

MEASURING UP ON THE WORLD STAGE

International financial centres

Using hard data to gauge which international finance centres are leading the world, *The Banker's* ranking tables make for some fascinating – and often surprising – insights. **WRITER** Silvia Pavoni

The battle between financial centres to gain a slice of world markets is as intense as ever. All financial centres must focus on their competitive advantages.

In an effort to derive some order out of which international finance centres (IFCs) are performing better than others, *The Banker* has researched and weighted a variety of data across the globe to reflect the economic, business and financial appeal of full-service IFCs and specialised jurisdictions. Favouring hard statistics over opinions, the rankings present some foreseeable results along with some highly unexpected ones.

The top two positions are still firmly held by London and New York, which alternate their supremacy in a number of financial markets sub-categories. Overall, it is New York that leads the list in the financial markets ranking, although not by a large measure, while London tops the rankings by business friendliness, and inward and outward foreign direct investments into the financial sector – both indicators of the growth potential of the City.

Among the surprises in the main ranking is Frankfurt's third position. Few may have noticed, but the German city has attracted by far the largest number of foreign listings on its stock exchange: 146 of the total 189 new listings, or 77%, in 2008 were foreign compa-

nies, compared with London's 42 out of 185 and New York's 17 out of 74 – both much larger exchanges by market capitalisation.

REGIONAL SURPRISES

Our regional rankings offer some surprises too. In Latin America, where perception has it that Brazil hosts the most influential financial centre in the region, São Paulo, our ranking reveals a somewhat different picture. The list is topped by Mexico City, while São Paulo sits in second position, followed by Costa Rica, Buenos Aires and Rio de Janeiro.

Singapore leads the Asian ranking, followed by Sydney and Tokyo. If the Japanese capital's efforts to internationalise its financial centre still have to bear tangible results, its market size remains one of the largest in the world and supports Tokyo's relevance in the global financial space.

The Cayman Islands emerges as the clear leader of the specialised jurisdictions ranking, scoring high in terms of size of the market and breadth of expertise.

The results of regulators' efforts to contain risk and re-build sustainable financial markets will undoubtedly have a significant effect on the fortunes of IFCs and specialised jurisdictions alike. *The Banker* looks forward to assessing the situation throughout 2010. **FB**

METHODOLOGY

The Banker's ranking of international financial centres is based not simply on the size of the financial services industry in each location, but focuses instead on the level of international business and the value offered to international institutions seeking to expand their international operations.

In recognition of the fact that data for offshore financial centres is

seldom consistent with that for mainland financial centres, *The Banker* has compiled a separate table for offshore centres using data available specifically for these locations, for example, the IMF's Information Framework Initiative data. This data takes account of specialist markets, for example, the captive insurance industry.

Where data is available only at a national level rather than city

level, a lower weighting was generally applied. Latest available data was used.

The full list of data used to compile the rankings and weightings assigned to each overall category and individual data points is available on request.

To obtain access to this ranking data, please e-mail silvia.pavoni@ft.com, charles.piggott@ft.com or jacqueline.hegarty@ft.com.

INTERNATIONAL FINANCIAL CENTRES

Rank	IFC	Score
1	London	67.70
2	New York	63.96
3	Frankfurt	45.66
4	Singapore	43.27
5	Paris	42.57
6	Sydney	40.33
7	Zurich	39.69
8	Dubai	39.61
9	Tokyo	39.15
10	Toronto	39.14
11	Luxembourg	38.73
12	Amsterdam	37.83
13	Dublin	36.42
14	Boston	36.23
15	Melbourne	35.75
16	Hong Kong	35.66
17	Oslo	34.82
18	Geneva	34.77
19	Vienna	34.74
20	Brussels	34.58
21	Montreal	34.39
22	Stockholm	33.91
23	San Francisco	33.89
24	Chicago	33.65
25	Edinburgh	33.20
26	Prague	33.06
27	Johannesburg	32.98
28	Osaka	32.72
29	Milan	32.72
30	Moscow	32.60
31	Mexico City	32.59
32	Manama	32.42
33	Munich	32.27
34	Budapest	32.11
35	Seoul	31.92
36	Bangkok	31.78
37	Beijing	31.70
38	Madrid	31.47
39	Warsaw	30.94
40	Shanghai	30.74
41	Doha	30.39
42	Kuala Lumpur	30.21
43	Athens	28.80
44	Lisbon	28.65
45	Copenhagen	28.52
46	Mumbai	25.04
47	Sao Paulo	24.94
48	Costa Rica	24.36
49	Manila	23.56
50	Buenos Aires	22.90
51	Jakarta	22.23
52	Rio de Janeiro	21.31
53	Shenzhen	21.11

