



Europe Strategic Region plan

September 2020



**THE
GLOBAL
CITY**

Europe Strategic

France, Germany,
Switzerland, NL,
EU Institutions



Region Plan for Europe Strategic

Objective

To maintain EU/Swiss market access for FPS exports from the UK (including third-country firms), retain and develop European FPS investment, and deepen coalitions around common interests - global standards, financial stability, innovation, ESG and skills.

Key facts

- In FPS trade, these countries represent 19% of UK total investment, 26% of total export. Exports comparable with US; investment only surpassed by US.
- Major FSP firms from these countries over 15,000 jobs in London
- Switzerland holds 25-30% of the world's entire assets under management.

External factors

- **Brexit.** Terms of divorce and future relationship agreed at end of 2020. Harmonious or rancorous conclusion?
- **Future EU Direction.** Evolution of both general approach (open? protectionist?) and specific directives in banking, asset management, insurance, and data.
- **Covid-19.** Risk of multiplying/accelerating Brexit fragmentation for investment/jobs?
- **Future positioning on FPS,** US/Swiss/UK triangle and EU/China

Key Workstreams.....

Workstream	Objective	One Year Outcome	Three Year Outcome
Market Access	To ensure continued/enhanced access for UK based FPS to EU/Swiss markets through influencing EU/UK/Swiss positions around Brexit and future regulatory frameworks	<ul style="list-style-type: none"> Avoid acrimonious Brexit outcome, whilst accepting there may be limited equivalence decisions taken. Mechanism for regulatory and supervisory cooperation established (e.g. MoUs) 	<ul style="list-style-type: none"> Close cooperation on market access and cross-border FPS. Continued supervisory and regulatory cooperation.
Global Standards	Promote global regulatory coherence through cooperation amongst global standard setters and regulators, building common FPS regulatory standards.	<ul style="list-style-type: none"> Recognition of benefits of UK-EU-Switz joining together in global forums on the standard setting agenda, to mitigate potential regulatory fragmentation in the region. Promoting UK FPS global competitiveness via cooperation and alignment of standards 	<ul style="list-style-type: none"> Positioning the UK FPS, in cooperation with European partners more broadly at the forefront of thought leadership on global regulatory coherence and global FPS standards.
Trade and Investment	To build a strong post-Brexit trade/business promotion programme with key partner countries across key sectors (banking, insurance, asset management, fintech), leveraging CPR and LM	<p>Built significant programme of relevant activity with HMTC/posts, to:</p> <ul style="list-style-type: none"> engage top 10 current investors, especially around future regulation, innovation, ESG, skills and UK Partnerships identify pipelines for new investment, particularly in fintech/innovation reassure US investors in City around continued access to EU and Swiss business post-Brexit help UK exporters return investments in new European offices/structures/networks through new business 	<ul style="list-style-type: none"> Shift of UK footprint of existing European investors, towards City's future competitive strengths – e.g. tech, ESG, innovative products, global market access (incl. US) City acknowledged as route for European start-ups to scale up and go global – talent, capital, client access Major US firms continue to see London as their European region hub
Switzerland Partnership	In parallel with Brexit to build new FPS partnership with Switzerland, to focus on regulatory innovation, global standards and mutual investment.	<ul style="list-style-type: none"> Bridging mechanisms in place to achieve continuity between 31 December and MRA conclusion/FTA discussions. Necessary UK-Swiss equivalence decisions in place Clear vision for scope of MRA-based arrangement. Strengthened bilateral relationships. 	<ul style="list-style-type: none"> Maximum scope of FPS relationship underpinned by MRA. Relationship goes beyond 2020 political declaration. To cover Professional Services and cross-cutting issues (data/mobility) Systematic UK-Swiss cooperation in international fora.
EU Structured Dialogues	To provide strong framework for discussion of key issues for FPS industry and advance all the issues below	Continuation of the 5 IRSG bilateral dialogues (DE, FR, IE, IT, NL) with refreshed membership and coordinated discussion themes.	Two meetings of each dialogue a year with focus on areas of shared interest, coordinated across the dialogues in order to gain best overview of key issues.

