



The Global Financial Centres Index 19

MARCH 2016



Financial Centre Futures

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Introduction

The GFCI provides profiles, ratings and rankings for financial centres, drawing on two separate sources of data – instrumental factors and responses to an online survey. The GFCI was created in 2005 and first published by Z/Yen Group in March 2007. The GFCI is updated and re-published each March and September. This is the nineteenth edition (GFCI 19). 102 financial centres are actively researched. 86 financial centres appear in GFCI 19. The remaining 16 ‘associate centres’ will join the index when they receive a sufficient number of assessments.

Instrumental factors: previous research indicates that many factors combine to make a financial centre competitive. We group these factors into five broad ‘spheres of competitiveness’: Business Environment, Financial Sector Development, Infrastructure, Human Capital and Reputational and General Factors. Evidence of a centre’s performance in these spheres is drawn from a range of external measures. For example, evidence about the telecommunications infrastructure competitiveness of a financial centre is drawn from the ICT Development Index and the Telecommunication Infrastructure Index (both supplied by the United Nations), the Networked Readiness Index (supplied by the World Economic Forum), and the Web Index (supplied by the World Wide Web Foundation). 102 instrumental factors have been used in GFCI 19. A full list of these factors is available [here](#).

Financial centre assessments: GFCI uses responses to an ongoing online questionnaire (please participate [here](#)) 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 3,016 financial services professionals were collected in the 24 months to December 2015. These responses provided over 57 thousand financial centre assessments of which 25,650 were used to compute GFCI 19, with older assessments discounted according to age. Full details of the methodology behind GFCI 19 is available [here](#).

Main Headlines

1. **London remains just ahead of New York to retain the number one position.**

Both cities gained four points in the ratings and London remains eight points ahead of New York. The GFCI is on a scale of 1,000 points and a lead of eight is fairly insignificant. We continue to believe that the two centres are complimentary rather than purely competitive. A number of respondents to our questionnaire have commented that the uncertainty surrounding the possible exit of the UK from the EU is having a negative impact on London's competitiveness at present.

2. **London, New York, Singapore and Hong Kong remain the four leading global financial centres.**

Singapore has overtaken Hong Kong to become the third ranked centre by just two points. Tokyo, in fifth place, is 72 points behind London. The top financial centres of the world are all well developed, sophisticated and cosmopolitan cities in their own right. Successful people are attracted to successful cities and it is perhaps no surprise that these centres are ranked so high by financial services professionals.

3. **Western European centres remain mired in uncertainty.**

The leading centres in Europe are London, Zurich, Geneva, Luxembourg and Frankfurt. Of the 29 centres in this region, 12 centres rose in the ratings and 17 centres fell. Rome, Madrid and Brussels, three centres closely associated with the Eurozone crisis have shown signs of recovery.

4. **Seven of the top ten Asia/Pacific centres see a fall in their ratings.**

Singapore, Tokyo and Beijing rose slightly in GFCI 19. Of the top ten centres in this region, Seoul and Sydney showed the largest falls.

5. **North American centres fortunes in GFCI 19 are mixed.**

Of the financial centres in the USA, New York, Washington DC and Los Angeles rose in the ratings. The three leading Canadian centres fell in the ratings after strong rises in the past year. Toronto remains the leading Canadian centre with Montreal in second and Vancouver in third.

6. **Latin America and the Caribbean suffer.**

All centres in this region, with the single exception of Mexico City fall

sharply in GFCI 19. The offshore centres in the Caribbean (in common with the British Crown Dependencies listed under Western Europe) all suffered declines along with the Brazilian centres Sao Paulo and Rio de Janeiro.

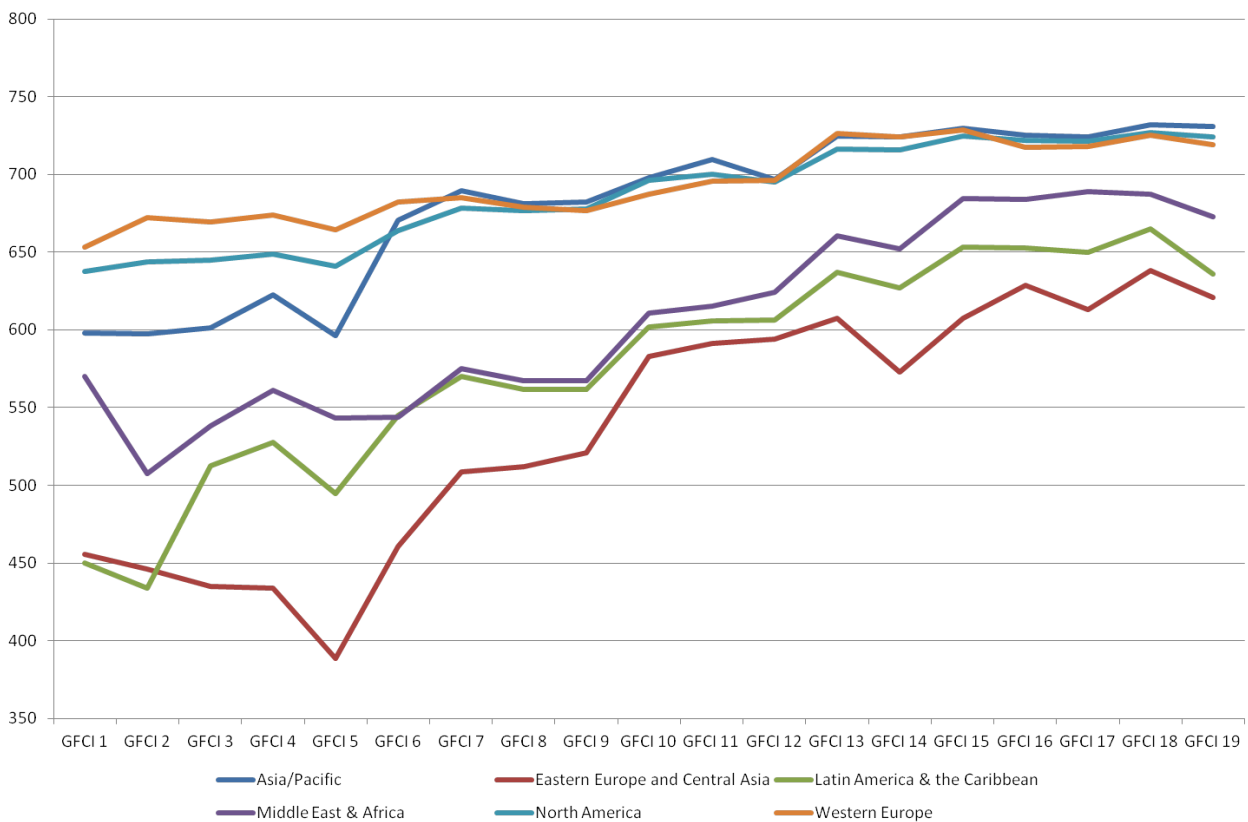
7. Centres in the Middle East and Africa also fell in GFCI 19.