Source: The Banker

OFFSHORE FINANCIAL CENTRES

Rank	OFC	Score
1	Cayman Islands	61.82
2	Jersey	39.38
3	Cyprus	36.77
4	Bermuda	32.65
5	Isle of Man	30.07
6	Mauritius	25.57
7	Bahamas	25.33
8	Guernsey	24.46
9	British Virgin Islands	14.04
10	St Lucia	12.72
11	Seychelles	12.59
12	Barbados	12.59
13	Malta	12.24
14	Anguilla	11.09
15	Antigua and Barbuda	11.08
16	Belize	10.99
17	Netherlands Antilles	10.89
18	Gibraltar	10.66
19	Aruba	10.21
20	Dominica	9.98
21	Monaco	9.34
22	St Vincent and the Grenadines	9.24
23	Andorra	9.06
24	St Kitts and Nevis	9.04
25	Liechtenstein	7.10
26	Grenada	6.97
27	Turks and Caicos Islands	6.18
28	Montserrat	5.51

Source: The Banker



FAVOURING HARD STATISTICS OVER OPINIONS, THE RANKINGS PRESENT SOME FORESEEABLE RESULTS ALONG WITH SOME HIGHLY UNEXPECTED ONES



BUSINESS FRIENDLINESS

Rank	IFC	Score
1	London	8.70
2	Singapore	8.41
3	New York	8.25
4	Paris	8.08
5	Hong Kong	8.01
6	San Francisco	7.96
7	Frankfurt	7.84
8	Chicago	7.76
9	Sydney	7.74
10	Toronto	7.70

Source: The Banker

COST FACTORS

Rank	IFC	Score
1	Johannesburg	8.79
2	Bangkok	8.71
3	Melbourne	8.54
4	Singapore	8.42
5	Sydney	8.25
6	Belize	8.23
7	Geneva	8.13
8	Oslo	8.07
9	Zurich	8.04
10	Amsterdam	8.02

Source: The Banker

FINANCIAL MARKETS

Rank	IFC	Score
1	New York	6.26
2	London	6.05
3	Frankfurt	4.03
4	Paris	2.87
5	Luxembourg	2.75
6	Singapore	2.45
7	Tokyo	2.36
8	Mexico City	2.33
9	Zurich	2.21
10	Amsterdam	2.13

Source: The Banker

FOREIGN LISTINGS (% TOTAL LISTINGS) IN 2008

Rank	IFC	Score
1	Luxembourg	10.00
2	Mexico City	7.64
3	Prague	6.76
4	Singapore	4.67
5	London	2.53
6	Zurich	2.49
7	Oslo	2.22
8	Dubai	1.69
9	Dublin	1.69
10	Vienna	1.66

Source: The Banker

NEW FOREIGN LISTINGS IN 2008

Rank	IFC	Score
1	Frankfurt	10.00
2	London	2.88
3	Mexico City	2.67
4	New York	2.19
5	Singapore	1.92
6	Luxembourg	1.37
7	Toronto	1.10
8	Amsterdam	0.82
9	Brussels	0.82
10	Lisbon	0.82

Source: The Banker

ASSETS UNDER MANAGEMENT (US\$) WORLD'S LARGEST 250 ASSET MANAGERS

Rank	IFC	Score
1	New York	10.00
2	London	7.74
3	Paris	6.68
4	Boston	5.58
5	Zurich	3.44
6	Tokyo	3.41
7	Frankfurt	3.13
8	Munich	2.78
9	Toronto	2.25
10	Amsterdam	1.52

Source: The Banker

INTERNATIONAL DEBT SECURITIES

Rank	IFC	Score
1	New York	10.00
2	London	6.13
3	Frankfurt	3.66
4	Amsterdam	3.07
5	Paris	2.71
6	Madrid	2.31
7	Dublin	2.20
8	Milan	1.82
9	Toronto	0.85
10	Luxembourg	0.77