Resources to deliver





**THE
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India Country plan

August 2020



THE GLOBAL CITY



INDIA

Objectives

With the world's **fastest-growing trillion-dollar economy** and financial services sector globally, India's FPS sector offers substantial growth opportunities for UK business. Aim to **preserve and grow current Indian FDI flows into the UK**, particularly in innovation and high-value investors, **support UK expansion into India** focusing on Capital Markets, Green Finance, Fintech and Insurance in addition to formalising strong business and government financial partnerships on innovation, sustainability and global standards.

Key Facts

- India is the **world's fifth largest economy** and is expected to be one of the **top three economic powers in the world** over the next 10-15 years.
- India's financial sector is predominantly a banking sector, with commercial banks accounting for **more than 64% of the total assets held by the financial system**.
- The Mutual Fund industry in India has seen rapid growth in Assets under management (AUM), with total AUM in the Industry standing at **\$339.55 billion in April 2020**.
- India is the **2nd largest source of foreign direct investment (FDI)** in the UK, investing in 120 projects and creating 5,429 new jobs in 2019.
- The size of India's Capital Market has continued to expand in recent years, with **market capitalisation rising by over 6%** to over Rs 151 lakh crore (equivalent to \$2 trillion). Indian issuers have raised over **£7.8 billion on the London Stock Exchange** between June 2016 to April 2019.
- India has the highest **FinTech adoption rate globally of 87%**, significantly higher than the global average rate of 64%.
- India is the world's **third largest emitter of greenhouse gases**. The environment ministry estimates that India will need **\$2.5 trillion to meet climate change targets**, of which **\$280 billion** is needed in the next five years for green infrastructure alone.

External Factors

- **Brexit:** will the UK continue to be the leading hub to Europe for Indian investors? Will Indian FPS firms in the UK reduce commitments to the UK and move resource/capital to other EU countries?
- **Covid-19:** recovery of the Indian economy remains uncertain making many Indian businesses doubtful on how activity would develop over the coming year; potential limitations to overseas investment with the pandemic bringing new urgencies to some of corporate India's longstanding challenges.
- **India's ambitious Economic Plan:** government's target of a USD 5 trillion economy by 2024 unimaginably ambitious with the growth rate slumping. With exports to GDP ratio steadily declining since the early 2010s, India's GDP growth has displayed dipping to an 11-year-low of 5%.

Key Workstreams.....