Having made gains in GFCI 18 all centres in this region, except Casablanca, fell in the ratings. Dubai remains the leading centre in the region, followed by Tel Aviv and Abu Dhabi. Casablanca rose 11 places and is now fourth in the region.

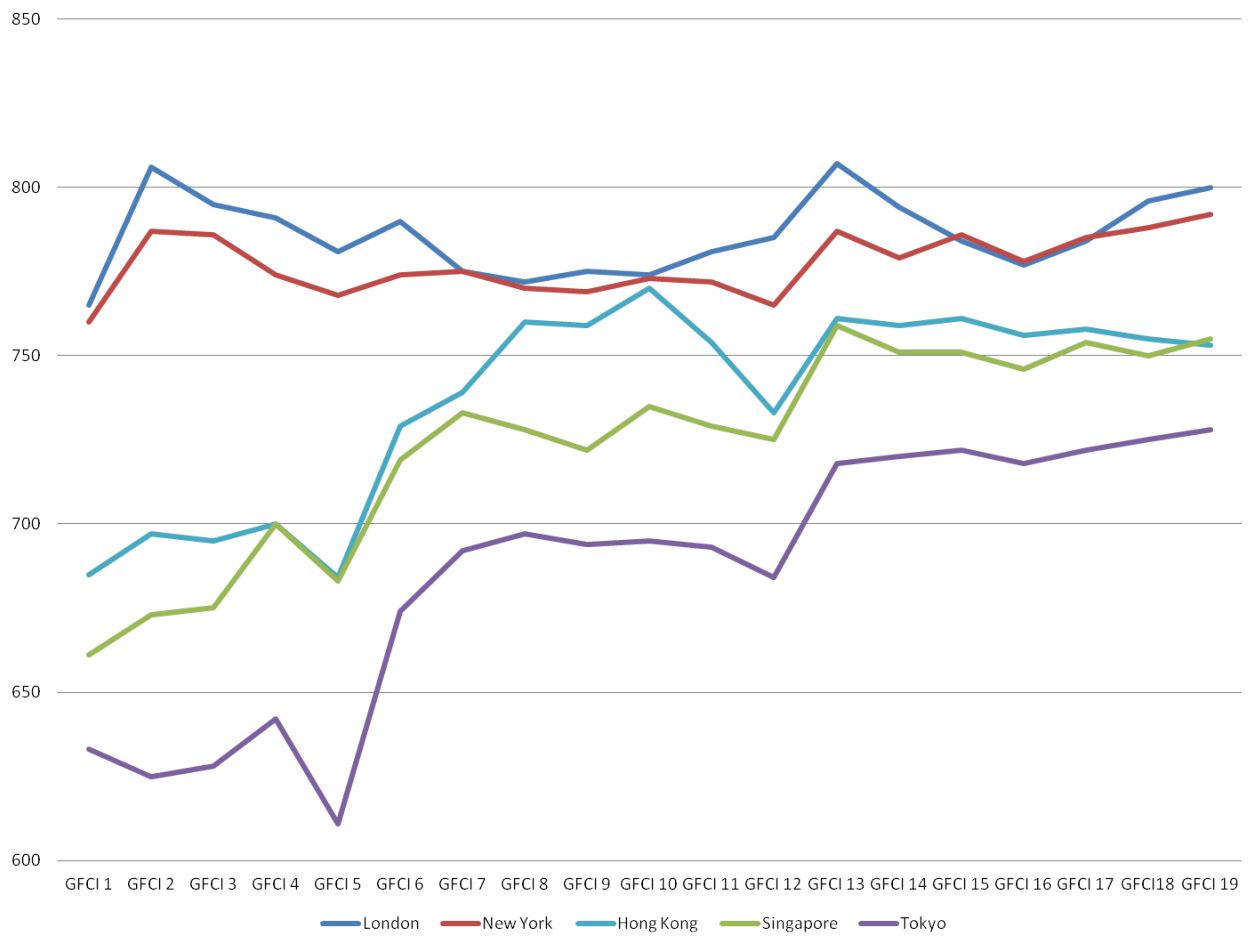
8. Riga and Qingdao joined the GFCI for the first time.

