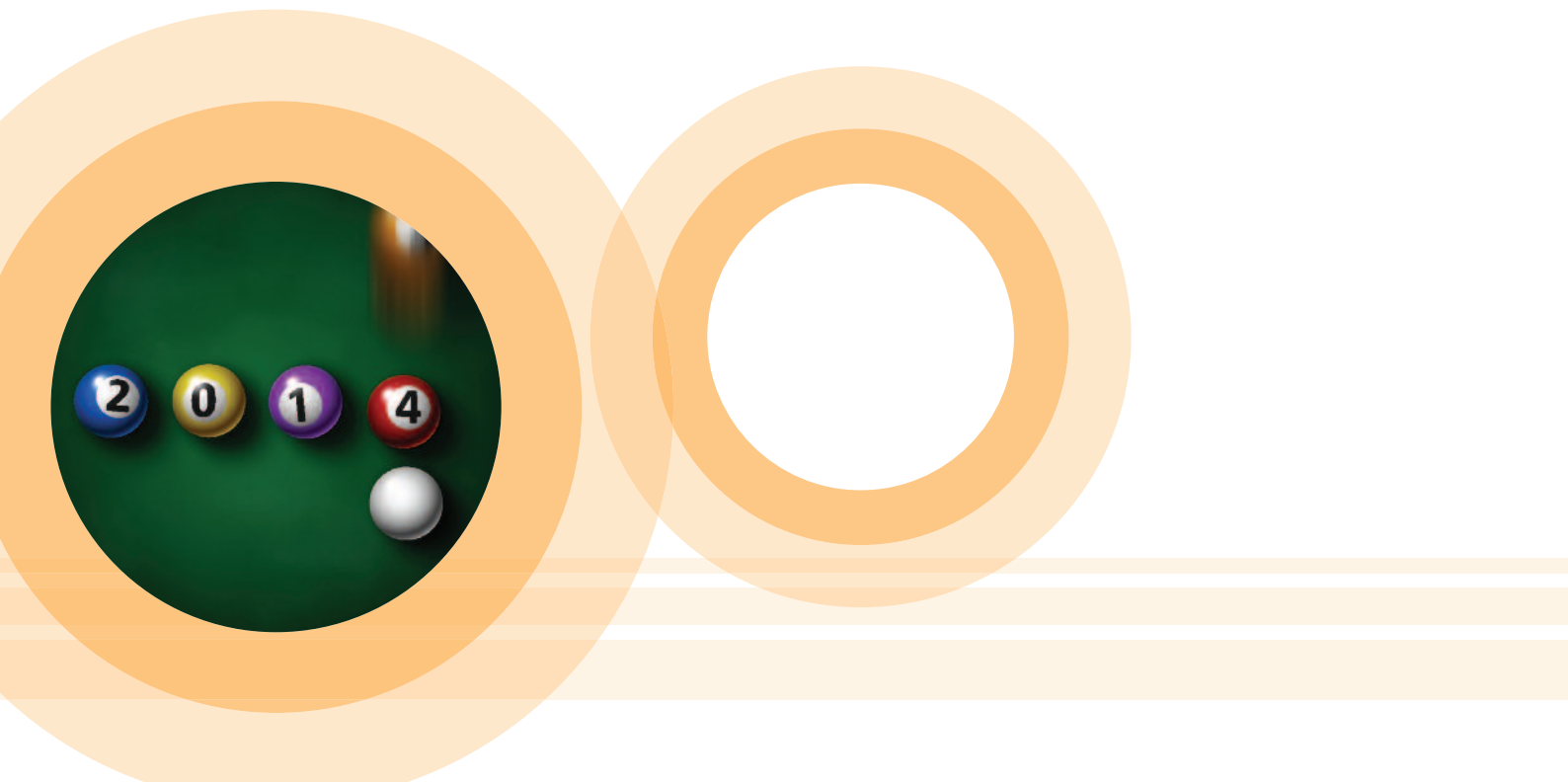
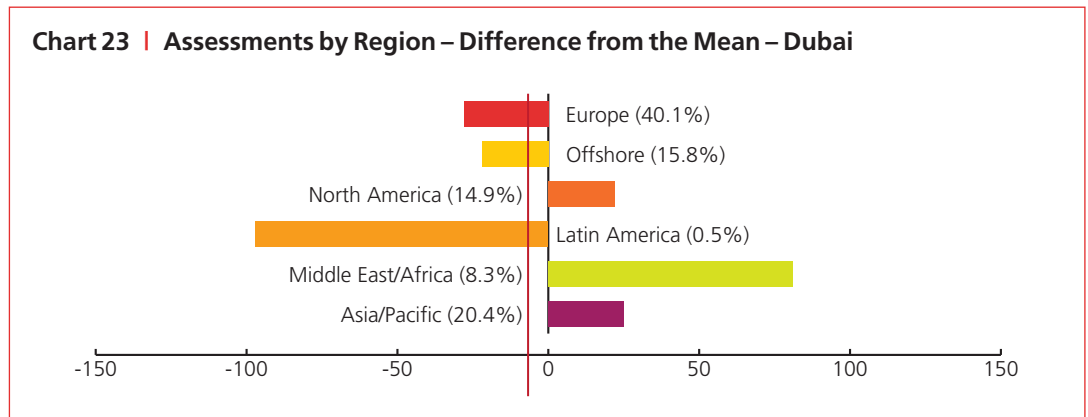
The chart shows Riyadh's steep decline as well as Istanbul's continued strong performance.



Qatar has achieved an average global assessment of 690, up from 682 in GFCI 13. All regions except Europe and the Offshore centres have given favourable assessments to Qatar with the Americas and Asia/Pacific being more favourable than the Middle East/Africa region.

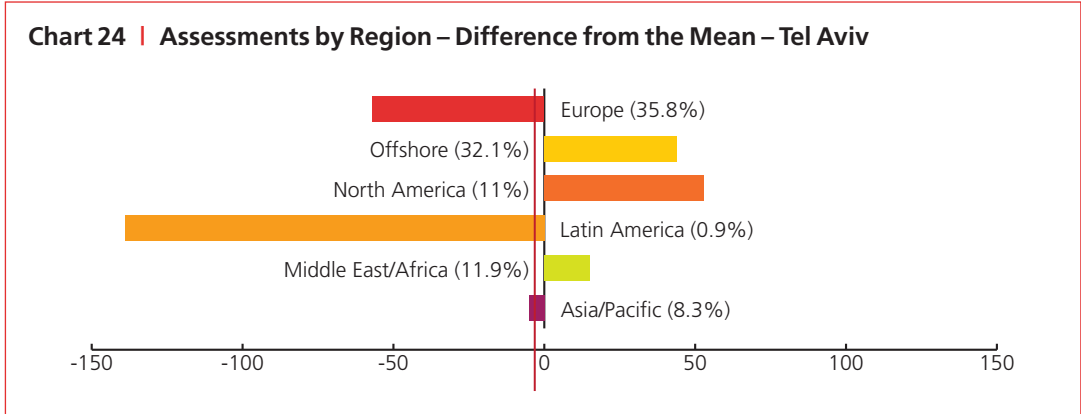


Dubai's overall average assessment is 697, slightly up from 692 in GFCI 13 with strong support from other centres in the region.

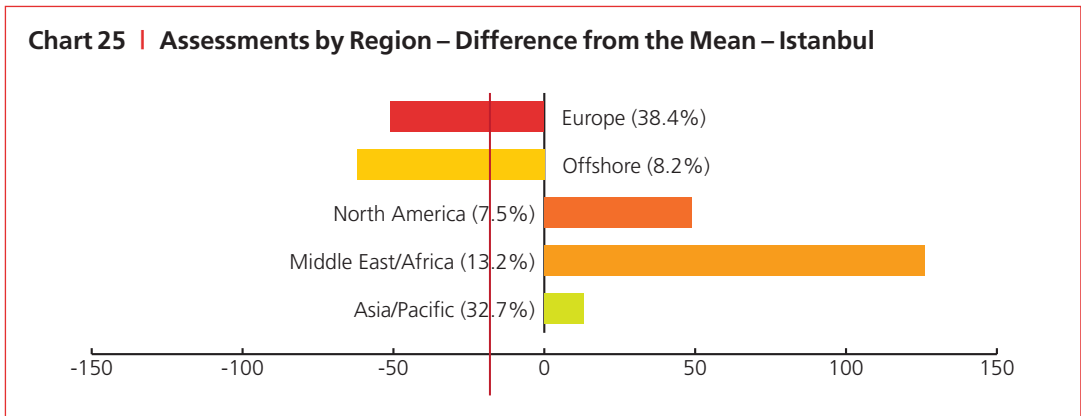




Tel Aviv makes a strong entrance in GFCI 14 compared to its regional peers. Its overall average assessment is 639. The North American, Offshore and Middle East/Africa centres have been favourable in their assessments to Tel Aviv, while Asia/Pacific and Europe have been less so.



Istanbul's overall average assessment is 593, slightly up from 590 in GFCI 13. Istanbul is well supported by respondents based in Middle East/Africa, North America and Asia/Pacific but has a lower reputation amongst respondents in European and Offshore financial centres:



“Qatar is becoming a more important international hub and starting to challenge the UAE centres”

Investment Banker based in Dubai



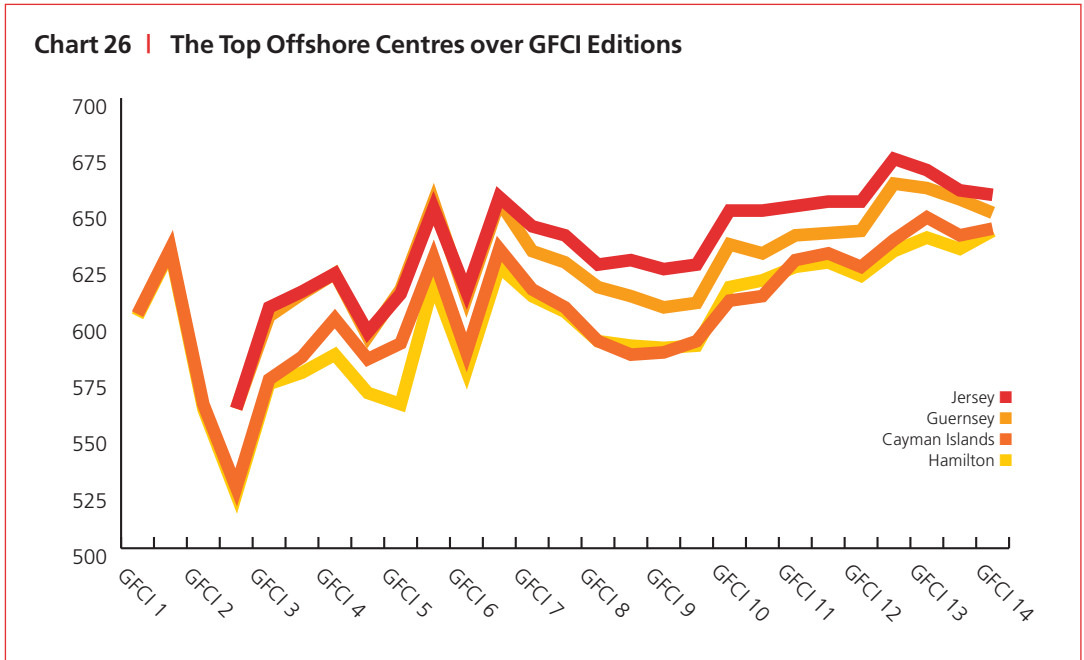
# Offshore Centres

Offshore centres have fared better in the rankings than in GFCI 13. Despite some of them seeing declines in their ratings most have risen in rank. Jersey has maintained its GFCI rank despite a decline of 11 points in its rating. Guernsey also saw an 11 points decline in its rating but because of stronger competition that meant it fell by five places to 36th. Malta was a strong performer rising by 13 points and 15 places to 53rd. Gibraltar saw the biggest decline in both ratings and ranking.

