# Xinhua•Dow Jones International Financial Centers Development Index （2014）

**National Financial Information Center Index Research Institute**
**Standard & Poor's Dow Jones Index Co.**
**November, 2014**

# Preface

International financial centers are formed as a result of the flow and aggregation of key "network node" cities in the global scope. Whether a city will develop into an international financial center depends on its comprehensive competitiveness in terms of financial market construction, growth and development capability, industrial support, city service standards, and the national environment.

Distribution of international financial centers is closely related to the world's economy and trade pattern. With the change in focus of the global economy and trade, in recent years, the dynamic transition of international financial centers has presented an eastward tendency with eastern cities showing better performance in terms of financial center growth stability.

Under such circumstances, making an objective, scientific and all-round assessment of the development status of international financial centers, summarizing their development experience, and probing their development rules will promote the reasonable flow of global financial factors, facilitate reasonable allocation of financial resources, and advance their scientific development.

In 2010, Xinhua News Agency linked up with the Chicago Mercantile Exchange Group (CME), which owns the former Dow Jones Index Service Co. and now also the Standard & Poor's Dow Jones Index Co., to jointly launch the Xinhua-Dow Jones International Financial Centers Development Index (IFCD Index). By 2013, the IFCD Index has been released successfully for four consecutive years and received extensive praise in the global scope. In particular, it has offered a relative reference for the innovative construction of international financial center cities.

In 2014, based on the previous research, we have absorbed suggestions of some financial institutions, individuals, and city administrators in the world, further improved and adjusted the index system, and expanded scope of questionnaire surveys on the basis of maintaining consistency of algorithm. After deep research and continuous improvement, we have launched the "IFCD Index 2014" to the world.

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# Research Conclusion

**Theory Acknowledgement:** With the innovation, prosperity and development of the global technologies, new technologies including Internet have affected the economic and financial performances in many ways and brought about new challenges to the traditional financial center cities. The previous development mode of international financial center cities competing for financial resources is being affected by the more sustainable law of competition amid integration. An innovative "financial center ecosystem" is leading development of the future financial world. The mainstream characteristic is reflected not only by a single international financial center city, but also by the global network consisting of several international financial center cities.

**Model Structure:** Guided by the innovative financial center ecosystem theory, the IFCD Index builds a "sphere-core-pivot ecological response model". Specifically, the international financial center is an ecosystem which takes serving the real economy and realizing "growth development" via industrial support as its "core", "financial market", "service level" and "industrial support" as its "pivot", and "general environment" as its "sphere" of environment.

**Purpose Direction:** The assessment and research on development of the international financial centers not only pay attention to basic factors, such as traditional financial market, and service level; but also focus on development and growth factors, and consider growth development an important dimension for assessment. It pays attention not only to the existing capacity of financial factors, but more to the growth capacity of the factors, and finally forms a more scientific ecological response structure, which can promote scientific development of the international financial pattern assessment system and facilitate reasonable flow of global financial factors.

**Evaluation Result:** The international financial centers in 2014 that rank the top ten are, from the top down, New York, London, Tokyo, Singapore, Hong Kong and Shanghai (tied), Paris, Frankfurt, Beijing, and Chicago. Compared with rankings in the past four years, rankings of the top ten cities have been fine-tuned, but are the most stable in all 45 sample cities.

**Regional Assessment:** The global distribution of the international financial center cities generally matches the world's economic pattern. In the 45 sample cities, there are 14 cities from the Asia-Pacific and Africa, 21 cities from the Europe and 10 cities from the America, with their proportion at 31.11%, 46.67% and 22.22%, respectively. Among the top ten financial center cities, there are five cities from the Asia-Pacific and others, three from the Europe and two from the America, with their proportion to total number of international financial centers in their respective continent at 35.71%, 14.29% and 20%.

# I. Basic Factors of the IFCD Index

### (I) Functional significance

Guided by the innovative financial center ecosystem theory, the IFCD Index builds the "sphere-core-pivot ecological response model" to lead the new trend of international financial center construction, establish a new benchmarking for their development, declare new concept of their competition, so as to promote scientific development of international financial pattern assessment system, guide reasonable flow of the global financial factors, and finally provide an important reference for global investors to objectively understand growth of regional financial markets, industrial support situation, and policy and institutional environment.

### (II) Theoretical basis

The IFCD Index is based mainly on regional competitiveness theory, ecosystem theory, systems engineering theory, theory of circular economy, and urban construction theory.

### (III) Overall thinking

The IFCD Index comprehensively assesses international financial center cities in accordance with certain conditions in the global scope, builds a systematic, all-round, and featured assessment system, uses indexation evaluation methods to conduct a quantitative evaluation and truly reflect comprehensive strength of the international financial centers in a given period.

### (IV) Model structure

With the innovation, prosperity and development of the global technologies, new technologies including Internet have affected the economic and financial performances in many ways and brought about new challenges to the traditional financial center cities. The previous development mode of international financial center cities competing for financial resources is being affected by the more sustainable law of competition amid integration. An innovative "financial center ecosystem" is leading development of the future financial world. The mainstream characteristic is reflected not only by a single international financial center city, but also by the global network consisting of several international financial center cities. Its value is the integrated development after ecological concept is implanted into diversified subjects of the system, which will help break the zero-sum game, systematically improve competitiveness of international financial centers and their capability of allocating the global financial resources.

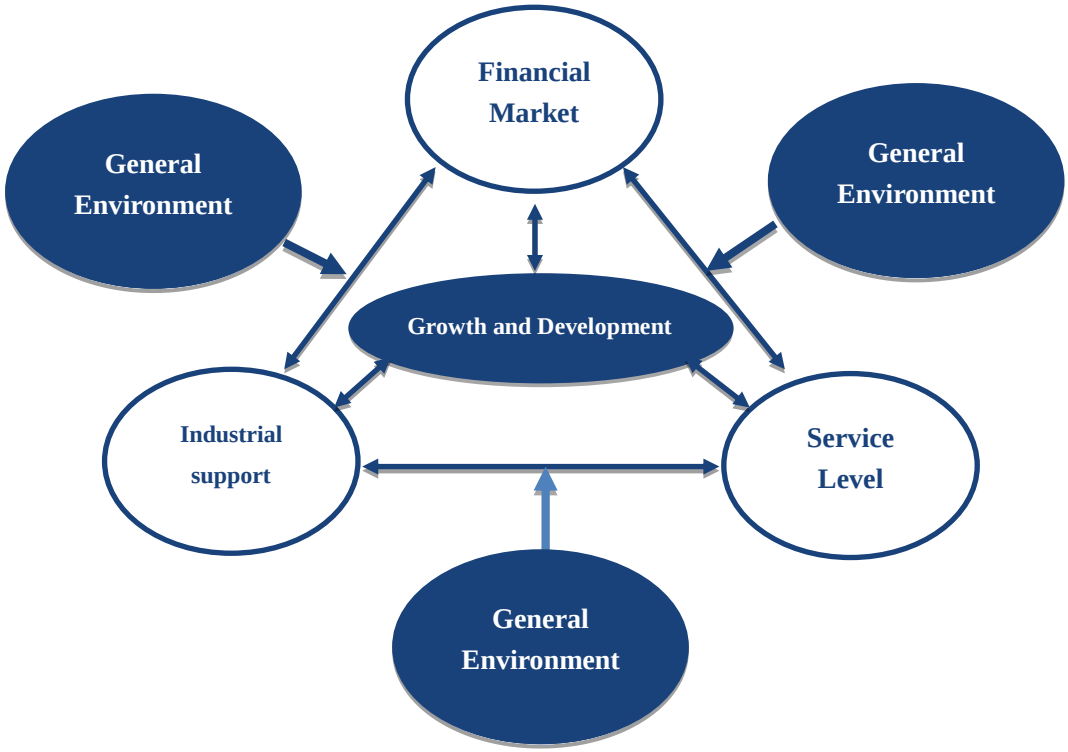



**Figure 1 IFCD Index "sphere-core-pivot ecological response model"**

Model structure of the IFCD Index: Guided by the innovative financial center ecosystem theory, it builds a "sphere-core-pivot ecological response model". Specifically, the international financial center is an ecosystem which takes serving the real economy and realizing "growth development" via industrial support as its "core", "financial market", "service level" and "industrial support" as its "pivot", and "general environment" as its "sphere" of environment.

**(V) Design principle**

**The principle of systematicness**. Each indicator can reflect one feature of an international financial center and try to reflect development level of international financial centers from as many aspects as possible. In the future, the index research will extend to other aspects and furthest amend, supplement, and improve the research based on opinions and suggestions from the society;

**The principle of objectivity.** The research has processed the operating data simply and relatively. Through assessing and amending weights of indicators, the calculation can avoid grayness, vagueness and un-traceability of indicators and ensure objective and reproducible index analysis methods.

**The principle of scientificity.** Indicators of the index can be fixed after rounds of collection of expert opinions and discussions of the expert committee. Each indicator is distinct from others, so as to guarantee the index is representative and has comparability. The weight system has authority and guidance quality due to multiple rounds of collections and considerations;

**The principle of operability.** The design of the index system gives full consideration to the stability of data sources, the

standardization and continuity of data, and unified standards in order to make it easy for data comparison and calculation, and ensure clear connotations of indicators.

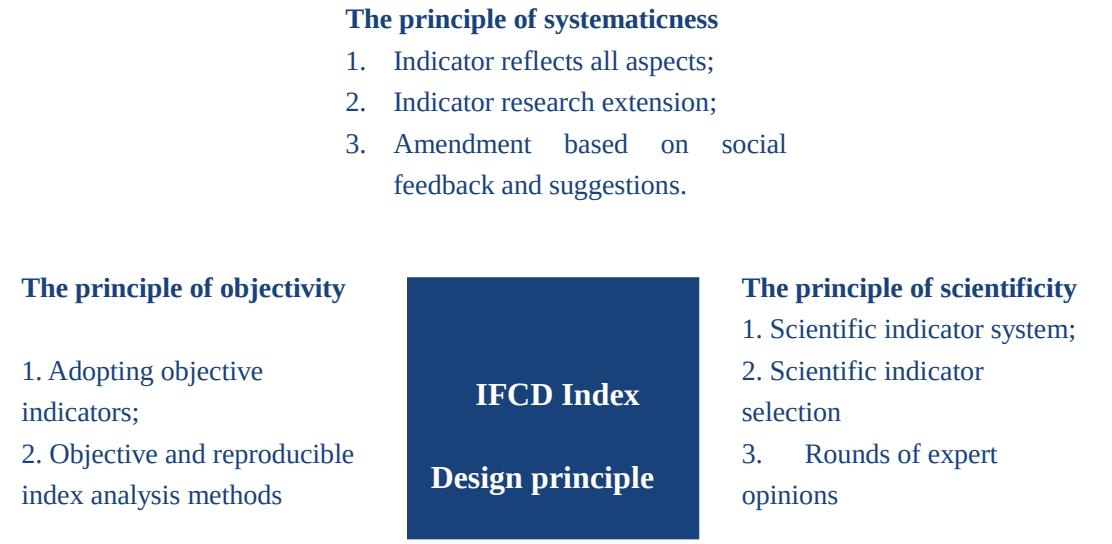



**Figure 2 IFCD Index design principle**

**(VI) Indictor system**

Based on the above principles, the IFCD Index is formed by a three-level indicator system (See table 3). Specifically, the system includes five first-level indicators, 15 second-level indicators and 46 third-level indicators.

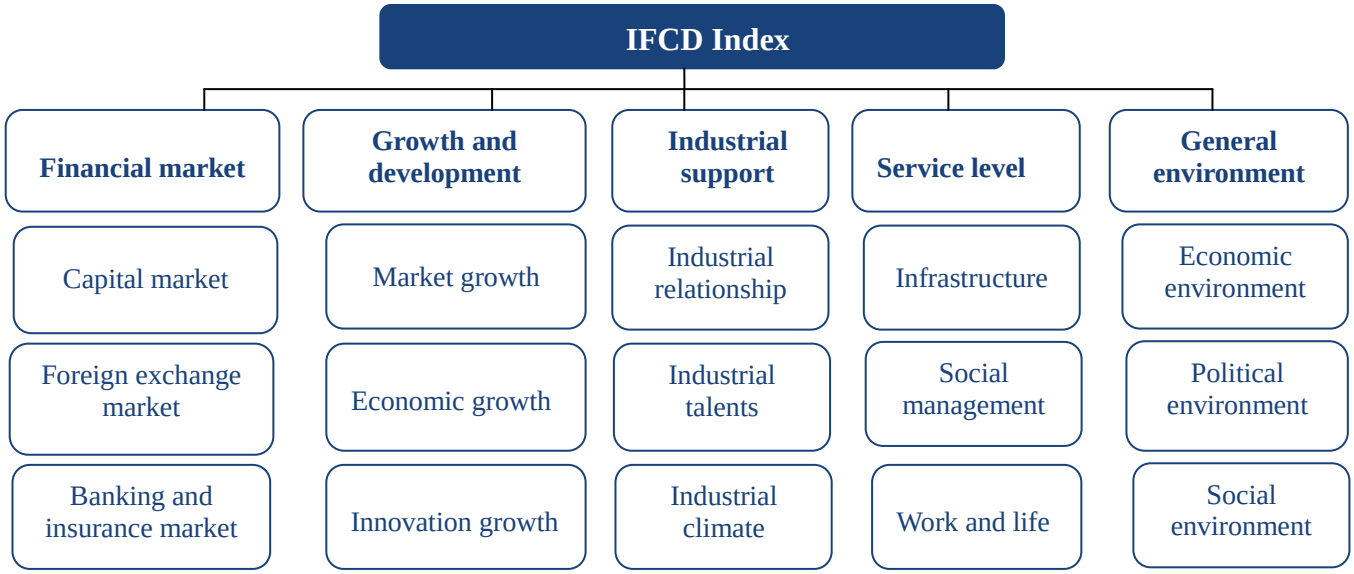



**Figure 3 IFCD Index indicator system**

The first-level indicator is made up by five aspects, including financial market, growth and development, industrial support, service standard and general environment of a country, with the aim to reveal the law of endogenous development of financial center ecosystem. Of the five elements, financial market is the measure of core development ability of an international financial center; growth and development is a measure of driving force for sustainable development of an international financial center; industrial support is a measure of an international financial center's material base for development; service standard is a measure of international financial center's ability of offering supporting facilities for development; and the general environment is a measure of the external environment's impact on the development of an international financial center. The second-level indicator is an extension of the first-level indicator based on functional attribute. The third-level indictor is the specific indicator level.

**(VII) Sample selection**

The basic principle of selecting sample cities for the research of the IFCD Index is considering both data standards of financial factors for international financial center cities and professional opinions of international financial center expert committee, namely, combination of quantitative and qualitative evaluation process.

Generally speaking, an international financial center has following major characteristics: first,it assembles certain number of financial institutions engaged in international businesses, such as international large banks, securities brokers, insurers, fund firms, and so on; secondly, it boasts a relatively complete internationally financial market system, including a stock market, bond market, Interbank lending market, gold market, foreign exchange market, and so on; thirdly, it is located in a modern city, with developed communication networks, sound traffic conditions, a developed service industry, and a

relatively high degree of openness. The specific data standards of sample selection are based on the following principles:

- ✧ Scale: namely, the ranking of cities' financial trading scale in stocks, bonds, funds, foreign exchange, and so on;
- ✧ Growth capability: namely, ranking of cities' development momentum of finance markets of stocks, bonds, and foreign exchange etc;
- ✧ Equilibrium: namely, the balanced distribution of sample cities.

Supplementary note about voting mechanism of selecting sample cities: adopting the process of "nomination - research - vote". The nomination pays more attention to the universally recognized position of the international financial center cities. The research focuses more on comprehensive evaluation of their capability of allocating financial resources. The voting pays more attention to fairness under the circumstance of more experts.

**Table 1 Sample cities and regional distribution of the IFCD Index 2014**

| | | | | |
|---|---|---|---|---|
| **Europe** | Amsterdam | Vienna | Oslo | Paris |
| | Budapest | Brussels | Dublin | Frankfurt |
| | Copenhagen | Helsinki | Lisbon | Luxembourg |
| | London | Rome | Madrid | Milan |
| | Moscow | Munich | Geneva | Stockholm |
| | Zurich | | | |
| **America** | Boston | Buenos Aires | Toronto | Chicago |
| | Washington | San Francisco | Montreal | New York |
| | Sao Paulo | Vancouver | | |
| **Asia** | Tokyo | Osaka | Dubai | Mumbai |
| | Singapore | Beijing | Shanghai | Shenzhen |
| | Seoul | Taipei | Hong Kong | |
| **Other** | Johannesburg | Melbourne | Sydney | |

**(VIII) Level analysis**

In analyzing the IFCD Index, a multi-level analytic framework is adopted to conduct an all-round analysis on the development situation of the 45 cities as international financial centers.

The first level is a comprehensive evaluation of the International Financial Center Development Index based on the different indicator scores of each city.

The second level is to analyze the advantages and weaknesses of each financial center by deeply studying each element.

The third level is to find out the regional characteristics of these financial centers and examine regional environment's impact on role of international centers.

The fourth level is a special study on the financial centers of the BRICS countries. The study is to analyze views of global respondents about development level of the financial centers of the BRICS countries by conducting subjective questionnaire surveys and regional in-depth interviews via Xinhua News Agency's global information collection system.

# II. IFCD Index Evaluation Result

### (I) Comprehensive evaluation

Based on the comprehensive evaluation system of the IFCD Index and after comprehensive analysis and calculation, we obtain the comprehensive scores and ranking results of the development indices of the 45 international financial centers. The ranking results for 2014 presents the following characteristics:

Firstly, the international financial centers that rank the top 10 are, from the top down, New York, London, Tokyo, Singapore, Hong Kong and Shanghai (tied), Paris, Frankfurt, Beijing and Chicago. Compared with rankings in the past four years, rankings of the top 10 cities have been fine-tuned, but are the most stable in all 45 sample cities.

In 2014, Tokyo and Singapore have overtaken Hong Kong, ranking the third and fourth, respectively. Shanghai has still kept strong development potential, ascended one position and been tied with Hong Kong for the fifth position. Paris has continued its strong momentum of last year and ranked the seventh. Beijing has seen the acceleration in development speed, entered the top ten ranking for the first time in five years, with the ninth position. However, Chicago has fallen to the tenth from last year's ninth.

**Table 2 Top 10 international financial centers in 2010-2014**

| Ranking | 2014 | Ranking | 2013 | Ranking | 2012 | Ranking | 2011 | Ranking | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| 1 | New York | 1 | New York | 1 | New York | 1 | New York | 1 | New York |
| 2 | London | 2 | London | 2 | London | 2 | London | 2 | London |
| 3 | Tokyo | 3 | Hong Kong | 3 | Tokyo | 3 | Tokyo | 3 | Tokyo |
| 4 | Singapore | 4 | Tokyo | 4 | Hong Kong | 4 | Hong Kong | 4 | Hong Kong |
| 5 | Hong Kong | 5 | Singapore | 5 | Singapore | 5 | Singapore | 5 | Paris |
| 5 | Shanghai | 6 | Shanghai | 6 | Shanghai | 6 | Shanghai | 6 | Singapore |
| 7 | Paris | 7 | Paris | 7 | Frankfurt | 7 | Paris | 7 | Frankfurt |
| 8 | Frankfurt | 8 | Frankfurt | 8 | Paris | 8 | Frankfurt | 8 | Shanghai |
| 9 | Beijing | 9 | Chicago | 9 | Zurich | 9 | Sydney | 9 | Washington |
| 10 | Chicago | 10 | Sydney | 10 | Chicago | 10 | Amsterdam | 10 | Sydney |

Secondly, compared with 2013, ranking of international financial centers for 2014 has kept stable on the whole with the increased number of stable cities. In 2014, the number of financial centers with stable or relatively stable rankings totals 35, accounting for 77.78 percent of the total sample cities, 17.78 percentage points higher than 2013. As for the number of cities with big variation in rankings, the year of 2014 has ten, lower than 18 in 2013 and 14 in 2012, but much higher than 5 in 2011.

