



# **Understanding global financial networks:**

- business and staff location decisions**

Sir Robert Worcester, Ipsos MORI  
26<sup>th</sup> January 2011

Ipsos MORI



## To understand...

- ...key business factors driving location decisions?
- ...lifestyle factors driving personal decisions and how these change over a career?
- ...challenges facing London?

- Qualitative research: insight, not statistics
- Full report: end February
  - Established centres: London, New York, Hong Kong, Singapore
  - Emerging centres: Shanghai, Dubai, Mumbai, Sao Paulo, others
- Emerging findings
  - c. 35 interviews
  - Both **rational decisions** *and* **emotional associations**
- Coverage
  - Senior decision makers – e.g. MDs, CEOs, Heads of Strategy
  - Mobile staff – senior and junior representation
  - Seven major financial centres, across a variety of sectors (e.g. banking, legal, asset management, insurance)

# Key factors in location decisions

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■ Business factors ■ Lifestyle factors ■ Business and lifestyle

Ipsos MORI Base: most mentions among 35 interviews, 19<sup>th</sup> November 2010 – 11<sup>th</sup> January 2011

# Location **decisions** through the career life-cycle **depend** on **career path** and **life stage**

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*"I would recommend people to start in New York or London"*

Senior mobile staff,  
Hong Kong

## **Early career.**

1 – established financial centre; learn key skills; where decision makers and clients are

2 – go where the growth is

**Achieving** more important than **location**

*"Mumbai or Shanghai – they have the excitement I found in London 25 years ago"*

Mobile senior staff,  
London

*"Moving around is an important part of their CV...being seen in the other parts of the world is important"*

Senior strategic decision maker,  
London

## **Mid career.**

1 – explore outside established centres

2 – somewhere that is family-friendly

*"Schools and that type of infrastructure ... in Singapore is better"*

Senior strategic decision maker,  
Hong Kong

*"You need to be where the big clients are, where the decisions are being made"*

Senior strategic decision maker,  
Singapore

## **Career maturity.**

Back to established hub; wherever clients and HQ are

# The four major established centres have different strengths and weaknesses



Ipsos MORI

■ Positive mentions

■ Negative mentions

**“Thirty years ago, it was New York’s game to lose, now it’s London’s game to lose”**

**Senior strategic  
decision maker, London**

# London seen as a hostile environment...?

## What they're saying about Bob Diamond and bonuses



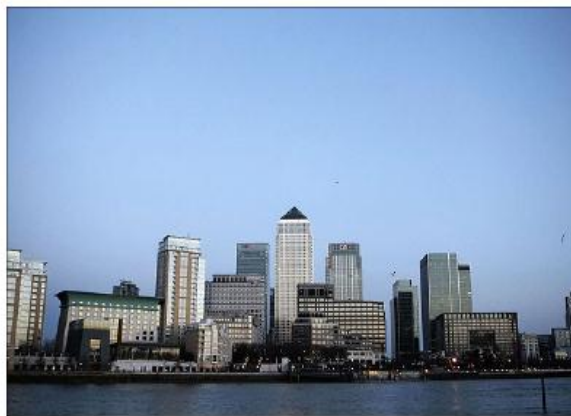
The Sun; 09/12/2009

## Banker bonuses should reflect how much they lend businesses, say MPs

### Do the bankers deserve bonuses?

REPORTER  
2:33 PM on 13th January 2011

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Handed billions of our cash ... now the fat cats of places such as Canary Wharf are rowing over bonuses

try Vince Cable today  
' bonuses to reflect the  
businesses.

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complaints by MPs  
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dmitted: 'Indeed it  
' bonuses, where they  
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bank boss Eric Daniels  
million bonus just days

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© Reuters

After the coalition gives up over bankers' by Bob Diamond's 'arrogance' only adds to the

### 'Stop banker bashing', £9m Diamond tells MPs

By news reporters  
11 January 2011, 12:34pm  
[Reader comments \(65\)](#) | [Vote](#)

The head of **Barclays** today argued that the 'period of apology' for banks needs to be over - just a day after i likely to receive a payout of £9m this year.

Bob Diamond, who said that the size of his bonus is evidence of 'financial restraint', was being grilled over the conduct of the banking sector by the cross-party Treasury Select Committee (TSC).

But the millionaire banker, who was once described as the 'unacceptable face of banking' said banks should be 'allowed to fail' and it was not acceptable to take bail-outs

## Miliband calls for coalition to re-impose bankers' bonus tax as Clegg admits that City pay is 'sky high'

By DAILY MAIL REPORTER

*Daily Mail*; 09/01/2011



**Diamond geezer:** Bob Diamond will defend his huge pay deal to MPs.

## Anger as JP Morgan bankers get \$10bn pay and bonus pot

*The Guardian*; 14/01/2011

The First Post, 12/01/2011

This is Money; 11/01/2011

Daily Mail; 13/01/2011

# London's **challenges** and opportunities

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- Very real concern about stricter regulation of bonuses and higher taxation

*“It is going to be difficult for private individuals and companies to London while this rather negative tax environment exists”*

**Senior strategic decision maker, Singapore**

*“...not only the actual regulation but the political persecution of financial services which, if you're an international mobile individual...you wouldn't really choose for that factor to be here ”*

**Mobile senior staff, London**

- Megatrends that could overwhelm London
  - Rise of Asia and China: financial centre of gravity moves East
  - But there are constraints

*“The sheer growth and weight of the domestic market ... is such that it will continue to be a ... more and more significant financial centre. The real challenge will be for it to become a global financial centre”*

**Mobile senior staff, London**

# London's challenges and **opportunities**

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*“London has a fundamental attractiveness that very few other centres match:  
the English language  
the time zone  
the talented infrastructure  
the rule of law and regulation”*

**Senior strategic decision maker,  
Hong Kong**

*“London will remain an attractive place to do business [with] regulatory certainty and consistency, that it's not significantly stricter than other centres and that tax becomes broadly acceptable”*

**Mobile senior staff, London**

*“We believe that London will maintain its position. We're pretty confident. There are some important decisions to be taken but we're confident that people will take the right decision”*

**Senior strategic decision maker,  
London**

# London is a truly international centre...?

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- London seen to have a truly global outlook

*“London is by far the most ... global in outlook, in reach and in focus and that is what distinguishes it from New York and Hong Kong and other financial centres which may be nearly as strong but are either regional or domestic”*

**Mobile senior staff, London**

- Doubts about Asian centres' ability to become truly global

*“Asian centres will never be truly global in the way London is. Shanghai will be hugely important but is domestically focused, Singapore has done very well but is constrained by its size and lack of culture and Hong Kong will always be a regional centre”*

**Senior strategic decision maker, London**

***“...the UK can act as a template for the other markets ... the UK still has the most respected rule of law and regulation around the world... London can still establish itself as a role model to the rest of the world”***

Senior strategic decision maker, Hong Kong