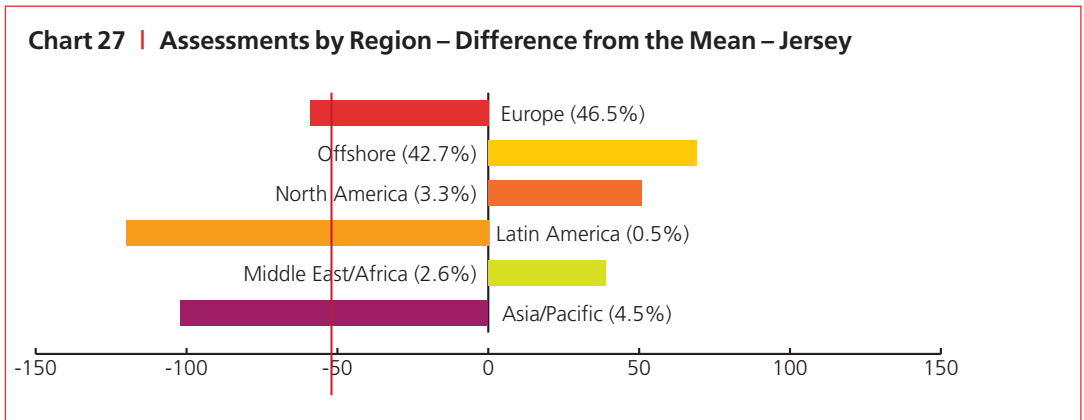
**Table 9 | Top Offshore Centres in GFCI 14**

|                        | GFCI 13 rank | GFCI 13 rating | GFCI 12 rank | GFCI 12 rating | Change in rank | Change in rating |
|------------------------|--------------|----------------|--------------|----------------|----------------|------------------|
| Jersey                 | 28           | 657            | 28           | 668            | -              | ▼ 11             |
| Guernsey               | 36           | 649            | 31           | 660            | ▼ 5            | ▼ 11             |
| Cayman Islands         | 39           | 642            | 41           | 647            | ▲ 2            | ▼ 5              |
| Hamilton               | 40           | 641            | 49           | 638            | ▲ 9            | ▲ 3              |
| Isle of Man            | 41           | 638            | 43           | 645            | ▲ 2            | ▼ 7              |
| British Virgin Islands | 48           | 626            | 47           | 640            | ▼ 1            | ▼ 14             |
| Malta                  | 53           | 608            | 68           | 595            | ▲ 15           | ▲ 13             |
| Bahamas                | 67           | 583            | 73           | 587            | ▲ 6            | ▼ 4              |
| Mauritius              | 68           | 581            | 70           | 590            | ▲ 2            | ▼ 9              |
| Gibraltar              | 70           | 572            | 60           | 615            | ▼ 10           | ▼ 43             |
| Cyprus                 | 74           | 536            | 75           | 576            | ▲ 1            | ▼ 40             |

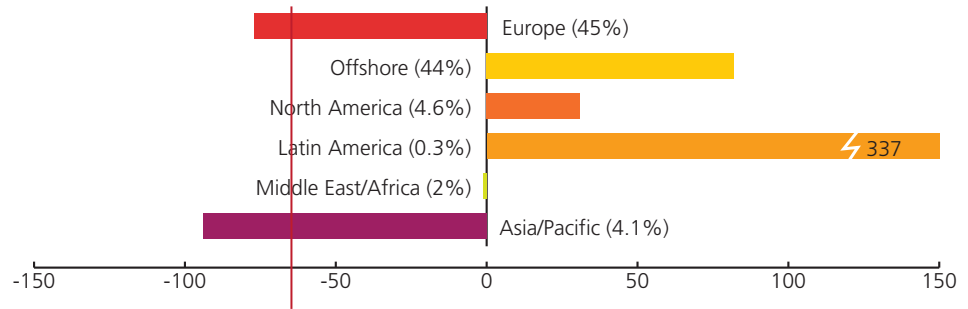




The global average assessment for Jersey is 670, down from 693 in GFCI 13. Other Offshore centres along with North America and the Middle East/Africa region rate Jersey more favourably than they have in GFCI 13.

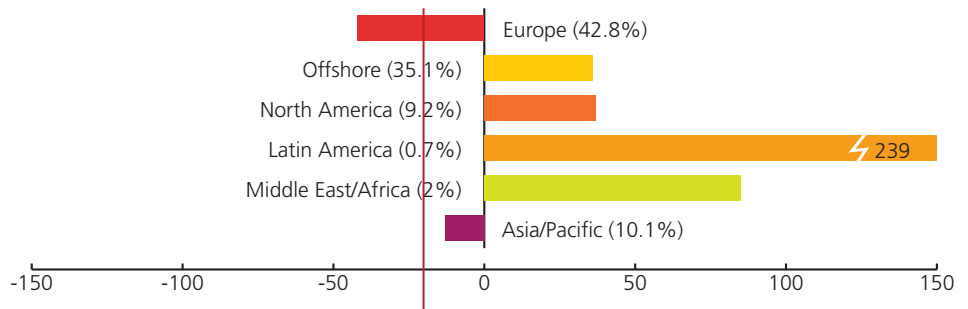


**Chart 28 | Assessments by Region – Difference from the Mean – Guernsey**



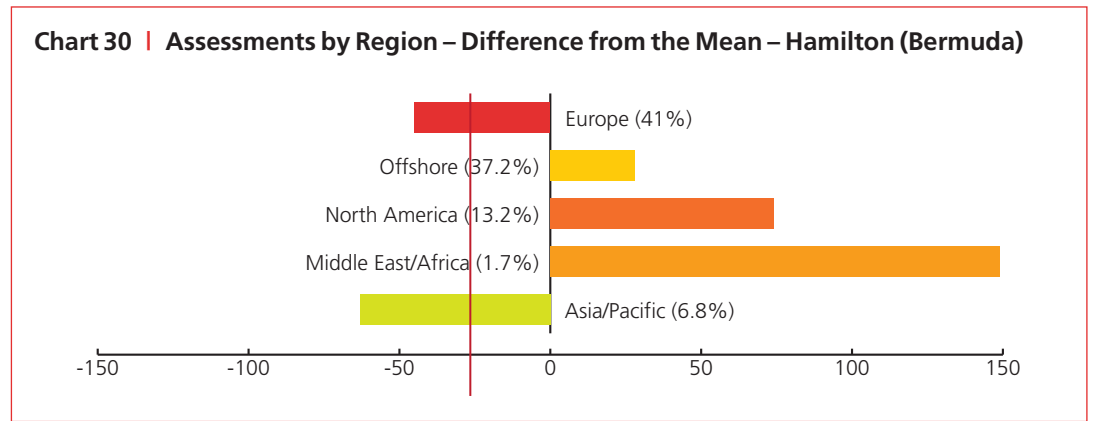
The global average assessment of Guernsey is 663, significantly lower than the 707 it received in GFCI 13. Respondents from other Offshore centres and North America rate Guernsey more favourably than average, while Europe and Asia/Pacific rate it lower than the global average.

**Chart 29 | Assessments by Region – Difference from the Mean – Cayman Islands**



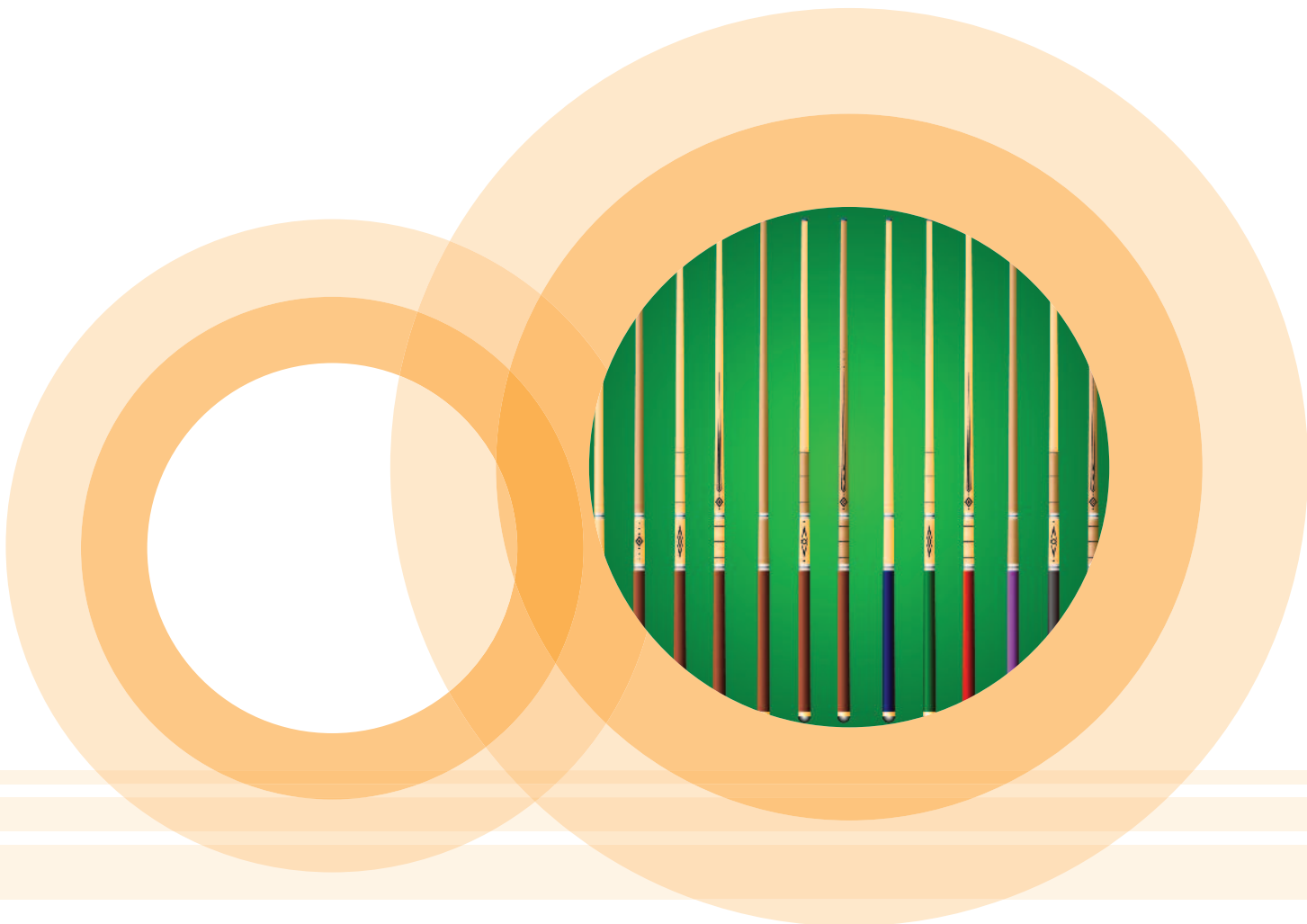
The average assessment for Cayman Islands is 628, down from 639 in GFCI 13. Most regions, including Offshore centres have a more favourable assessment. Europe and Asia/Pacific were less favourable.

Hamilton’s average assessment is 626, slightly down from 629 in GFCI 13. Hamilton is favoured by respondents from the Middle East/Africa, North America and the Offshore centres.