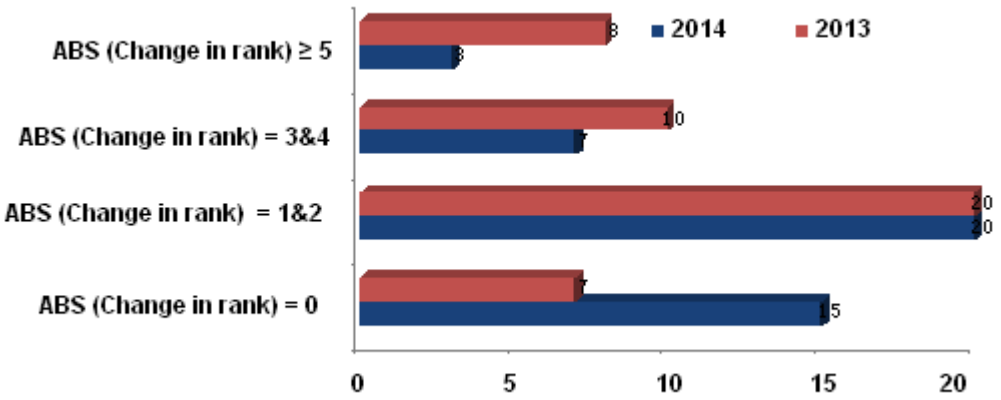



**Figure 4 Analysis of Categorization Based on Position Difference of IFCD Index 2014**

Thirdly, International financial center position changes show an obvious feature. Besides the top ten, ranking of the European international financial centers are declining, while the international financial centers of Asia and North America have seen an increase in their rankings. Among BRICS countries, except for Moscow, financial center cities of other countries are either stable or in an upward channel. This kind of change is also in line with characteristics of the global economic pattern over the past year. Affected by Crimea crisis, relations between Russia and the US and the Europe have become increasingly intense. The intensified sanctions imposed by the US and the EU have exerted negative impacts on Russia's economy, leading to the continuous fall in financial center ranking of Moscow.

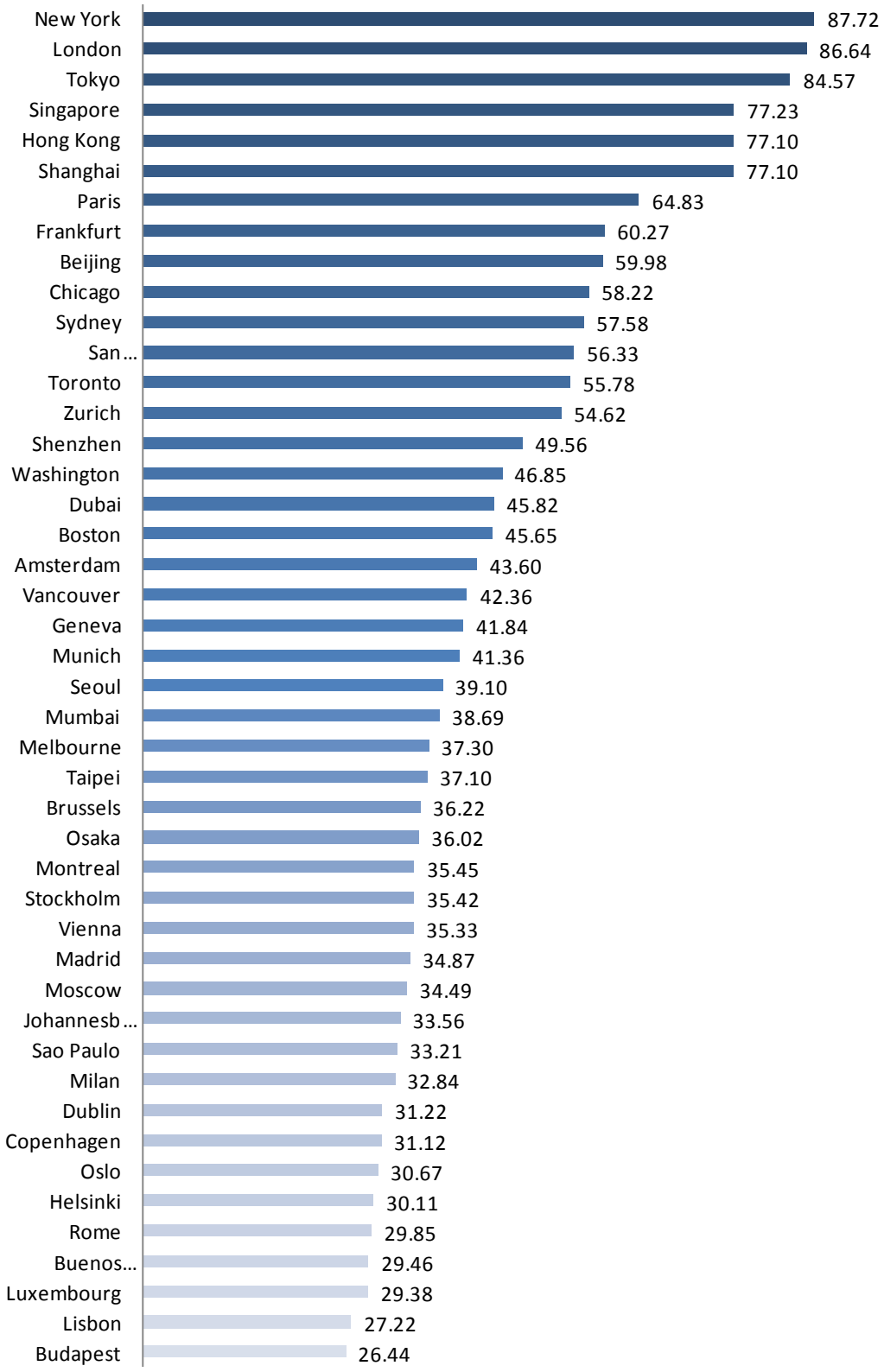



**Figure 5 Comprehensive evaluation result of IFCD Index 2014**

**(II) Factor Evaluation**

**1. Financial market**

The second-level indicators of the financial market include three sub-elements, including the capital market, the foreign exchange market, the banking and insurance market. Synthesizing evaluation results on the three sub-elements of the 45 international financial centers, we get the ranking of their power in financial market development. The top 10 cities are as follows (Table 3):

**Table 3 Top 10 cities in financial market**

| Ranking | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| 1 | New York | New York | New York | New York | London |
| 2 | London | London | London | London | New York |
| 3 | Tokyo | Tokyo | Tokyo | Tokyo | Tokyo |
| 4 | Hong Kong | Hong Kong | Hong Kong | Hong Kong | Hong Kong |
| 5 | Singapore | Singapore | Frankfurt | Paris | Paris |
| 6 | Shanghai | Shanghai | Shanghai | Frankfurt | Frankfurt |
| 7 | Paris | Paris | Singapore | Shanghai | Shanghai |
| 8 | Frankfurt | Frankfurt | Paris | Singapore | Singapore |
| 9 | Sydney | Chicago | Zurich | Beijing | Zurich |
| 10 | Zurich | Sydney | Chicago | Chicago | Washington |

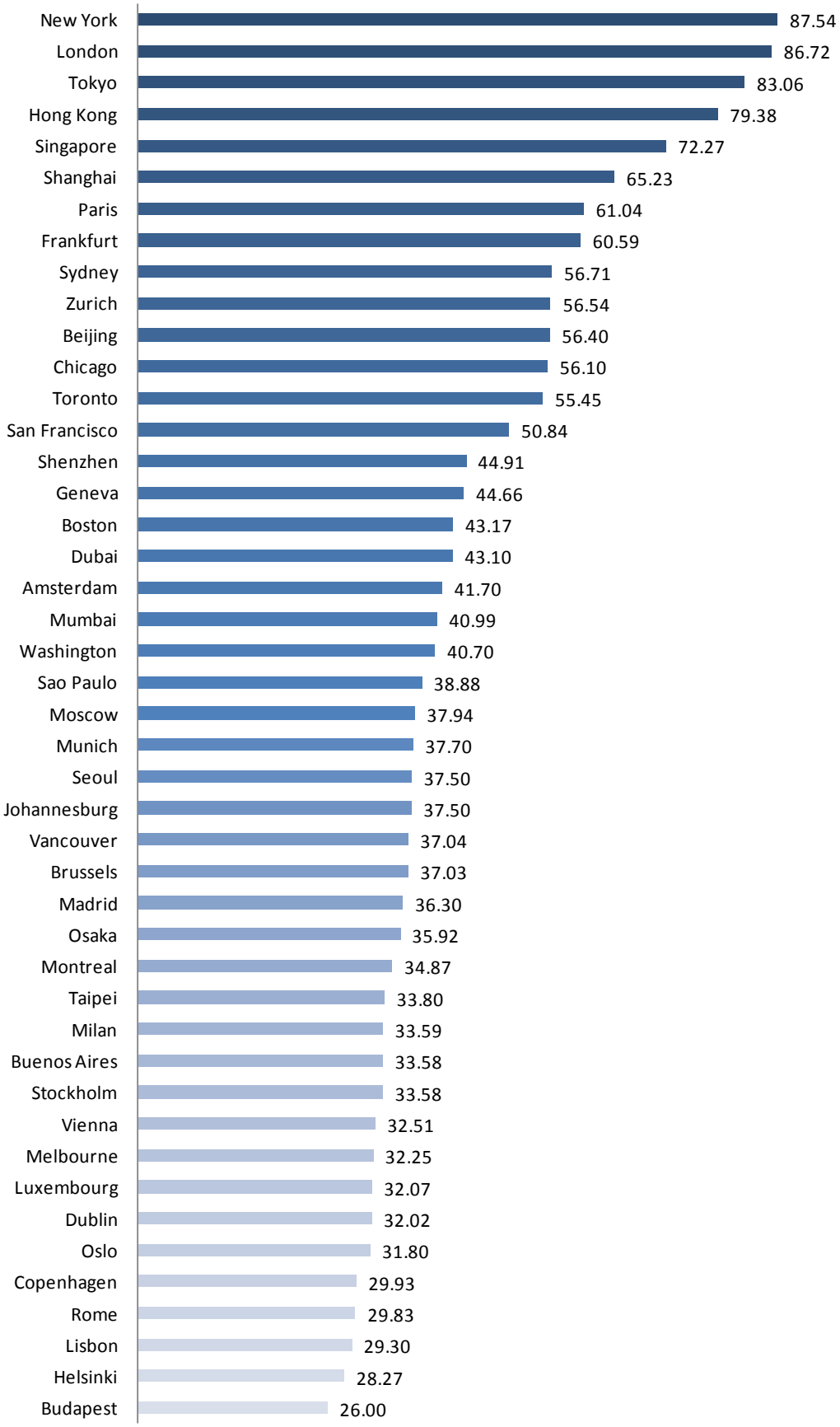



**Figure 6 The financial market ranking of IFCD Index 2014**

The year of 2014 witnesses the following features in terms of financial market element assessment:

First, the ranking of the financial market element is similar to that of the city's comprehensive index. In addition to different rankings in the ninth and tenth, the ranking of other cities is consistent. This characteristic has lasted for four years, showing that the perfection and development degree of the financial market are the first core element for development of the financial center.

Secondly, among the top ten cities by the ranking of financial market factor, five cities including Tokyo, Hong Kong, Singapore, Shanghai, Sydney are located in the Asia Pacific region, indicating that position of the Asia Pacific region is becoming stable.

Thirdly, from the ranking volatility of the financial market factor, cities with big fluctuations are Moscow, Osaka, Taipei, Vancouver and Luxembourg. Specifically, Moscow, Taipei and Oslo are in the upward channel, while Osaka, Vancouver, Luxembourg, Chicago and Dubai are in the downward channel.

**Table 4 Cities with bigger change of positions in ranking of financial market**

| City | 2014 | 2013 | Change of position | ABS of change |
|---|---|---|---|---|
| Moscow | 23 | 30 | 7 | 7 |
| Osaka | 30 | 24 | - 6 | 6 |
| Taipei | 32 | 36 | 4 | 4 |
| Vancouver | 27 | 23 | - 4 | 4 |
| Luxembourg | 38 | 34 | - 4 | 4 |
| Oslo | 40 | 43 | 3 | 3 |
| Chicago | 12 | 9 | - 3 | 3 |
| Dubai | 18 | 15 | - 3 | 3 |

## 2. Growth and development

The growth and development indicator contains three sub-elements, namely, capital market growth, economic growth, and innovation growth. Synthesizing the evaluation results on the three sub-elements of the 45 international financial centers we get the ranking of their importance in growth and development. The top 10 cities are shown in Table 5:

**Table 5 Top 10 cities in growth and development**

| Ranking | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| 1 | Shanghai | Shanghai | Shanghai | Shanghai | Shanghai |
| 2 | Tokyo | Hong Kong | New York | Hong Kong | Hong Kong |
| 3 | Singapore | London | London | Tokyo | Beijing |
| 4 | New York | New York | Hong Kong | New York | New York |
| 5 | London | Singapore | Beijing | Singapore | Tokyo |
| 6 | Hong Kong | Beijing | Tokyo | Beijing | London |
| 7 | Beijing | Tokyo | Singapore | London | Singapore |
| 8 | Shenzhen | Shenzhen | Shenzhen | Dubai | Dubai |
| 9 | Paris | Paris | Paris | Seoul | Paris |
| 10 | Dubai | Dubai | Frankfurt | Shenzhen | Shenzhen |

In 2014, the ranking of growth and development factor shows the following characteristics:

On the one hand, Shanghai has ranked the first for four consecutive years and remained a financial center city with the most growth potential in the Asia Pacific region. Tokyo and Singapore have grown fast and ranked the second and the third, respectively. The growth rankings of Beijing and Shenzhen are also in front, while London and Hong Kong have seen a slowdown in growth, ranking the fifth and sixth, respectively.

On the other hand, from the perspective of fluctuations of growth factor ranking cities, cities in the Europe, emerging economies and Asia have seen the bigger fluctuations. Specifically, European cities such as Stockholm, Geneva, Copenhagen, Brussels, Helsinki, Amsterdam, and Luxembourg have seen a sharp fall in rankings, while cities from the emerging economies, such as Buenos Aires and Johannesburg, and cities from the Asia-Pacific region, like Taipei, Osaka and Tokyo have seen strong growth momentum.

**Table 6 Cities with bigger changes of position in ranking of growth and development**

| City | 2014 | 2013 | Change of position | ABS of change |
|---|---|---|---|---|
| Buenos Aires | 23 | 43 | 20 | 20 |
| Taipei | 19 | 32 | 13 | 13 |
| Osaka | 32 | 44 | 12 | 12 |
| Stockholm | 39 | 28 | -11 | 11 |
| Geneva | 28 | 18 | -10 | 10 |
| Johannesburg | 22 | 30 | 8 | 8 |
| Copenhagen | 41 | 33 | -8 | 8 |
| Brussels | 33 | 26 | -7 | 7 |
| Helsinki | 43 | 36 | -7 | 7 |
| Montreal | 35 | 29 | -6 | 6 |
| Amsterdam | 27 | 22 | -5 | 5 |
| Budapest | 40 | 45 | 5 | 5 |
| Tokyo | 2 | 7 | 5 | 5 |
| Luxembourg | 45 | 40 | -5 | 5 |
| Moscow | 29 | 25 | -4 | 4 |
| Hong Kong | 6 | 2 | -4 | 4 |
| Vienna | 31 | 35 | 4 | 4 |
| Frankfurt | 12 | 15 | 3 | 3 |

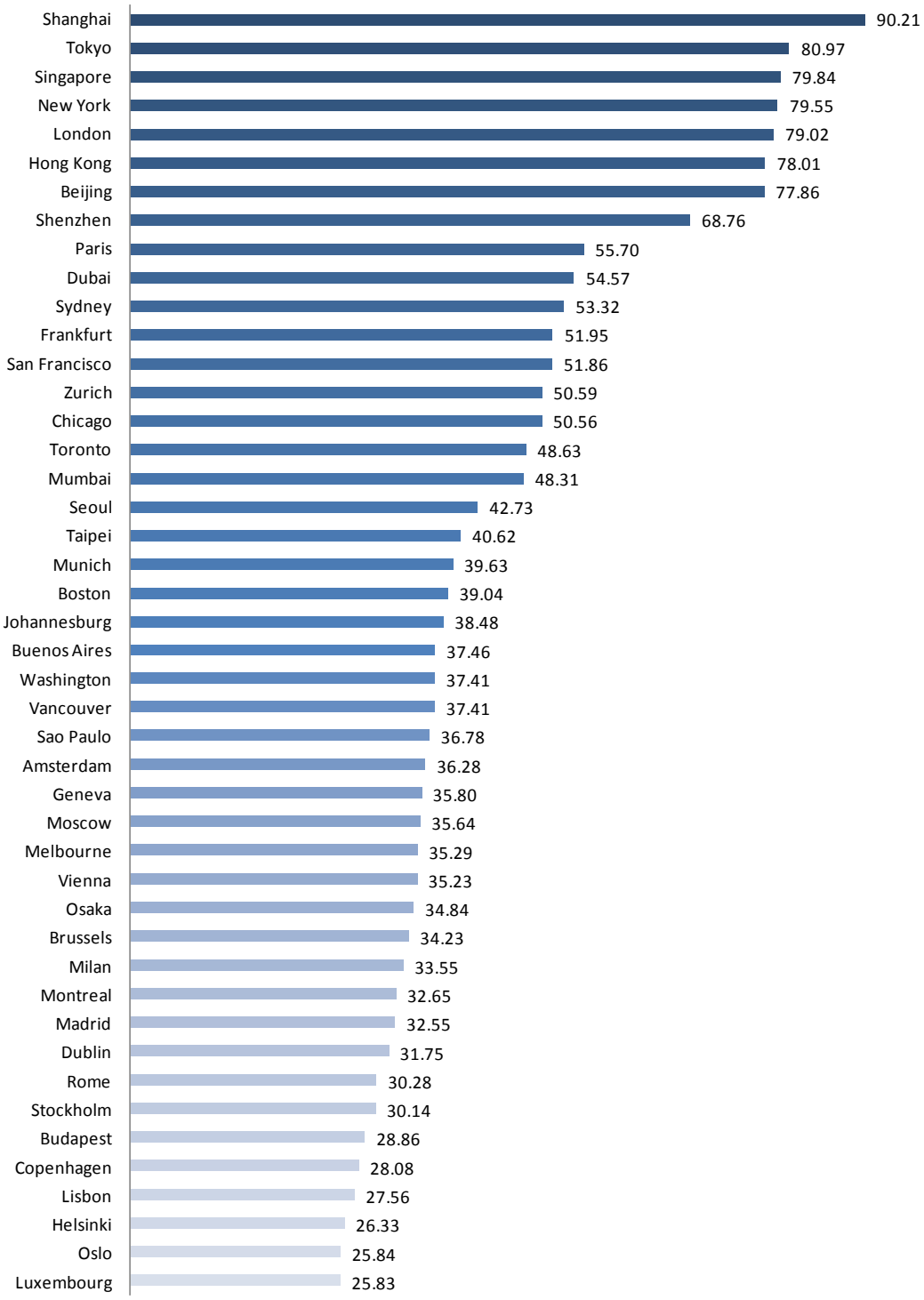



**Figure 7 The growth and development ranking of IFCD Index 2014**

### 3. Industrial support

The indicator of industrial support has three sub-elements, including industrial relationship, industrial talents and industrial climate. Synthesizing the evaluation results on the three sub-elements of the 45 international financial centers, we get the ranking of their industrial support capability. The top 10 cities are shown in Table 7:

**Table 7 Top 10 cities with strongest industrial support**

| Ranking | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| 1 | New York | New York | New York | New York | New York |
| 2 | London | London | London | Tokyo | Tokyo |
| 3 | Tokyo | Tokyo | Tokyo | London | London |
| 4 | Hong Kong | Hong Kong | Shanghai | Hong Kong | Hong Kong |
| 5 | Shanghai | Shanghai | Hong Kong | Singapore | Singapore |
| 6 | Singapore | Singapore | Singapore | Shanghai | Paris |
| 7 | Paris | Beijing | Frankfurt | Paris | Shanghai |
| 8 | Beijing | Paris | Beijing | Frankfurt | Frankfurt |
| 9 | Chicago | Chicago | Paris | Beijing | Beijing |
| 10 | Frankfurt | Frankfurt | Chicago | Chicago | Dubai |

The 2013 industrial support indicator assessments demonstrate the following features:

On the one hand, the top ten financial center cities have continued their positions in the ranking list of industrial support and basically remained unchanged. Paris has overtaken Beijing again and ranked the seventh.

