

Committee	Dated:
Public Relations & Economic Development Sub-Committee	8 January 2018
Subject: EDO monthly update – December	Public
Report of: Director of Economic Development	For Information
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Summary

The following report provides Members with highlights of the key activity undertaken by the Economic Development Office (EDO) in December. This month has highlighted the opportunities the City Corporation has had to promote UK FPS into key markets. In London, there has been a range of delivery across different sectors. There have been several report launches, an international visit and the hosting of several events with key stakeholders.

Recommendation

Members are asked to:

- Note the progress of EDO workstreams.

Main Report

1. The team supported the Lord Mayor's first international visit of his year to the U.S, Canada and Mexico. The main focusses were FinTech, infrastructure and Green Finance and key meetings included Facebook and Silicon Valley Bank in San Francisco, as well as the new Finance Minister and Central Bank Governor in Mexico. The Lord Mayor was also joined by a senior FinTech delegation, led by business champion, Charles Mindenhall from Blenheim Chalcot, in San Francisco.
2. The Policy Chair hosted a roundtable of trade associations to discuss. In attendance were representatives of UK Finance, the Investment Association (IA), Association for Financial Markets in Europe (AFME), Association of British Insurers (ABI), Futures Industry Association (FIA), Alternative Investment Management Association (AIMA), Association for Foreign Banks (AFB), TheCityUK (TCUK), Personal Investment Management and Financial Advice (PIMFA), International Swaps and Derivatives Association (ISDA), European Financial Services Chairmen's Advisory Committee (EFSCAC) and London & Partners. The representatives discussed a range of issues connected with Brexit, principally focussed on cliff edge concerns around recognition of clearing houses, data flows and contract continuity for insurance and derivatives. In addition there was a discussion with Allen Simpson, Director of Strategy and Corporate Affairs at London & Partners on how they promote London internationally. Representatives discussed how the sector can contribute to the promotion of London. The Director of Economic Development updated the trade associations on our work developing a new, stand alone website promoting the financial and related professional sector

in the UK. Finally it was agreed to join up on engagement, sharing agendas and read outs where appropriate.

3. The Exports and Investments team hosted a roundtable with Infosys on Open Banking, which saw 15 senior executives attend a breakfast event to discuss how Open Banking provides an opportunity to revolutionise the corporate banking sector as well as the retail banking sector. This was a good example of internal cross-team working (Innovation team provided great support), supporting a key account (Infosys is an Indian investor) and also positioning the the City Corporation as a thought leader in innovation (convening parties for Open Banking discussion).
4. EDO completed and published the November Asia Next Decade case study, featuring Agricultural Bank of China. The December case study is on track. The second RMB Quarterly paper was also published in partnership with the People's Bank of China.
5. The final workshop in the 2018 Leaders of Tomorrow development series for future City leaders took place on 6th December, hosted at Barclays Rise in Shoreditch. The workshop was focused on the topic of 'Approaches to Leadership – what will I do differently?' the event marked the culmination of the 2018 programme, part of the late Lord Mayor's Business of Trust initiative, which engaged more than 60 future leaders – all nominated by C-suite level City stakeholders - in 15 different events across the year.
6. EDO supported the Digital Skills Summit where more than 200 people gathered to hear about the future of digital skills from experts from across the Financial and Professional Services sector and beyond. Speakers at the Summit included Andreas Schleicher (Director for Education and Skills, OECD) Dr Yuhyun Park (Founder, DQ Institute), and Annika Small, OBE (Co-founder and Director, Centre for the Acceleration of Social Technology) and breakout sessions focused on digital competitiveness, creativity and citizenship.
7. The International Regulatory Strategy Group (IRSG) Data workstream met in early December. Members of the group agreed that its key focus, until March 2019, would remain on the pursuit of an adequacy decision for the UK. This will include ongoing engagement with DCMS and other relevant government departments, together with the continuation of a dialogue with other existing adequate jurisdictions. In addition it will consider how far to engage in a current legislative dossier – e-Privacy Regulation. In the case of no deal the workstream will continue to highlight the risks to the transfer of data for UK/EU27 industry. The workstream will also begin to consider the future shape of the UK's data privacy framework. Representatives from DCMS, DExEU, HMT and the Home Office also attended the meeting and gave an update on preparations across the range of scenarios.
8. The Research Team published the eleventh edition of our Total Tax Contribution of UK Financial Services report. The report analyses the taxes generated by the financial services sector in the year to March 2018. The industry's contribution to the Exchequer increased this year to £75bn, the highest it has been since the survey began eleven years ago, and an increase of 4% on last year's total of £72.1bn. This makes up 10.9% of the UK Government's tax receipts from all

sources, and equates to about half of the UK Government's spending on health or around three-quarters of the Government's spending on education. The financial services sector has been a significant contributor to the UK's tax revenues since this survey began a decade ago, and has consistently contributed between 10% and 14% of the UK Government's total tax take. Employment in financial services has remained at a stable 1.1 million, this accounts for 3.4% of the UK's workforce.

9. The Chair of Policy and Resources will be visiting India from 26th - 31st January 2019. The visit will focus on the policy issues surrounding Insolvency and Bankruptcy and increasing the accessibility of both FinTech and green finance for the Indian market. Our Special Advisor for Asia, Sherry Madera, and our representative office in Mumbai are supporting the visit and compiled the programme which includes a number of high-level meetings with key stakeholders including Businesses, the British High Commissioner and various industry representatives.
10. The Lord Mayor has upcoming international visits during Quarter 1 2019 to the Gulf, Davos, Asia and Switzerland. Each visit will aim to offer some Brexit reassurance and promoting trade, both as inward investment and export opportunities. The visit to the Gulf includes visits to Kuwait and the UAE (13th - 16th January) and is themed around green finance, Islamic financing, asset management and capital markets. The visit to Davos offers an opportunity for the Lord Mayor to engage with key stakeholders. The visit to Asia includes time in South Korea, Japan, Singapore and Hong Kong (12th- 21st February) and is themed around, the Lord Mayor's theme of 'Tomorrow's City Today', particularly focusing on FinTech, green finance, infrastructure and asset management. Finally, the Lord Mayor's visit to China is themed on FinTech and greening the Belt and Road Initiative. During all of these visits the Lord Mayor will meet with key business figure, Government and trade representative.
11. On 11th December the City of London Corporation hosted the second annual Japanese Financial Dialogue supported by HM Treasury and TheCity UK. The Chair of Policy welcomed all guests to the event and attended the senior representative's lunch. During the morning sessions, the discussion was focused on the macroeconomic outlook and policy developments as well as Brexit whilst the afternoon focused more on Financial services and regulation. There were particularly interesting discussions around innovation and sustainable finance and market fragmentation. We also hosted a business roundtable the day before the FD which helped to strengthen the business input into the government-to-government Financial Dialogue and, building on the momentum achieved last year, to identify priority areas for UK-Japan collaboration. These events supported the City of London's ongoing engagement with Japan both at nationals and regional government level.

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