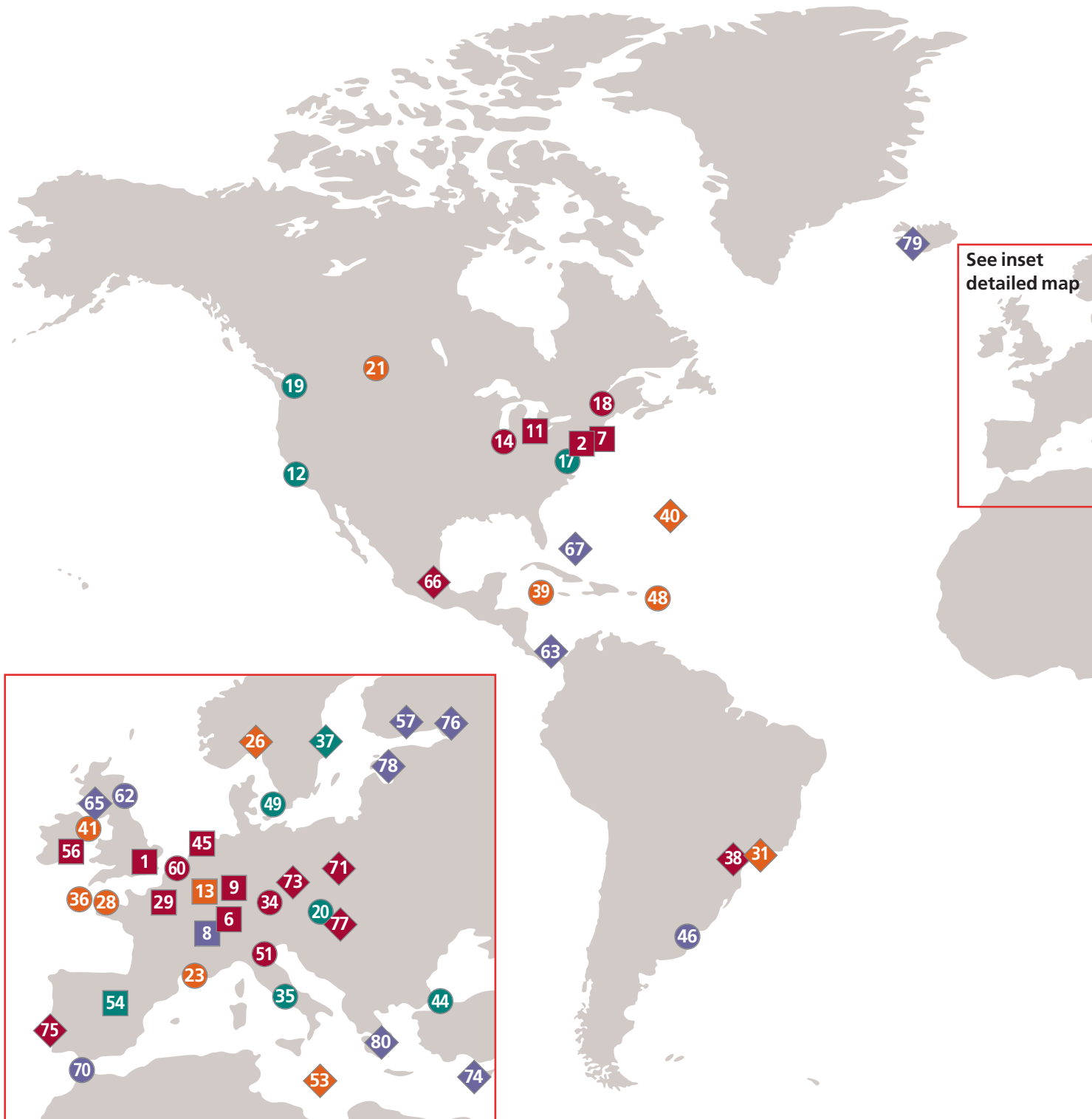


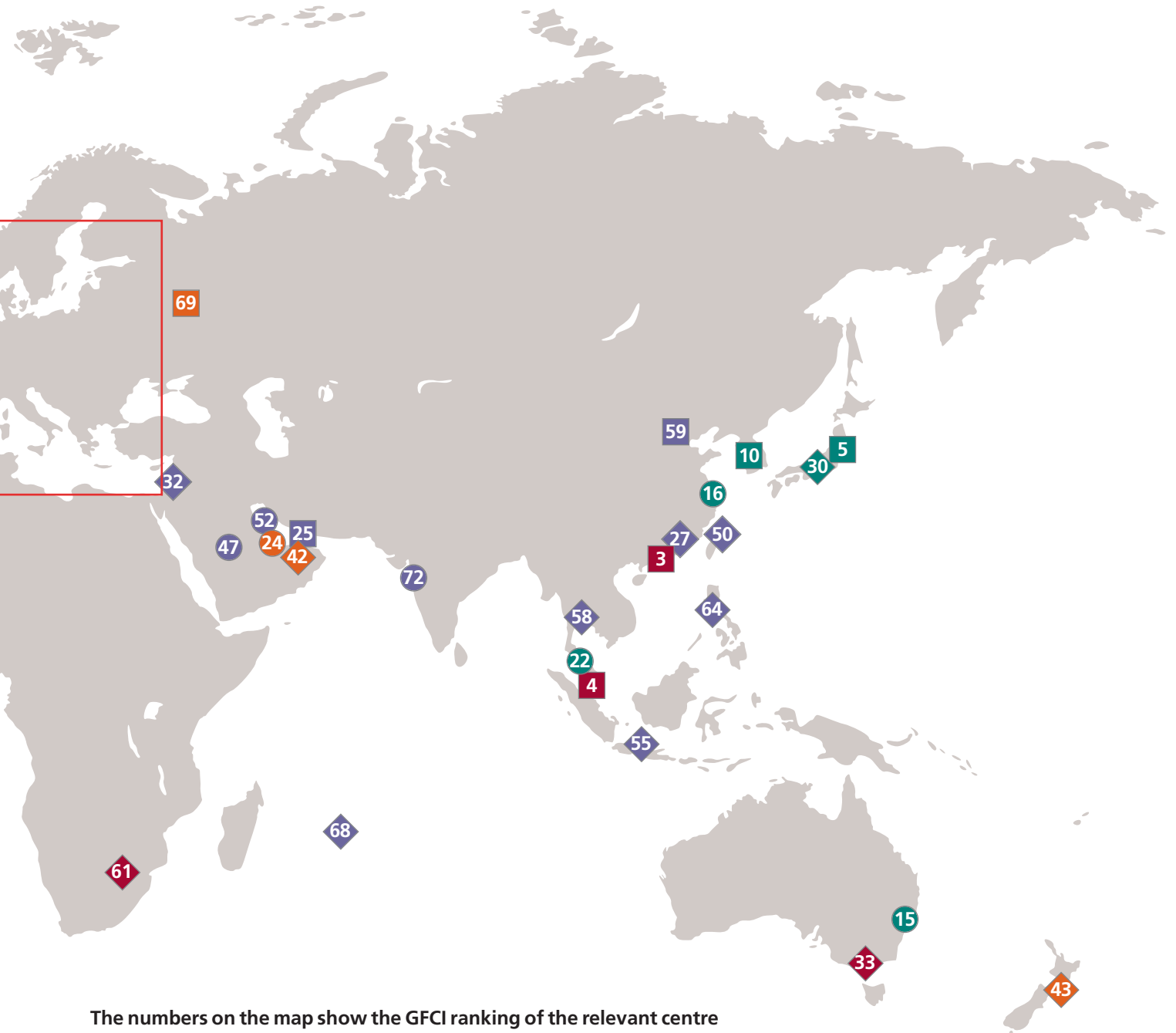
“The Crown Dependencies continue to dominate the Offshore world in my book”

Asset Manager based in London



# The GFCI World





The numbers on the map show the GFCI ranking of the relevant centre

**Broad and deep**

- Global leaders
- Established transnational
- ◆ Established players

**Relatively broad**

- Global diversified
- Transnational diversified
- ◆ Local diversified

**Relatively deep**

- Global specialists
- Transnational specialists
- ◆ Local nodes

**Emerging**

- Global contenders
- Transnational contenders
- ◆ Evolving centres

# Industry Sectors

Industry sector sub-indices are created by building the GFCI statistical model using only the questionnaire responses from respondents working in the relevant industry sectors. The GFCI 14 dataset has been used to produce separate sub-indices for the Investment Management, Banking, Government & Regulatory, Insurance and Professional Services sectors.

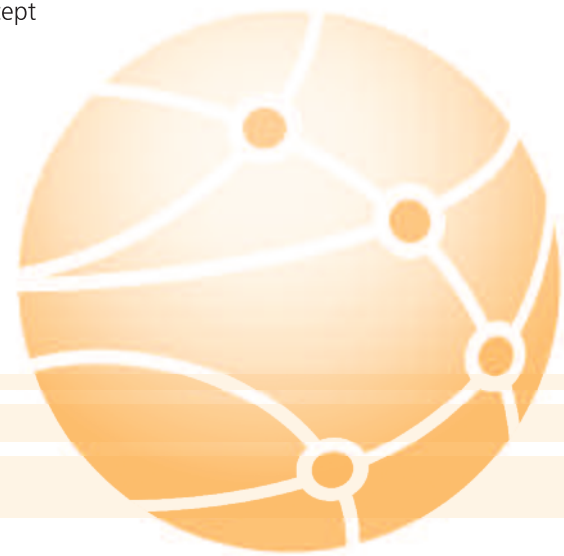
Table 10 below shows the top ten ranked financial centres in the industry sector sub-indices:

**Table 10 | GFCI 14 Industry Sector Sub-Indices Top 10**

| Rank | Investment Management | Banking           | Government & regulatory | Insurance        | Professional services |
|------|-----------------------|-------------------|-------------------------|------------------|-----------------------|
| 1    | New York (+1)         | New York (-)      | London (-)              | London (+2)      | London (-)            |
| 2    | London (-1)           | Hong Kong (+1)    | New York (-)            | Hong Kong (-)    | New York (-)          |
| 3    | Singapore (-)         | London (-1)       | Hong Kong (-)           | New York (-2)    | Hong Kong (-)         |
| 4    | Hong Kong (-)         | Singapore (-)     | Zurich (+2)             | Singapore (-)    | Singapore (-)         |
| 5    | Tokyo (-)             | Seoul (-)         | Geneva (-)              | Zurich (-)       | Zurich (-)            |
| 6    | Boston (+1)           | Tokyo (-)         | Singapore (-2)          | Boston (-)       | Geneva (-)            |
| 7    | Zurich (-1)           | Boston (-)        | Tokyo (-)               | Monaco (+4)      | Boston (+1)           |
| 8    | Toronto (+4)          | Zurich (-)        | Frankfurt (+2)          | Geneva (-1)      | Sydney (+3)           |
| 9    | Sydney (+11)          | Geneva (+2)       | Paris (-1)              | Luxembourg (+13) | Tokyo (-)             |
| 10   | Geneva (-2)           | San Francisco (-) | San Francisco (+2)      | Oslo (+4)        | Toronto (-)           |

The top four centres in the GFCI 14 overall index are once again at the top of all industry sectors except Government & Regulatory where Singapore was overtaken by Zurich and Geneva and is now ranked 6th. London is at the top of three out of five sub-indices. It has regained its leadership in Insurance but has lost ground to New York in Investment Management. Its position has weakened further in Banking where it now ranks 3rd.

New York is still at the top of the Banking sector and in GFCI 14 it takes the first place in Investment Management. It has lost its top rank in Insurance. Hong Kong is in the top three of all sectors except Investment Management where third place is held by Singapore as in GFCI 13.



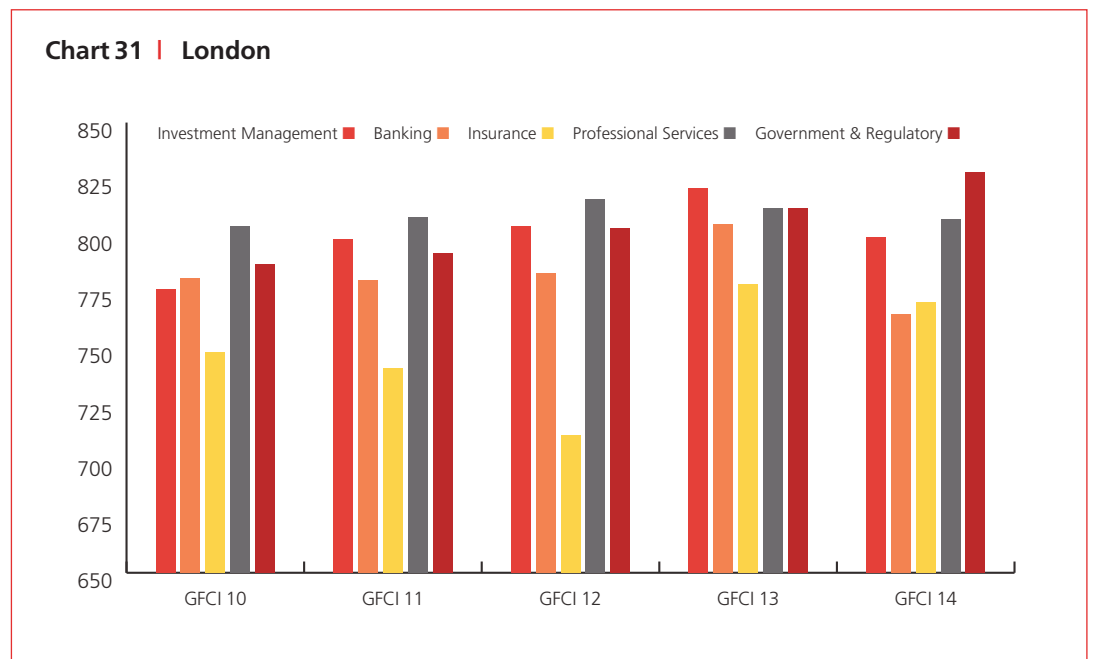


There are four new centres in the top 10 of the sector sub-indices:

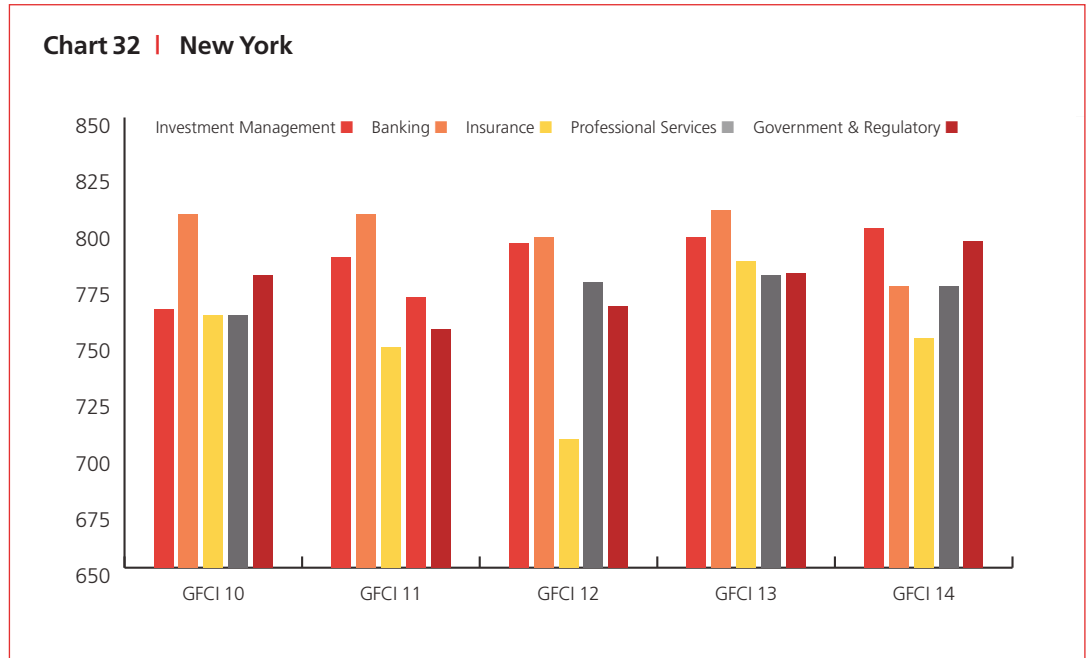
- Sydney has gained 11 places to 9th in Investment Management and three places to 8th in Professional Services;
- Luxembourg has gained 13 places and is now 9th in Insurance;
- Monaco gains four places to 7th in Insurance;
- Oslo also enters the top 10 in Insurance with a gain of four places;
- Chicago has lost its presence in the top 10.

The graphs below show how the GFCI 14's top five centres fared in the various industry sectors over the past five GFCI editions.