Workstream	Objective	One Year Outcome	Three Year Outcome
Capital Markets – Corporate Bond	To facilitate the development of the Indian Corporate Bond Market (Onshore and Offshore access).	<ul style="list-style-type: none"> CoLC India-UK Capital Markets Working Group (CMWG) is successfully established with clearly identified market recommendations fed into the UK-India Economic & Financial Dialogue (EFD) (Autumn 2020) Follow-up and implementation of outcomes from the EFD recommendations 'in market' is supported by CMWG. Enhanced partnership with TCUK in feeding outcomes of the CMWG into the reconstituted India Market Access Working Group (India MAG) to support the India-UK Financial Partnership (IUKFP). 	<ul style="list-style-type: none"> CMWG partnership with the reconstituted TCUK India MAG is solidified, with a developed dialogue exchange to feed in outcomes and recommendations from the group. Improvement in Indian market efficiency and access for long-term international investors. Increased Indian Corporate bond listings in London.
Green Finance	To promote and champion the UK FPS position in leading green finance to support India's green transition.	<ul style="list-style-type: none"> India-UK Green Finance Working Group identified clear outcomes and deliverables to be fed into the EFD, Green Horizon Summit and COP26 through workshops and roundtables with members of the group and external stakeholders. Follow-up and deliverables from EFD, Green Horizons Summit and COP26 is supported by the group and direction of what the group can take forward is identified. 	<ul style="list-style-type: none"> Recommendations from the UK-India Green Finance Working Group are ongoingly implemented. UK viewed as a natural partner in green recovery and for catalysing private sector flows into Indian green projects.
Innovation Partnerships	To foster the UK's innovative and entrepreneurial ecosystem in deepening collaboration between the UK and India in technology and finance (Fintech, Cyber Security and Insurtech) and champion the UK's thought leadership (Financial Innovation and Insolvency).	<ul style="list-style-type: none"> Developed a strong virtual programme to support Fintech, Cyber Security and Insurtech engagements by focusing on areas of mutual interest and market access issues with key UK and Indian stakeholders. Continued support to the Insolvency and Bankruptcy Board of India (IBBI) by facilitating connections with UK insolvency and professional experts to share best practices and knowledge. Strong market strategy within this space established, providing direction for work going forward. <i>We are also reviewing participation of UKIBC's Working Groups (Energy and Insurance) and will explore future partnerships.</i> 	<ul style="list-style-type: none"> UK Technology and Financial firms recognise support of CoLC in enabling growth and access to networks and markets. Fintech MOU's signed with leading progressive Indian fintech states; Mumbai Fintech Hub, T-hub in Telangana and GIFT City. Strong knowledge-partnerships developed between UK and Indian insolvency and professional experts.
Investment (FDI)	To enhance Indian FPS investment in the UK (physical and capital investment).	<ul style="list-style-type: none"> Aim to facilitate the set-up and expansion plans of the Indian organisations that are entering the UK throughout the year. 	<ul style="list-style-type: none"> Aim to land 6 FDIs
Export	Support UK firms expand into India (those with existing presence and new exporters).	<ul style="list-style-type: none"> Developed a strong virtual programme to support UK firms interests in expanding to India; connecting to key Indian stakeholders that can offer support. Leveraged the 'Make in India' Access India Programme with the Indian High Commission to support and land British SMEs expansion activity to India. 	<ul style="list-style-type: none"> Aim to help land at least 3 projects. Well established working route with HMG – CoLC – Indian High Commission in supporting UK expansion activities.
Account Management	To preserve current Indian investment stock in the City, and strengthen partnership with key Indian stakeholders	<ul style="list-style-type: none"> Support existing Indian FPS firms in the City (no withdrawal of current investment) 	<ul style="list-style-type: none"> Support expansion of Indian FPS firms' operations in the City.

Resources to deliver

Stakeholders	Strong Foundations	Resources	Milestones and Review
<p>UK Government and Regulators: mainly HMT, DIT, BoE, FCA, posts</p> <p>India Government and Regulators: multiple and complex departments and bodies including the main regulators (RBI, SEBBI, MoF, IBBI and IRDAI) and national and State-level Government. High Commission of India in London</p> <p>Business: Indian investors in the UK (including Punjab National Bank & State Bank of India), UK FS firms with India's interests/business (Standard Chartered & Royal Bank of Scotland), Indian FS firms in India (Invest India & Tata Sons)</p> <p>Trade Bodies: TCUK, IUKFP, CBI, UKIBC, Indian Trade Associations</p>	<p>Clear alignment with HMG, especially on key messaging for UK-India EFD and other regulatory dialogue</p> <p>Weighty programme, regularly hosting inward VIPs, cycle of visits, Capital Market and Green Finance Workstreams.</p> <p>Breadth: covering all key sectors and complex geography with centres of gravity in Delhi and Maharashtra.</p> <p>India Office (10 ys) & strong networks: Long-standing programme of work and credibility among senior government (former LM engaged with Ministry of Finance and Government's think-tank, NITI Ayog) and business stakeholders (through India Advisory Council) and strong networks with regulatory bodies (IRDAI, RBI and IBBI) and City-based large Indian firms (PNB & SBI).</p> <p>Senior Engagement: Lord Mayor and Policy Chair deep and distinct engagement, networks and expertise. Other senior Members involved.</p>	<p>People: T&I – 50% of 1 senior officer; 100% of 1 adviser; 50% of 1 coordinator. In country: 100% of 1 chief rep and 1 coordinator (Mumbai); ad-hoc support from posts on visits/ programme Rest of IG – ad hoc support on projects/meetings/visits MH – 25% of PM</p> <p>Programme: All year round sector-focused activities on Capital Markets and Green Finance to support campaigns (<i>at least 10 roundtables, webinars</i>); 1-2 major set-piece hosted events in MH/GH annually; IG/MH budgets for senior travel, IG programme budget.</p>	<p>Key milestone over next year:</p> <p>India-UK Capital Markets Working Group (CMWG) developed as formal mechanism to influence policy. Recommendations paper on market insights fed into the UK-India EFD in October 2020 and suggestions provided to Indian regulators and UK Stakeholders.</p> <p>India-UK Green Finance Working Group developed as a tool for directing and outlining key focuses within the sphere. Recommendations paper fed into the UK-India EFD in October 2020 and COP26 in 2021.</p> <p>Innovation work: India FS firms are aware of the UK's offer in innovation and opportunities for collaboration are identified and leveraged as part of the Lord Mayor's virtual visit (Autumn 2020).</p> <p>New structures for governance, planning and review - Refresh Mid-Year</p>



