

Financial Services

With its unique combination of skills and capital, the UK is attracting more financial institutions than anywhere in the world.

The UK is the world's leading financial and related business services centre and the single most internationally-focused financial marketplace. Its concentration of capabilities and capital make it the location of choice for more overseas financial institutions and investors than any other country.

The £33 billion trade surplus in financial services made a substantial contribution to the balance of payments in 2007, up £7 billion on 2006. In 2007, financial services accounted for 10.1 per cent of UK GDP, and for 14 per cent of UK GDP when added to associated services such as legal, accounting and management consultancy. Financial services also account for roughly one in 30 jobs in the UK.

In 2007 the UK's share of global markets speaks volumes: 20 per cent of cross-border bank lending; 34 per cent of foreign exchange trading; 43 per cent of derivatives turnover; 53 per cent of foreign equities turnover and the world's largest share of global bond trading – a massive 70 per cent.

A springboard for global growth

Hundreds of financial services companies have chosen the UK as a base for operations and as their gateway to Europe. Under the risk-based and proportionate regulatory framework overseen by a single regulator, the Financial Services Authority, businesses are given scope to innovate and remain competitive.

Underpinning the UK's status as a hub of financial services innovation is a super-skilled workforce sourced from the talent centres of the world. An emphasis on pulling in talent from wherever it's found, combined with a domestic emphasis on professional qualifications, ensures that financial services people in the UK often develop faster than their global peers. "People here embrace new ways of thinking. There's a willingness to innovate. It's part of a long-established business culture and in part derives from the 'cluster-effect'. That's why large international firms often have more trading desks here than in their home countries," said Stuart Fraser, Chairman of Policy and Resources, City of London.

Centres of expertise

Outside London, the country boasts strong financial services clusters in Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester and Norwich. With world-class professional services and highly skilled workforces these centres of resource and expertise are attracting major flows of inward investment capital. In March this year, for example, the city of Leeds saw the opening of the ninth UK branch of ICICI Bank UK, a wholly owned subsidiary of the Indian ICICI Bank.

Scotland's 300-year-old financial services sector has the second largest concentration of major bank headquarters in Europe and a world-class reputation for fund management, insurance and asset servicing.

Manchester is home to 65 of the FTSE100 companies and employs more than 240,000 staff in the financial and business services sector. Birmingham features as a centre for legal excellence with a well-connected professional community base of over 4,000 lawyers.



"The support of the British Government has been critical to the success of our business in China."

Mike Jakeman
Chief Executive of Greater China, Royal & Sun Alliance Insurance

Strategic force

UK Trade & Investment works in close partnership with the private sector to develop and deliver an effective strategy – called the City UK Strategy – for marketing UK financial services across the globe.

A key outcome of the strategy included the setting up of the Financial Services Sector Advisory Board (FSSAB). The Board advises the Government on overseas promotion and reports to the Chancellor's High Level Group on City Competitiveness. FSSAB members continue to play an active role in UK Trade & Investment's programme of promotional activity, for example, as key spokespeople in the media, at events and on high-profile business delegation visits overseas.

The City UK Strategy focuses on promoting the UK as a location of choice for inward investment and partner of choice for overseas trade in five key markets: China, India, the USA, the Gulf and Russia. One of the successes of the close partnership approach is that FSSAB members have volunteered to champion the work in each market, galvanising the efforts of UKTI's global promotional effort.

Marketing-led and proactive

UK Trade & Investment's marketing activity is focused on key events and activity both locally and internationally to gain maximum profile and exposure for the interests of the UK financial and business services sector. This may include working in conjunction with the City of London on overseas promotional visits by the Lord Mayor of London or with our delivery partner, International Financial Services London on key events around the world. A highlighted example is the

delivery of a UK pavilion at the World Islamic Banking Conference 2007, which engaged 13 UK companies including KPMG, the London Stock Exchange, the Bank of London and the Middle East, and HSBC. UK Trade & Investment provided an ideal platform for business to showcase their world-class expertise in Islamic finance.

With at least 30 outward missions to priority markets each year, the support that UK Trade & Investment provides through its promotional programme of activity has significant impact. A highly successful visit to India co-ordinated by UK Trade & Investment for the then Secretary of State for Trade and Industry earlier last year for example, resulted in several commitments to financial services liberalisation. UKTI also extended its support ahead of the Prime Minister's visit to Beijing this year, which provided an opportunity to open the London Stock Exchange's first representative office on Mainland China and set the scene for further two-way investment activity.

Inward visits and events are an increasingly important route to global players. A recent inward delegation of Chinese foreign journalists to London, involving the London Stock Exchange, Lloyds and representatives of the City of London and the regions, increased the profile of the sector through positive coverage in Chinese media.

BNP PARIBAS

Sector: Financial services
Location: Glasgow/Dundee
Country of origin: France

In May 2007, Paris-headquartered BNP Paribas, the leading European provider of securities services to the world's financial institutions, announced its decision to create up to 370 new jobs in its offices in Glasgow and Dundee over the next three to five years. The project is being supported by a Regional Selective Assistance (RSA) grant of £3.7 million.

Commenting on this expansion, Patrick Colle, Head of BNP Paribas Securities Services UK, said: "We have long-established relationships with asset managers in Scotland and anticipate strong growth in our business in the coming years. This grant will enable us to support this growth in our operations centres in Glasgow and Dundee, accessing the local markets which are rich in talent."

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