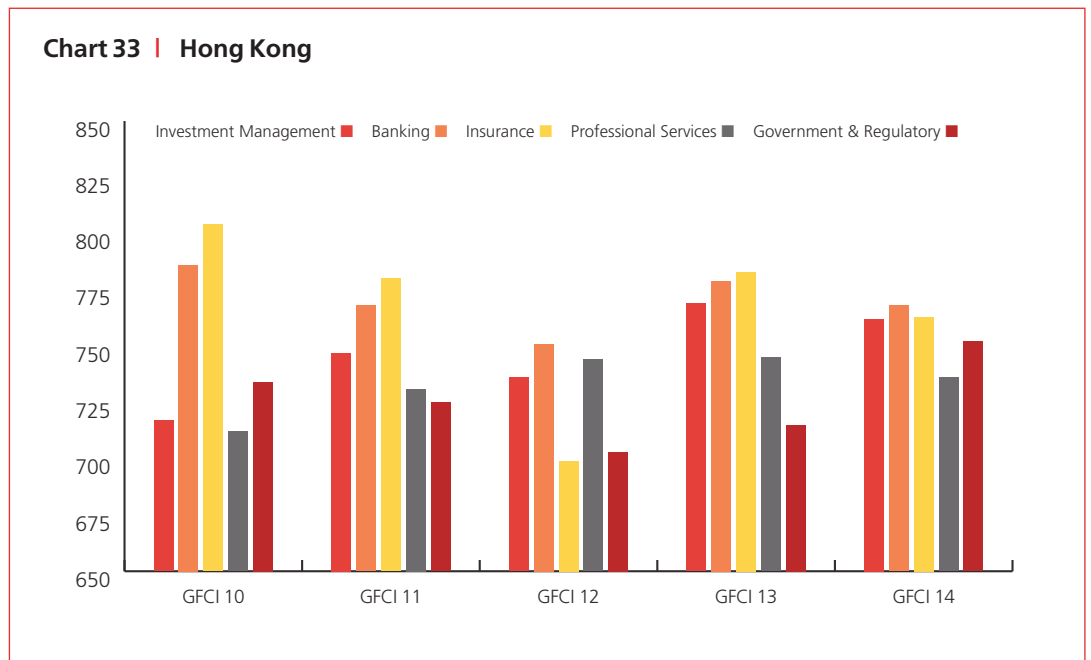
London has traditionally been well rated by the professional services industry. In the last two editions however investment managers and government and regulatory professionals have been at least as favourable. Insurers and bankers are slightly less favourable in their assessments of London.



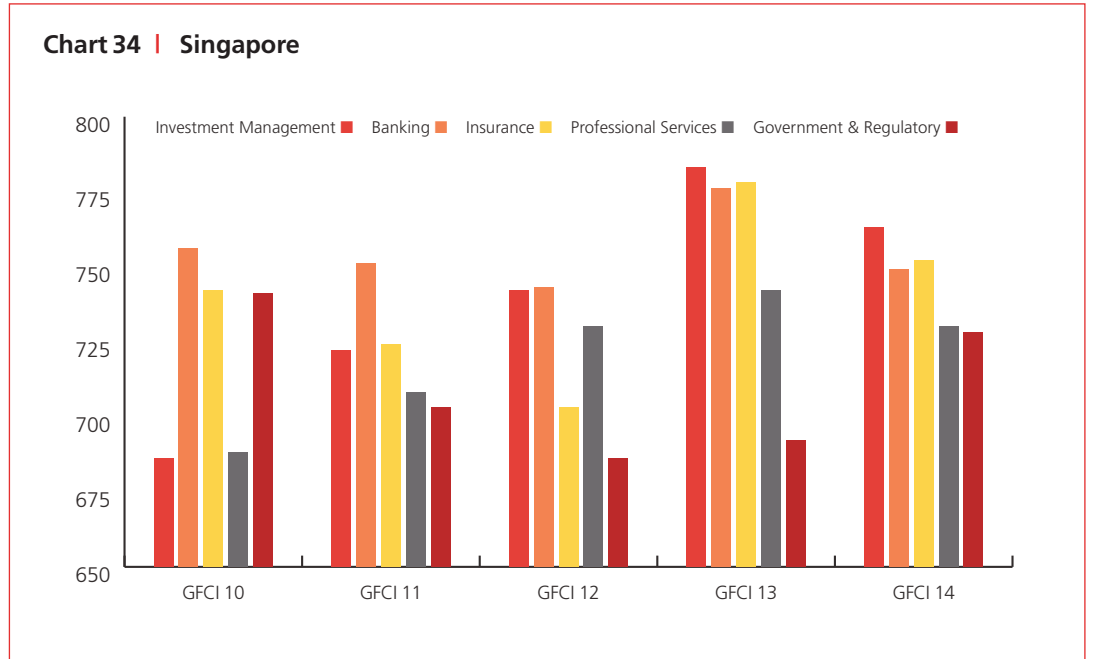
New York has been at the top of the banking industry sector in all GFCI editions. The investment management and government & regulatory sectors score New York higher for the first time in GFCI 14. Although New York's banking scores declined significantly, it remains the leader in this sector.



Hong Kong is well regarded by respondents from the insurance sector. It is noteworthy that Hong Kong's sector scores have been converging over the past five GFCI editions: insurance and banking have been generally declining while investment management and government and regulatory have been generally rising.

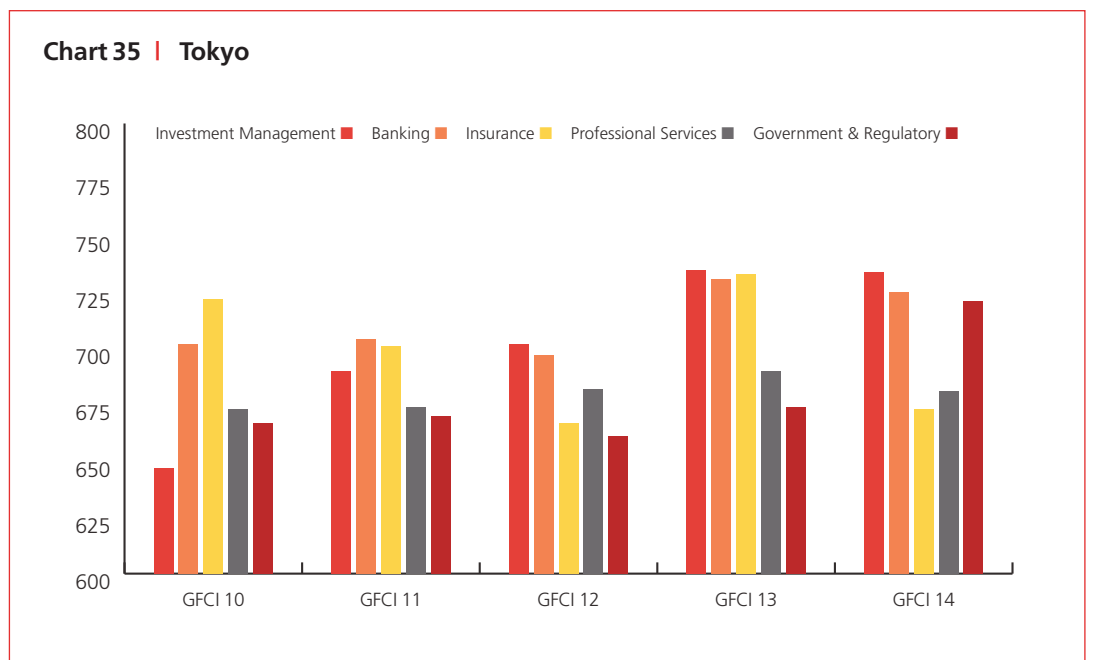


Singapore scores better in the core financial services industry sectors – investment management, banking and insurance and less well in the services and regulatory sectors.



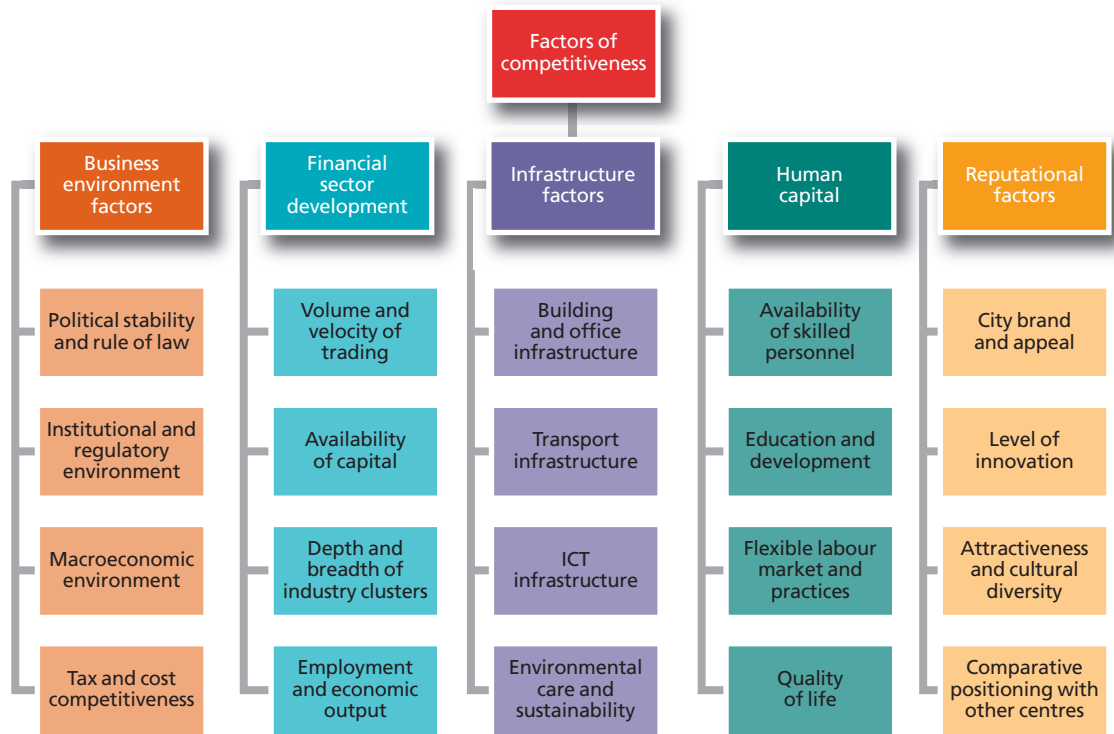
Tokyo exhibits a rising trend in its investment management and banking ratings. Professional services and government & regulatory ratings have been generally stable. In GFCI 14 government & regulatory ratings overtake professional services and insurance. It will be interesting to monitor whether this trend will continue.

“Tokyo is regaining its reputation – our office there is our fastest growing of all”  
Insurance Broker based in Sydney



# Five Areas of Competitiveness

We have redefined the taxonomy of the areas of competitiveness used in the GFCI. The instrumental factors used in the GFCI model are grouped into five key areas of competitiveness (Human Capital, Business Environment, Financial Sector Development, Infrastructure and Reputational Factors):



To assess how financial centres rank in each of these areas, the GFCI 14 factor assessment model is run with one of the five groups of instrumental factors at a time. Table 11 shows the top ten ranked centres in each sub-index:

**Table 11 | GFCI 14 Area of Competitiveness Sub-Indices – Top 10**

| Rank | Human capital | Business environment | Financial sector development | Infrastructure     | Reputational factors |
|------|---------------|----------------------|------------------------------|--------------------|----------------------|
| 1    | London (-)    | London (-)           | London (-)                   | London (-)         | London (-)           |
| 2    | New York (-)  | New York (-)         | New York (-)                 | New York (-)       | New York (-)         |
| 3    | Hong Kong (-) | Hong Kong (-)        | Hong Kong (-)                | Hong Kong (-)      | Hong Kong (-)        |
| 4    | Singapore (-) | Singapore (-)        | Singapore (-)                | Singapore (-)      | Singapore (-)        |
| 5    | Tokyo (+1)    | Zurich (-)           | Tokyo (+3)                   | Tokyo (+1)         | Tokyo (+2)           |
| 6    | Zurich (-1)   | Tokyo (+2)           | Zurich (-1)                  | Zurich (-1)        | Zurich (-1)          |
| 7    | Boston (-)    | Geneva (-1)          | Boston (-)                   | Boston (-1)        | Boston (-)           |
| 8    | Geneva (-)    | Boston (-1)          | Seoul (+7)                   | Geneva (-)         | Geneva (-)           |
| 9    | Frankfurt (-) | Chicago (+1)         | Geneva (-3)                  | Washington DC (+5) | Toronto (+4)         |
| 10   | Chicago (+2)  | Frankfurt (-1)       | Chicago (+1)                 | Chicago (+1)       | Chicago (+1)         |

The top six financial centres in GFCI 14 – London, New York, Hong Kong, Singapore, Tokyo and Zurich – also share the top six places in each of these sub indices (except for Business Environment where Zurich and Tokyo are 5th and 6th). This confirms their strength in all five areas of competitiveness. It also confirms our belief that a genuinely top global centre is competitive in all areas – successful people like to live and work in successful centres. Boston, Geneva and Chicago maintain a strong presence in the top 10 of all five areas of competitiveness. Frankfurt is present in Human Capital and Business Environment. Seoul, Washington and Toronto are now in the top 10 of the other three areas.