Riga joined in 71st place and Qingdao joined in 79th place.

The historical dominance of the leading centres in Western Europe and North America has eroded over time. The mean rating of the top five centres in these regions is now lower than the mean of the top five centres in the Asia/Pacific region. The top centres in other regions, especially in Latin America and Eastern Europe, are also closing the gap:



The performance of the top five financial centres over time is shown in Chart 2 below. London retains a slender lead over New York and Singapore is just ahead of Hong Kong for the first time:



The Overall Rankings

The overall ranks and ratings of GFCI 19 are:

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
London	1	800	1	796	-	▲4
New York	2	792	2	788	-	▲4
Singapore	3	755	4	750	▲1	▲5
Hong Kong	4	753	3	755	▼1	▼2
Tokyo	5	728	5	725	-	▲3
Zurich	6	714	7	715	▲1	▼1
Washington DC	7	712	10	711	▲3	▲1
San Francisco	8	711	9	712	▲1	▼1
Boston	9	709	12	709	▲3	-
Toronto	10	707	8	714	▼2	▼7
Chicago	11	706	11	710	-	▼4
Seoul	12	705	6	724	▼6	▼19
Dubai	13	699	16	704	▲3	▼5
Luxembourg	14	698	19	700	▲5	▼2
Geneva	15	694	13	707	▼2	▼13
Shanghai	16	693	21	698	▲5	▼5
Sydney	17	692	15	705	▼2	▼13
Frankfurt	18	689	14	706	▼4	▼17
Shenzhen	19	688	23	694	▲4	▼6
Osaka	20	687	20	699	-	▼12

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Montreal	21	686	17	703	▼4	▼17
Vancouver	22	684	18	702	▼4	▼18
Beijing	23	682	29	676	▲6	▲6
Taipei	24	677	26	686	▲2	▼9
Tel Aviv	25	676	25	687	-	▼11
Abu Dhabi	26	675	28	679	▲2	▼4
Munich	27	672	40	661	▲13	▲11
Calgary	28	671	39	662	▲11	▲9
Los Angeles	29	670	49	650	▲20	▲20
Melbourne	30	669	27	685	▼3	▼16
Dalian	31	668	41	660	▲10	▲8
Paris	32	667	37	664	▲5	▲3
Casablanca	33	665	44	657	▲11	▲8
Amsterdam	34	664	36	665	▲2	▼1
Doha	35	652	22	695	▼13	▼43
Kuala Lumpur	36	649	45	656	▲9	▼7
Stockholm	37	648	32	671	▼5	▼23
Busan	38	644	24	690	▼14	▼46
Dublin	39	643	46	654	▲7	▼11
Vienna	40	642	30	674	▼10	▼32
Cayman Islands	41	641	34	668	▼7	▼27
Mumbai	42	640	59	627	▲17	▲13

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Sao Paulo	43	639	31	672	▼12	▼33
Rio de Janeiro	44	637	35	666	▼9	▼29
Istanbul	45	636	47	653	▲2	▼17
British Virgin Islands	46	635	43	658	▼3	▼23
Bangkok	47	633	48	651	▲1	▼18
Warsaw	48	631	38	663	▼10	▼32
Copenhagen	49	630	61	625	▲12	▲5
Bermuda	50	629	42	659	▼8	▼30
Johannesburg	51	628	33	669	▼18	▼41
Brussels	52	627	62	624	▲10	▲3
Mexico City	53	626	69	616	▲16	▲10
Milan	54	625	65	621	▲11	▲4
Manila	55	624	55	631	-	▼7
Edinburgh	56	623	71	613	▲15	▲10
Prague	57	622	63	623	▲6	▼1
Jakarta	58	621	73	610	▲15	▲11
Glasgow	59	620	70	615	▲11	▲5
Helsinki	60	619	77	604	▲17	▲15
Gibraltar	61	618	56	630	▼5	▼12
Jersey	62	617	53	633	▼9	▼16
Rome	63	616	76	605	▲13	▲11
Madrid	64	615	79	597	▲15	▲18

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Oslo	65	614	67	618	▲2	▼4
Guernsey	66	613	54	632	▼12	▼19
Moscow	67	611	78	598	▲11	▲13
Isle of Man	68	610	58	628	▼10	▼18
Bahrain	69	609	50	647	▼19	▼38
Riyadh	70	606	57	629	▼13	▼23
Riga	71	605	-	-	-	-
Panama	72	603	52	638	▼20	▼35
Mauritius	73	601	64	622	▼9	▼21
Budapest	74	600	74	609	-	▼9
Lisbon	75	599	66	619	▼9	▼20
Liechtenstein	76	598	60	626	▼16	▼28
Almaty	77	597	51	640	▼26	▼43
Tallinn	78	596	82	550	▲4	▲46
Qingdao	79	594	-	-	-	-
Monaco	80	590	72	612	▼8	▼22
Malta	81	587	68	617	▼13	▼30
St Petersburg	82	585	81	552	▼1	▲33
Cyprus	83	576	80	587	▼3	▼11
Bahamas	84	568	75	606	▼9	▼38
Reykjavik	85	562	84	537	▼1	▲25
Athens	86	558	83	540	▼3	▲18

