

<b>Committees:</b> Public Relations and Economic Development Sub Committee Policy and Resources Committee	<b>Dates:</b> 05/02/2019  21/02/2019
<b>Subject:</b> City of London Corporation participation at the World Economic Forum Annual Meeting at Davos	<b>Public</b>
<b>Report of:</b> Damian Nussbaum, Director of Economic Development	<b>For Information</b>
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### Summary

The World Economic Forum (WEF) Annual Meeting in Davos is a critical moment for setting the business and political agenda for the year ahead. With a high-profile presence from Frankfurt, Singapore and Hong Kong, it was important that the City was strongly visible. Members agreed to trial the Corporation's participation at Davos on a rolling three-year basis (Report to Members of 7 June 2018). Both the Policy Chair and Lord Mayor attended, and in parallel programmes held an intensive series of top-level bilaterals and brush-bys with senior leaders. This enabled them to engage with key decision makers from across the globe to reinforce the message that the City had a bright future and looked forward to working in partnership.

### Recommendation

Members are asked to:

- note the report.

### Main Report

#### Detail

1. The Policy Chair and Lord Mayor attended the 49th World Economic Forum (WEF) Annual Meeting in Davos, Switzerland. Its theme was Globalisation 4.0: Shaping a Global Architecture in the Age of the Fourth Industrial Revolution.
2. "Davos Gloom" had been predicted ahead of the meeting. And there was indeed a focus on the challenges facing the world's economy and society. But as global business and political leaders gathered, this was a chance for the City to ensure its strong underlying strengths were appreciated. Even more important, this was the moment to engage with future opportunities and threats across the planet and show how the City's strengths could be critical in helping to find solutions. The Corporation is well placed as an institution to make the case for the UK as an investment destination. We are seen as a trusted and authoritative voice, building on strong bilateral relationships, while also bringing tangible ideas and strategies table. This enabled us to obtain high-level meetings at WEF and be respected in the Davos forum by the foreign governments and investors who the LM/CPR met.

3. There were of course Brexit concerns, especially from Canadian, Australian and Japanese interlocutors. They underlined the need to avoid a no-deal, and for the UK to re-establish its reputation as a predictable country for investment. At the same time, there was an appetite to engage and exploit the UK's new policy directions. Whether Hong Kong, Singapore, or Switzerland, countries were looking for partners in tackling some of the biggest global opportunities and threats. Brexit did not dominate the discussions – indeed it was only one of many global concerns. The CPR and LM were able to provide a fuller understanding of the current situation, but also explain why the City, London and the UK was such an attractive location to live and work, and such an attractive investment destination with an innovative approach that sets it apart as a forward thinking hub – with HMG, regulators and start-ups – working together so that investors and companies can develop and grow.
4. Foremost amongst global issues, there were concerns about financial stability, trade and growth. Fragmentation of capital threatened to make global markets less efficient, less dynamic, and less equipped to support global growth. Trade protectionism could stifle growth, at a time when the world economy was stuttering. But overall, commentators from Janet Yellen to Larry Fink were cautiously positive about prospects for the global economy in 2019.
5. Digital and tech transformation was not just the formal title for this year's Annual Meeting. It was also the thread that ran through many of the sessions and bilateral meetings. Leaders from countries that the Lord Mayor and Policy Chair are going to be visiting – from India to Colombia – were particularly interested to see how they could foster collaboration with London as a global fintech powerhouse. There was appetite to know how the UK was regulating fintech, and provided the necessary skills, through training and visas. The Corporation's work on digital skills, and immigration, was particularly relevant. So too the City's work in providing impetus to innovate on cyber – a huge concern across the countries that we met.
6. Alongside digital/tech advances, the needs for investment and expert infrastructure advice were apparent. Both HK and Singapore are looking at how they can support China's BRI programme, and there will be significant opportunities for the UK to partner with both, as well as China directly. The Corporation is particularly well placed as a partner, with widespread interest in our green finance institute, being developed jointly with the UK government. The importance of green, sustainable and ESG investment was a theme that returned repeatedly. Investors from the US, Africa and the Far East debated the quantum and speed of the shift – but were in no doubt that the signs were already there of a significant move in investing behaviour.
7. These discussions reinforced the need for the City to make its offer, as an FPS hub heard, against highly organised and developed 'pitches' by rival, aspiring, financial services centres. To that end the CoLC has taken the initiative to facilitate collaboration by FPS stakeholders, HMG and with key partnerships, such as London and Partners, to drive forward an increasingly coordinated UK and London voice at Davos – something which we can grow and enhance over the coming years.

## **Background**

8. CPR started the programme with a visit to the Bank of International Settlements, Basel, meeting representatives from the Financial Stability Board and the Basel Committee on Banking Supervision. In Davos, CPR attended the Business Leaders Breakfast Briefing hosted by the CBI and KPMG with Christine Lagarde, Managing Director, International Monetary Fund; held meetings with the OECD and with the Ambassador and Permanent Representative, UK Mission to the UN and Other International Organisations, Geneva. And spoke to several Cabinet Ministers. CPR had a chance to promote the underlying key strengths and interests of the City to key Indian, Swiss and US investors. On Thursday CPR travelled to Zurich with HMA Jane Owen to attend the 4th UK Fintech Mission.
9. As part of the Shaping Tomorrow's City Today Agenda, the LM attended WEF sessions to discuss skills for the 21st century; the digital economy and building a broader coalition for Digital Intelligence. The LM spoke at a joint COLC and Barclays breakfast event with the Chancellor of the Exchequer on driving competitive business advantages in the fourth industrial revolution. The LM held meeting with top business and political leaders in priority markets including; Australia; Switzerland; Singapore; Canada; Columbia; Hong Kong; South Africa and the US. In addition, key social issues were addressed at Davos with meeting Angela Merkel; HRH the Duke of Cambridge and the Prime Minister of New Zealand on mental health.

## **Conclusion**

10. Overall, the Corporation's presence at Davos has proved worthwhile, as a highly efficient means to engage with global leaders and set the agenda for our work over the next few months.

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