On the other hand, from the perspective of the fluctuations of industrial support ranking, cities from the Europe and Asia-Pacific region have shown obvious fluctuations. Specifically, European cities such as Geneva, Luxembourg, Milan, Dublin and Madrid have seen an increase in rankings. Reasons behind the increase are that their industrial support has become strong with persistent reform in labor market and structure of product market, which has helped the European economy escape the downturn and achieve the economic recovery.

**Table 8 Cities with bigger changes of position in ranking of industrial support**

| City | 2014 | 2013 | Change of position | ABS of change |
|---|---|---|---|---|
| Dubai | 24 | 16 | -8 | 8 |
| Taipei | 33 | 26 | -7 | 7 |
| Geneva | 23 | 28 | 5 | 5 |
| Luxembourg | 44 | 40 | -4 | 4 |
| Milan | 26 | 29 | 3 | 3 |
| Dublin | 36 | 39 | 3 | 3 |
| Vancouver | 21 | 24 | 3 | 3 |
| Johannesburg | 37 | 34 | -3 | 3 |
| Shenzhen | 17 | 14 | -3 | 3 |
| Madrid | 28 | 25 | -3 | 3 |

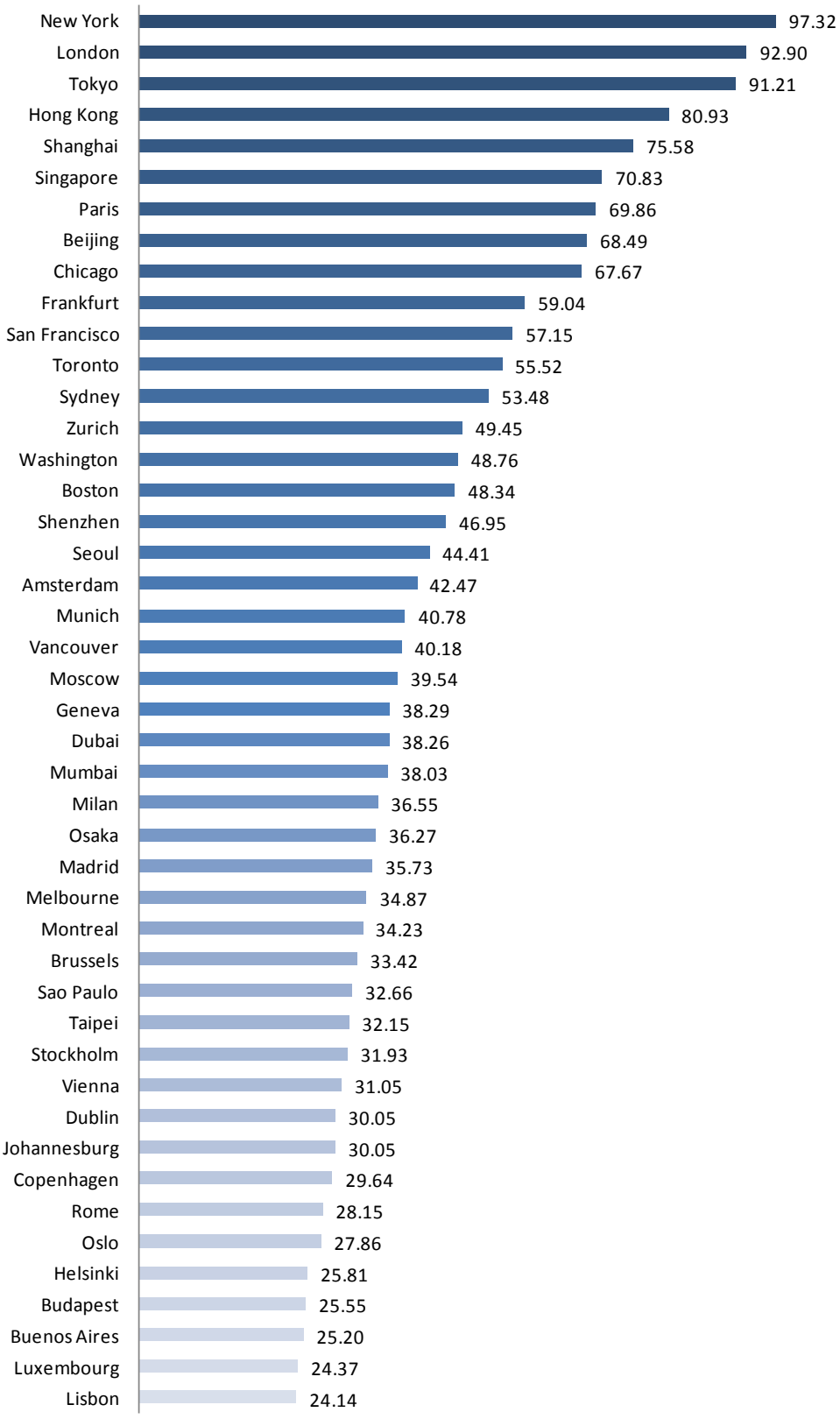



**Figure 8 The Industrial Support Ranking of IFCD Index 2014**

**4. Service level**

The indicator of service level has two elements, including social management, and working and life. Synthesizing the evaluation results on the sub-elements of the 45 international financial centers, we get the ranking of their service level. The top 10 cities are shown in Table 9:

**Table 9 Top 10 cities with highest service level**

| Ranking | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| 1 | New York | New York | New York | New York | London |
| 2 | London | London | London | London | New York |
| 3 | Hong Kong | Tokyo | Tokyo | Tokyo | Tokyo |
| 4 | Tokyo | Hong Kong | Hong Kong | Hong Kong | Paris |
| 5 | Singapore | Singapore | Paris | Paris | Hong Kong |
| 6 | Shanghai | Paris | Singapore | Singapore | Singapore |
| 7 | Paris | Zurich | Frankfurt | Shanghai | Zurich |
| 8 | Frankfurt | Sydney | Zurich | Frankfurt | Washington |
| 9 | Chicago | Frankfurt | Chicago | Geneva | Geneva |
| 10 | Sydney | Chicago | Sydney | Zurich | Sydney |

The 2014 service level indicator assessments show the following features:

On the one hand, with the continuous progress of the times, absolutely dominant position of developed economies in the service level has faded. Shanghai has broken the ranking of the past four years and jumped to the sixth.

On the other hand, from the perspective of fluctuations of the service level ranking, cities with the big positive fluctuations are Mumbai, Seoul, Shanghai, Johannesburg, Shenzhen, Sao Paulo, Moscow, Rome and Beijing. Except for Seoul and Rome, the majority of cities belong to emerging cities. Despite lower ranking, these emerging cities have seen a rapid increase in service level.

**Table 10 Cities with bigger change of positions in ranking of service level**

| City | 2014 | 2013 | Change of position | ABS of change |
|---|---|---|---|---|
| Mumbai | 27 | 38 | 11 | 11 |
| Luxembourg | 40 | 30 | -10 | 10 |
| Seoul | 28 | 36 | 8 | 8 |
| Shanghai | 6 | 14 | 8 | 8 |
| Oslo | 42 | 34 | -8 | 8 |
| Johannesburg | 34 | 42 | 8 | 8 |
| Copenhagen | 37 | 29 | -8 | 8 |
| Brussels | 32 | 25 | -7 | 7 |
| Shenzhen | 21 | 27 | 6 | 6 |
| Dubai | 15 | 21 | 6 | 6 |
| Geneva | 22 | 16 | -6 | 6 |
| Zurich | 13 | 7 | -6 | 6 |
| Helsinki | 38 | 32 | -6 | 6 |
| Sao Paulo | 36 | 41 | 5 | 5 |
| Milan | 39 | 35 | -4 | 4 |
| Moscow | 33 | 37 | 4 | 4 |
| Rome | 35 | 39 | 4 | 4 |
| Dublin | 43 | 40 | -3 | 3 |
| Beijing | 16 | 19 | 3 | 3 |

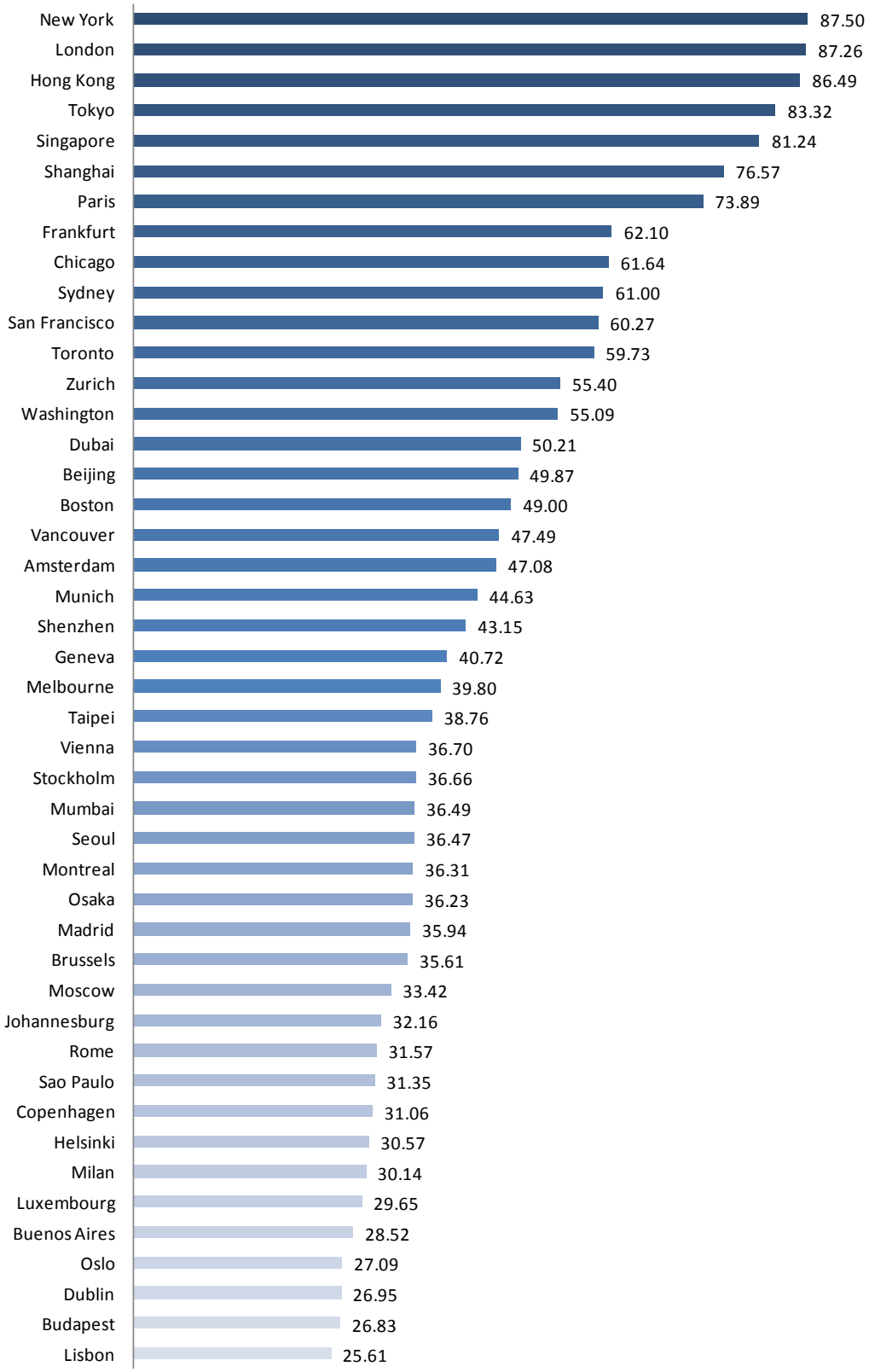



**Figure 9 The Service level Ranking of IFCD Index 2014**

### 5. General environment

The general environment indicator is composed of three sub-elements, including the economic environment, political environment, and social environment. Synthesizing the evaluation results on the sub-elements of the 45 international financial centers, we get the ranking of general environment. The top 10 cities are shown in Table 11:

**Table 11 Top 10 cities with most favorable general environment**

| Ranking | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| 1 | London | London | New York | London | London |
| 2 | New York | New York | London | New York | New York |
| 3 | Tokyo | Hong Kong | Hong Kong | Tokyo | Tokyo |
| 4 | Singapore | Tokyo | Frankfurt | Hong Kong | Hong Kong |
| 5 | Shanghai | Singapore | Tokyo | Paris | Paris |
| 6 | Frankfurt | Paris | Singapore | Singapore | Washington |
| 7 | Paris | Zurich | Zurich | Amsterdam | Singapore |
| 8 | Sydney | Frankfurt | Paris | Frankfurt | Sydney |
| 9 | San Francisco | Toronto | Geneva | Sydney | Zurich |
| 10 | Zurich | Sydney | Amsterdam | Geneva | Frankfurt |

The 2014 general environment indicator assessments demonstrate the following features:

On the one hand, general environmental ranking is similar with the ranking of service level. The outstanding political, economic, natural environment of financial centers of the traditional developed countries is an important factor for the development of their financial markets, such as good legal system, open attitude and market-oriented environment. In 2014, Shanghai has jumped to the fifth thanks to dividend policies, marking the first time for it to rank top ten in five years. By contrast, Hong Kong has failed to rank the top ten. In 2014, rankings of other top 10 cities are as the same as those in the last four years and relatively stable.

On the other hand, from the perspective of fluctuations of general environment ranking, cities in Asia-Pacific region have shown a positive trend, of which Shenzhen, Shanghai, Beijing and Dubai have seen a big increase in rankings. By contrast, the European cities have shown a negative trend, of which Moscow, Copenhagen, Brussels, Madrid, Zurich and Geneva have seen a fall in rankings.

**Table 12 Cities with bigger changes of position in ranking of general environment**

| City | 2014 | 2013 | Change of position | ABS of change |
|---|---|---|---|---|
| Shenzhen | 23 | 31 | 8 | 8 |
| Shanghai | 5 | 13 | 8 | 8 |
| Moscow | 43 | 35 | -8 | 8 |
| Hong Kong | 11 | 3 | -8 | 8 |
| Beijing | 19 | 26 | 7 | 7 |
| Copenhagen | 31 | 25 | -6 | 6 |
| Dubai | 24 | 30 | 6 | 6 |
| Montreal | 30 | 24 | -6 | 6 |
| Brussels | 27 | 22 | -5 | 5 |
| Madrid | 36 | 32 | -4 | 4 |
| Zurich | 10 | 7 | -3 | 3 |
| Geneva | 17 | 14 | -3 | 3 |
| Luxembourg | 34 | 37 | 3 | 3 |
| Toronto | 12 | 9 | -3 | 3 |

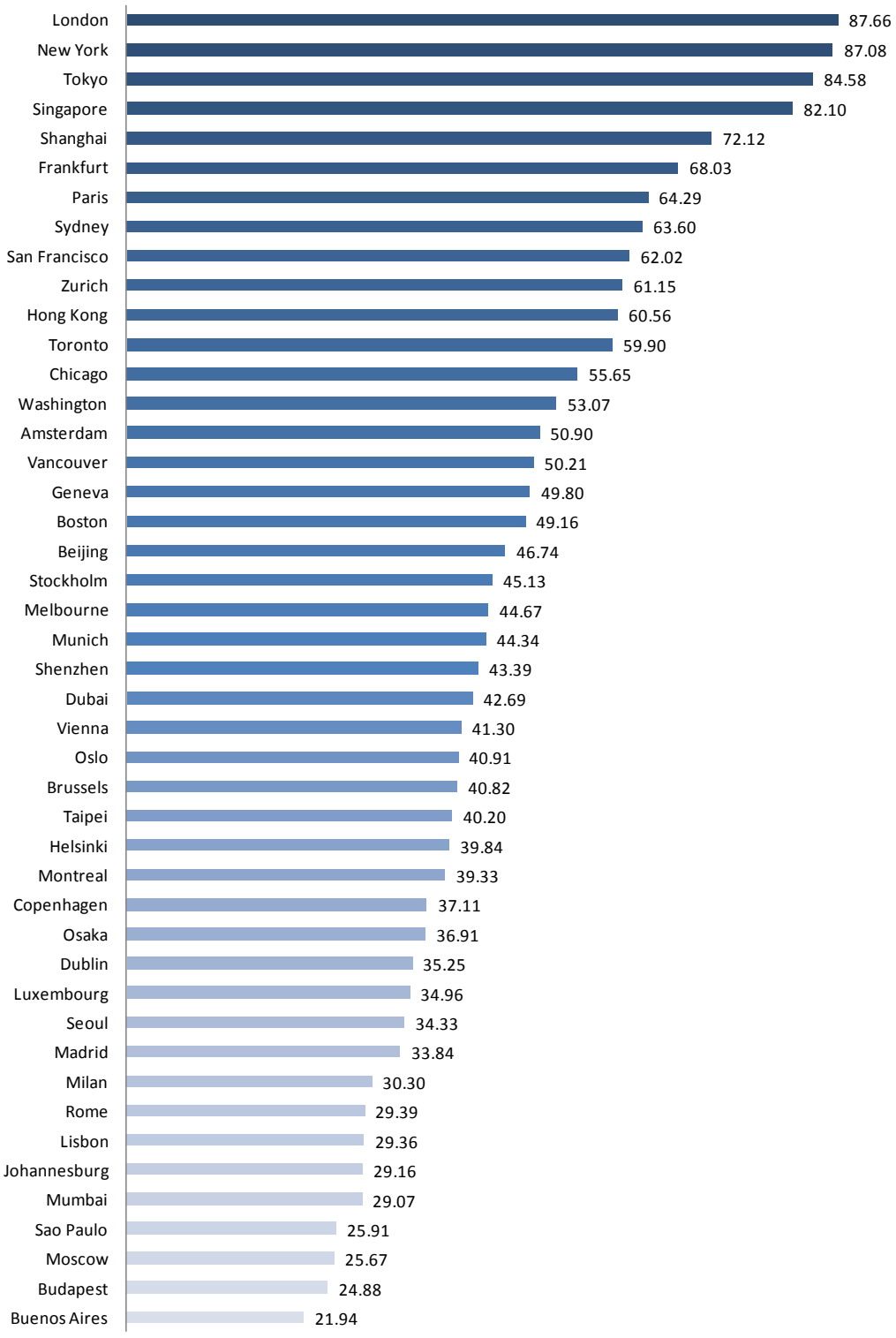



**Figure 10 The General Environment Ranking of IFCD Index 2014**

# III. Analysis of Global Financial Centers based on Geographic Distribution

The globally geographic distribution of 45 sample cities for the IFCD Index 2014 is shown in Table 13. According to the table, the Europe has the biggest number of financial centers, followed by the Asia-Pacific region and Africa. The American continent has ten cities listed here, with eight coming from North America. Judging from the 2014 ranking, five cities from the Asia-Pacific region and Africa have been listed in the top ten, which means their collective strength is stabilizing and rising.