In addition to the 86 centres, there are 16 'Associate Centres' that are researched and will be included within the main index when they have accrued a sufficient number of valid assessments in the **GFCI Questionnaire**:

Centre	Assessments in the last 24 Months	Mean
Guangzhou	162	685
New Delhi	116	553
Baku	103	502
Tianjin	100	669
Trinidad and Tobago	100	593
Buenos Aires	87	530
Sofia	85	544
Nairobi	78	501
Santiago	69	635
Wellington	68	496
Wellington	58	705
Kuwait City	51	573
Barbados	31	513
Cape Town	22	623
Hamburg	15	587
Tehran	10	400

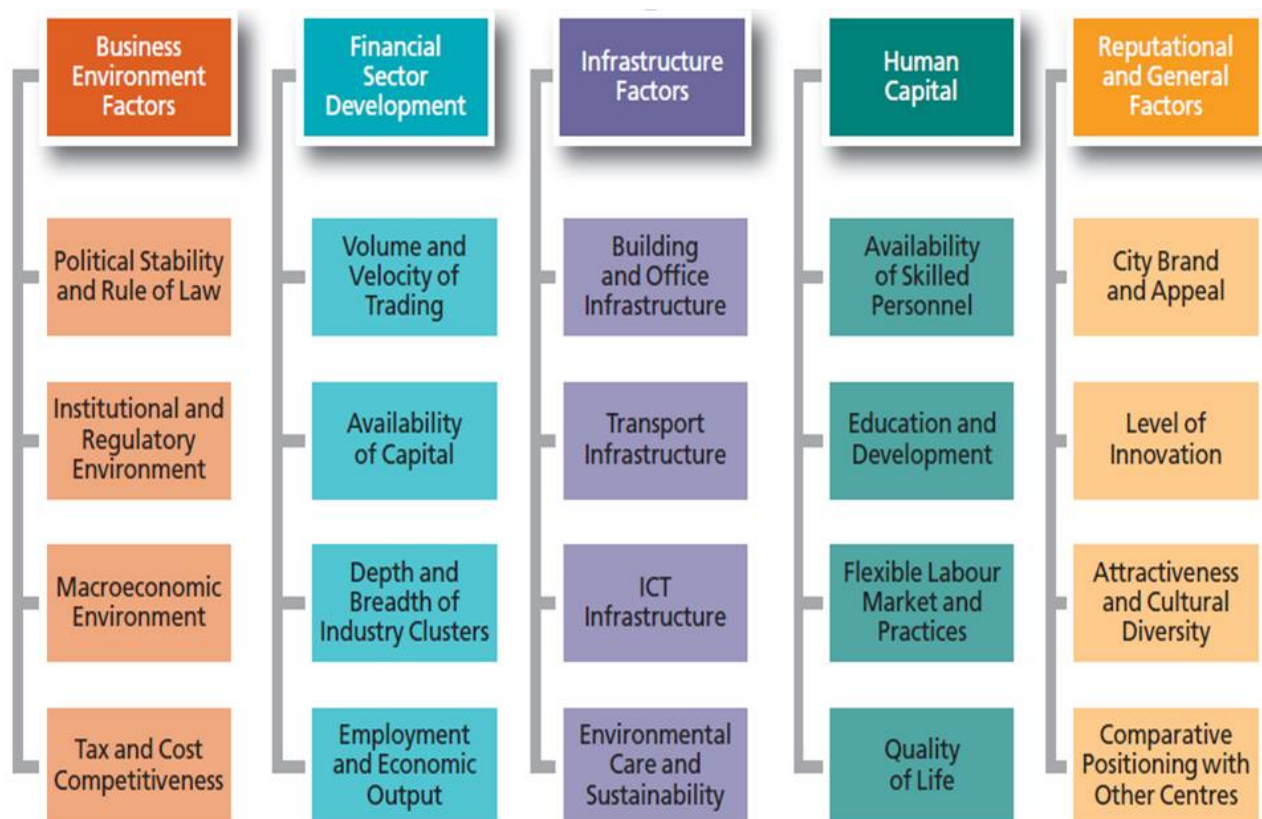
Most Significant Centres

The GFCI questionnaire asks which centres are likely to become more significant in the next few years. The centres that received the most mentions in the past 24 months are shown below:

Centre	Mentions in the Past 24 Months
Shanghai	105
Singapore	89
Casablanca	76
Hong Kong	62
Dalian	46
Dubai	40
London	33
Shenzhen	30
Gibraltar	29
Beijing	27
Luxembourg	25
Almaty	13
Seoul	13
Vancouver	13
Toronto	12
New York	12

19 Areas of Competitiveness

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



The GFCI questionnaire asks respondents to indicate which factors for competitiveness they consider the most important at the moment. A summary of the main issues that currently concern financial services professionals is shown:

Area of Competitiveness	Number of Mentions	Main Issues
Business Environment	936	<ul style="list-style-type: none"> • Regulation is more important than ever and needs to be clear and fair. • Corruption is even more high profile than before.
Human Capital	831	<ul style="list-style-type: none"> • Centres becoming more competitive in attracting skilled people. • More awareness of a 'brain drain' and demographics in developing economies.