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Australia Country plan

September 2020



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Country Plan for Australia

Objective

- To protect and develop current Australian investment especially from pension funds and innovative firms, continue to grow exports (fintech, asset man) and build common approaches to ESG, regulation and innovation.

Key Facts

- The City hosts approximately **495 firms** from whose parent company is based in Australia. Collectively, Australia FPS firms in the City **employ over 14,000 people** - around **3% of the City's workforce** - and generate around **£6 million of turnover at the UK level**.
- In 2018, UK **FPS exports to Australia rose to £1.8 billion** (an increase of £160 million from 2017). Australia accounts for 2% of UK FPS exports.
- *HM Government impact assessment for FTA impact in FS and PBS (+/- GVA) is + 0.05-0.5%*

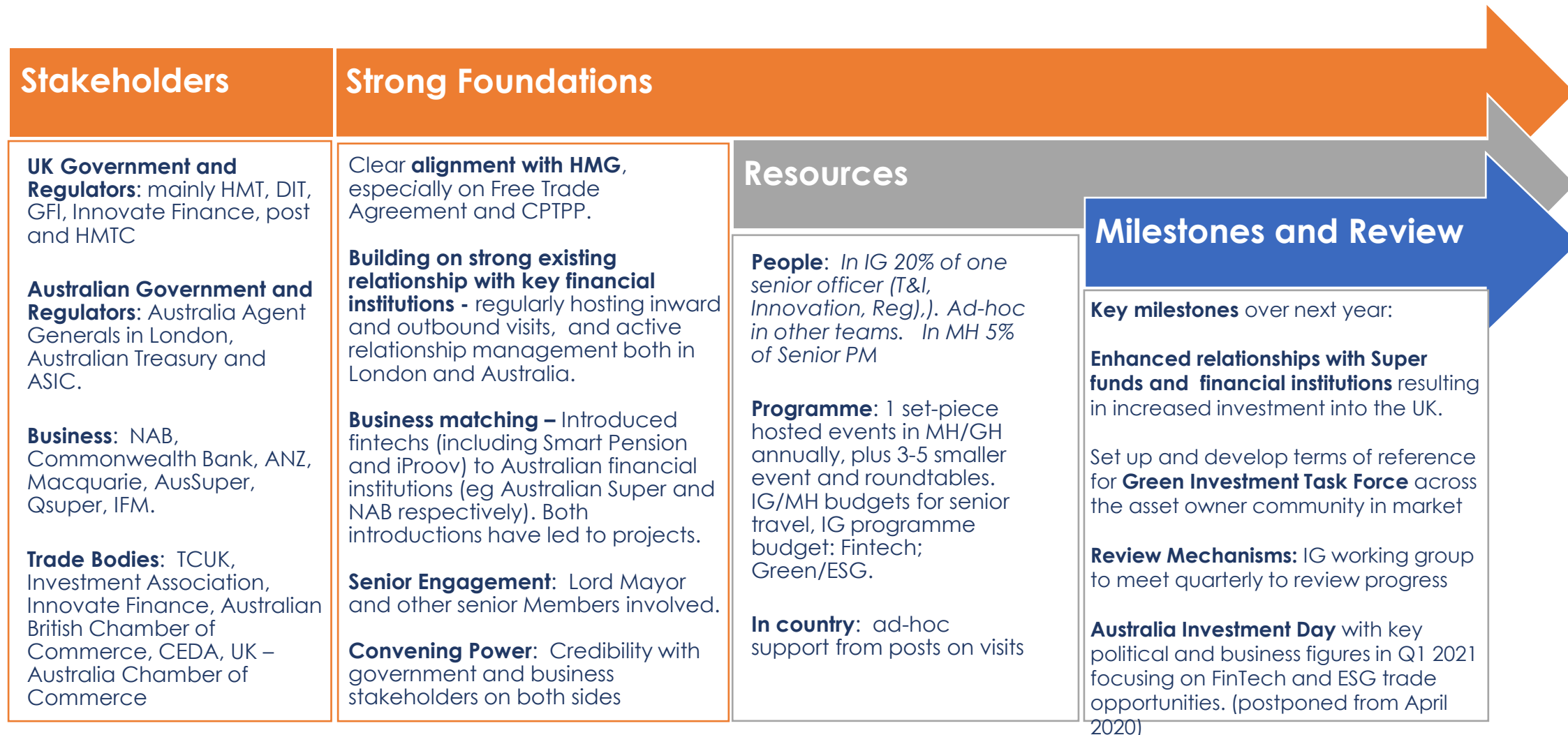
External factors

- **Brexit:** Brexit is considered an opportunity by Australian financial services businesses. They hope for better access to the UK market and hope to increase trade.
- **China and Hong Kong:** Opportunities or challenges for Australia to position itself as the alternative to Hong Kong for financial services.
- **Covid-19:** Impact on Australia has been different in different states. There is a keen focus on digitisation and the green-lead recovery.
- **Innovation:** Australia is a maturing ecosystem with regulation guided by international learnings offering opportunities for collaboration and shared learnings
- **Global influence:** Australia plays a key role as a springboard to Asia, particularly given the challenges in Hong Kong, with a similar business environment (including rule of law). Australia is also a key member of the CPTPP as have voiced their support of the UK joining this trading block.

Key Workstreams.....

Workstream	Objective	One Year Outcome	Three Year Outcome
Retention	To preserve current Australian investment stock in the City and build new pipelines particularly in the sustainability space for future investment. Increase investment asset allocations to green finance, impact and SDG finance	Stabilize and retain current investment. Continued engagement with Macquarie and AusSuper as well as the banks to ensure that investment in the UK is retained and grows in areas of interest, particularly green finance and fintech. Also aim to deepen and strengthen relationships with key Australian stakeholders.	