**Table 13 Global distribution of cities under assessment**

| Region | Cities involved | Top 10 cities in 2014 | Top 10 cities in 2013 | Top 10 cities in 2012 | Top 10 cities in 2011 |
|---|---|---|---|---|---|
| America | 10 | New York(1) | New York(1) | New York(1) | New York(1) |
| | | Chicago(10) | Chicago(9) | Chicago(10) | |
| Europe | 21 | London(2) | London(2) | London(2) | London(2) |
| | | Paris(7) | Paris(7) | Frankfurt(7) | Paris(7) |
| | | Frankfurt(8) | Frankfurt(8) | Paris(8) | Frankfurt(8) |
| | | | | Zurich(9) | Amsterdam(10) |
| Asia Pacific and Africa | 14 | Tokyo(3) | Hong Kong(3) | Tokyo(3) | Tokyo(3) |
| | | Singapore(4) | Tokyo(4) | Hong Kong(4) | Hong Kong(4) |
| | | Hong Kong (5) | Singapore(5) | Singapore(5) | Singapore(5) |
| | | Shanghai(5) | Shanghai(6) | Shanghai(6) | Shanghai(6) |
| | | Beijing(9) | Sydney(10) | | Sydney(9) |

## (I)Regional Distribution Evaluation

### *1. Assessment on top five cities in each continent*

In 2014, the top five financial centers in the American continent are New York, Chicago, San Francisco, Toronto and Washington.

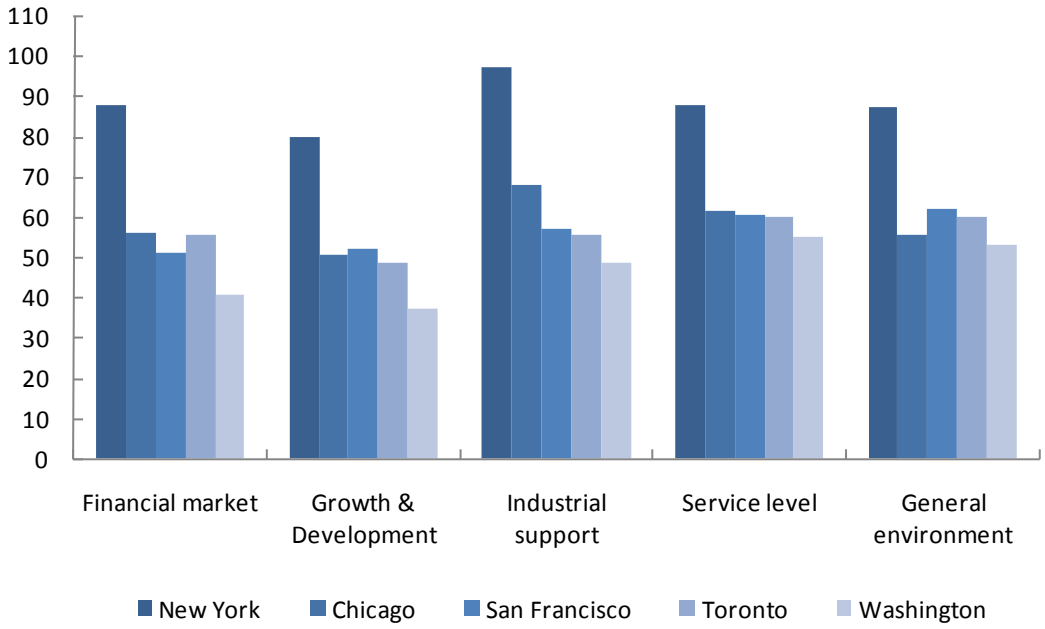



**Figure 11 Indicator Scores Comparisons of the Top Five American Cities**

Group of the financial centers in America is the steadiest one in our list and the base of its stability comes from support of the world's top economies led by the US. In today's world, the US is still one of the most powerful players directing the global economy. In 2014, the US economy has continued recovering with persistent rise in asset prices, fall in leverage ratio and increasing strength for growth of its real economy. The economic growth in the US has accelerated significantly.

In 2014, the top five financial centers in the Europe are London, Paris, Frankfurt, Zurich and Amsterdam.

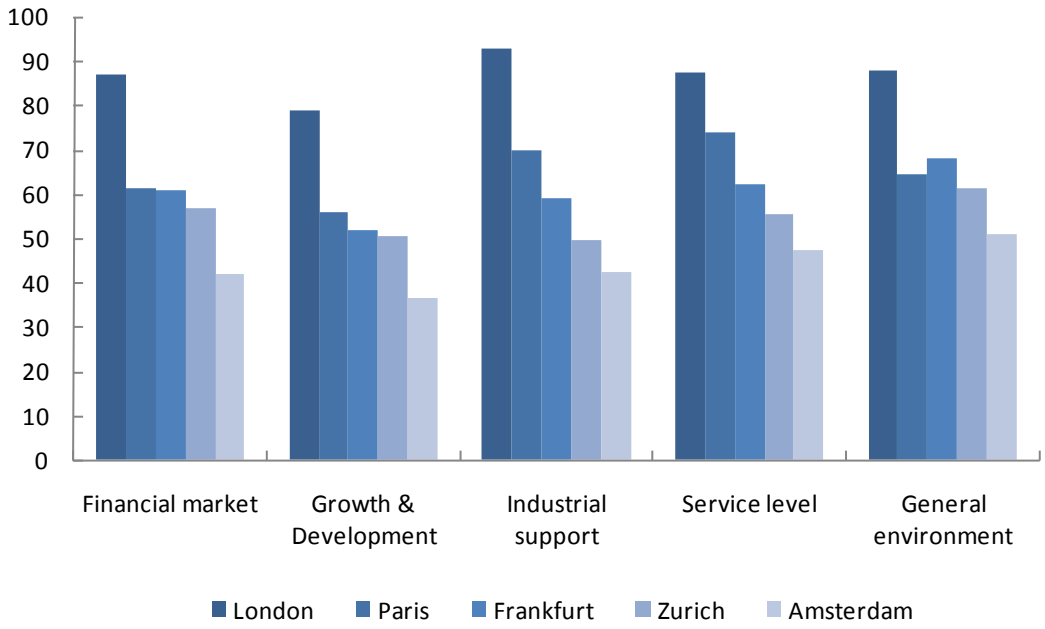



**Figure 12 Indicator Scores Comparisons of the Top Five European Cities**

With its traditional and old image, Europe's financial hubs are birthplace of the modern financial centers. According to the latest forecast results released by Institute of World Economics and Politics under Chinese Academy of Social Sciences, the EU's GDP growth will rise to 0.9 percent in 2014 from the negative 0.3 percent in 2013, representing a 1.2 percentage points higher. The European economy has gradually bottomed out, showing signs of economic recovery. It is ascribed to the improvement in the whole financial market. Specifically, the continuous improvement in financial market environment has driven up asset prices. The effect of wealth growth has stabilized enterprise confidence in core countries and surrounding countries, which has further pushed up investments and stimulated personal consumption. In addition, European governments have slowed the pace of deficit reduction and the deficit scale/GDP has fallen by 0.5 percentage points to 0.5 percent.

In 2014, the top five financial centers in the Asia-Pacific region are Hong Kong, Tokyo, Singapore, Shanghai and Beijing.

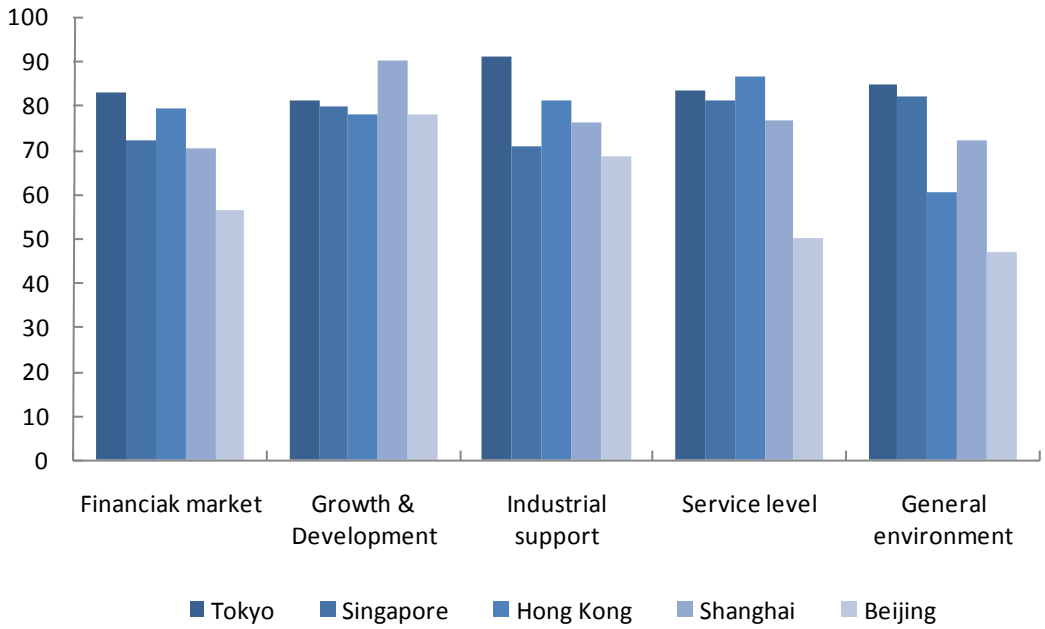



**Figure 13 Indicator Scores Comparisons of the Top Five Asian Cities**

Financial centers in Asia-Pacific region are powerful forces in shaping the world's financial pattern. Economies in these regions are highly complementary, with underlying growth potential and broad markets. All the basic elements have supported the rapid expansion of cities here. Especially, the reform and industrial upgrade led by China has played a big role in promoting development of this region.

### *2. Ranking of top ten financial center cities of each continent assessed by factors*

Assessed by specific indicators, financial center cities in each continent have shown following characteristics:

Firstly, distribution of financial centers of each continent is generally balanced and the ranking based on financial factors has basically taken shape. There are small changes in rankings of several cities.

Secondly, from the perspective of financial market and development and growth, and industrial support, in 2014, financial centers in Asia-Pacific region have outperformed and the region has seen an increase in the number of top ten cities. In particular, in the aspect of growth and development, the ranking has continued the pattern for 2013 and seven out of top ten cities are from the Asia-Pacific region.

Thirdly, in terms of service level and general environment, financial centers in Asia-Pacific region remained close to their rivals in America and Europe. In particular, rankings of Tokyo and Singapore are relatively stable. It is worth noting that Shanghai has advanced a lot in terms of the service level with the sixth position.

Fourthly, among the 45 sample cities, there are 14, 21, and ten cities from the Asia-Pacific and others, Europe and America, respectively. However, from results of top ten financial center cities of each continent assessed by factors, Asia-Pacific and others have more international financial center cities than the Europe and America. Reasons behind

the phenomenon is that the distribution pattern of the old international financial center cities in the Europe and America has already been formed and it is hard for other cities to catch up, indicating a monopoly. However, for international financial centers in Asia and other emerging economies, they are advancing side by side with broad development prospect.

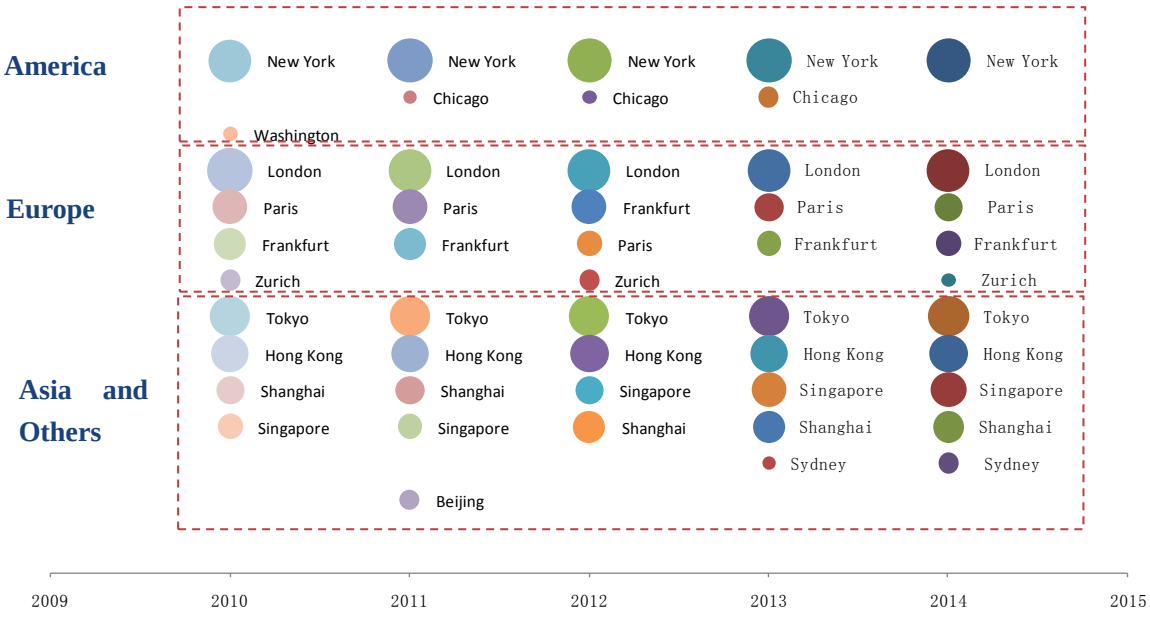
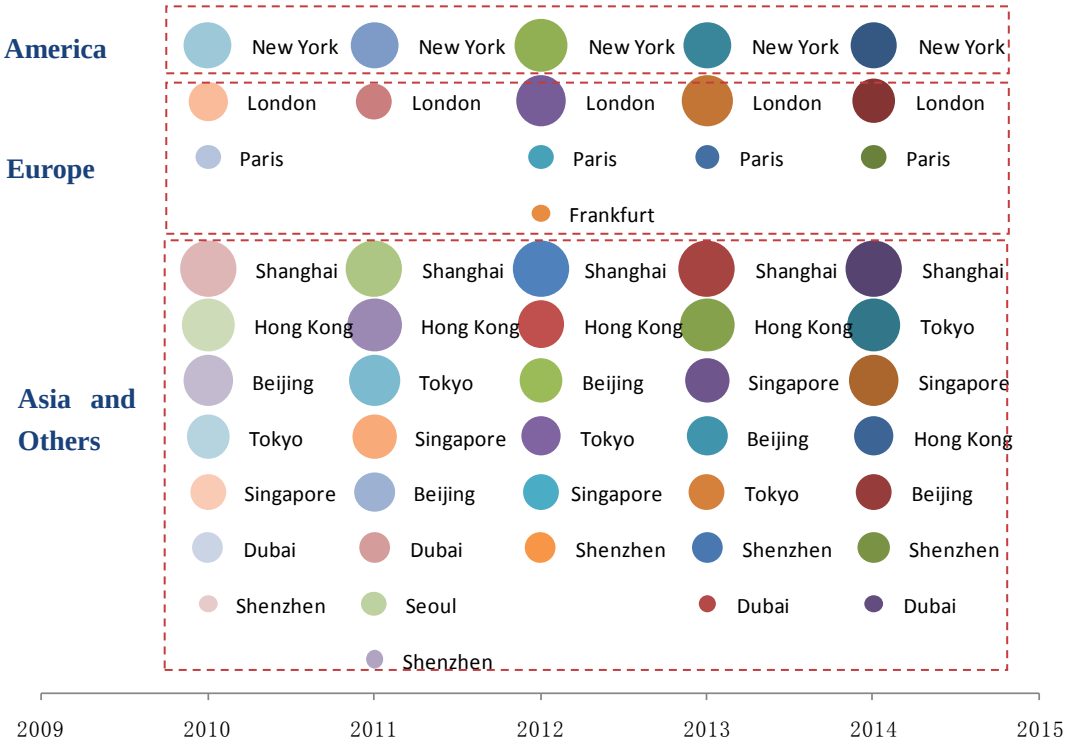
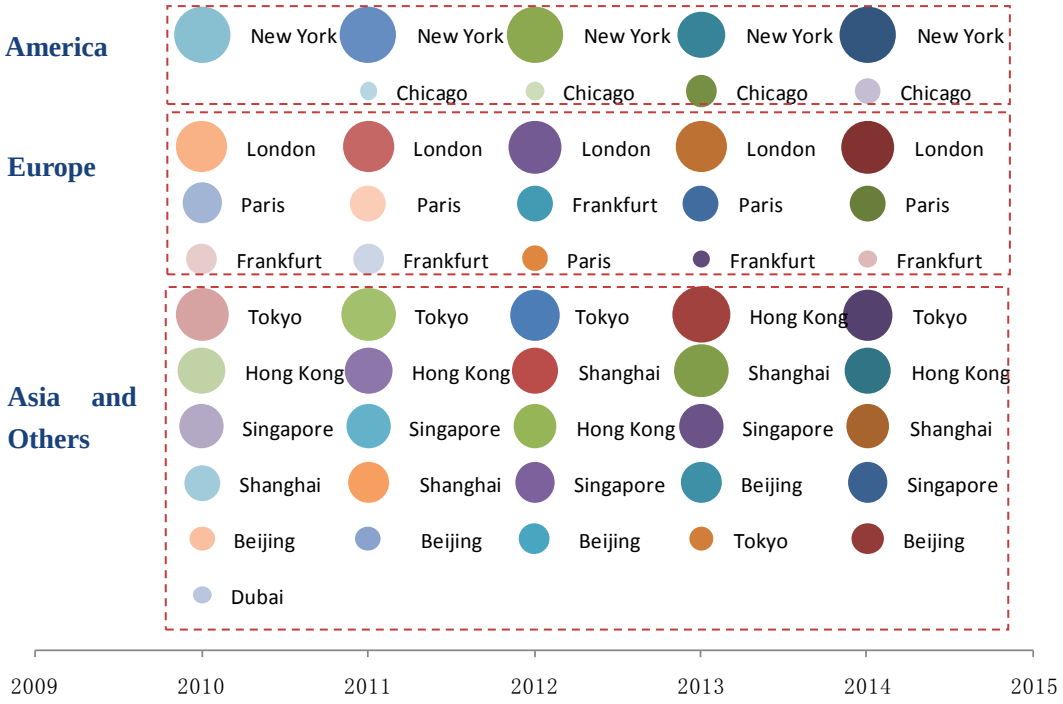