Area of Competitiveness	Number of Mentions	Main Issues
Taxation	796	<ul style="list-style-type: none"> • Tax rules must be harmonised internationally. • Tax should be transparent and reasonable – and seen to be reasonable.
Reputation	714	<ul style="list-style-type: none"> • Security, safety and human rights are becoming even more important. • Centres need to market themselves more – they are in a competitive marketplace.
Infrastructure	707	<ul style="list-style-type: none"> • Road transport is becoming an important issue in many centres. • Lack of direct flights into certain centres holds them back.
Financial Sector Development	609	<ul style="list-style-type: none"> • More focus on the importance of the EU cluster to London. • Physical proximity still very important.

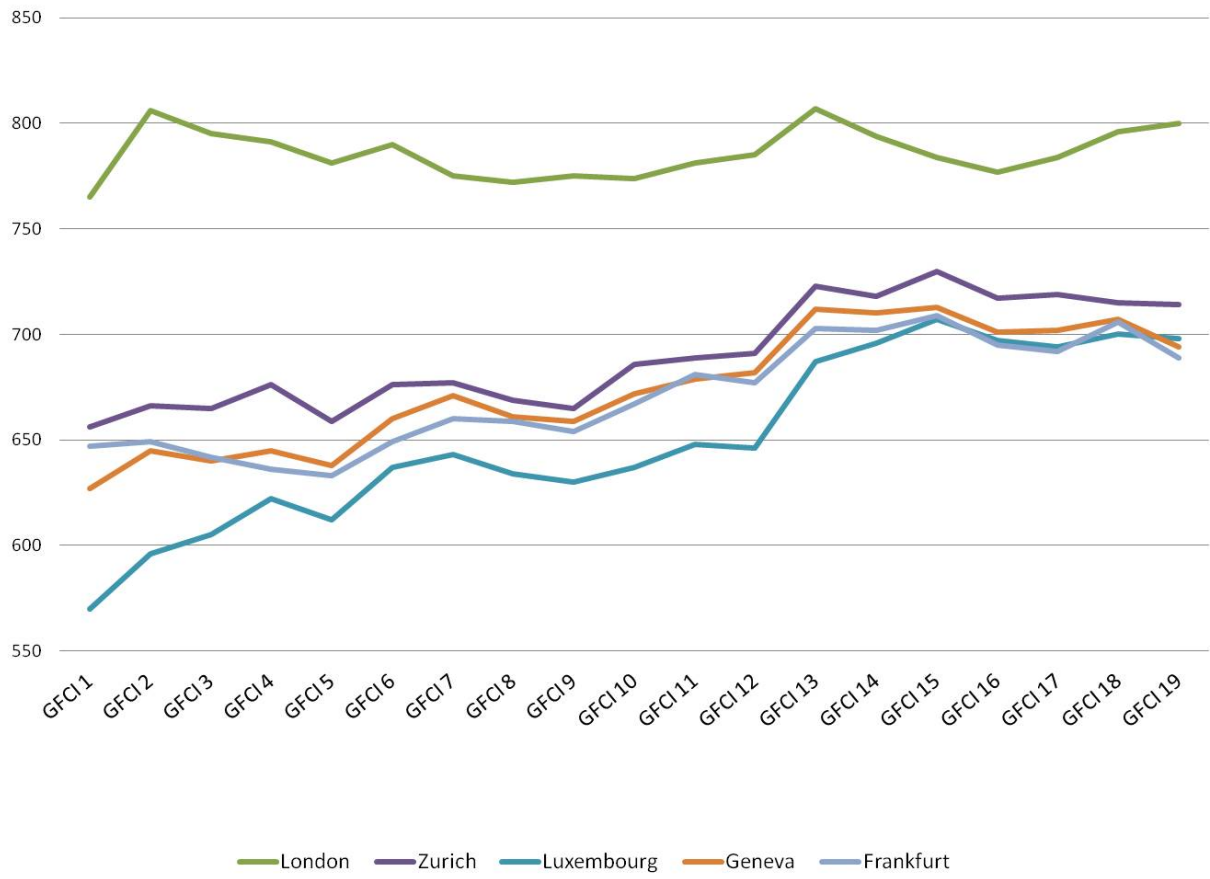
Western Europe

The financial centres in Western Europe have had mixed fortunes in GFCI 19. Of the 29 centres in the region, 18 have declined in the ratings and 11 have risen. The offshore centres have not fared well and other notable declines include Geneva, Frankfurt, Stockholm, Dublin and Vienna:

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
London	1	800	1	796	-	▲4
Zurich	6	714	7	715	▲1	▼1
Luxembourg	14	698	19	700	▲5	▼2
Geneva	15	694	13	707	▼2	▼13
Frankfurt	18	689	14	706	▼4	▼17
Munich	27	672	40	661	▲13	▲11
Paris	32	667	37	664	▲5	▲3
Amsterdam	34	664	36	665	▲2	▼1
Stockholm	37	648	32	671	▼5	▼23
Dublin	39	643	46	654	▲7	▼11
Vienna	40	642	30	674	▼10	▼32
Copenhagen	49	630	61	625	▲12	▲5
Brussels	52	627	62	624	▲10	▲3
Milan	54	625	65	621	▲11	▲4
Edinburgh	56	623	71	613	▲15	▲10
Glasgow	59	620	70	615	▲11	▲5
Helsinki	60	619	77	604	▲17	▲15
Gibraltar	61	618	56	630	▼5	▼12