AusSuper, Macquarie, ANZ, CBA and NAB retain their European HQ in the UK and their investments and those of their subsidiaries has increased. We look to increase the headcount in AusSuper and continue to see growth in the UK office in NAB and ANZ.
Fintech	To support and collaborate with the new Consumer Data Rights legislation to understand what the UK can learn from Australia's open finance agenda.	To work with Australia through the launch process for their CDR and start to understand where the opportunities for open finance are most apparent	We have shared learnings and experiences with Australia in the open finance space and are in a position to develop the fintech bridge to additionally incorporate data flows, working with government.
Innovation (ESG)	Build on strong interest demonstrated in LM virtual visit for a green recovery. Present the UK's offer to Australian institutional investors to create inward flows of capital and work towards COP26	CoLC to support the asset owners and banks to move towards an ESG agenda and enhance their investment in ESG through UK financial products.	Australian investors recognise the role of CoLC/UK in ESG / innovation and have built relevant functions out of the City, and increased asset allocation.
Trade	To promote the London/UK FPS offer, especially innovation including ESG financing and Fintech.	Outcomes of free trade negotiations will be crucial to better understanding how to support UK -Australian relationship that best benefits the FPS sector.	CoLC embedded in export programmes for wider stakeholders and UK firms, and has built well known expertise in market barriers solutions
Influence Future Regulatory Co-operation and Trade Policy	To protect and enhance FPS trade and investment by supporting and influencing future trade agreement conversations between both governments	To effectively communicate and secure the UK FPS sector asks within trade negotiations and any subsequent trade agreement or related policy changes	To build on greater regulatory cooperation and dialogue between jurisdictions. This will sit along side and enhance what has been agreed through the FTA.