**Figure 14 Financial market top 10 cities**



## Figure 15 Growth and development top 10 cities




## Figure 16 Industrial support top 10 cities

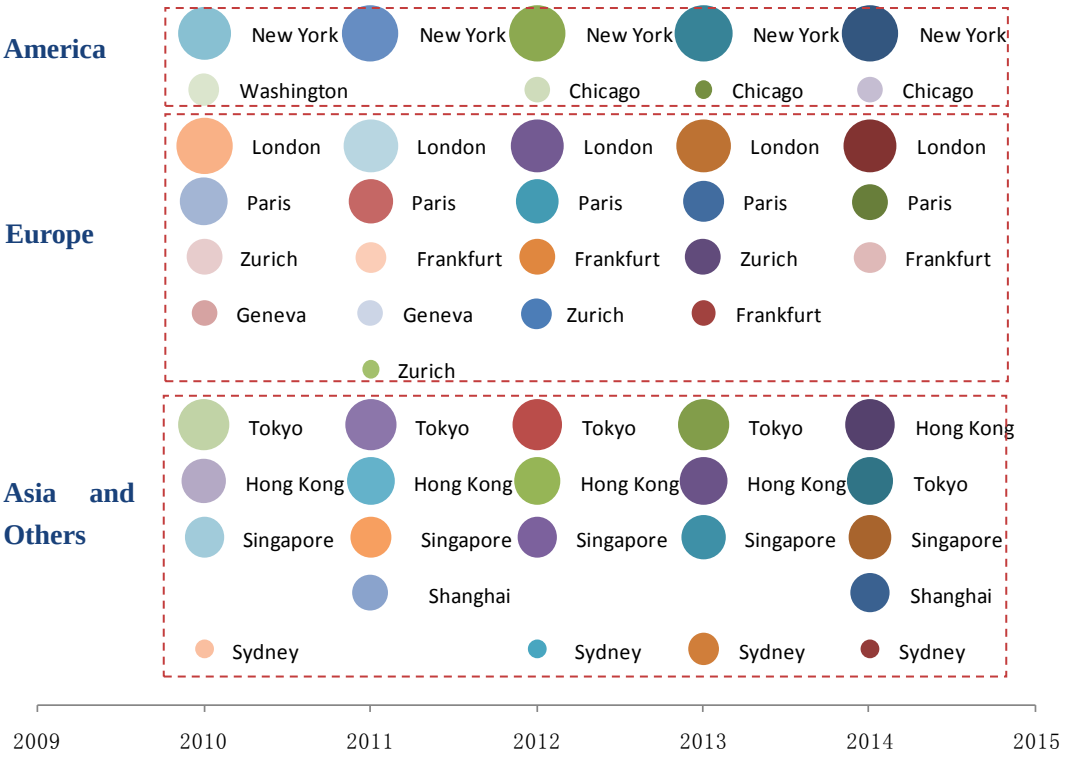


**Figure 17 Service level top 10 cities**

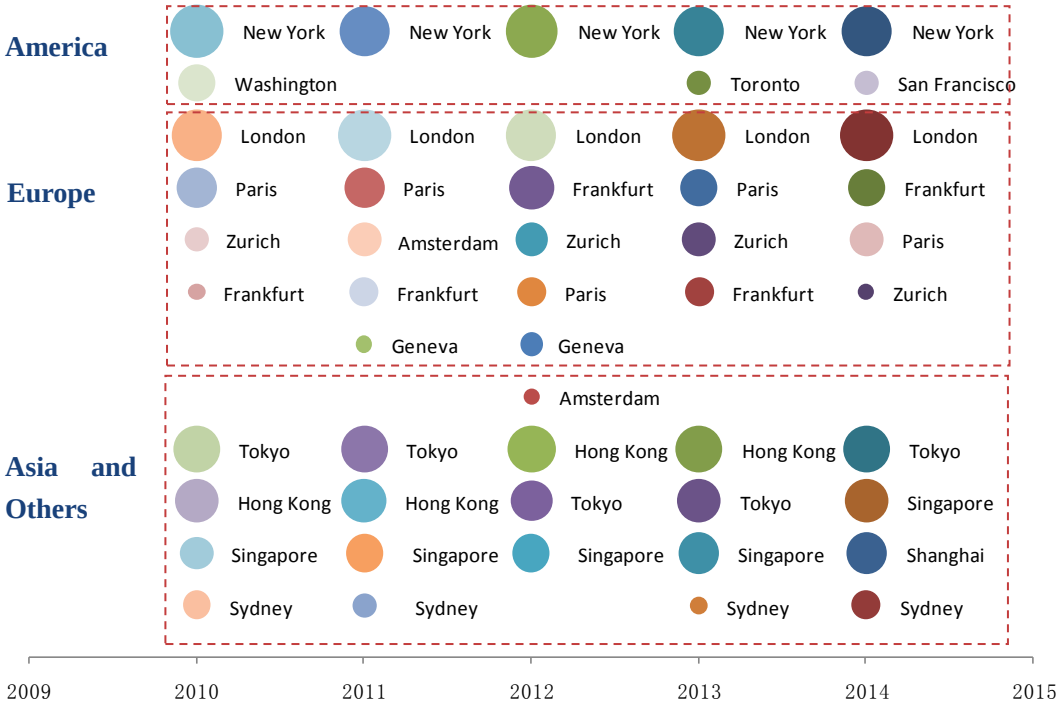



**Figure 18 General environment top 10 cities**

**(II) Evaluations of interviewees**

In process of producing the IFCD Index, We take advantage of the global information collection system of Xinhua News Agency to make subjective surveys on global financial and related professionals located in financial centers and the survey results are used for assessments of the comprehensive strength of international financial centers. Meanwhile, we deeply dig law of the data so as to obtain some more objective evaluations of respondents on sub-indicators of international financial centers.

**Table 14 Continents of questionnaires' respondents**

| Region | Sample amount | Proportion (%) |
|---|---|---|
| America | 1,860 | 28.15 |
| Europe | 2,130 | 32.24 |
| Asia Pacific and Africa | 2,617 | 39.61 |
| Total | 6,607 | 100.00 |

In 2014, the Xinhua news agency global information collection system has obtained 6,607 valid questionnaires. The sample distribution is balanced as a whole, including 1,860 from America, 2,130 from Europe and 2,617 from Asia-Pacific region and Africa.

**1. Financial market**

According to surveys, apart from New York, London, Hong Kong and Singapore, European respondents don't think there are more commendable developed financial markets in America and Asia-Pacific region. To the contrary, American respondents believe that cities like Shanghai and Beijing own financial markets which can rank the top 20. Interviewees from Asia-Pacific region and Africa have considered cities like New York, Hong Kong, London, Tokyo and Paris as the famous financial center cities in the world. In addition, they tend to give high scores to emerging cities like Mumbai and Taipei.

**Table 15 Valuations of financial markets by respondents from various regions**

| Ranking | America | | Europe | | Asia Pacific and Africa | |
|---|---|---|---|---|---|---|
| | City | Ratio | City | Ratio | City | Ratio |
| 1 | New York | 39.52 | London | 30.05 | New York | 36.76 |
| 2 | Toronto | 18.60 | New York | 24.41 | Hong Kong | 30.38 |
| 3 | London | 16.45 | Frankfurt | 15.40 | London | 28.09 |
| 4 | Chicago | 13.01 | Zurich | 10.42 | Singapore | 21.40 |
| 5 | San Francisco | 11.45 | Paris | 10.33 | Tokyo | 20.90 |
| 6 | Tokyo | 10.27 | Tokyo | 8.92 | Shanghai | 16.32 |
| 7 | Boston | 10.11 | Hong Kong | 7.93 | Sydney | 13.14 |
| 8 | Washington | 9.46 | Brussels | 6.53 | Beijing | 10.36 |
| 9 | Hong Kong | 8.71 | Geneva | 5.92 | Dubai | 8.56 |
| 10 | Vancouver | 7.15 | Amsterdam | 4.98 | Melbourne | 8.37 |
| 11 | Montreal | 6.02 | Milan | 4.88 | Washington | 7.91 |
| 12 | Paris | 5.75 | Singapore | 4.46 | Paris | 6.92 |
| 13 | Shanghai | 4.35 | Stockholm | 4.37 | Mumbai | 6.50 |
| 14 | Sao Paulo | 4.30 | Madrid | 4.04 | Taipei | 5.85 |
| 15 | Zurich | 4.09 | Luxembourg | 3.90 | Chicago | 5.73 |
| 16 | Beijing | 3.98 | Munich | 3.90 | Zurich | 5.35 |
| 17 | Singapore | 3.87 | Rome | 3.33 | Frankfurt | 5.20 |
| 18 | Frankfurt | 3.66 | Washington | 3.24 | Seoul | 5.16 |
| 19 | Geneva | 3.39 | Moscow | 3.19 | Shenzhen | 5.08 |
| 20 | Sydney | 2.85 | Dublin | 2.96 | San Francisco | 4.89 |

*Note: 1、The city in cell is European city, in cell is American city, in cell is the Asia Pacific or African city. Tables from 15 to 19 are showed in the same way; 2、The "Proportion" in the table is the ratio of the number of respondents who believe the city is outstanding to the total number of respondents in each continent. The proportions in the table from 15 to 19 are calculated in the same way.*

**2. Growth and development**

Interviewees from the three regions have given high scores to financial centers in Asia-Pacific region in terms of the growth and development indicator. In 2014, ranking of the indicator among sample cities continue the pattern of 2013. Respondents in the Europe and America have still selected Beijing, Dubai and Shanghai to the list of top 20 in terms of growth and development; while those from the Asia-Pacific region and Africa still put New York and London in the top five positions.

**Table 16 Valuations of growth and development by respondents from various regions**

| Ranking | America | | Europe | | Asia Pacific and Africa | |
|---|---|---|---|---|---|---|
| | City | Ratio | City | Ratio | City | Ratio |
| 1 | New York | 36.02 | London | 20.33 | Shanghai | 29.35 |
| 2 | Toronto | 14.73 | New York | 17.18 | Hong Kong | 24.30 |
| 3 | London | 13.12 | Frankfurt | 10.19 | New York | 23.08 |
| 4 | Chicago | 11.77 | Hong Kong | 9.25 | Singapore | 20.06 |
| 5 | San Francisco | 11.08 | Tokyo | 7.61 | London | 16.35 |
| 6 | Hong Kong | 9.52 | Zurich | 7.28 | Tokyo | 15.28 |
| 7 | Boston | 9.46 | Paris | 7.23 | Beijing | 14.75 |
| 8 | Tokyo | 9.14 | Singapore | 5.12 | Sydney | 11.23 |
| 9 | Washington | 8.92 | Brussels | 4.60 | Dubai | 10.85 |
| 10 | Vancouver | 6.34 | Amsterdam | 4.13 | Shenzhen | 10.20 |
| 11 | Beijing | 5.65 | Geneva | 3.71 | Mumbai | 8.22 |
| 12 | Montreal | 5.22 | Munich | 3.52 | Melbourne | 7.68 |
| 13 | Shanghai | 5.11 | Beijing | 3.47 | Seoul | 6.27 |
| 14 | Sao Paulo | 4.78 | Stockholm | 3.38 | Taipei | 6.15 |
| 15 | Paris | 4.52 | Moscow | 3.29 | Washington | 5.69 |
| 16 | Singapore | 3.82 | Dubai | 3.24 | Paris | 5.12 |
| 17 | Dubai | 3.76 | Dublin | 3.19 | Chicago | 4.97 |
| 18 | Zurich | 3.49 | Shanghai | 3.15 | San Francisco | 4.93 |
| 19 | Buenos Aires | 2.85 | Milan | 3.00 | Zurich | 4.36 |
| 20 | Sydney | 2.58 | Madrid | 2.77 | Johannesburg | 4.13 |

*Note: 1、The city in cell is European city, in cell is American city, in cell is the Asia Pacific or African city; 2、The "Proportion" in the table is the ratio of the number of respondents who believe the city is outstanding to the total number of respondents in each continent.*

**3. Industrial support**

Ranking based on the indicator of industrial support is similar to that based on the growth and development. American and European interviewees have highly recognized financial centers in Asia-Pacific region, such as Tokyo, Hong Kong, Singapore, Beijing, Shanghai and Dubai, in terms of industrial support. European Interviewees think that of the top 20 cities with the better industrial support from America, only New York and Washington meet the standard. By comparison, American interviewees believe that European cities such as London, Paris, Zurich, Rome and Frankfurt have good industrial support.

**Table 17 Valuations of industrial support by respondents from various regions**

| Ranking | America | | Europe | | Asia Pacific and Africa | |
|---|---|---|---|---|---|---|
| | City | Ratio | City | Ratio | City | Ratio |
| 1 | New York | 35.59 | London | 20.19 | New York | 29.58 |
| 2 | Chicago | 16.13 | New York | 16.57 | Hong Kong | 23.65 |
| 3 | Toronto | 15.48 | Frankfurt | 12.11 | Tokyo | 22.54 |
| 4 | London | 13.92 | Tokyo | 8.26 | London | 20.94 |
| 5 | San Francisco | 12.26 | Zurich | 7.93 | Shanghai | 18.53 |
| 6 | Boston | 11.77 | Paris | 7.56 | Singapore | 17.62 |
| 7 | Washington | 10.38 | Hong Kong | 7.04 | Beijing | 12.30 |
| 8 | Tokyo | 10.05 | Amsterdam | 4.74 | Sydney | 11.43 |
| 9 | Hong Kong | 7.90 | Milan | 4.65 | Melbourne | 7.83 |
| 10 | Vancouver | 7.26 | Munich | 4.55 | Washington | 7.72 |
| 11 | Montreal | 5.97 | Brussels | 4.46 | Dubai | 7.72 |
| 12 | Paris | 5.54 | Geneva | 3.71 | Taipei | 7.34 |
| 13 | Beijing | 4.46 | Singapore | 3.71 | Paris | 7.11 |
| 14 | Shanghai | 4.14 | Madrid | 3.66 | Mumbai | 7.11 |
| 15 | Sao Paulo | 4.09 | Stockholm | 3.57 | Shenzhen | 6.53 |
| 16 | Singapore | 3.76 | Dublin | 3.29 | Chicago | 6.30 |
| 17 | Dubai | 3.01 | Beijing | 3.15 | Seoul | 6.27 |
| 18 | Zurich | 2.85 | Vienna | 2.86 | Frankfurt | 5.92 |
| 19 | Rome | 2.85 | Moscow | 2.39 | Osaka | 4.89 |
| 20 | Frankfurt | 2.80 | Washington | 2.39 | San Francisco | 4.51 |

*Note: 1、The city in cell is European city, in cell is American city, in cell is the Asia Pacific or African city; 2、The "Proportion" in the table is the ratio of the number of respondents who believe the city is outstanding to the total number of respondents in each continent.*

**4. Service Level**

American and European interviewees think the service level in Asia-Pacific region is not high. Compared with high scores for indicators of financial market, growth and development and industrial support, their recognition for Tokyo and Hong Kong in terms of services level has fallen. Shanghai with the high score in the growth and development fails to be selected in top 20 by European interviewees. In terms of service level, Beijing, Sydney and Shanghai are recognized by American interviewees and have ranked top 20.

**Table 18 Valuations of service standards by respondents from various regions**

| Ranking | America | | Europe | | Asia Pacific and Africa | |
|---|---|---|---|---|---|---|
| | City | Ratio | City | Ratio | City | Ratio |
| 1 | New York | 32.53 | London | 23.66 | New York | 30.91 |
| 2 | Toronto | 17.10 | New York | 14.84 | Hong Kong | 28.12 |
| 3 | London | 14.41 | Paris | 13.10 | Tokyo | 26.33 |
| 4 | San Francisco | 13.39 | Frankfurt | 11.97 | London | 24.99 |
| 5 | Chicago | 13.28 | Zurich | 9.11 | Singapore | 22.28 |
| 6 | Boston | 12.74 | Brussels | 5.92 | Sydney | 13.22 |
| 7 | Washington | 12.63 | Tokyo | 5.63 | Shanghai | 12.23 |
| 8 | Vancouver | 10.11 | Madrid | 5.59 | Melbourne | 9.55 |
| 9 | Tokyo | 8.60 | Amsterdam | 5.35 | Paris | 9.44 |
| 10 | Montreal | 7.63 | Munich | 4.88 | Washington | 9.44 |
| 11 | Paris | 6.45 | Geneva | 4.74 | Dubai | 9.29 |
| 12 | Hong Kong | 6.02 | Stockholm | 4.51 | Beijing | 8.79 |
| 13 | Frankfurt | 3.55 | Hong Kong | 4.13 | Taipei | 7.18 |
| 14 | Zurich | 3.44 | Vienna | 3.66 | Chicago | 5.88 |
| 15 | Beijing | 3.39 | Dublin | 3.47 | San Francisco | 5.27 |
| 16 | Buenos Aires | 3.28 | Milan | 3.43 | Zurich | 5.12 |
| 17 | Singapore | 3.23 | Sydney | 3.10 | Mumbai | 4.81 |
| 18 | Sao Paulo | 3.12 | Rome | 3.05 | Seoul | 4.78 |
| 19 | Sydney | 2.96 | Luxembourg | 2.91 | Osaka | 4.70 |
| 20 | Shanghai | 2.80 | Washington | 2.82 | Frankfurt | 4.66 |

*Note: 1、The city in cell is European city, in cell is American city, in cell is the Asia Pacific or African city; 2、The "Proportion" in the table is the ratio of the number of respondents who believe the city is outstanding to the total number of respondents in each continent.*

**5. General environment**

Ranking based on general environment is similar to that based on service level. American and European interviewees haven't given a better evaluation to the cities in Asia-Pacific region in terms of general environment. But they speak highly of capital cities, like Beijing, Tokyo and Sydney. As China's unique economic Freeport, Hong Kong is always selected in the top 20 thanks to its perfect infrastructure and environment.

**Table 19 Valuations of the country's general environment by respondents from various regions**

| Ranking | America | | Europe | | Asia Pacific and Africa | |
|---|---|---|---|---|---|---|
| | City | Ratio | City | Ratio | City | Ratio |
| 1 | New York | 32.10 | London | 23.38 | New York | 33.89 |
| 2 | Toronto | 16.24 | New York | 17.84 | Hong Kong | 26.79 |
| 3 | London | 14.35 | Frankfurt | 10.56 | London | 22.32 |
| 4 | San Francisco | 13.66 | Paris | 9.72 | Singapore | 17.58 |
| 5 | Washington | 12.42 | Zurich | 9.30 | Tokyo | 16.32 |
| 6 | Chicago | 11.02 | Brussels | 6.62 | Sydney | 12.80 |
| 7 | Boston | 9.95 | Amsterdam | 5.68 | Shanghai | 9.82 |
| 8 | Vancouver | 9.41 | Tokyo | 5.12 | Melbourne | 8.75 |
| 9 | Tokyo | 8.06 | Geneva | 4.65 | Paris | 8.71 |
| 10 | Paris | 6.24 | Hong Kong | 4.46 | Washington | 8.60 |
| 11 | Montreal | 5.27 | Madrid | 4.37 | Taipei | 6.73 |
| 12 | Hong Kong | 4.46 | Stockholm | 4.37 | Dubai | 6.61 |
| 13 | Sao Paulo | 3.17 | Vienna | 3.76 | Beijing | 6.15 |
| 14 | Zurich | 3.12 | Munich | 3.43 | Chicago | 5.62 |
| 15 | Geneva | 3.12 | Sydney | 3.24 | San Francisco | 5.58 |
| 16 | Frankfurt | 2.96 | Luxembourg | 3.19 | Shenzhen | 4.85 |
| 17 | Sydney | 2.90 | Copenhagen | 3.15 | Zurich | 4.70 |
| 18 | Buenos Aires | 2.85 | Dublin | 3.10 | Mumbai | 4.66 |
| 19 | Amsterdam | 2.80 | Washington | 3.00 | Frankfurt | 4.55 |
| 20 | Beijing | 2.63 | Milan | 2.68 | Seoul | 4.39 |

*Note: 1、The city in cell is European city, in cell is American city, in cell is the Asia Pacific or African city; 2、The "Proportion" in the table is the ratio of the number of respondents who believe the city is outstanding to the total number of respondents in each continent.*

# IV. Special Analysis on the Development of Financial Centers in BRICS Countries

## (I) Development confidence

Confidence analysis mainly investigates interviewees' confidence for the most representative cities in the BRICS countries to become international financial centers. Scores of 5 represents fully confident; 4 expresses somewhat confident; 3 represents neither; 2 represents not that confident; 1 represents no confidence at all.