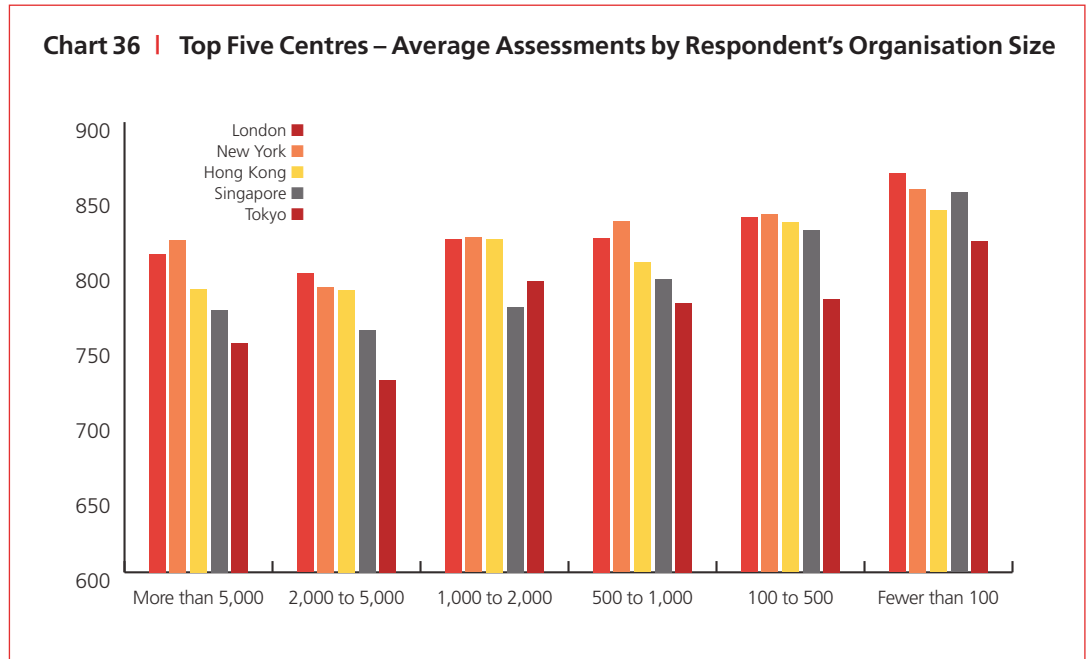
“I’m lucky to travel between here and London regularly – it is not hard to see why both cities are so successful”

Private Banking Director based in New York

<sup>2</sup> ‘The Competitive Position of London as a Global Financial Centre’, Z/Yen Limited, The Corporation of London, 2005



# Size of Organisation



It is useful to look at how the leading centres are viewed by respondents working for different sizes of organisation.

Chart 36 shows that respondents from smaller organisations generally give higher assessments than respondents from larger organisations. Singapore and Tokyo exhibit larger divergences between the different size groups than the other three centres.

**“If you want to be in on the M and A action, then you need to be in London”**

A Director of a Mergers and Acquisitions Boutique based in London



# Reputation

In the GFCI model, one way to look at reputation is to examine the difference between the weighted average assessment given to a centre and its overall rating. The first measure reflects the average score a centre receives from financial professionals across the world, adjusted for the passage of time with latest assessments having the most weight (see appendix 3 for details). The second measure is the GFCI score itself, which represents the average assessment adjusted to reflect the instrumental factors.

If a centre has a higher average assessment than the GFCI 14 rating this indicates that respondents' perceptions of a centre are more favourable than the quantitative measures alone would suggest. This may be due to strong marketing or general awareness. Table 12 below shows the 20 centres with the greatest positive difference between average assessment and the GFCI rating:

**Table 12 | GFCI 14 Top 20 Centres Assessments and Ratings – Reputational Advantage**

| Centre        | Weighted average assessment | GFCI 14 rating | Reputational advantage |
|---------------|-----------------------------|----------------|------------------------|
| Tokyo         | 783                         | 720            | 63                     |
| Singapore     | 808                         | 751            | 57                     |
| Boston        | 769                         | 714            | 55                     |
| Seoul         | 754                         | 701            | 53                     |
| Hong Kong     | 809                         | 759            | 50                     |
| New York      | 828                         | 779            | 49                     |
| Osaka         | 693                         | 655            | 38                     |
| San Francisco | 734                         | 697            | 37                     |
| Toronto       | 733                         | 699            | 34                     |
| Kuala Lumpur  | 709                         | 675            | 34                     |
| Zurich        | 751                         | 718            | 33                     |
| Sydney        | 724                         | 692            | 32                     |
| London        | 823                         | 794            | 29                     |
| Chicago       | 723                         | 695            | 28                     |
| Vancouver     | 713                         | 686            | 27                     |
| Geneva        | 734                         | 710            | 24                     |
| Frankfurt     | 724                         | 702            | 22                     |
| Dubai         | 693                         | 671            | 22                     |
| Melbourne     | 672                         | 652            | 20                     |
| Washington DC | 705                         | 689            | 16                     |

In GFCI 13 we saw the entrance of Vienna, Monaco, Qatar and Oslo into this top 20 but neither of them has retained its place there (though Qatar comes close in 21st place). Tokyo, Singapore and Boston remain the top three centres. Dubai, Melbourne and Washington DC also enter the top 20 at 18th, 19th and 20th place respectively.

Table 13 below shows the ten centres with the greatest reputational disadvantage – an indication that respondents’ perceptions of a centre are less favourable than the quantitative measures alone would suggest:

**Table 13 | GFCI 14 Bottom 10 Centres Assessments and Ratings – Reputational Advantage**

| Centre        | Average assessment | GFCI 14 rating | Reputational advantage |
|---------------|--------------------|----------------|------------------------|
| Athens        | 328                | 469            | -141                   |
| Reykjavik     | 372                | 479            | -107                   |
| Budapest      | 411                | 515            | -104                   |
| Tallinn       | 419                | 495            | -76                    |
| Mauritius     | 511                | 581            | -70                    |
| Lisbon        | 469                | 536            | -67                    |
| Moscow        | 518                | 580            | -62                    |
| St Petersburg | 460                | 522            | -62                    |
| Mexico City   | 523                | 583            | -60                    |
| Gibraltar     | 512                | 572            | -60                    |

It is noteworthy that eight out of the bottom ten centres by reputational advantage are in Europe’s periphery. Europe has been (and continues to be) severely affected by the global financial crisis and the euro-zone crisis.

“Reputation is all in this business and the reputation of financial centres is vital to their success”

Investment Banker based in Frankfurt





# Stability

The GFCI 14 model allows for analysis of the financial centres with the most volatile competitiveness. Chart 37 below contrasts the ‘spread’ or variance of the individual assessments given to each of the top 40 centres with the sensitivity to changes in the instrumental factors:

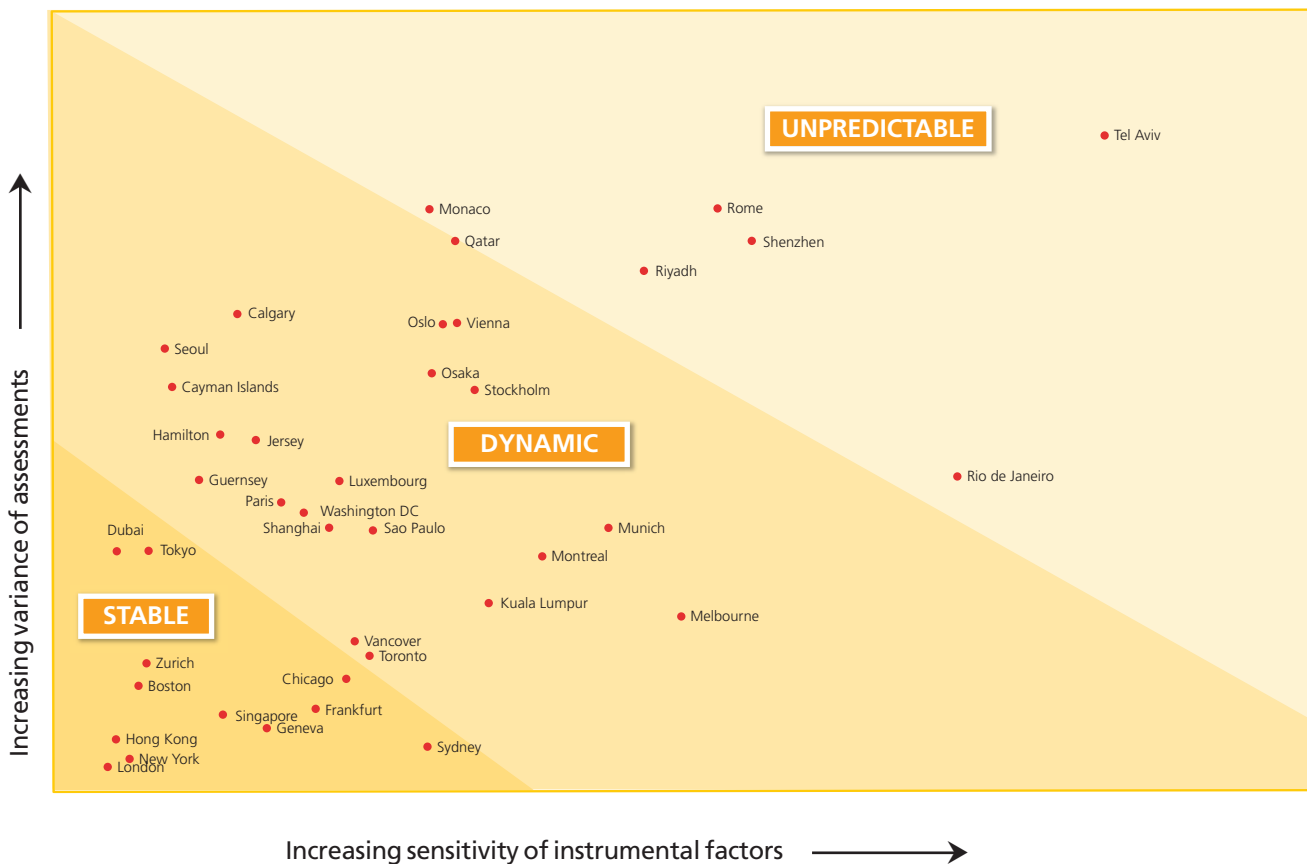
Chart 37 shows three bands of financial centres. The ‘unpredictable’ centres in the top right of the chart; Rome, Qatar, Monaco, Oslo, Shenzhen, Tel Aviv and Rio de Janeiro; have a high sensitivity to changes in the instrumental factors and a high variance of assessments.

These centres have the highest potential

volatility of the top GFCI centres. It is interesting to note that the centres categorised as unpredictable in previous editions of the GFCI have shown the greatest movements in ratings over the past year.

The ‘stable’ centres in the bottom left of the chart; London, Hong Kong, New York, Singapore, Zurich, Geneva, Boston, Chicago, Sydney and Frankfurt; have a relatively low sensitivity to changes in the instrumental factors and a low variance of assessments. These centres are likely to exhibit the lowest volatility in future GFCI ratings. Looking back at recent GFCI ratings, the stable centres are fairly consistently towards the top of the GFCI ratings.

Chart 37 | GFCI 14 – The Stability of the Top 40 Centres



# Appendix 1: Assessment Details

**Table 14 | Assessment Details**

| Centre         | GFCI 14 | Number of assessments | Total Average assessment | Standard deviation of assessments |
|----------------|---------|-----------------------|--------------------------|-----------------------------------|
| London         | 794     | 1,277                 | 834                      | 1.76                              |
| New York       | 779     | 1,028                 | 834                      | 1.77                              |
| Hong Kong      | 759     | 902                   | 816                      | 1.79                              |
| Singapore      | 751     | 785                   | 810                      | 1.83                              |
| Tokyo          | 720     | 473                   | 781                      | 2.05                              |
| Zurich         | 718     | 710                   | 756                      | 1.87                              |
| Boston         | 714     | 524                   | 782                      | 1.90                              |
| Geneva         | 710     | 713                   | 737                      | 1.82                              |
| Frankfurt      | 702     | 681                   | 724                      | 1.84                              |
| Seoul          | 701     | 288                   | 757                      | 2.30                              |
| Toronto        | 699     | 386                   | 766                      | 1.93                              |
| San Francisco  | 697     | 249                   | 733                      | 1.67                              |
| Luxembourg     | 696     | 788                   | 774                      | 2.14                              |
| Chicago        | 695     | 385                   | 724                      | 1.94                              |
| Sydney         | 692     | 274                   | 725                      | 1.78                              |
| Shanghai       | 690     | 372                   | 705                      | 2.08                              |
| Washington DC  | 687     | 288                   | 705                      | 2.10                              |
| Calgary        | 687     | 192                   | 706                      | 2.34                              |
| Vancouver      | 686     | 236                   | 719                      | 1.88                              |
| Vienna         | 686     | 260                   | 701                      | 2.33                              |
| Montreal       | 685     | 263                   | 681                      | 2.05                              |
| Kuala Lumpur   | 675     | 238                   | 717                      | 1.99                              |
| Monaco         | 674     | 361                   | 676                      | 2.45                              |
| Qatar          | 672     | 189                   | 690                      | 2.42                              |
| Dubai          | 671     | 589                   | 697                      | 2.06                              |
| Oslo           | 669     | 168                   | 660                      | 2.33                              |
| Shenzhen       | 660     | 170                   | 696                      | 2.42                              |
| Jersey         | 657     | 426                   | 670                      | 2.19                              |
| Paris          | 656     | 670                   | 661                      | 2.12                              |
| Osaka          | 655     | 105                   | 687                      | 2.27                              |
| Rio de Janeiro | 654     | 127                   | 647                      | 2.15                              |
| Tel Aviv       | 653     | 109                   | 639                      | 2.53                              |
| Melbourne      | 652     | 140                   | 668                      | 1.97                              |
| Munich         | 651     | 257                   | 649                      | 2.08                              |
| Rome           | 650     | 271                   | 634                      | 2.46                              |
| Guernsey       | 649     | 393                   | 663                      | 2.15                              |
| Stockholm      | 644     | 161                   | 618                      | 2.25                              |
| Sao Paulo      | 643     | 134                   | 637                      | 2.08                              |
| Cayman Islands | 642     | 404                   | 628                      | 2.26                              |
| Hamilton       | 641     | 234                   | 626                      | 2.20                              |