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Jersey	62	617	53	633	▼9	▼16
Rome	63	616	76	605	▲13	▲11
Madrid	64	615	79	597	▲15	▲18
Oslo	65	614	67	618	▲2	▼4
Guernsey	66	613	54	632	▼12	▼19
Isle of Man	68	610	58	628	▼10	▼18
Lisbon	75	599	66	619	▼9	▼20
Liechtenstein	76	598	60	626	▼16	▼28
Monaco	80	590	72	612	▼8	▼22
Malta	81	587	68	617	▼13	▼30
Reykjavik	85	562	84	537	▼1	▲25

The top five centres in the region, with the exception of London, have declined (PTO):



Eastern Europe and Central Asia

The two leading centres in the region suffered significant falls in the ratings whilst Moscow, Tallin and St Petersburg all saw rises in the ratings. The largest overall movement was a fall of 43 points by Almaty. Riga was a new entrant into the GFCI:

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Istanbul	45	636	47	653	▲2	▼17
Warsaw	48	631	38	663	▼10	▼32
Prague	57	622	63	623	▲6	▼1
Moscow	67	611	78	598	▲11	▲13
Riga	71	605	-	-	-	-
Budapest	74	600	74	609	-	▼9
Almaty	77	597	51	640	▼26	▼43
Tallinn	78	596	82	550	▲4	▲46
St Petersburg	82	585	81	552	▼1	▲33
Cyprus	83	576	80	587	▼3	▼11
Athens	86	558	83	540	▼3	▲18

The progress of the top five centres over time is shown overleaf:



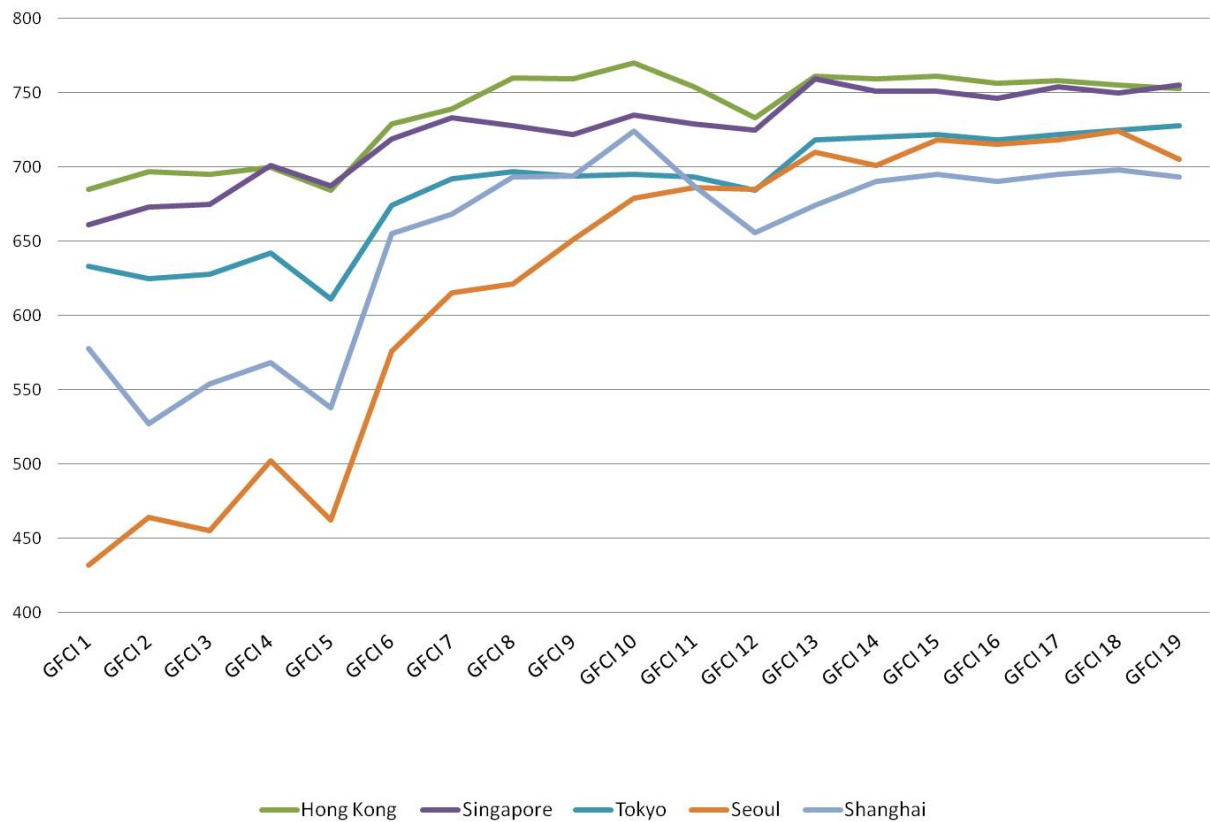
Asia/Pacific

Singapore overtook Hong Kong by a marginal two points to become third in the overall index. The two Korean centres both fell having made large gains recently. In China, Shanghai and Shenzhen both fell in the ratings whilst Beijing and Dalian both rose. Qingdao was a new entrant to the index:

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Singapore	3	755	4	750	▲1	▲5
Hong Kong	4	753	3	755	▼1	▼2
Tokyo	5	728	5	725	-	▲3
Seoul	12	705	6	724	▼6	▼19
Shanghai	16	693	21	698	▲5	▼5
Sydney	17	692	15	705	▼2	▼13
Shenzhen	19	688	23	694	▲4	▼6
Osaka	20	687	20	699	-	▼12
Beijing	23	682	29	676	▲6	▲6
Taipei	24	677	26	686	▲2	▼9
Melbourne	30	669	27	685	▼3	▼16
Dalian	31	668	41	660	▲10	▲8
Kuala Lumpur	36	649	45	656	▲9	▼7
Busan	38	644	24	690	▼14	▼46
Mumbai	42	640	59	627	▲17	▲13
Bangkok	47	633	48	651	▲1	▼18
Manila	55	624	55	631	-	▼7
Jakarta	58	621	73	610	▲15	▲11

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Qingdao	79	594	-	-	-	-

The progress of the top five centres over time is shown below. These centres have been relatively stable for the past three years having seen significant rises in previous years:

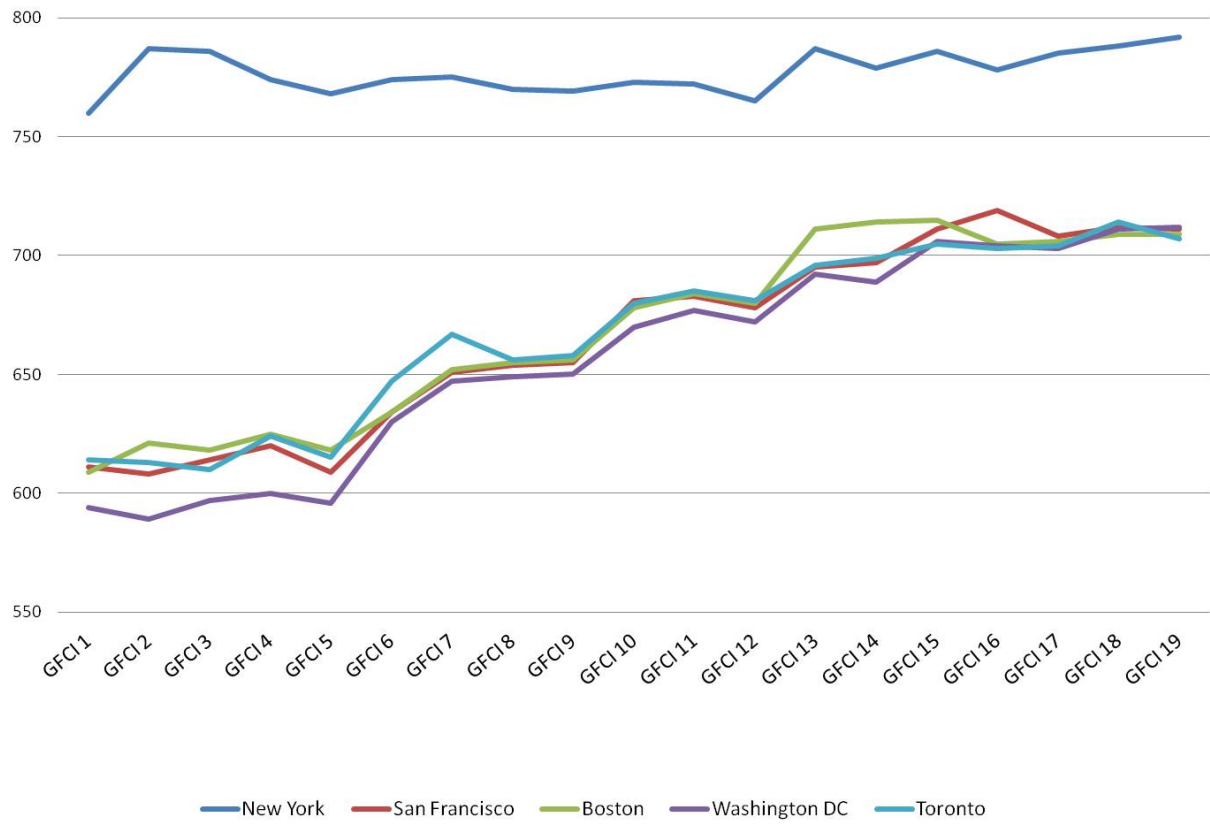


North America

New York remains the clear leader in North America although Washington DC, San Francisco v and Boston all rose in the ranks. The leading centres in Canada fell in the ratings:

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
New York	2	792	2	788	-	▲4
Washington DC	7	712	10	711	▲3	▲1
San Francisco	8	711	9	712	▲1	▼1
Boston	9	709	12	709	▲3	-
Toronto	10	707	8	714	▼2	▼7
Chicago	11	706	11	710	-	▼4
Montreal	21	686	17	703	▼4	▼17
Vancouver	22	684	18	702	▼4	▼18
Calgary	28	671	39	662	▲11	▲9
Los Angeles	29	670	49	650	▲20	▲20

The progress over time of the five leading centres is shown overleaf. New York has increased the lead it holds over the other centres in the region:



Latin America and the Caribbean

With the exception of Mexico City, all financial centres in Latin America and the Caribbean saw significant falls in the rating in GFCI 19:

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Cayman Islands	41	641	34	668	▼7	▼27
Sao Paulo	43	639	31	672	▼12	▼33
Rio de Janeiro	44	637	35	666	▼9	▼29
British Virgin Islands	46	635	43	658	▼3	▼23
Bermuda	50	629	42	659	▼8	▼30
Mexico City	53	626	69	616	▲16	▲10
Panama	72	603	52	638	▼20	▼35
Bahamas	84	568	75	606	▼9	▼38