Source: The Banker

FX TURNOVER

Rank	IFC	Score
1	London	10.00
2	New York	4.88
3	Zurich	1.78
4	Tokyo	1.75
5	Singapore	1.70
6	Hong Kong	1.28
7	Sydney	1.25
8	Paris	0.88
9	Frankfurt	0.73
10	Copenhagen	0.63

Source: The Banker

STOCK MARKET CAPITALISATION IN 2008

Rank	IFC	Score
1	New York	10.00
2	Tokyo	2.65
3	London	1.58
4	Paris	1.27
5	Shanghai	1.21
6	Hong Kong	1.13
7	Moscow	1.13
8	Frankfurt	0.94
9	Toronto	0.85
10	Madrid	0.81

Source: The Banker

INWARD FDI INTO FINANCIAL SECTOR

Rank	IFC	Score
1	London	10.00
2	Dubai	7.75
3	Shanghai	6.82
4	Beijing	5.47
5	Moscow	3.89
6	New York	3.38
7	Paris	3.28
8	Singapore	3.22
9	Mumbai	2.70
10	Tokyo	2.44

Source: The Banker

OUTWARD FDI INTO FINANCIAL SECTOR

Rank	IFC	Score
1	London	10.00
2	New York	9.57
3	Paris	4.70
4	Warsaw	3.41
5	Mumbai	3.14
6	Tokyo	2.64
7	Amsterdam	2.23
8	Moscow	2.00
9	Milan	1.84
10	Frankfurt	1.82

Source: The Banker

OTC CURRENCY DERIVATIVES

Rank	IFC	Score
1	London	10.00
2	New York	3.78
3	Singapore	1.33
4	Tokyo	1.30
5	Zurich	1.26
6	Hong Kong	1.25
7	Sydney	1.15
8	Paris	0.89
9	Frankfurt	0.67
10	Copenhagen	0.64

Source: The Banker

IFCS BY REGION

Rank	World rank	IFCs by region	Overall score (100)	Rank	World rank	IFCs by region	Overall score (100)
				AFRICA			
1	27	Johannesburg	32.98				
				ASIA			
1	4	Singapore	43.27				
2	6	Sydney	40.33				
3	9	Tokyo	39.15				
4	15	Melbourne	35.75				
5	16	Hong Kong	35.66				
6	28	Osaka	32.72				
7	35	Seoul	31.92				
8	36	Bangkok	31.78				
9	37	Beijing	31.70				
10	40	Shanghai	30.74				
11	42	Kuala Lumpur	30.21				
12	46	Mumbai	25.04				
13	49	Manila	23.56				
14	51	Jakarta	22.23				
15	53	Shenzen	21.11				
				EASTERN EUROPE			
1	26	Prague	33.06				
2	30	Moscow	32.60				
3	34	Budapest	32.11				
4	39	Warsaw	30.94				
				LATIN AMERICA			
1	31	Mexico City	32.59				
2	47	São Paulo	24.94				
3	48	Costa Rica	24.36				
4	50	Buenos Aires	22.90				
5	52	Rio de Janeiro	21.31				
				MIDDLE EAST			
1	8	Dubai	39.61				
2	32	Manama	32.42				
3	41	Doha	30.39				
				NORTH AMERICA			
1	2	New York	63.96				
2	10	Toronto	39.14				
3	14	Boston	36.23				
4	21	Montreal	34.39				
5	23	San Francisco	33.89				
6	24	Chicago	33.65				
				WESTERN EUROPE			
1	1	London	67.70				
2	3	Frankfurt	45.66				
3	5	Paris	42.57				
4	7	Zurich	39.69				
5	11	Luxembourg	38.73				
6	12	Amsterdam	37.83				
7	13	Dublin	36.42				
8	17	Oslo	34.82				
9	18	Geneva	34.77				
10	19	Vienna	34.74				
11	20	Brussels	34.58				
12	22	Stockholm	33.91				
13	25	Edinburgh	33.20				
14	29	Milan	32.72				
15	33	Munich	32.27				
16	38	Madrid	31.47				
17	43	Athens	28.80				
18	44	Lisbon	28.65				
19	45	Copenhagen	28.52				

Source: The Banker