| Centre                 | GFCI 14 | Number of assessments | Total Average assessment | Standard deviation of assessments |
|------------------------|---------|-----------------------|--------------------------|-----------------------------------|
| Isle of Man            | 638     | 343                   | 626                      | 2.30                              |
| Abu Dhabi              | 637     | 335                   | 620                      | 2.08                              |
| Wellington             | 636     | 44                    | 630                      | 2.15                              |
| Istanbul               | 633     | 159                   | 593                      | 2.28                              |
| Amsterdam              | 629     | 468                   | 634                      | 2.04                              |
| Buenos Aires           | 628     | 163                   | 636                      | 2.43                              |
| Riyadh                 | 627     | 131                   | 618                      | 2.89                              |
| British Virgin Islands | 626     | 395                   | 635                      | 2.46                              |
| Copenhagen             | 625     | 208                   | 591                      | 2.15                              |
| Taipei                 | 619     | 116                   | 628                      | 1.98                              |
| Milan                  | 618     | 323                   | 626                      | 2.08                              |
| Bahrain                | 610     | 191                   | 588                      | 2.20                              |
| Malta                  | 608     | 314                   | 577                      | 2.20                              |
| Madrid                 | 607     | 351                   | 597                      | 2.10                              |
| Jakarta                | 607     | 107                   | 593                      | 2.12                              |
| Dublin                 | 605     | 571                   | 649                      | 2.06                              |
| Helsinki               | 604     | 143                   | 560                      | 2.32                              |
| Bangkok                | 600     | 166                   | 577                      | 1.81                              |
| Beijing                | 598     | 418                   | 565                      | 2.39                              |
| Brussels               | 597     | 511                   | 592                      | 2.04                              |
| Johannesburg           | 592     | 135                   | 577                      | 1.80                              |
| Edinburgh              | 590     | 338                   | 586                      | 2.17                              |
| Panama                 | 589     | 160                   | 563                      | 2.44                              |
| Manila                 | 587     | 76                    | 559                      | 2.16                              |
| Glasgow                | 586     | 181                   | 543                      | 2.44                              |
| Mexico City            | 584     | 94                    | 535                      | 2.05                              |
| Bahamas                | 583     | 239                   | 562                      | 2.26                              |
| Mauritius              | 581     | 185                   | 517                      | 2.42                              |
| Moscow                 | 580     | 409                   | 531                      | 2.12                              |
| Gibraltar              | 572     | 294                   | 655                      | 2.81                              |
| Warsaw                 | 571     | 130                   | 522                      | 2.18                              |
| Mumbai                 | 571     | 184                   | 552                      | 2.23                              |
| Prague                 | 565     | 151                   | 511                      | 2.25                              |
| Cyprus                 | 536     | 316                   | 493                      | 2.34                              |
| Lisbon                 | 536     | 147                   | 466                      | 2.24                              |
| St Petersburg          | 522     | 108                   | 464                      | 2.57                              |
| Budapest               | 515     | 152                   | 411                      | 2.10                              |
| Tallinn                | 495     | 71                    | 446                      | 2.72                              |
| Reykjavik              | 479     | 71                    | 377                      | 2.51                              |
| Athens                 | 469     | 227                   | 326                      | 1.90                              |

# Appendix 2: Respondents' Details

**Table 15 | Respondents by Industry Sector**

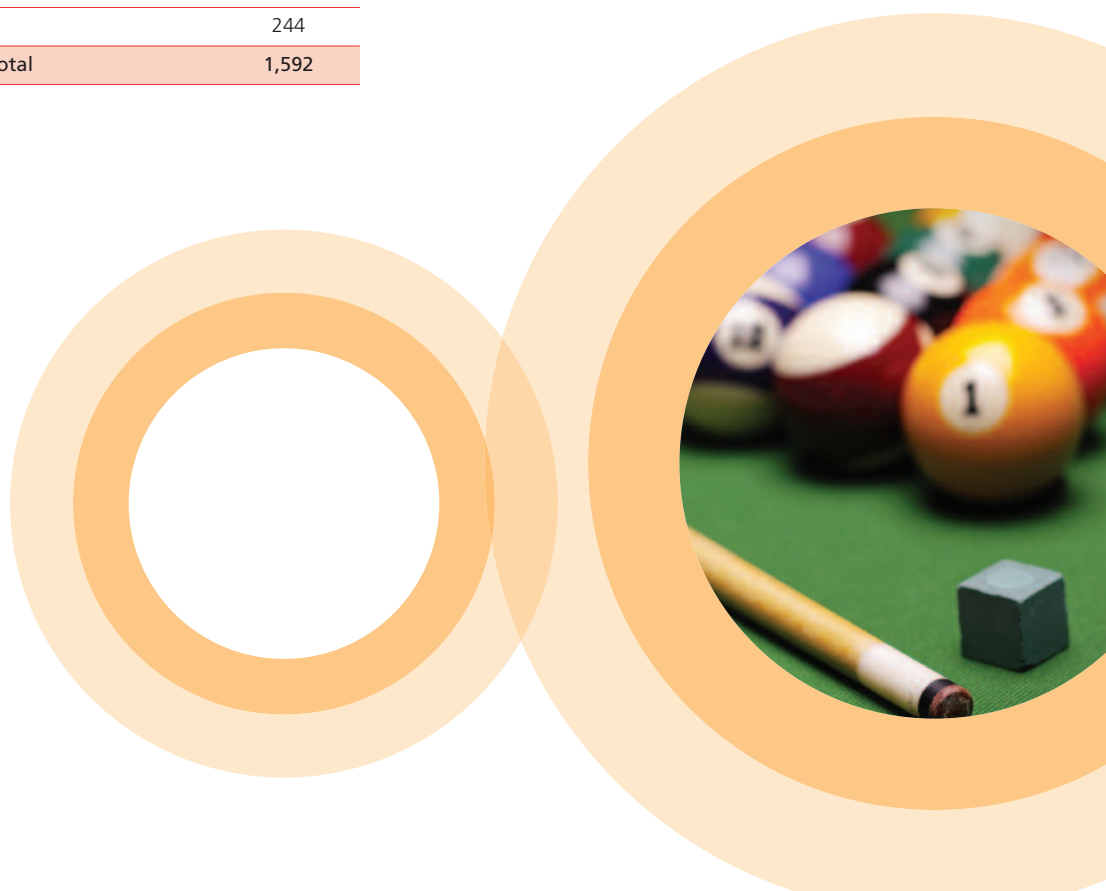
| Sector                  | Respondents  |
|-------------------------|--------------|
| Banking                 | 445          |
| Investment Management   | 286          |
| Insurance               | 84           |
| Government & Regulatory | 88           |
| Professional Services   | 358          |
| Trading                 | 37           |
| Industry Finance        | 32           |
| Other                   | 262          |
| <b>Grand Total</b>      | <b>1,592</b> |

**Table 17 | Respondents by Size of Organisation**

| Number of staff    | Responses    |
|--------------------|--------------|
| Fewer than 100     | 498          |
| 100 to 500         | 251          |
| 500 to 1,000       | 119          |
| 1,000 to 2,000     | 101          |
| 2,000 to 5,000     | 142          |
| More than 5,000    | 481          |
| <b>Grand Total</b> | <b>1,592</b> |

**Table 16 | Respondents by Location**

| Regions            | Responses    |
|--------------------|--------------|
| Europe             | 659          |
| Middle East/Africa | 68           |
| Asia/Pacific       | 373          |
| North America      | 237          |
| Latin America      | 11           |
| Offshore           | 244          |
| <b>Grand Total</b> | <b>1,592</b> |



# Appendix 3: Methodology

The GFCI provides ratings for financial centres calculated by a 'factor assessment model' that uses two distinct sets of input:

- Instrumental factors:** objective evidence of competitiveness was sought from a wide variety of comparable sources. For example, evidence about the telecommunications infrastructure competitiveness of a financial centre is drawn from a global digital economy ranking (supplied by the Economist Intelligence Unit), a telecommunication infrastructure index (by the United Nations) and an IT industry competitiveness survey (by the World Economic Forum). Evidence about a business-friendly regulatory environment is drawn from an ease of doing business index (supplied by the World Bank) and an institutional environment rating (from the EIU) amongst others. A total of 102 instrumental factors are used in GFCI 14. Not all financial centres are represented in all the external sources, and the statistical model takes account of these gaps.
- Financial centre assessments:** by means of an online questionnaire, running continuously since 2007, we use 25,749 financial centre assessments drawn from 2,786 respondents in GFCI 14.

The 102 instrumental factors were selected because the features they measure contribute in various ways to the fourteen competitiveness factors identified in previous research. These are shown below.

Financial centres are added to the GFCI questionnaire when they receive five or more mentions in the online questionnaire in response to the question: "Are there any financial centres that might become significantly more important over the next 2 to 3 years?" A centre is only given a GFCI rating and ranking if it receives more than 200 assessments from other centres in the online survey.

**Table 18 | Competitiveness Factors and their Relative Importance**

| Competitiveness factors                       | Rank |
|---|------|
| The availability of skilled personnel         | 1    |
| The regulatory environment                    | 2    |
| Access to international financial markets     | 3    |
| The availability of business infrastructure   | 4    |
| Access to customers                           | 5    |
| A fair and just business environment          | 6    |
| Government responsiveness                     | 7    |
| The corporate tax regime                      | 8    |
| Operational costs                             | 9    |
| Access to suppliers of professional services  | 10   |
| Quality of life                               | 11   |
| Culture & language                            | 12   |
| Quality / availability of commercial property | 13   |
| The personal tax regime                       | 14   |

At the beginning of our work on the GFCI, a number of guidelines were set out. Additional Instrumental Factors are added to the GFCI model when relevant and meaningful ones are discovered:

- indices should come from a reputable body and be derived by a sound methodology;
- indices should be readily available (ideally in the public domain) and be regularly updated;
- updates to the indices are collected and collated every six months;
- no weightings are applied to indices;

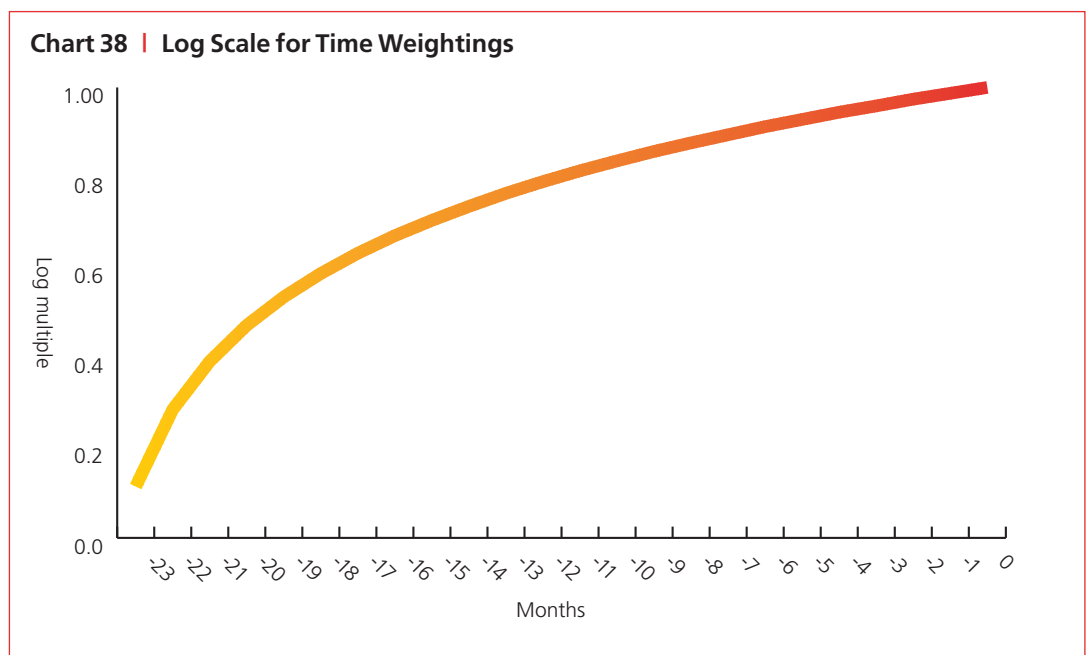
- indices are entered into the GFCI model as directly as possible, whether this is a rank, a derived score, a value, a distribution around a mean or a distribution around a benchmark;
- if a factor is at a national level, the score will be used for all centres in that country; nation-based factors will be avoided if financial centre (city)-based factors are available;
- if an index has multiple values for a city or nation, the most relevant value is used (and the method for judging relevance is noted);
- if an index is at a regional level, the most relevant allocation of scores to each centre is made (and the method for judging relevance is noted);
- if an index does not contain a value for a particular city, a blank is entered against that centre (no average or mean is used). Only indices which have values for at least 50% of the financial centres (currently 47) will be included.

Creating the GFCI does not involve totaling or averaging scores across instrumental factors. An approach involving totaling and averaging would involve a number of difficulties:

- indices are published in a variety of different forms: an average or base point of 100 with scores above and below this; a simple ranking; actual values (e.g. \$ per square foot of occupancy costs); a composite 'score';
- indices would have to be normalised, e.g. in some indices a high score is positive while in others a low score is positive;
- not all centres are included in all indices;
- the indices would have to be weighted.