**Table 20 Comparisons of Confidence Index of the Financial Centers in BRICS countries**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Shanghai | 3.02% | 8.70% | 20.39% | 43.08% | 24.81% | 3.78 | 1 | 1 | 1 | 1 |
| Sao Paulo | 6.23% | 20.20% | 35.05% | 28.01% | 10.52% | 3.16 | 2 | 3 | 2 | 3 |
| Mumbai | 9.02% | 21.30% | 31.26% | 27.21% | 11.22% | 3.10 | 3 | 5 | 3 | 2 |
| Johannesburg | 7.83% | 22.09% | 33.34% | 26.66% | 10.07% | 3.09 | 4 | 2 | 5 | 5 |
| Moscow | 7.81% | 21.41% | 34.49% | 27.07% | 9.22% | 3.09 | 5 | 4 | 4 | 4 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

Based on table 20, we can conclude that confidence scores given by the respondents for the BRICS countries have the following features:

Firstly, Shanghai still stands out this year, ranking the first and followed by Sao Paulo, Mumbai, Johannesburg, and Moscow. Compared with 2013 ranking, Mumbai is raising fastest, while Johannesburg and Moscow have seen a drop in rankings.

Secondly, there is a large confidence gap between Shanghai and other four cities. Shanghai is 0.62 higher than Johannesburg which has ranked the second and has small gap with other followed cities.

Thirdly, scores Shanghai gets concentrate mainly between score 4 and score 5, with the total percentage at 67.89 percent, 2.29 percentage points lower than 70.18 percent in 2013. Other cities have seen scores concentrate mainly between 2 and 4.

**(II) Investment attraction**

Investments attraction compares the capital attracting powers between the 5 cities. Score 5 represents very good and score 1 represents very bad.

**Table 21 Capital attraction index comparison of the BRICS countries**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Shanghai | 4.93% | 8.59% | 25.21% | 39.87% | 21.41% | 3.64 | 1 | 1 | 1 |
| Moscow | 6.33% | 16.51% | 35.54% | 29.11% | 12.50% | 3.25 | 2 | 2 | 2 |
| Johannesburg | 7.17% | 16.12% | 39.61% | 26.63% | 10.47% | 3.17 | 3 | 3 | 3 |
| Sao Paulo | 6.16% | 18.16% | 39.41% | 25.80% | 10.47% | 3.16 | 4 | 4 | 4 |
| Mumbai | 8.06% | 19.84% | 34.94% | 26.39% | 10.76% | 3.12 | 5 | 5 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

From the table 21, we can see that investment attraction of financial centers in BRICS countries has following features:

Firstly, in terms of investment attraction, Shanghai still gets the highest scores and ranks the top, followed by Moscow, Johannesburg, Sao Paulo and Mumbai. The ranking in 2014 is the same as that in 2013 and 2012.

Secondly, as far as the respondents' grading in terms of the five-score confidence level is concerned, Shanghai leads the rankings with Moscow, Mumbai, Sao Paulo and Johannesburg lagging behind.

Thirdly, the scores Shanghai gets concentrate mainly between score 4 and score 5, with the total percentage at 61.28 percent, while other cities have seen scores concentrate mainly between 3 and 4.

**(III) Talent attraction**

Talent attraction focuses on comparisons of talent attractiveness among the five countries as financial centers. Score 5 represents very good and score 1 represents very bad.

**Table 22 Comparisons of the talents elements attraction capacity of the financial centers in BRICS countries**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Shanghai | 4.95% | 9.10% | 27.43% | 37.58% | 20.94% | 3.60 | 1 | 1 | 1 |
| Sao Paulo | 6.51% | 18.52% | 38.71% | 25.74% | 10.52% | 3.15 | 2 | 5 | 2 |
| Johannesburg | 7.49% | 17.74% | 37.82% | 26.74% | 10.21% | 3.14 | 3 | 3 | 3 |
| Moscow | 7.39% | 18.69% | 37.65% | 25.65% | 10.62% | 3.13 | 4 | 4 | 4 |
| Mumbai | 9.17% | 19.56% | 33.52% | 25.93% | 11.82% | 3.12 | 5 | 2 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

From the table 22, in terms of talent attractiveness, financial centers of BRICS countries have the following features:

Firstly, Shanghai is, on the whole, more attractive to talents than other cities, taking first place and followed by Sao Paulo, Johannesburg, Moscow and Mumbai.

Secondly, as far as the respondents' grading in terms of the five-score confidence level is concerned, Shanghai ranks the first with Mumbai, Moscow, Sao Paulo and Johannesburg lagging behind.

**(IV) Abundant degree of financial products**

Abundant degree of financial products focuses mainly on comparisons of richness and diversification of financial products such as bonds, stocks, futures, commodities, foreign exchange, funds in each city. Score 5 represents very good and score 1 represents very bad.

**Table 23 Comparisons of abundant degree of the financial markets in BRICS financial centers**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 |
|---|---|---|---|---|---|---|---|---|
| Shanghai | 3.88% | 8.65% | 28.52% | 39.53% | 19.42% | 3.62 | 1 | 1 |
| Moscow | 5.79% | 17.74% | 38.44% | 27.97% | 10.05% | 3.19 | 2 | 4 |
| Johannesburg | 6.09% | 16.06% | 40.86% | 27.49% | 9.50% | 3.18 | 3 | 2 |
| Sao Paulo | 5.00% | 18.23% | 41.03% | 26.44% | 9.30% | 3.17 | 4 | 3 |
| Mumbai | 7.23% | 19.50% | 36.33% | 26.97% | 9.97% | 3.13 | 5 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

From the table 23, in terms of abundance degree of financial products, financial centers of BRICS countries have the following features:

Firstly, Shanghai with the highest scores among those cities ranks the first, followed by Moscow, Johannesburg, Sao Paulo and Mumbai.

Secondly, as far as the respondents' grading in terms of the five-score confidence level is concerned, Shanghai takes the lead, followed by Moscow, Mumbai, Johannesburg and Sao Paulo.

**(V) Degree of financial innovation**

The degree of financial innovation focuses mainly on comparisons of the financial product innovation, financial system innovation, and financial service innovation in each city. Score 5 represents very good and score 1 represents very bad.

**Table 24 Comparisons of the degree of financial innovation of the financial centers in BRICS countries**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Shanghai | 5.37% | 11.30% | 31.18% | 35.61% | 16.53% | 3.47 | 1 | 1 | 1 |
| Johannesburg | 6.76% | 18.72% | 39.79% | 25.21% | 9.53% | 3.12 | 2 | 2 | 3 |
| Sao Paulo | 6.20% | 20.28% | 40.56% | 23.61% | 9.35% | 3.10 | 3 | 3 | 2 |
| Moscow | 7.72% | 20.86% | 38.64% | 23.73% | 9.04% | 3.06 | 4 | 5 | 4 |
| Mumbai | 8.55% | 20.54% | 37.54% | 24.28% | 9.10% | 3.05 | 5 | 4 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents,*

*who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

From the table 24, in terms of degree of financial innovation, financial centers of BRICS countries have the following features:

Firstly, Shanghai with the highest scores among those cities ranks the first, followed by Johannesburg, Sao Paulo, Moscow and Mumbai. Compared with ranking in 2013, Moscow and Mumbai have switched positions.

Secondly, as far as the respondents' grading in terms of the five-score confidence level is concerned, Shanghai takes the lead, followed by Johannesburg, Sao Paulo, Mumbai, and Moscow.

**(VI) Degree of financing convenience**

The degree of financing convenience focuses on comparisons of convenient financing channels and financing policies in each city. Score 5 represents very good and score 1 represents very bad.

**Table 25 Comparisons of degree of facilities of financial centers in BRICS countries**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Shanghai | 5.42% | 12.36% | 33.41% | 33.16% | 15.66% | 3.41 | 1 | 1 | 1 |
| Johannesburg | 6.95% | 16.73% | 41.12% | 25.96% | 9.24% | 3.14 | 2 | 2 | 2 |
| Sao Paulo | 6.50% | 18.95% | 40.96% | 24.84% | 8.74% | 3.10 | 3 | 3 | 3 |
| Moscow | 8.22% | 19.85% | 37.75% | 24.76% | 9.42% | 3.07 | 4 | 4 | 4 |
| Mumbai | 8.65% | 20.71% | 38.08% | 23.20% | 9.38% | 3.04 | 5 | 5 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

From the table 25, in terms of degree of financing convenience, financial centers of BRICS countries have the following features:

Firstly, Shanghai with the highest scores among those cities ranks the first, followed by Johannesburg, Sao Paulo, Moscow and Mumbai. The ranking in 2014 is the same as that in 2013 and 2012.

Secondly, as far as the respondents' grading in terms of the five-score confidence level is concerned, Shanghai takes the lead, followed by Moscow, Mumbai, Johannesburg and Sao Paulo.

**(VII) Intermediary service level**

Intermediary Service Standard focuses on comparisons of the related intermediary services for financial center construction in each city, including credit rating, investment and financing consultation, financial information, accounting and auditing agency, and asset evaluation. Score 5 represents very good and score 1 represents very bad.

**Table 26 Comparisons of Intermediary Service Level of financial centers in BRICS countries**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Shanghai | 4.86% | 12.13% | 34.36% | 33.96% | 14.70% | 3.42 | 1 | 1 | 1 |
| Johannesburg | 6.87% | 17.97% | 40.06% | 26.28% | 8.81% | 3.12 | 2 | 2 | 2 |
| Sao Paulo | 6.63% | 19.40% | 41.27% | 23.41% | 9.30% | 3.09 | 3 | 3 | 3 |
| Moscow | 7.63% | 19.82% | 39.48% | 23.54% | 9.53% | 3.07 | 4 | 4 | 4 |
| Mumbai | 8.69% | 22.47% | 37.19% | 22.45% | 9.19% | 3.01 | 5 | 5 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

From the table 26, in terms of degree of intermediary service level, financial centers of BRICS countries have the following features:

Firstly, Shanghai with the highest scores among those cities ranks the first, followed by Johannesburg, Sao Paulo, Moscow and Mumbai. The ranking in 2014 is the same as that in 2013 and 2012.

Secondly, as far as the respondents' grading in terms of the five-score confidence level is concerned, Shanghai takes the lead, followed by Moscow, Sao Paulo, Mumbai and Johannesburg.

**(VIII) Perfection degree of financial legal environment**

The perfection degree of the financial legal environment focuses on comparisons of the perfection degree of financial legal environment of each city in terms of lawsuit, arbitration, and legal services environment when dealing with financial business disputes and cases. It also assesses perfection degree of supporting national and regional financial regulations. Score 5 represents very good and score 1 represents very bad.

**Table 27 Comparison of the degree of perfection of the financial legal environment of the financial centers in BRICS countries**

| City | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Comprehensive scores | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Shanghai | 7.48% | 16.62% | 34.05% | 28.30% | 13.54% | 3.24 | 1 | 1 | 1 |
| Johannesburg | 8.34% | 19.75% | 38.68% | 24.86% | 8.37% | 3.05 | 2 | 2 | 2 |
| Sao Paulo | 7.77% | 22.94% | 38.83% | 21.72% | 8.75% | 3.01 | 3 | 3 | 3 |
| Moscow | 11.16% | 23.62% | 35.21% | 21.36% | 8.64% | 2.93 | 4 | 4 | 4 |
| Mumbai | 11.22% | 24.90% | 35.14% | 20.25% | 8.49% | 2.90 | 5 | 5 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believe the confidence score of the city is 1, to the total number of respondents who are familiar with the city. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error. Comprehensive scores are weighted average. The weight is the percentage. The Comprehensive scores and percentages in the table from 20 to 27 are calculated in the same way.*

From the table 27, in terms of degree of perfection degree of the financial legal environment, financial centers of BRICS countries have the following features:

Firstly, Shanghai with the highest scores among those cities ranks the first, followed by Johannesburg, Sao Paulo, Moscow and Mumbai. The ranking in 2014 is the same as that in 2013 and 2012.

Secondly, as far as the respondents' grading in terms of the five-score confidence level is concerned, Shanghai takes the lead, followed by Johannesburg, Sao Paulo, Moscow and Mumbai.

**(IX) Degree of currency international recognition**

Degree of currency international recognition mainly focuses on comparisons of interviewees' recognition about currencies of BRICS countries. Score 5 means full reorganization, score 4 represents somewhat reorganization; score 3 represents neither; score 2 represents not that recognizable; and score 1 represents no recognition at all.

**Table 28 Comparison of the currency international recognition index of BRICS countries**

| Currency | Score 1 | Score 2 | Score 3 | Score 4 | Score 5 | Degree of currency recognition | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| CNY (China) | 11.92 % | 16.44 % | 27.80 % | 25.99 % | 17.85 % | 3.21 | 1 | 1 | 1 | 1 |
| BRL (Brazil) | 14.91 % | 23.51 % | 29.75 % | 20.52 % | 11.30 % | 2.90 | 2 | 3 | 3 | 4 |
| INR (India) | 14.98 % | 23.79 % | 31.49 % | 20.01 % | 9.74% | 2.86 | 3 | 2 | 4 | 3 |
| RUB (Russia) | 14.66 % | 24.41 % | 31.68 % | 19.84 % | 9.42% | 2.85 | 4 | 4 | 2 | 2 |
| ZAR (South Africa) | 17.23 % | 27.63 % | 30.04 % | 16.73 % | 8.37% | 2.71 | 5 | 5 | 5 | 5 |

*Note: The percentage in the second column refers to the ratio of the number of respondents, who believes the internationalization level of the currency is "Score 1", to the total number of respondents. The percentages in the second column to the sixth column are calculated in the same way. If sum of the percentages are not equal to 100%, it is because of round-off error.*

From the table 28, respondents' scores on the currencies of BRICS countries are featured by:

Firstly, the RMB (CNY) is still the most recognizable currency, followed by the Indian rupee, Brazilian real, Russian ruble and South African rand.

Secondly, the difference between the RMB (CNY) and the second place ruble is 0.38, and between the fifth place rand 0.54. The biggest difference among the other four currencies is 0.16. The highest recognition of the RMB (CNY) not only has to do with China's economic growth momentum, but is also closely related to the Chinese government's reform of the exchange rate mechanism of RMB (CNY) as well as the promotion of RMB internationalization.

Thirdly, as far as the corresponding scores above 20 percent the five currencies have got in each column are concerned, the RMB (CNY) is within the range of 3-4, the others are 2-4.

# V. Introduction to Research Approach of IFCD Index

### (I) Research roadmap

The calculation of the IFCD Index 2014 is adopted a symmetric design competitiveness model, which highlights the direct and concise information integration and the scientific nature of the evaluation structure. The model establishes a data processing platform with unified standards, combines both the subjective survey data and the objective indicator data, and calculates the overall index which can comprehensively reflect the development of the international financial centers.

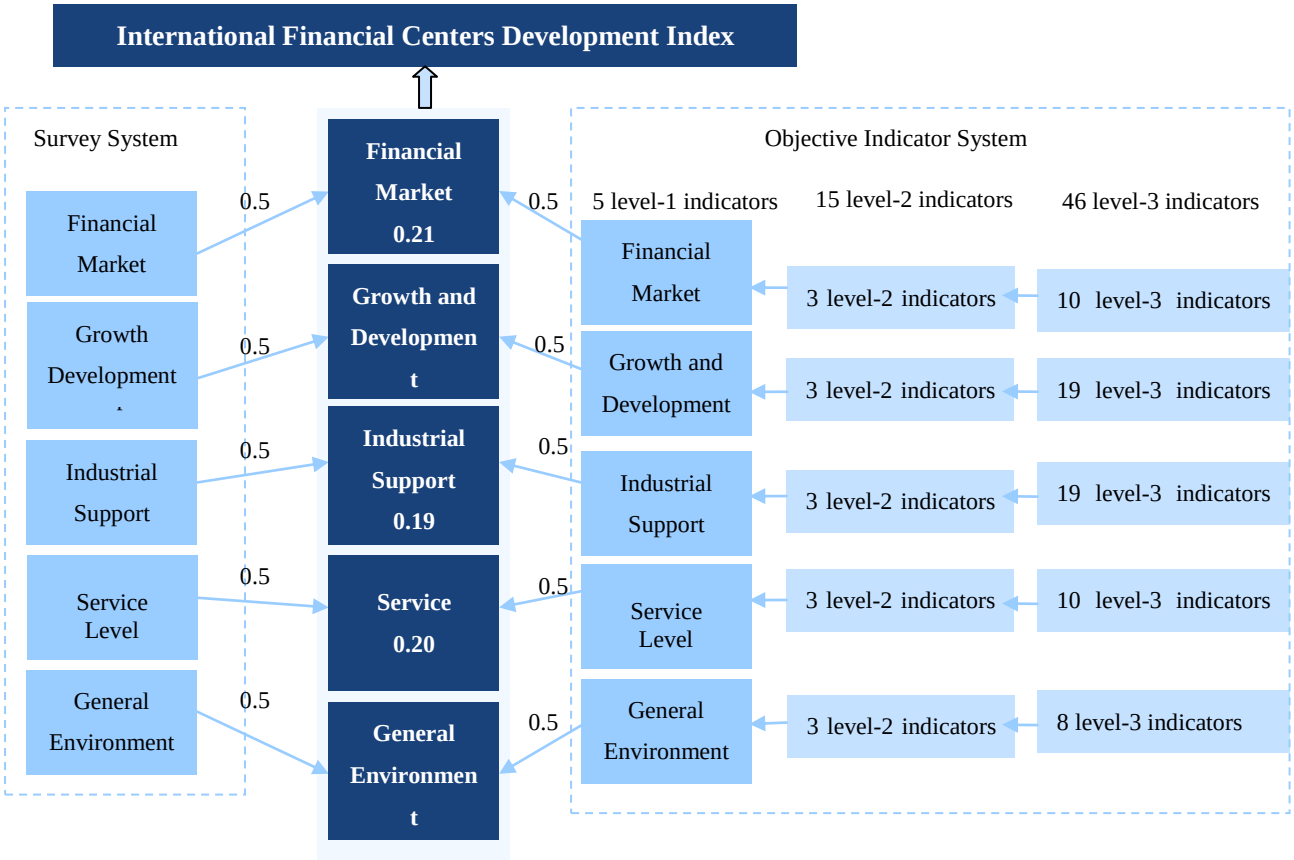



**Figure 19 Construction Structure of IFCD Index 2014**

First, based on the positive and negative attributes of the indicators, data will be processed to be comparable so as to work out the comparable data for each indicator, that is, to provide the function values in normal distribution after standardized original data, so as to describe the data properly and avoid impact from extreme values.

Secondly, an element evaluation index and a comprehensive evaluation index are calculated via two-level summarizing at equal weight supported by symmetric design. The score value of each secondary indicator is from the summarization and calculation of the score value of third-level indicators by the same weight. Equal weight calculation is also adopted when summarizing and calculating the secondary indicators into first-level

indicators. The objective score of each first-level indicator is from the summarization and calculation of the secondary indicators by the same weight.