Resources to deliver





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Africa Region Plan

July 2020



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Region Plan for Africa

Objective

- Supporting the UK finance sector in keeping in step with African growth, by focussing our geographical impact in line with the sectors that matter to UK finance, and development of African FPS and capital markets

Key Facts

- By 2040, the continent's workforce will be the single largest globally, at 1.1bn
- The African market is one of the fastest growing in the world, representing 5 of the top-10 fastest growing economies (Nasdaq 2019)
- Innovation is driving African development, with new financial and tech hubs emerging in places like Lagos, Nairobi and Kigali
- African markets are opening to foreign investment, with \$46bn inward FDI and \$250bn in sovereign wealth defying the global FDI contraction in 2018

External factors

- **HMG Priorities:** There has been increased HMG interest in Africa, also with a view to Brexit and a broader global focus
- **Covid-19:** The Pandemic's Impact on Africa remains unclear, adding to uncertainty about potential travel in-market
- **Green Finance:** Africa's vulnerability to climate change is also an opportunity, through innovative funding of sustainable infrastructure
- **Innovation:** The growth of a vibrant tech sector has given rise to a new focus in African urban development, and the role of fintech providing access to finance

Key Workstreams.....

Workstream	Objective	One-Year Outcome	Three-Year Outcome
Market Access	Through engagement with DIT and both UK-based and in-market corporate partners, maintain engagement in South Africa, deepen regulatory dialogue in Nigeria and broaden scope to include Kenya.	Solidified network in South Africa and Nigeria, and expanded to Kenya, and developed firm market insights, understanding barriers to entry. Established geographical and sectoral alignment with HMG.	Through expertise on regulatory barriers and comprehensive in-market networks, continual CoLC involvement in regulatory dialogue in priority African markets.
Investment (Africa > UK)	Expand UK-based African investor network and work with DIT and LSEG to support new incoming investment from Nigeria, South Africa and Kenya, in alignment with HMG objectives.	Established network with key UK-based accounts from priority African markets and built framework to obtain insights into new inward investment.	CoLC key port of call for new African investors entering the UK FS market and recognised channel of communication with HMG for existing UK-based African investors
Export (UK > Africa)	Support UK firms' expansion into Africa and work with DIT and LSEG to identify and engage relevant UK investors in Nigeria, South Africa and Kenya. Assess UK business interest and opportunities in these markets and Egypt, in alignment with HMG.	Identified key UK-firms with interests in priority African markets and established solid and evolving account overview and engagement, and assessed interest in and business engagement with these markets, as well as the Egyptian.	CoLC recognised as established vehicle for outward UK-Africa investors to forge links with private and public stakeholders in-market
Innovation (ESG)	Support HMG and private sector initiatives in ESG, technological innovation and capital markets development in these markets. Monitor development of the Ethiopian Market.	Solidified and broadened network of impact investment firms/funds, securing involvement in HMG and private initiatives, and assessed development of Ethiopian regulatory landscape.	Recognition of CoLC as a pro-active advocate for sustainable initiatives in Africa, and as a partner for impact investors in the region.
Regional Financial Centres	Establish continual dialogue with major and emerging regional financial and technological centres, particularly Lagos, Johannesburg, Nairobi (potentially Kigali for tech).	Identified and established dialogue with key actors in city and regional government of Lagos, Johannesburg and Nairobi, and assessed development of Kigali tech hub.	Strong and permanent bilateral relationships with key regional FS centres for Southern, Eastern and Western, contributing to the development of their FS ecosystem and capital markets.

Resources to deliver