The guidelines for financial centre assessments by respondents are:

- responses are collected via an online questionnaire which runs continuously. A link to this questionnaire is emailed to the target list of respondents at regular intervals and other interested parties can fill this in by following the link given in the GFCI publications;



- financial centre assessments will be included in the GFCI model for 24 months after they have been received;
- respondents rating fewer than 3 or more than half of the centres are excluded from the model;
- respondents who do not say where they work are excluded;
- financial centre assessments from the month when the GFCI is created are given full weighting and earlier responses are given a reduced weighting on a log scale.

The financial centre assessments and instrumental factors are used to build a predictive model of centre competitiveness using a support vector machine (SVM). The SVM used for the GFCI is PropheZy – Z/Yen's proprietary system. SVMs are based upon statistical techniques that classify and model complex historic data in order to make predictions of new data. SVMs work well on discrete, categorical data but also handle continuous numerical or time series data. The SVM used for the GFCI provides information about the confidence with which each specific classification is made and the likelihood of other possible classifications.

A factor assessment model is built using the centre assessments from responses to the online questionnaire. Assessments from respondents' home centres are excluded from the factor assessment model to remove home bias. The model then predicts how respondents would have assessed centres they are not familiar with, by answering questions such as:

If an investment banker gives Singapore and Sydney certain assessments then, based on the relevant data for Singapore, Sydney and Paris, how would that person assess Paris?

Or

If a pension fund manager gives Edinburgh and Munich a certain assessment then, based on the relevant data for Edinburgh, Munich and Zurich, how would that person assess Zurich?

Financial centre predictions from the SVM are re-combined with actual financial centre assessments (except those from the respondents' home centres) to produce the GFCI – a set of financial centre ratings. The GFCI is dynamically updated either by updating and adding to the instrumental factors or through new financial centre assessments. These updates permit, for instance, a recently changed index of rental costs to affect the competitiveness rating of the centres.



The process of creating the GFCI is outlined diagrammatically below.

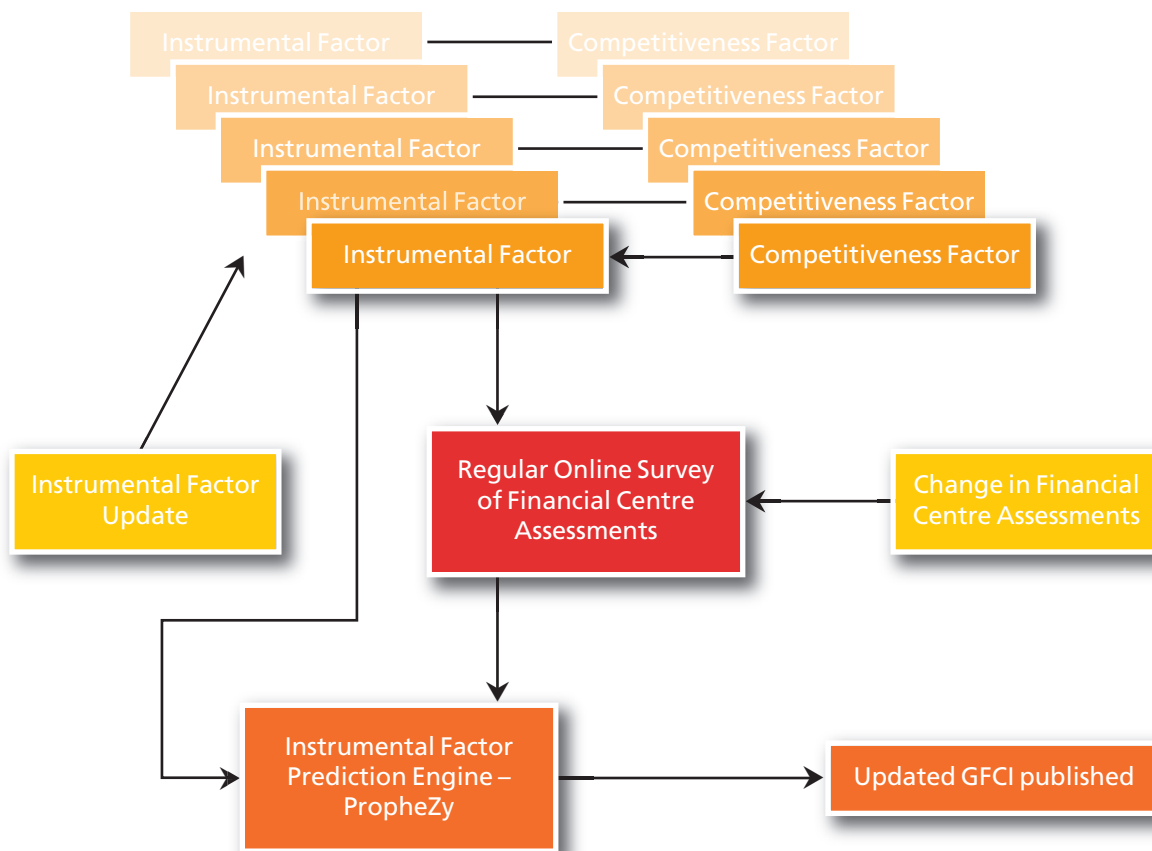
It is worth drawing attention to a few consequences of basing the GFCI on instrumental factors and questionnaire responses.

- several indices can be used for each competitive factor;
- a strong international group of ‘raters’ has developed as the GFCI progresses;
- sector-specific ratings are available - using the business sectors represented by questionnaire respondents. This makes it possible to rate London as competitive in Insurance (for instance) while less competitive in Asset Management (for instance);

- the factor assessment model can be queried in a ‘what if’ mode – “how much would London rental costs need to fall in order to increase London’s ranking against New York?”

Part of the process of building the GFCI is extensive sensitivity testing to changes in factors of competitiveness and financial centre assessments. There are over ten million data points in the current model. The accuracy of predictions given by the SVM are regularly tested against actual assessments.

Chart 39 | The GFCI Process



# Appendix 4: Instrumental Factors

Table 19 shows how closely instrumental factor rankings correlate with the GFCI 14 rankings for the top 25 instrumental factors:

As in GFCI 13 we can see that the broader measures of competitiveness seem to act as good indicators for financial centre competitiveness. Other noteworthy indicators, which feature for the first time in the top ten are Commodity and Stock Futures, pointing to a rising importance of the availability of a sophisticated stock exchange. Global Cities Image, also in the top ten, seems to confirm the importance of a good city brand.

A full list of the instrumental factors used in the GFCI 14 model are shown opposite:

**Table 18 | Top 25 Instrumental Factors by Correlation with GFCI 14**

| Instrumental Factors                      | R-Sq  |
|---|-------|
| Global City Competitiveness               | 0.524 |
| Banking Industry Country Risk Assessments | 0.464 |
| Global Power City Index                   | 0.435 |
| Office Occupancy Costs                    | 0.428 |
| World Competitiveness Scoreboard          | 0.418 |
| Global Competitiveness Index              | 0.412 |
| Volume of Stock Futures Trading           | 0.378 |
| City Global Image                         | 0.364 |
| Commodity Futures Notional Turnover       | 0.355 |
| Global Cities Index                       | 0.355 |
| Price Levels                              | 0.311 |
| Innovation Cities Global Index            | 0.308 |
| Financial Secrecy Index                   | 0.305 |
| Citizens Domestic Purchasing Power        | 0.303 |
| Connectivity                              | 0.298 |
| IT Industry Competitiveness               | 0.285 |
| Institutional Effectiveness               | 0.281 |
| Number of Greenfield Investments          | 0.256 |
| Political Risk                            | 0.256 |
| Physical Capital                          | 0.253 |
| Global Information Technology             | 0.245 |
| Wage Comparison Index                     | 0.244 |
| Global Talent Index                       | 0.243 |
| Capital Access Index                      | 0.242 |
| Top Tourism Destinations                  | 0.240 |





**Table 20 | Business Environment Related Instrumental Factors**

| Instrumental factor                           | Source                            | Website   | Updated since GFCI 13 |
|---|-----------------------------------|---|-----------------------|
| Business Environment                          | EIU                               | <a href="http://www.economist.com/markets/rankings">www.economist.com/markets/rankings</a>  |                       |
| Ease of Doing Business Index                  | The World Bank                    | <a href="http://www.doingbusiness.org/economyrankings">www.doingbusiness.org/economyrankings</a>  |                       |
| Operational Risk Rating                       | EIU                               | <a href="http://www.viewswire.com/index.asp?layout=homePubTypeRK">http://www.viewswire.com/index.asp?layout=homePubTypeRK</a>   | ✓                     |
| Real Interest Rate                            | World Bank                        | <a href="http://data.worldbank.org/indicator/FR.INR.RINR">http://data.worldbank.org/indicator/FR.INR.RINR</a>   |                       |
| Projected City Economic Growth                | McKinsey Global Institute         | <a href="http://www.foreignpolicy.com/articles/2012/08/13">http://www.foreignpolicy.com/articles/2012/08/13</a>   |                       |
| Global Services Location Index                | AT Kearney                        | <a href="http://www.atkearney.com">www.atkearney.com</a>  |                       |
| Corruption Perceptions Index                  | Transparency International        | <a href="http://www.transparency.org/publications">www.transparency.org/publications</a>  |                       |
| Wage Comparison Index                         | UBS                               | <a href="http://www.ubs.com">www.ubs.com</a>  |                       |
| Corporate Tax Rates                           | Price Waterhouse Coopers          | n/a   |                       |
| Employee Effective Tax Rates                  | Price Waterhouse Coopers          | n/a   | ✓                     |
| Personal Tax Rates                            | OECD                              | <a href="http://www.oecd.org">www.oecd.org</a>  | ✓                     |
| Total Tax Receipts (as % of GDP)              | OECD                              | <a href="http://oberon.sourceoecd.org">http://oberon.sourceoecd.org</a>   |                       |
| Bilateral Tax Information Exchange Agreements | OECD                              | <a href="http://www.oecd.org">http://www.oecd.org</a>   | ✓                     |
| Economic Freedom of the World                 | Fraser Institute                  | <a href="http://www.freetheworld.com/release.html">www.freetheworld.com/release.html</a>  |                       |
| Banking Industry Country Risk Assessments     | Standard & Poor's                 | <a href="http://www2.standardandpoors.com">http://www2.standardandpoors.com</a>   |                       |
| Government Debt as Percentage of GDP          | CIA World Fact Book               | <a href="https://www.cia.gov/library/publications/the-world-factbook/rankorder/2186rank.html">https://www.cia.gov/library/publications/the-world-factbook/rankorder/2186rank.html</a> | ✓                     |
| Political Risk Index                          | Exclusive Analysis Ltd            | <a href="http://www.exclusive-analysis.com/">http://www.exclusive-analysis.com/</a>   |                       |
| Global Peace Index                            | Institute for Economics and Peace | <a href="http://www.visionofhumanity.org/info-center/global-peace-index-2011/">http://www.visionofhumanity.org/info-center/global-peace-index-2011/</a>                               | ✓                     |
| Financial Secrecy Index                       | Tax Justice Network               | <a href="http://www.financialsecrecyindex.com/">http://www.financialsecrecyindex.com/</a>   |                       |
| Institutional Effectiveness                   | EIU                               | <a href="http://www.managementthinking.eiu.com/">http://www.managementthinking.eiu.com/</a>   |                       |
| City GDP Figures                              | Brookings Institute               | <a href="http://www.brookings.edu/~media/research/">http://www.brookings.edu/~media/research/</a>   |                       |
| Number of Greenfield Investments              | KPMG                              | <a href="http://www.kpmg.com/FR/fr/IssuesAndInsights/News/Documents/GPIA-KPMG-CIM-2012.pdf">http://www.kpmg.com/FR/fr/IssuesAndInsights/News/Documents/GPIA-KPMG-CIM-2012.pdf</a>     |                       |
| Open Government                               | The World Justice Project         | <a href="http://worldjusticeproject.org/sites/default/files/WJP_Index_Report_2012.pdf">http://worldjusticeproject.org/sites/default/files/WJP_Index_Report_2012.pdf</a>               | NEW                   |
| Regulatory Enforcement                        | The World Justice Project         | <a href="http://worldjusticeproject.org/sites/default/files/WJP_Index_Report_2012.pdf">http://worldjusticeproject.org/sites/default/files/WJP_Index_Report_2012.pdf</a>               | NEW                   |