Thirdly, the final score for each first-level indicator is obtained by calculating the arithmetical average of the score for the first-level indicator by using the objective data and the score for the first-level indicator by using data from the subjective questionnaire survey.

Finally, the total score for each city is obtained by calculating the weighted average of the scores of first-level indicators on the basis of the weights obtained from the questionnaire survey. Then the ranking for each city is based on the total score for each city.

### (II) Indicator system and weight

#### 1. Indicator adjustment

Indicator system of the IFCD Index is not invariable at all. According to data availableness, indicator significance, and new situation, we will comprehensively study scientificity of existing indicators and properly adjust some indicators year by year. The adjustment will follow the principle of structure stability, result stability, first-level indicator invariability, balanced number of second-level indicators and third-level indicators, and decentralized indicator sources. In recent three years, according to actual demands for research, some indicators have been adjusted, including name adjustment, quantity adjustment, newly-added indicator, and indicator deletion.

**Table 29 Three-level indicator system**

| First-level indicator | Second-level indicator | Third-level indicator | Data source |
|---|---|---|---|
| Financial market | Capital market | Stock market transaction volume | World Federation of Exchanges |
| | | Bond transaction volume | World Federation of Exchanges |
| | | Commodity futures transaction volume | World Federation of Exchanges |
| | | Internationalization degree of securities market | World Federation of Exchanges |
| | Foreign exchange market | Proportion of future exchange to global | World Federation of Exchanges |
| | | Foreign exchange reserve | Central Intelligence Agency, USA |
| | | Foreign exchange rate fluctuation | World Federation of Exchanges |
| | Banking and insurance | Number of big bank headquarters | Forbes |
| | | Insurance premium volume | World Economic Forum |

| First-level indicator | Second-level indicator | Third-level indicator | Data source |
|---|---|---|---|
| | market | Insurance service | Global information collection system of Xinhua News Agency |
| Growth & development | Market growth | Growth rate of newly-listed bonds | World Federation of Exchanges |
| | | Growth rate of listed company number | World Federation of Exchanges |
| | | Growth rate of stock transaction volume | World Federation of Exchanges |
| | Economic growth | Annual growth rate of GDP in five years | World Bank |
| | | Growth rate of domestic purchasing power in recent three years | United Bank of Switzerland |
| | | Growth rate of tax and social security | Organization for Economic Co-operation and Development |
| | Innovation growth | Technological innovation | Global information collection system of Xinhua News Agency |
| | | Annual growth rate of government R&D expenditure in recent five years | Organization for Economic Co-operation and Development |
| | | Growth rate of R&D personnel to 1 million people in recent five years | UNESCO |
| Industrial support | Industrial relationship | Total foreign trade value | World Bank |
| | | Strength of global financial service providers | Chinese Academy of Social Sciences research on global city competitiveness |
| | | Multinational company index | Chinese Academy of Social Sciences research on global city competitiveness |
| | Industrial talents | Talent aggregation | Global information collection system of Xinhua News Agency |
| | | Higher education investment | Organization for Economic Co-operation and Development |

| First-level indicator | Second-level indicator | Third-level indicator | Data source |
|---|---|---|---|
| | | Degree of education | United Nations Development Program |
| | Industrial climate | Manufacturing industry climate | Global information collection system of Xinhua News Agency |
| | | Service industry climate | Global information collection system of Xinhua News Agency |
| | | High-tech industry climate | Global information collection system of Xinhua News Agency |
| Service level | Infrastructure | Cargo handling capacity | Chinese Academy of Social Sciences research on global city competitiveness |
| | | Airport passenger capacity | Airport Council International |
| | | Information facility construction | World Economic Forum |
| | Social management | Proportion of service jobs | Chinese Academy of Social Sciences research on global city competitiveness |
| | | Quality supervision | World Bank |
| | | Degree of government digital management | United Nations E-Government Survey |
| | | Unemployment rate | World Economic Forum |
| | Job and life | Living cost | United Bank of Switzerland |
| | | Degree of human settlements | Mercer HR |
| | | Work environment | Global information collection system of Xinhua News Agency |
| General environment | Economic environment | Convenience index of doing | World Bank |
| | | Price index | International Monetary Fund |
| | | Degree of economic freedom | Fraser Institute |
| | Political environment | Political stability | World Bank |
| | | Index of clean government c | Transparency International |
| | Social environment | Degree of social | KOF-Index of Globalization |
| | | popularity of informatization | World Economic Forum |
| | | Happiness index | UK New Economics Foundation |

## 2. Weights of indicators

According to the surveys, despite the different sample size each year, interviewees' acknowledges of the importance of the five first-level indicators have been stable, reflecting the scientificity and stability of the weights of the IFCD Index. Therefore, the IFCD Index 2014 uses the last two years' weights of first-level indicators, which is calculated via questionnaire survey. In the survey, the respondents give scores to five aspects, including the financial market, growth and development, industrial support, service standard and a country's general environment, in terms of importance so that competitiveness of the financial centers can be measured. The score one indicates "not important", and the score five indicates "very important". By calculating valid questionnaires, the weights of the five first-level indicators can be worked out, which is shown in the Table 30.

**Table 30 Weights of the first-level indicators in IFCD Index 2014.**

| Financial market | Growth and Development | Industrial Support | Service standard | General environment |
|---|---|---|---|---|
| 0.21 | 0.21 | 0.19 | 0.20 | 0.20 |

*Note: If sum of weighted value of five indicators is not equal to 1, it is because of round-off error.*

Within the IFCD Index 2014 indicator system, the second-level indicators and the third-level indicators are given equal weight, which means that each second-level indicator under each first-level indicator is given equal weight, and each third-level indicator under each second-level indicator is also given equal weight. By doing so, each element's influence on the development of each international financial center can be reflected in a comprehensive, objective and fair way.

## 3. Data collection

Indicator data comes from the international authoritative third-party institutions and the data sources are stable, reliable with good transparency and high credibility. By taking advantage of the global information collection system of Xinhua News Agency, in terms of the survey data, we have taken into consideration evaluation of respondents in different industries and regions on the indicators, and their different views about importance of the indicators, carefully studied and analyzed reliability and validity of surveys based on the valid questionnaire samples we have gotten back to obtain more precise and scientific research conclusions.

Data of the objective indicators in the IFCD Index 2014 come from the following channels:

(1) Data released by international authoritative institutions, such as reports released by the World Bank, the World Economic Forum, and the International Monetary Fund;

(2) Data released by world well-known companies, stock exchanges and authoritative websites;

(3) Data from the global surveys by Xinhua News Agency and its strategic cooperation partners;

(4) Research data published by well-known research institutions.

Generally speaking, the data of the IFCD Index 2014 indicator system are authoritative, objective, stable and reliable. At the same time, the objective data are mostly adopting average figures in the recent three years to reduce the influence of incomparable interference factors.

**(III) Subjective survey**

**1. Global questionnaire survey**

Xinhua News Agency's global information collection system mainly surveys the following details:

(1) Subjective scores on 45 sample cities in five aspects, including the financial market, growth and development, industrial support, service standard, and the general environment of a country;

(2) Subjective evaluation on the importance of the five aspects, namely the financial market, growth and development, industrial support, service standard and the general environment of a country;

(3) Confidence survey on the development of financial centers in BRICS countries.

**2. In-depth interviews**

By using Xinhua News Agency's vast global information collection system, the in-depth interviews can measure the soft strength of an international financial center in a comprehensive and scientific way. The in-depth interviews include the following aspects:

(1) The economic and financial development situation of the city where the interviewee locates;

(2) Interviewee's understanding and evaluation on major international financial centers;

(3) Interviewee's evaluation on the international financial centers of the BRICS countries;

(4) Interviewee's outlook for the future development of international financial centers.

# Attached Table 1 Ranking Comparison of IFCD Index

Table 31 Ranking Comparison of IFCD Index 2014 and IFCD Index 2013

| City | Financial market | | Growthand development | | Industrial support | | Service level | | General environment | | IFCD Index | | Change in rank | ABS of change in rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | | |
| New York | 1 | 1 | 4 | 4 | 1 | 1 | 1 | 1 | 2 | 2 | 1 | 1 | 0 | 0 |
| London | 2 | 2 | 5 | 3 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 | 0 | 0 |
| Tokyo | 3 | 3 | 2 | 7 | 3 | 3 | 4 | 3 | 3 | 4 | 3 | 4 | 1 | 1 |
| Singapore | 5 | 5 | 3 | 5 | 6 | 6 | 5 | 5 | 4 | 5 | 4 | 5 | 1 | 1 |
| Hong Kong | 4 | 4 | 6 | 2 | 4 | 4 | 3 | 4 | 11 | 3 | 5 | 3 | -2 | 2 |
| Shanghai | 6 | 6 | 1 | 1 | 5 | 5 | 6 | 14 | 5 | 13 | 5 | 6 | 1 | 1 |
| Paris | 7 | 7 | 9 | 9 | 7 | 8 | 7 | 6 | 7 | 6 | 7 | 7 | 0 | 0 |
| Frankfurt | 8 | 8 | 12 | 15 | 10 | 10 | 8 | 9 | 6 | 8 | 8 | 8 | 0 | 0 |
| Beijing | 11 | 12 | 7 | 6 | 8 | 7 | 16 | 19 | 19 | 26 | 9 | 11 | 2 | 2 |
| Chicago | 12 | 9 | 15 | 14 | 9 | 9 | 9 | 10 | 13 | 12 | 10 | 9 | -1 | 1 |
| Sydney | 9 | 10 | 11 | 12 | 13 | 12 | 10 | 8 | 8 | 10 | 11 | 10 | -1 | 1 |
| San | 14 | 14 | 13 | 11 | 11 | 11 | 11 | 11 | 9 | 11 | 12 | 12 | 0 | 0 |
| Toronto | 13 | 13 | 16 | 16 | 12 | 13 | 12 | 12 | 12 | 9 | 13 | 14 | 1 | 1 |
| Zurich | 10 | 11 | 14 | 13 | 14 | 15 | 13 | 7 | 10 | 7 | 14 | 13 | -1 | 1 |
| Shenzhen | 15 | 17 | 8 | 8 | 17 | 14 | 21 | 27 | 23 | 31 | 15 | 15 | 0 | 0 |
| Washington | 21 | 19 | 24 | 23 | 15 | 17 | 14 | 13 | 14 | 15 | 16 | 16 | 0 | 0 |
| Dubai | 18 | 15 | 10 | 10 | 24 | 16 | 15 | 21 | 24 | 30 | 17 | 17 | 0 | 0 |
| Boston | 17 | 16 | 21 | 21 | 16 | 18 | 17 | 15 | 18 | 18 | 18 | 18 | 0 | 0 |
| Amsterdam | 19 | 21 | 27 | 22 | 19 | 20 | 19 | 17 | 15 | 16 | 19 | 20 | 1 | 1 |
| Vancouver | 27 | 23 | 25 | 24 | 21 | 24 | 18 | 18 | 16 | 17 | 20 | 22 | 2 | 2 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Geneva | 16 | 18 | 28 | 18 | 23 | 28 | 22 | 16 | 17 | 14 | 21 | 19 | -2 | **2** |
| Munich | 24 | 25 | 20 | 20 | 20 | 22 | 20 | 20 | 22 | 20 | 22 | 21 | -1 | **1** |
| Seoul | 25 | 27 | 18 | 19 | 18 | 19 | 28 | 36 | 35 | 36 | 23 | 23 | 0 | **0** |
| Mumbai | 20 | 20 | 17 | 17 | 25 | 23 | 27 | 38 | 41 | 42 | 24 | 27 | 3 | **3** |
| Melbourne | 37 | 39 | 30 | 31 | 29 | 30 | 23 | 22 | 21 | 21 | 25 | 26 | 1 | **1** |
| Taipei | 32 | 36 | 19 | 32 | 33 | 26 | 24 | 26 | 28 | 29 | 26 | 30 | 4 | **4** |
| Brussels | 28 | 29 | 33 | 26 | 31 | 33 | 32 | 25 | 27 | 22 | 27 | 24 | -3 | **3** |
| Osaka | 30 | 24 | 32 | 44 | 27 | 27 | 30 | 31 | 32 | 33 | 28 | 33 | 5 | **5** |
| Montreal | 31 | 31 | 35 | 29 | 30 | 32 | 29 | 28 | 30 | 24 | 29 | 29 | 0 | **0** |
| Stockholm | 35 | 33 | 39 | 28 | 34 | 35 | 26 | 24 | 20 | 19 | 30 | 25 | -5 | **5** |
| Vienna | 36 | 37 | 31 | 35 | 35 | 36 | 25 | 23 | 25 | 23 | 31 | 31 | 0 | **0** |
| Madrid | 29 | 28 | 36 | 37 | 28 | 25 | 31 | 33 | 36 | 32 | 32 | 32 | 0 | **0** |
| Moscow | 23 | 30 | 29 | 25 | 22 | 21 | 33 | 37 | 43 | 35 | 33 | 28 | -5 | **5** |
| Johannesburg | 26 | 26 | 22 | 30 | 37 | 34 | 34 | 42 | 40 | 41 | 34 | 37 | 3 | **3** |
| Sao Paulo | 22 | 22 | 26 | 27 | 32 | 31 | 36 | 41 | 42 | 43 | 35 | 36 | 1 | **1** |
| Milan | 33 | 32 | 34 | 34 | 26 | 29 | 39 | 35 | 37 | 38 | 36 | 35 | -1 | **1** |
| Dublin | 39 | 38 | 37 | 38 | 36 | 39 | 43 | 40 | 33 | 34 | 37 | 41 | 4 | **4** |
| Copenhagen | 41 | 40 | 41 | 33 | 38 | 38 | 37 | 29 | 31 | 25 | 38 | 34 | -4 | **4** |
| Oslo | 40 | 43 | 44 | 42 | 40 | 41 | 42 | 34 | 26 | 27 | 39 | 39 | 0 | **0** |
| Helsinki | 44 | 44 | 43 | 36 | 41 | 42 | 38 | 32 | 29 | 28 | 40 | 38 | -2 | **2** |
| Rome | 42 | 41 | 38 | 39 | 39 | 37 | 35 | 39 | 38 | 39 | 41 | 42 | 1 | **1** |
| Buenos Aires | 34 | 35 | 23 | 43 | 43 | 43 | 41 | 43 | 45 | 45 | 42 | 44 | 2 | **2** |
| Luxembourg | 38 | 34 | 45 | 40 | 44 | 40 | 40 | 30 | 34 | 37 | 43 | 40 | -3 | **3** |
| Lisbon | 43 | 42 | 42 | 41 | 45 | 45 | 45 | 44 | 39 | 40 | 44 | 43 | -1 | **1** |
| Budapest | 45 | 45 | 40 | 45 | 42 | 44 | 44 | 45 | 44 | 44 | 45 | 45 | 0 | **0** |

- *Note: The colors in last column represent rank fluctuation of International Financial Center in recent two years. Blue represents completely stable. Red represents somewhat stable.Green represents volatile. Gray represents abnormal fluctuation.*

# Appendix II: IFCD Index Survey System

## (I) Questionnaires

The data for index analysis in 2014 comes from the Global Information Survey System of Xinhua. After examining quality of data and deleting questionnaires with data of poor quality, we received 6,607 valid questionnaires with high-quality data. The selection of samples follows the following standards:

First, professionals of financial industry account for about 60 percent of the total;

Secondly, senior executives account for about 59.01 percent;

Thirdly, the regional distribution of the samples adopts equal weight for the 45 sampled cities;

Fourthly, the amount of samples meets professional statistical requirements.

## (II) Basic information of questionnaires

### 1. Job title

Of the 6,607 questionnaires, the profile of jobs of respondents is pyramid shaped. Respondents holding higher positions account for a lower proportion of total. Common employees take the highest share.

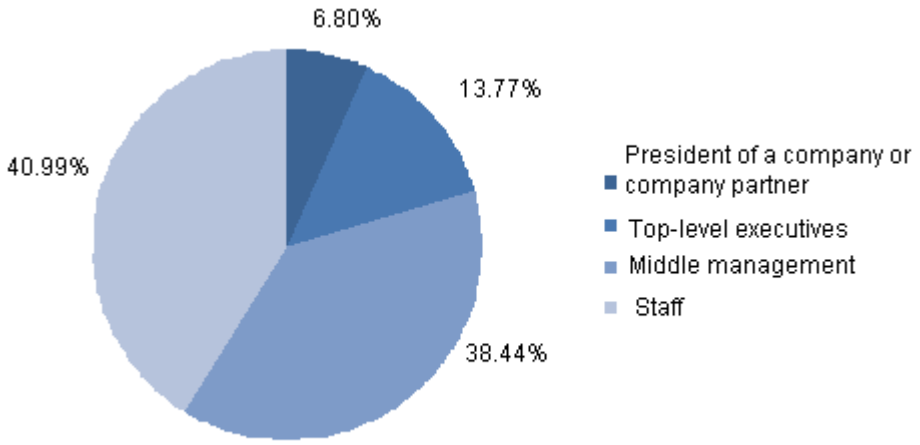



Figure 20 Distribution of Respondents' Job Title

### 2. Industries of respondents

Some 23.94 percent of survey respondents are working for government bodies, the highest level among all the respondents. Respondents from regulatory bodies and the central banks take a proportion of less than 1.10 percent, the lowest level. Respondents from other industries account for 4 to 13 percent on average.

Table 32 Industries of respondents

| Industry | Count | Proportion (%) |
|---|---|---|
| Investment Bank | 287 | 4.34 |
| Commercial Bank | 462 | 6.99 |
| Retail Bank | 492 | 7.45 |
| Insurance | 552 | 8.35 |
| Asset Management | 489 | 7.40 |
| Legal Services | 393 | 5.95 |
| Accounting Services | 816 | 12.35 |
| Trade Association | 775 | 11.73 |
| Regulatory Bodies/ Central Bank | 73 | 1.10 |
| Government Bodies | 1,582 | 23.94 |
| Scientific & Research Institutions | 686 | 10.38 |
| Others | 0 | 0 |
| Total | 6,607 | 100 |

**3. Location of respondents**

The sample survey is conducted according to the principle that the regional distribution of the samples adopts equal weight for the 45 sampled cities. The number of samples in the location of respondents is as followings. Asian-Pacific and North America regions have seen the highest number of collected samples, while European region has seen the lowest.

