

Committee: Policy and Resources	Dated: Thursday 16 November 2017
Subject: City of London Asia Next Decade – a campaign for the future	Public
Report of: Damian Nussbaum, Director Economic Development	For Decision
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Summary

The City of London has a unique opportunity in 2018 to set out some ambitious plans for engaging with Asia in the next decade. 2018 marks a decade of the City of London Corporation having direct presence in Asia through its 3 offices established in 2008; in Beijing, Shanghai, and Mumbai. It is a time to both celebrate achievements, as well as make further commitments to Asia in the next decade. It is an ideal time to reiterate London's position as a global financial centre – not just a European financial centre.

The City Corporation would run a high-impact campaign that seeks to maintain London's role as leading global financial centre through engagement with Asia. This would involve generating a range of original content and organising at least 4 events that complement already agreed activity and be delivered in partnership across the Corporation and with industry. This would enable us to future proof London's relationship with key markets in Asia by raising the City of London's profile, providing thought leadership and setting goals for the next decade of involvement with Asian markets.

The campaign would run for a calendar year at a cost of £100,000. This paper requests initial funding of £30,000 as a minimum contribution to begin activity to cover the first phase of the campaign. We anticipate returning to the Policy and Resources committee to report back on early campaign activity with a request for further funding in the next financial year.

Recommendation(s)

Members are asked to:

- Agree that the City of London Corporation provides financial support for the Asia Next Decade campaign, committing £30,000 as a minimum contribution to delivering the first stage of the campaign.
- Agree to provide these costs from the Committee's Policy Initiatives' Fund for 2017/18, categorised as 'Promoting the City' and charged to City's Cash.

Main Report

Background

1. Asia is a critical market for the City of London. Asia now accounts for most of the world's GDP growth. China is on track to achieve 7% annual GDP growth, and India is exhibiting the same growth rate. Singapore is a gateway to the 600 million person

ASEAN market where real GDP growth for 2018 is projected to be 5%. Emerging markets are expected to dominate the world's top 10 economies by 2050. These Asian giants will significantly shape the world in important areas of finance, currency, infrastructure and trade.

2. London has retained its status as the world's leading global financial centre in 2017 but it is clear that major competitors are seeking to gain from Brexit. Following the triggering of Article 50 in March 2017 the long-term effect of Brexit on the UK economy and financial services sector remains uncertain.
3. It is essential for London to reinforce our relationship with Asian markets, and continue working with them now to secure relationships that ensure they view London as their #1 partner in the west for financial and professional services. The City of London is uniquely placed to champion this through our work in London, including partnership with other City of London departments and City-based businesses, and through our representative offices in India and China.

Current Position

4. The City of London established representative offices in Mumbai, India in 2007 and in Beijing and Shanghai, China in 2008. This was done in recognition of Asia's growing influence on the world economy and in the financial and professional services sector, explored in detail in the forward-looking report '*Scenarios for India and China 2015: Implications for the City of London*' (prepared by SAMI Consulting and Oxford Analytica). The opening up of economies that accompanies economic growth gave the City of London a strategic opportunity to build a presence in market and develop a working relationship between the financial systems of London with Mumbai, Beijing and Shanghai.
5. We have now been delivering City objectives in India and China for 10 years. The objectives of the representative offices in India and China are to:
 - support and promote the City as the global leader in international finance and business services;
 - support trade and export opportunities for UK firms with a particular focus on FS;
 - provide market access advice and support for international firms looking to work with the UK and enter the UK market.
6. It is ideal timing in 2018 to run a high-impact campaign that maintains London's role as leading global financial centre through engagement with Asia. Campaign activity would include generating a range of new content, including research, case studies and videos, and organising at least 4 events (and associated speaking opportunities for Members and the Lord Mayor) that complement already agreed activity.
7. The delivery of an Asia Next Decade Campaign would enable us to future proof London's relationship with key markets in Asia by raising the City of London's profile, providing thought leadership and setting goals for the next decade of involvement with Asian markets.
8. The Asia Next Decade campaign would be delivered in partnership with other City of London departments that regularly work with stakeholders in Asia, including the built environment and media teams. This will help to further raise the City of London's profile in Asia, and support their existing work that attracts property investment into the City. We have also identified potential industry partners to collaborate with for events and distribution of content, e.g. CBI, LSEG, PwC.

9. Existing budget is not sufficient to cover this activity. The campaign would run for a calendar year at a cost of £100,000. This paper requests initial funding of £30,000 as a minimum contribution to begin activity to cover the first stage of the campaign. We anticipate returning to the Policy and Resources committee to report back on early campaign activity with a request for further funding in the next financial year.

10. The breakdown of £30,000 would include:

Item	Detail	Request for funding
Generating new content	<p><u>Branding:</u> Design of logo to appear on all new content and other relevant material</p> <p><u>Communications plan:</u> Engaging a public relations agency to develop a communications plan for the campaign, including</p> <ul style="list-style-type: none"> - key messages for the campaign - media engagement plan - a template for case studies (that will profile successful businesses from China, India and Singapore who have operations in London, promoting London as a Global Financial Centre) – case studies to be produced throughout the year - Initial case studies (up to 3) 	£20,000
Events	Campaign launch in London hosted by Chairman of Policy and Resources Committee	£10,000

11. Future deliverables of the campaign would include the generation of additional case studies, video content of senior City of London and City business figures discussing London as a Global Financial Centre and Asia as a key market, and 10 year celebration events in the key markets of Mumbai, Beijing, Shanghai and Singapore.

Proposals and Recommendations

12. It is recommended that Members:

- Agree that the City Corporation contributes funding for Asia Next Decade, a high-impact campaign that seeks to maintain London's role as leading global financial centre through engagement with Asia

13. The total cost requested to fund the campaign in this report is £30,000.

Corporate & Strategic Implications

14. The Asia Next Decade campaign aligns with the strategic objectives outlined in the Draft Corporate Plan 2018 – 23 in the following ways:

- It **grows the economy** by positioning the City as a global hub for business innovation.
- It **shapes the City of the future** by contributing to the Square Mile's role as the ultimate flexible-working space – inspiring, dynamic and secure.

- It **contributes to a flourishing society** by supporting people to lead enriched lives so they can reach their full potential.
15. The campaign fits with the Corporation's Financial and professional services strategy vision to create growth and including for the City, London and the UK so that the UK continues as the world's leading financial centre. It fits in particular with the strategic objectives of global ambition, a competitive economy and an innovation hub. If we do not act in supporting this element of the Financial and professional services strategy there is a risk that these objectives will not be fulfilled.

Implications

16. It is proposed that the required funding of £30,000 is drawn from the Policy Initiative Fund categorised under 'Promoting the City' and charged to City's Cash.
17. The current uncommitted balance available within your Committee's Policy Initiatives Fund for 2017/18 amounts to £189,200 prior to any allowance being made for any other proposals on today's agenda.
18. We anticipate returning to the Policy and Resources committee to report back on early campaign activity with a request for further funding in the next financial year. There is a risk that we would need to curtail activity from April 2018 if further funding is not secured, which we are willing to progress with.
19. Reputational risk must be considered as Lord Mayor, CPR and other senior officials will undertake activity relating to the Asia Next Decade campaign. This will be managed through briefing with senior officials.
20. There are no legal, property or HR implications for this campaign.

Conclusion

- The Policy and Resources Committee is therefore recommended to approve £30,000 as a minimum contribution to sponsor the Asia Next Decade campaign.

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