# UK's Financial Services Trade Surplus Biggest in the World, Dwarfing Its Nearest Rivals

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New figures from TheCityUK reveal that the UK's trade surplus in financial services is the biggest in the world, more than two and a half times bigger than the next largest surplus recorded by the US and three times higher than Luxembourg in third and Switzerland fourth. The latest figures available show that the UK's financial services trade surplus was $71bn in 2013, up from $68bn in 2012. According to TheCityUK, this demonstrates the huge competitive advantage the financial and related professional services industry brings to the UK, and the importance of the industry in attracting international business activity which creates jobs and generates economic growth.

Chris Cummings, Chief Executive of TheCityUK, commented:

“The UK leads the world when it comes to exporting financial and related professional services. While New York tends to do well in charts because of its size, it is really a domestic financial centre; London is the only truly global financial centre, boasting a unique cluster of both financial and related professional services firms. And it is not just the UK's financial capital; it is also Europe's beating heart. But we cannot afford to rest on our laurels, especially with other cities such as Singapore continuing to expand and grow. This is why London's ability to innovate, reinvent itself and seize new opportunities is so important. We have seen this recently with the deals agreed with the Chinese, which will cement the UK's position as the biggest renminbi centre outside Asia, and also with our status as the leading Western country for Islamic finance. The Financial Services Trade & Investment Board is another initiative vital to the UK's status as a global financial centre.”

The new report from TheCityUK, *The UK as an International Financial Centre,* reveals that the number of financial centres seeking international business is growing, and Asian centres such as Singapore and Hong Kong are benefiting from shifting global trade patterns. However, in addition to these well-developed regional hubs, smaller centres such as Tokyo, Toronto, Moscow, Istanbul and Dubai are also developing alongside niche local centres such as Zurich, Sao Paulo, Johannesburg and Mumbai. Many of these centres are using London as a model and basing systems and processes on UK practices and principles.

Chris Cummings added:

“Regional and specialist financial centres are challenging established ones to innovate and remain competitive. The UK is doing exactly that. We cannot rely on our traditional advantages such as timezone and language. We must continue to demonstrate other strengths like our attractive tax policy and skilled workforce. But we are also succeeding by working with these growing centres, offering expert advice and support as they establish themselves and providing opportunities for UK firms to expand into new markets and compete with domestic players. This is not a zero-sum game. Emerging financial centres may be taking a piece of the pie, but they are also helping the pie itself grow larger which will help grow London's business volumes too.”

According to the report, the UK has the leading share in international financial markets including cross border bank lending (17%), interest rates OTC derivatives turnover (49%), international insurance premium income (22%) and foreign exchange trading (41%). Over 500 foreign companies are listed on London exchanges (LSE and AIM), more than on NYSE and Nasdaq. Three of the five biggest law firms have headquarters in the UK, and London is the leader in global commercial dispute resolution. The London Market is also the only place where all 20 of the world's largest international insurance and reinsurance companies are active.

Chris Cummings said:

“Each of these statistics reflects and justifies London's position as the world's leading global financial centre. Firms from across the world look to the UK as a place from which and in which to do business, to lend and borrow money, to resolve legal disputes and to invest in infrastructure. The breadth and depth of the services the UK offers creates deep capital markets, which allows companies to access finance for growth. The UK enjoys a clear competitive advantage in financial and related professional services but we need to make sure this advantage is not lost. It is therefore vital we continue to support the industry and promote the UK as the best place to do business, which in turn will continue to bring jobs and growth across the country.”

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To read a copy of TheCityUK's new report, *The UK as an International Financial Centre*, please visit www.thecityuk.com/research

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**About TheCityUK:**

TheCityUK is the independent, cross-sector voice for UK-based financial and related professional services and champions the international competitiveness of the industry. Created in 2010, TheCityUK supports the whole of the industry, promoting UK-based financial and related professional services at home and overseas and playing an active role in the regulatory and trade policy debate.

The financial and related professional services industry currently accounts for 13% of UK GDP. The industry employs over two million people, more than two-thirds of whom work outside London, and underpins the businesses that drive jobs and growth.

TheCityUK provides constructive advice and the practitioner voice on trade policy and all aspects of taxation, regulation, and other legislative matters that affect the competitiveness of the industry. It conducts extensive research and runs a national and international events programme to inform the debate. TheCityUK is tasked with creating a new vision for the financial services industry.

TheCityUK is politically neutral. For further information please seewww.thecityuk.com

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