The progress over time of the top five centres in the region is shown overleaf:

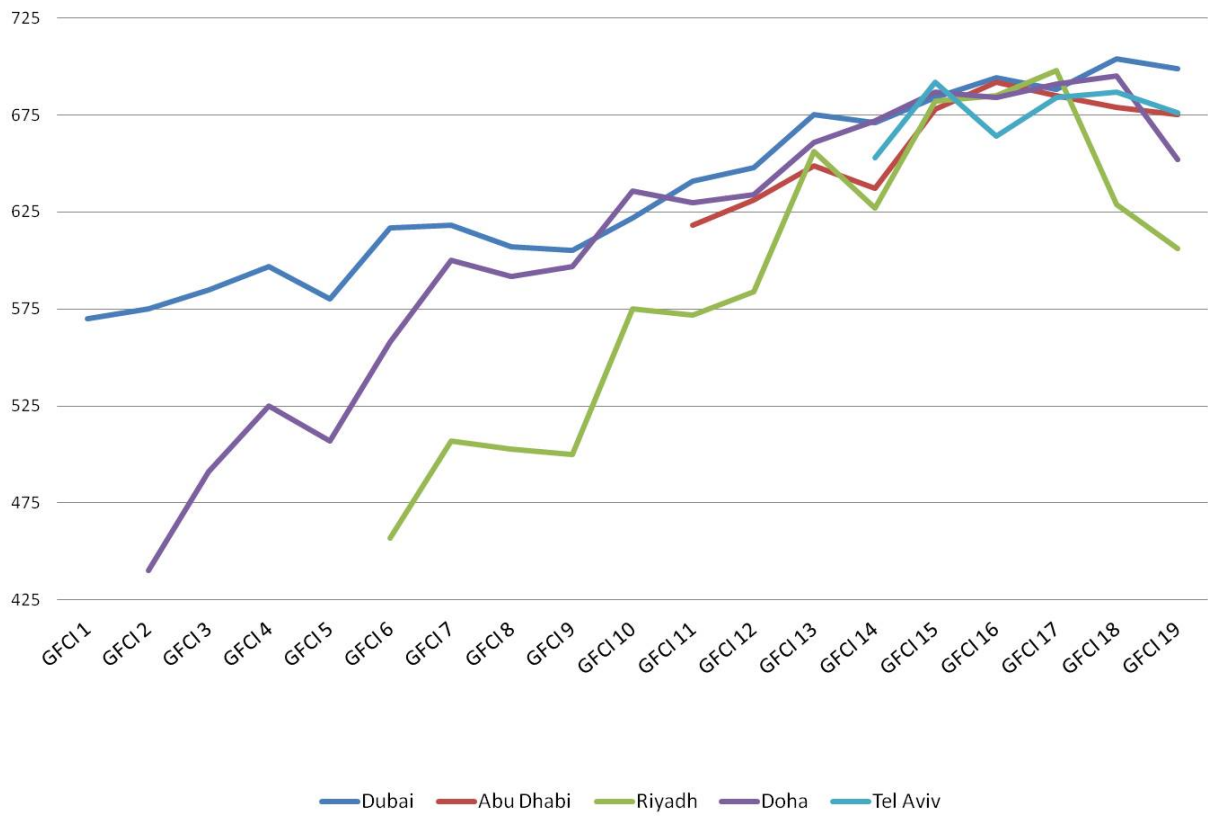


Middle East and Africa

This region also saw some significant declines. Dubai remains the leader in the region. Casablanca is the only centre in the region to increase its rating and rank:

City	GFCI 19 Rank	GFCI 19 Rating	GFCI 18 Rank	GFCI 18 Rating	Change in Rank	Change in Rating
Dubai	13	699	16	704	▲3	▼5
Tel Aviv	25	676	25	687	-	▼11
Abu Dhabi	26	675	28	679	▲2	▼4
Casablanca	33	665	44	657	▲11	▲8
Doha	35	652	22	695	▼13	▼43
Johannesburg	51	628	33	669	▼18	▼41
Bahrain	69	609	50	647	▼19	▼38
Riyadh	70	606	57	629	▼13	▼23
Mauritius	73	601	64	622	▼9	▼21

The progress of the top five centres in the region is shown overleaf. Riyadh and Doha have suffered significant declines:



Reputation

We examine reputation by looking at 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 time with more recent assessments having more weight. 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 its GFCI 18 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. The 10 centres with the greatest positive difference between average assessment and the GFCI rating are:

Centre – Top 10	Average Assessment	GFCI 19 Rating	Repetitional advantage
Qingdao	689	594	95
Casablanca	750	665	85
Sydney	766	692	74
Singapore	827	755	72
Tokyo	794	728	66
Melbourne	726	669	57
Toronto	762	707	55
Dalian	723	668	55
Hong Kong	805	753	52
Taipei	729	677	52

Eight of the top ten centres by reputational advantage are Asia/Pacific centres. With the exception of Toronto, no Western European or North American centres are in the top ten. 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 are:

Centre – Bottom 10	Average Assessment	GFCI 19 Rating	Repetitional advantage
Helsinki	555	619	-64
Madrid	544	615	-71
Riyadh	531	606	-75
Glasgow	544	620	-76
Rome	537	616	-79
Tel Aviv	589	676	-87
St Petersburg	487	585	-98
Reykjavik	462	562	-100
Moscow	510	611	-101
Athens	454	558	-104