**Table 21 | Financial Sector Development Related Instrumental Factors**

| Instrumental factor   | Source   | Website   | Updated since GFCI 13 |
|---|--|---|-----------------------|
| Capital Access Index  | Milken Institute                               | <a href="http://www.milkeninstitute.org/research">www.milkeninstitute.org/research</a>  |                       |
| Securitisation  | International Financial Services London (IFSL) | <a href="http://www.ifsl.org.uk">www.ifsl.org.uk</a>  |                       |
| Capitalisation of Stock Exchanges                           | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Value of Share Trading                                      | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Volume of Share Trading                                     | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Broad Stock Index Levels                                    | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Value of Bond Trading                                       | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Volume of Stock Options Trading                             | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Volume of Stock Futures Trading                             | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Domestic Credit Provided by Banks (% GDP)                   | World Bank                                     | <a href="http://data.worldbank.org/indicator/FS.AST.DOM.S.GD.ZS">http://data.worldbank.org/indicator/FS.AST.DOM.S.GD.ZS</a>   |                       |
| Percentage of Firms Using Bank Credit to Finance Investment | World Bank                                     | <a href="http://data.worldbank.org/indicator/IC.FRM.BNK.S.ZS">http://data.worldbank.org/indicator/IC.FRM.BNK.S.ZS</a>   | ✓                     |
| Total Net Assets of Mutual Funds                            | Investment Company Institute                   | <a href="http://www.icifactbook.org/">http://www.icifactbook.org/</a>   | ✓                     |
| Islamic Finance   | IFSL   | <a href="http://www.thecityuk.com/what-we-do/the-research-centre/reports.aspx">http://www.thecityuk.com/what-we-do/the-research-centre/reports.aspx</a>   |                       |
| Net External Position of Banks                              | Bank for International Settlements             | <a href="http://www.bis.org/statistics/bankstats.htm">http://www.bis.org/statistics/bankstats.htm</a>   | ✓                     |
| External Position of Central Banks (as % GDP)               | Bank for International Settlements             | <a href="http://www.bis.org/statistics/bankstats.htm">http://www.bis.org/statistics/bankstats.htm</a>   | ✓                     |
| Liner Shipping Connectivity                                 | The World Bank                                 | <a href="http://data.worldbank.org/indicator/IS.SHP.GCN.W.XQ">http://data.worldbank.org/indicator/IS.SHP.GCN.W.XQ</a>   | ✓                     |
| Commodity Options Notional Turnover                         | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Commodity Futures Notional Turnover                         | World Federation of Stock Exchanges            | <a href="http://www.world-exchanges.org">www.world-exchanges.org</a>  | ✓                     |
| Global Connectedness Index                                  | DHL  | <a href="http://www.dhl.com/en/about_us/logistics_insights/global_connectedness_index_2012/gci_results.html">http://www.dhl.com/en/about_us/logistics_insights/global_connectedness_index_2012/gci_results.html</a> |                       |
| City GDP Composition (Business/Finance)                     | Brookings Institution                          | <a href="http://www.brookings.edu/research/interactives/global-metro-monitor-3">http://www.brookings.edu/research/interactives/global-metro-monitor-3</a>   | NEW                   |

**Table 22 | Infrastructure Related Instrumental Factors**

| Instrumental factor                    | Source                       | Website   | Updated since GFCI 13 |
|--|------------------------------|---|-----------------------|
| Office Occupancy Costs                 | DTZ                          | <a href="http://www.dtz.com/Global/Research/">http://www.dtz.com/Global/Research/</a>   | ✓                     |
| Office Space Across the World          | Cushman & Wakefield          | <a href="http://www.cushwake.com/cwglobal">www.cushwake.com/cwglobal</a>  | ✓                     |
| Global Property Index                  | Investment Property Databank | <a href="http://www.ipd.com/">http://www.ipd.com/</a>   | ✓                     |
| Real Estate Transparency Index         | Jones Lang LaSalle           | <a href="http://www.joneslanglasalle.co.uk">www.joneslanglasalle.co.uk</a>  |                       |
| Digital Economy Ranking                | EIU                          | <a href="http://www.economist.com/markets/rankings">www.economist.com/markets/rankings</a>  |                       |
| Telecommunication Infrastructure Index | United Nations               | <a href="http://www.unpan.org/egovkb/global_reports/08report.htm">http://www.unpan.org/egovkb/global_reports/08report.htm</a>   |                       |
| Quality of Ground Transport Network    | World Economic Forum         | <a href="http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport">http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport</a>                                       | ✓                     |
| Quality of Roads                       | World Economic Forum         | <a href="http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport">http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport</a>                                       | ✓                     |
| Roadways per Land Area                 | CIA World Fact Book          | <a href="https://www.cia.gov/library/publications/the-world-factbook/rankorder/2085rank.html">https://www.cia.gov/library/publications/the-world-factbook/rankorder/2085rank.html</a> | ✓                     |
| Railways per Land Area                 | CIA World Fact Book          | <a href="https://www.cia.gov/library/publications/the-world-factbook/rankorder/2121rank.html">https://www.cia.gov/library/publications/the-world-factbook/rankorder/2121rank.html</a> | ✓                     |
| Physical Capital                       | EIU                          | <a href="http://www.managementthinking.eiu.com/">http://www.managementthinking.eiu.com/</a>   |                       |
| Connectivity                           | EIU                          | <a href="http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf">http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf</a>   |                       |
| IT Industry Competitiveness            | BSA/EIU                      | <a href="http://globalindex11.bsa.org/country-table/">http://globalindex11.bsa.org/country-table/</a>   |                       |
| Energy Sustainability Index            | World Energy Council         | <a href="http://www.worldenergy.org/publications/3962.asp">http://www.worldenergy.org/publications/3962.asp</a>   |                       |
| City Infrastructure                    | EIU                          | <a href="http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf">http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf</a>   |                       |
| Urban Sprawl                           | EIU                          | <a href="http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf">http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf</a>   |                       |
| Metro Network Length                   | Metro Bits                   | <a href="http://mic-ro.com/metro/table.html">http://mic-ro.com/metro/table.html</a>   |                       |
| Global Information Technology          | World Economic Forum         | <a href="http://www.weforum.org/issues/global-information-technology/index.html">http://www.weforum.org/issues/global-information-technology/index.html</a>                           | NEW                   |

**Table 23 | Human Capital Related Instrumental Factors**

| Instrumental factor                          | Source                         | Website   | Updated since GFCI 13 |
|--|--------------------------------|---|-----------------------|
| Graduates in Social Science Business and Law | World Bank                     | <a href="http://www.worldbank.org/education">www.worldbank.org/education</a>  | ✓                     |
| Gross Tertiary Education Ratio               | World Bank                     | <a href="http://www.worldbank.org/education">www.worldbank.org/education</a>  | ✓                     |
| Visa Restrictions Index                      | Henley & Partners              | <a href="http://www.henleyglobal.com/citizenship/visa-restrictions/">http://www.henleyglobal.com/citizenship/visa-restrictions/</a>                             |                       |
| Human Development Index                      | UN Development Programme       | <a href="http://hdr.undp.org">http://hdr.undp.org</a>   | ✓                     |
| Citizens Purchasing Power                    | UBS                            | <a href="http://www.ubs.com/1/e/ubs_ch/wealth_mgmt_ch/research.html">http://www.ubs.com/1/e/ubs_ch/wealth_mgmt_ch/research.html</a>                             |                       |
| Quality of Living Survey                     | Mercer HR                      | <a href="http://www.mercerhr.com">www.mercerhr.com</a>  |                       |
| Happy Planet Index                           | New Economics Foundation (NEF) | <a href="http://www.happyplanetindex.org/explore/global/index.html">http://www.happyplanetindex.org/explore/global/index.html</a>                               |                       |
| Number of High Net Worth Individuals         | City Bank & Knight Frank       | <a href="http://www.knightfrank.com/wealthreport/">http://www.knightfrank.com/wealthreport/</a>   |                       |
| Personal Safety Index                        | Mercer HR                      | <a href="http://www.mercerhr.com">www.mercerhr.com</a>  |                       |
| Homicide Rates                               | UN Office of Drugs and Crime   | <a href="http://www.unodc.org/unodc/en/data-and-analysis/">http://www.unodc.org/unodc/en/data-and-analysis/</a>   | ✓                     |
| World's Top Tourism Destinations             | Euromonitor Archive            | <a href="http://www.euromonitor.org">www.euromonitor.org</a>  |                       |
| Average Days with Precipitation per Year     | Sperling's Best Places         | <a href="http://www.bestplaces.net">www.bestplaces.net</a>  |                       |
| Spatial Adjusted Liveability Index           | EIU                            | <a href="http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf">http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf</a>                                     |                       |
| Human Capital                                | EIU                            | <a href="http://www.managementthinking.eiu.com/">http://www.managementthinking.eiu.com/</a>   |                       |
| Global Talent Index                          | EIU                            | <a href="http://www.managementthinking.eiu.com/global-talent-index-2011-2015.html">http://www.managementthinking.eiu.com/global-talent-index-2011-2015.html</a> |                       |
| Citywide CO2 Emissions                       | Carbon Disclosure Project      | <a href="https://www.cdproject.net/en-US/Results/Pages/reports.aspx">https://www.cdproject.net/en-US/Results/Pages/reports.aspx</a>                             |                       |
| Healthcare                                   | EIU                            | <a href="http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf">http://pages.eiu.com/rs/eiu2/images/EIU_BestCities.pdf</a>                                     |                       |
| Global Skills Index                          | Hays                           | <a href="http://www.hays-index.com/">http://www.hays-index.com/</a>   | NEW                   |



**Table 24 | Reputation Related Instrumental Factors**

| Instrumental factor                            | Source  | Website   | Updated since GFCI 13 |
|--|---|---|-----------------------|
| World Competitiveness Scoreboard               | IMD   | <a href="http://www.imd.ch/research">www.imd.ch/research</a>  | ✓                     |
| Global Competitiveness Index                   | World Economic Forum                                      | <a href="http://www.weforum.org">www.weforum.org</a>  |                       |
| Global Business Confidence                     | Grant Thornton  | <a href="http://www.grantthorntonibos.com">www.grantthorntonibos.com</a>  |                       |
| Foreign Direct Investment Inflows              | UNCTAD  | <a href="http://www.unctad.org">http://www.unctad.org</a>   |                       |
| FDI Confidence                                 | AT Kearney  | <a href="http://www.atkearney.com/images/global/pdf/Investing_in_a_Rebound-FDICI_2010.pdf">http://www.atkearney.com/images/global/pdf/Investing_in_a_Rebound-FDICI_2010.pdf</a>   |                       |
| City to Country GDP Ratio                      | World Bank<br>Price Waterhouse Cooper                     | <a href="https://www.ukmediacentre.pwc.com/content/detail.aspx?releaseid=3421&amp;newsareaid=2">https://www.ukmediacentre.pwc.com/content/detail.aspx?releaseid=3421&amp;newsareaid=2</a>   |                       |
| GDP per Person Employed                        | World Bank  | <a href="http://data.worldbank.org/indicator/SL.GDP.PCAP.EM.KD">http://data.worldbank.org/indicator/SL.GDP.PCAP.EM.KD</a>   |                       |
| Global Innovation Index                        | INSEAD/WIPO   | <a href="http://www.globalinnovationindex.org/gii/">http://www.globalinnovationindex.org/gii/</a>   |                       |
| Global Intellectual Property Index             | Taylor Wessing  | <a href="http://www.taylorwessing.com/ipindex/">http://www.taylorwessing.com/ipindex/</a>   |                       |
| Retail Price Index                             | The Economist   | <a href="http://www.economist.com/markets/indicators">www.economist.com/markets/indicators</a>  | ✓                     |
| Price Levels                                   | UBS   | <a href="http://www.ubs.com/1/e/wealthmanagement/wealth_management_research/prices_earnings.html">http://www.ubs.com/1/e/wealthmanagement/wealth_management_research/prices_earnings.html</a>   |                       |
| Global Power City Index                        | Institute for Urban Strategies & Mori Memorial Foundation | <a href="http://www.mori-m-foundation.or.jp/english/index.shtml">http://www.mori-m-foundation.or.jp/english/index.shtml</a>   |                       |
| Global Cities Index                            | AT Kearney  | <a href="http://www.foreignpolicy.com/story/cms.php?story_id=4509">http://www.foreignpolicy.com/story/cms.php?story_id=4509</a>   |                       |
| Number of International Fairs & Exhibitions    | World Economic Forum                                      | <a href="http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport">http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport</a>   | ✓                     |
| Innovation Cities Global Index                 | 2thinknow Innovation Cities™ Project                      | <a href="http://www.innovation-cities.com/innovation-cities-global-index-2010-city-rankings/">http://www.innovation-cities.com/innovation-cities-global-index-2010-city-rankings/</a>   | ✓                     |
| City Global Appeal                             | EIU   | <a href="http://www.managementthinking.eiu.com/">http://www.managementthinking.eiu.com/</a>   |                       |
| Global City Competitiveness                    | EIU   | <a href="http://www.managementthinking.eiu.com/">http://www.managementthinking.eiu.com/</a>   |                       |
| The Big Mac Index                              | The Economist   | <a href="http://www.economist.com/blogs/graphicdetail/2012/01/daily-chart-3">http://www.economist.com/blogs/graphicdetail/2012/01/daily-chart-3</a>   |                       |
| City Global Image                              | KPMG  | <a href="http://www.kpmg.com/FR/fr/IssuesAndInsights/News/Documents/GPIA-KPMG-CIM-2012.pdf">http://www.kpmg.com/FR/fr/IssuesAndInsights/News/Documents/GPIA-KPMG-CIM-2012.pdf</a>   | ✓                     |
| City's Weight in National Incoming Investments | KPMG  | <a href="http://www.kpmg.com/FR/fr/IssuesAndInsights/News/Documents/GPIA-KPMG-CIM-2012.pdf">http://www.kpmg.com/FR/fr/IssuesAndInsights/News/Documents/GPIA-KPMG-CIM-2012.pdf</a>   | ✓                     |
| Sustainable Economic Development               | Boston Consulting Group                                   | <a href="https://www.bcgperspectives.com/content/interactive/public_sector_globalization_interactive_map_sustainable_economic_development/">https://www.bcgperspectives.com/content/interactive/public_sector_globalization_interactive_map_sustainable_economic_development/</a> |                       |
| Global Enabling Trade Report                   | World Economic Forum                                      | <a href="http://www.weforum.org/issues/international-trade">http://www.weforum.org/issues/international-trade</a>   | NEW                   |





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