**Table 33 Locations of questionnaires' respondents**

| City | Sample amount | Proportion (%) | City | Sample amount | Proportion (%) |
|---|---|---|---|---|---|
| New York | 235 | 3.56 | Sao Paulo | 132 | 2.00 |
| Chicago | 226 | 3.42 | Dubai | 127 | 1.92 |
| Toronto | 225 | 3.41 | Zurich | 117 | 1.77 |
| Osaka | 221 | 3.34 | Frankfurt | 113 | 1.71 |
| Beijing | 215 | 3.25 | Moscow | 109 | 1.65 |
| London | 211 | 3.19 | Madrid | 108 | 1.63 |
| Mumbai | 210 | 3.18 | Stockholm | 107 | 1.62 |
| Shenzhen | 209 | 3.16 | Seoul | 105 | 1.59 |
| Washington | 208 | 3.15 | Munich | 104 | 1.57 |
| San Francisco | 206 | 3.12 | Lisbon | 102 | 1.54 |
| Shanghai | 206 | 3.12 | Buenos Aires | 98 | 1.48 |
| Singapore | 204 | 3.09 | Amsterdam | 97 | 1.47 |
| Paris | 200 | 3.03 | Copenhagen | 96 | 1.45 |
| Tokyo | 197 | 2.98 | Rome | 95 | 1.44 |
| Sydney | 197 | 2.98 | Milan | 94 | 1.42 |
| Melbourne | 194 | 2.94 | Helsinki | 89 | 1.35 |
| Hong Kong | 192 | 2.91 | Vienna | 79 | 1.20 |
| Taipei | 189 | 2.86 | Brussels | 75 | 1.14 |
| Boston | 188 | 2.85 | Budapest | 64 | 0.97 |
| Dublin | 181 | 2.74 | Oslo | 56 | 0.85 |
| Vancouver | 174 | 2.63 | Geneva | 29 | 0.44 |
| Montreal | 168 | 2.54 | Luxembourg | 4 | 0.06 |
| Johannesburg | 151 | 2.29 | In total | 6,607 | 100.00 |

***4. Number of employees across the world***

Of the organizations where the survey respondents work in, those with more than 5,000 staff take the highest proportion, accounting for 26.46 percent. Organizations with less than 100 staff account for 20.12 percent. Proportion of organizations with staff account from 100 to 500 ranks the third, at 15.95 percent. And the other three types of organizations respectively account for about 11 to 14 percent. It shows that scale of surveyed organizations is relatively even.

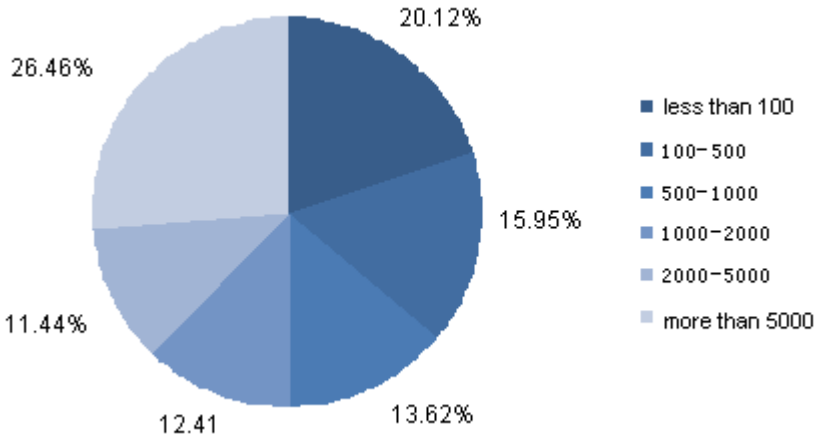



**Figure 21 Distribution of Respondents' Organization Size**

**(III) Information analysis**

**1. Valuation of each factor by respondents from various industries**

Altogether 6,607 questionnaires could be taken as valid samples. In terms of occupation classification, we classify survey respondents engaged in investment banking, commercial banking, retail banking, insurance, asset management, and regulatory bodies and the central bank into personnel involved in financial institutions. Other survey respondents are classified as non-financial institution staff. We finally obtained 2,355 questionnaires from financial cycle and 4,252 questionnaires from non-financial respondents.

We planned to list the top 20 cities respectively picked up by financial and non-financial institution staffs, in order to directly collect the valuation of survey respondents in various occupations on the financial center development indicators of the world's major cities.

**Table 34 Financial and non-financial institution staff's valuation of financial markets**

| Ranking | Financial staff | | Non-financial staff | |
|---|---|---|---|---|
| | City | Proportion (%) | City | Proportion (%) |
| 1 | New York | 24.93 | New York | 21.50 |
| 2 | London | 21.32 | London | 16.70 |
| 3 | Hong Kong | 14.61 | Hong Kong | 10.35 |
| 4 | Tokyo | 10.79 | Tokyo | 9.90 |
| 5 | Singapore | 9.77 | Singapore | 6.66 |
| 6 | Shanghai | 7.69 | Frankfurt | 5.67 |
| 7 | Paris | 7.56 | Shanghai | 5.50 |
| 8 | Frankfurt | 7.52 | Paris | 5.46 |
| 9 | Chicago | 6.11 | Sydney | 4.82 |
| 10 | Zurich | 5.94 | Washington | 4.73 |
| 11 | Washington | 5.61 | Zurich | 4.70 |
| 12 | Beijing | 5.39 | Toronto | 4.70 |
| 13 | Toronto | 5.31 | Chicago | 4.40 |
| 14 | San Francisco | 5.18 | Beijing | 4.19 |
| 15 | Sydney | 5.05 | San Francisco | 3.57 |
| 16 | Geneva | 3.91 | Dubai | 3.43 |
| 17 | Dubai | 3.91 | Geneva | 3.27 |
| 18 | Boston | 3.69 | Boston | 3.20 |
| 19 | Milan | 3.52 | Melbourne | 2.92 |
| 20 | Amsterdam | 3.27 | Amsterdam | 2.89 |

*Note: The "Proportion" in the third column is the ratio of the number of Financial Staff who believe the city is outstanding to the total number of Financial Staff. The "Proportion" in the fifth column is the ratio of the number of Non-financial Staff who believe the city is outstanding to the total number of Non-financial Staff. The proportions in the Attached table from 34 to 38 are calculated in the same way.*

From the table 34, we know that the responses of financial and non-financial institution staff show no significant difference when evaluating the top 5 cities' performance in terms of their financial markets, which reflects that these cities' importance as international financial center has gained great recognition. Financial staff's acceptance of Shanghai, Paris, Chicago, Zurich, Beijing, San Francisco, Geneva and Milan is higher than that of non-financial staff; while their acceptance of Frankfurt, Washington, Toronto, Sydney, and Dubai is lower than that of non-financial staff. Their acceptance of Boston and Amsterdam is almost the same.

**Table 35 Financial and non-financial institution staff's valuation of growth and development**

| City | Financial staff | | Non-financial staff | |
|---|---|---|---|---|
| | City | Proportion (%) | City | Proportion (%) |
| 1 | New York | 16.99 | New York | 15.69 |
| 2 | London | 12.99 | London | 11.10 |
| 3 | Hong Kong | 12.36 | Hong Kong | 9.41 |
| 4 | Shanghai | 11.42 | Shanghai | 8.82 |
| 5 | Singapore | 8.87 | Tokyo | 7.46 |
| 6 | Tokyo | 8.24 | Singapore | 6.63 |
| 7 | Beijing | 7.09 | Beijing | 6.09 |
| 8 | Paris | 5.44 | Paris | 4.23 |
| 9 | Dubai | 5.44 | Sydney | 4.07 |
| 10 | Chicago | 5.35 | Dubai | 3.97 |
| 11 | Frankfurt | 5.22 | Toronto | 3.86 |
| 12 | San Francisco | 4.84 | Washington | 3.83 |
| 13 | Sydney | 4.80 | Frankfurt | 3.81 |
| 14 | Zurich | 4.76 | Zurich | 3.67 |
| 15 | Washington | 4.76 | Chicago | 3.65 |
| 16 | Toronto | 4.29 | San Francisco | 3.62 |
| 17 | Mumbai | 3.82 | Shenzhen | 3.43 |
| 18 | Shenzhen | 3.44 | Seoul | 3.22 |
| 19 | Boston | 3.14 | Melbourne | 3.08 |
| 20 | Vancouver | 3.10 | Mumbai | 2.75 |

*Note: The "Proportion" in the third column is the ratio of the number of Financial Staff who believe the city is outstanding to the total number of Financial Staff. The "Proportion" in the fifth column is the ratio of the number of Non-financial Staff who believe the city is outstanding to the total number of Non-financial Staff. The proportions in the Attached table from 34 to 38 are calculated in the same way.*

From the table 35, we know that, both financial and non-financial institution staffs have highly accepted the performance of Shanghai in terms of growth and development, which shows that Shanghai is generally accepted as an international financial center in terms of growth and development. Both show no significant difference in evaluating the performance in terms of growth and development of New York, London, Hong Kong, Beijing, Paris and Zurich, but show major difference when it comes to other cities. Financial staff's acceptance of Singapore, Dubai, Chicago, Frankfurt, San Francisco, Mumbai, Boston and Vancouver is higher than that of non-financial staff; while their acceptance of Tokyo, Sydney, Washington, Toronto and Shenzhen is lower than that of non-financial staff.

**Table 36 Financial and non-financial institution staff's valuation of industrial support**

| Ranking | Financial staff | | Non-financial staff | |
|---|---|---|---|---|
| | City | Proportion (%) | City | Proportion (%) |
| 1 | New York | 19.92 | New York | 15.69 |
| 2 | London | 14.99 | London | 11.62 |
| 3 | Hong Kong | 12.02 | Tokyo | 8.96 |
| 4 | Tokyo | 10.83 | Hong Kong | 7.57 |
| 5 | Singapore | 8.37 | Shanghai | 5.79 |
| 6 | Shanghai | 8.11 | Singapore | 5.22 |
| 7 | Frankfurt | 6.50 | Chicago | 4.99 |
| 8 | Beijing | 6.28 | Beijing | 4.75 |
| 9 | Paris | 5.94 | Frankfurt | 4.68 |
| 10 | Chicago | 5.77 | Paris | 4.61 |
| 11 | Washington | 5.14 | Washington | 4.47 |
| 12 | Zurich | 4.84 | Toronto | 3.93 |
| 13 | Toronto | 4.67 | Sydney | 3.69 |
| 14 | San Francisco | 4.67 | San Francisco | 3.41 |
| 15 | Sydney | 4.50 | Zurich | 3.22 |
| 16 | Dubai | 4.16 | Amsterdam | 2.99 |
| 17 | Boston | 3.78 | Melbourne | 2.96 |
| 18 | Milan | 3.61 | Boston | 2.89 |
| 19 | Mumbai | 3.48 | Dubai | 2.68 |
| 20 | Vancouver | 3.40 | Seoul | 2.61 |

*Note: The "Proportion" in the third column is the ratio of the number of Financial Staff who believe the city is outstanding to the total number of Financial Staff. The "Proportion" in the fifth column is the ratio of the number of Non-financial Staff who believe the city is outstanding to the total number of Non-financial Staff. The proportions in the Attached table from 34 to 38 are calculated in the same way.*

From the table 36, we know that financial and non-financial institution staffs reach a consensus on the recognition of New York, London, Washington, Toronto and San Francisco in terms of industrial support. Financial staffs show a higher recognition of such cities as Hong Kong, Singapore, Frankfurt, Paris, Zurich, Dubai, Boston, Milan, Mumbai and Vancouver; while non-financial staffs exhibit higher recognition of Tokyo, Shanghai, Chicago, Toronto, Sydney, Amsterdam, Melbourne and Seoul.

**Table 37 Financial and non-financial institution staff's valuation of service standard**

| Ranking | Financial staff | | Non-financial staff | |
|---|---|---|---|---|
| | City | Proportion (%) | City | Proportion (%) |
| 1 | New York | 19.87 | New York | 14.72 |
| 2 | London | 15.63 | London | 13.43 |
| 3 | Hong Kong | 11.93 | Tokyo | 9.48 |
| 4 | Tokyo | 10.15 | Hong Kong | 8.16 |
| 5 | Singapore | 8.79 | Paris | 6.44 |
| 6 | Paris | 7.69 | Singapore | 5.90 |
| 7 | Frankfurt | 6.24 | Washington | 5.10 |
| 8 | Shanghai | 5.90 | Sydney | 4.61 |
| 9 | Washington | 5.82 | Toronto | 4.54 |
| 10 | Chicago | 5.35 | Frankfurt | 4.35 |
| 11 | Zurich | 5.31 | Chicago | 4.33 |
| 12 | Sydney | 5.05 | Zurich | 4.02 |
| 13 | San Francisco | 4.88 | Shanghai | 3.86 |
| 14 | Toronto | 4.59 | San Francisco | 3.65 |
| 15 | Beijing | 4.54 | Melbourne | 3.57 |
| 16 | Dubai | 3.91 | Vancouver | 3.22 |
| 17 | Boston | 3.86 | Amsterdam | 3.10 |
| 18 | Geneva | 3.65 | Boston | 3.06 |
| 19 | Milan | 3.06 | Dubai | 3.03 |
| 20 | Vancouver | 3.06 | Beijing | 2.99 |

*Note: The "Proportion" in the third column is the ratio of the number of Financial Staff who believe the city is outstanding to the total number of Financial Staff. The "Proportion" in the fifth column is the ratio of the number of Non-financial Staff who believe the city is outstanding to the total number of Non-financial Staff. The proportions in the Attached table from 34 to 38 are calculated in the same way.*

From the table 37, we know that financial and non-financial institution staffs post small differences on the recognition of New York, London, Hong Kong, Tokyo, Singapore, Paris, Chicago, Zurich, San Francisco and Boston. Financial staffs show a higher recognition of such cities as Frankfurt, Shanghai, Beijing, Dubai, and Geneva; while non-financial staff exhibit higher recognition of Washington, Sydney, Toronto, Vancouver and Amsterdam.

**Table 38 Financial and non-financial institution staff's valuation of the country's general environment**

| Ranking | Financial staff | | Non-financial staff | |
|---|---|---|---|---|
| | City | Proportion (%) | City | Proportion (%) |
| 1 | New York | 20.59 | New York | 16.37 |
| 2 | London | 15.12 | London | 12.98 |
| 3 | Hong Kong | 10.91 | Hong Kong | 7.48 |
| 4 | Tokyo | 7.94 | Tokyo | 6.70 |
| 5 | Singapore | 7.39 | Paris | 5.64 |
| 6 | Paris | 6.45 | Washington | 5.15 |
| 7 | Frankfurt | 6.20 | Singapore | 4.92 |
| 8 | Washington | 5.56 | Sydney | 4.77 |
| 9 | Chicago | 5.18 | Toronto | 4.33 |
| 10 | Zurich | 4.84 | Zurich | 4.14 |
| 11 | San Francisco | 4.76 | Frankfurt | 3.95 |
| 12 | Toronto | 4.67 | San Francisco | 3.93 |
| 13 | Shanghai | 4.67 | Chicago | 3.46 |
| 14 | Sydney | 4.46 | Melbourne | 3.17 |
| 15 | Boston | 3.57 | Amsterdam | 3.08 |
| 16 | Beijing | 3.44 | Shanghai | 3.06 |
| 17 | Dubai | 3.40 | Geneva | 3.03 |
| 18 | Geneva | 3.35 | Vancouver | 2.87 |
| 19 | Vancouver | 2.93 | Beijing | 2.61 |
| 20 | Melbourne | 2.89 | Boston | 2.56 |

*Note: The "Proportion" in the third column is the ratio of the number of Financial Staff who believe the city is outstanding to the total number of Financial Staff. The "Proportion" in the fifth column is the ratio of the number of Non-financial Staff who believe the city is outstanding to the total number of Non-financial Staff. The proportions in the Attached table from 34 to 38 are calculated in the same way.*

From the table 38, we know that the responses of financial and non-financial institution staffs show no significant difference when evaluating the top 5 cities' performance in terms of their general environment, but both show major differences as for other cities. Financial staffs show a higher recognition of such cities as Singapore, Frankfurt, Chicago, San Francisco, Shanghai, Boston, Beijing and Dubai; while non-financial staff exhibit higher recognition of Paris, Washington, Toronto, Sydney, Melbourne and Amsterdam. Both reach a consensus on recognition of Zurich.

# Appendix III: Survey and Interview

## (I) Questionnaire

Dear Sir/Madam:

We are doing a research on the competitiveness of international financial center. The following questionnaire is designed in order to get an objective, fair and reasonable result. It will take a few minutes to finish. Please forgive any inconvenience for you. Your reply is of great importance for our project. The information you provide will, of course, be held in the strictest confidence. Sincerely thank your support!

**1. Which city do you live in usually?**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Europe | 1. | Amsterdam | 2. | Vienna | 3. | Oslo | 4. | Paris |
| | 5. | Budapest | 6. | Brussels | 7. | Dublin | 8. | Frankfurt |
| | 9. | Copenhagen | 10. | Helsinki | 11. | Lisbon | 12. | Luxembourg |
| | 13. | London | 14. | Rome | 15. | Madrid | 16. | Milan |
| | 17. | Moscow | 18. | Munich | 19. | Geneva | 20. | Stockholm |
| | 21. | Zurich | | | | | | |
| America | 22. | Boston | 23. | Buenos Aires | 24. | Toronto | 25. | Chicago |
| | 26. | Washington | 27. | San Francisco | 28. | Montreal | 29. | New York |
| | 30. | Sao Paulo | 31. | Vancouver | | | | |
| Asia | 32. | Tokyo | 33. | Osaka | 34. | Dubai | 35. | Mumbai |
| | 36. | Singapore | 37. | Beijing | 38. | Shanghai | 39. | Shenzhen |
| | 40. | Seoul | 41. | Taipei | 42. | Hong Kong | | |
| Others | 43. | Johannesburg | 44. | Melbourne | 45. | Sydney | | |

**2. What is your job title/main area of responsibility?**

A. President of a company or company partner

B. Top-level executives

C. Middle Management

D. Staff

**3. Which industry in the following are you working in?**

A. Investment Banking

B. Commercial Banking

C. Retail Banking

D. Insurance

E. Asset Management

F. Legal Services

G. Accounting Services
H. Trade Association
I. Regulatory Body/Central Bank
J. Government
K. Research Institute
L. Other - Please Specify

**4. In which city is the headquarters of your organization located? _____**

**5. Approximately how many employees does your organization have worldwide?**
A. Less than 100
B. 100-500
C. 500-1000
D. 1000-2000
E. 2000-5000
F. More than 5000

**6. Which of the International Finance Centers in the following do you understand? (Multiple choices allowed)**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Europe | 1. | Amsterdam | 2. | Vienna | 3. | Oslo | 4. | Paris |
| | 5. | Budapest | 6. | Brussels | 7. | Dublin | 8. | Frankfurt |
| | 9. | Copenhagen | 10 | Helsinki | 11. | Lisbon | 12. | Luxembourg |
| | 13. | London | 14 | Rome | 15. | Madrid | 16. | Milan |
| | 17. | Moscow | 18 | Munich | 19. | Geneva | 20. | Stockholm |
| | 21. | Zurich | | | | | | |
| America | 22. | Boston | 23 | Buenos Aires | 24. | Toronto | 25. | Chicago |
| | 26. | Washington | 27 | San Francisco | 28. | Montreal | 29. | New York |
| | 30. | Sao Paulo | 31 | Vancouver | | | | |
| Asia | 32. | Tokyo | 33 | Osaka | 34. | Dubai | 35. | Mumbai |
| | 36. | Singapore | 37 | Beijing | 38. | Shanghai | 39. | Shenzhen |
| | 40. | Seoul | 41 | Taipei | 42. | Hong Kong | | |
| Others | 43. | Johannesburg | 44 | Melbourne | 45. | Sydney | | |

**7. The Evaluation of International Financial Center Development Capability (Multiple choices allowed):**

7a. Of the cities you understand, which do they perform well in Financial markets?
7b. Of the cities you understand, which do they perform well in Growth and development?
7c. Of the cities you understand, which do they perform well in Industry support?
7d. Of the cities you understand, which do they perform well in Service levels?
7e. Of the cities you understand, which do they perform well in General environment?

**8. The Evaluation of indicator system (Multiple choices allowed):**

8a. Of the cities you understand, which do they perform well in terms of insurance services

offered?

8b. Of the cities you understand, which do they perform well in terms of Science and technology innovation potential?

8c. Of the cities you understand, which do they perform well in terms of work and life environment?

8d. Of the cities you understand, which do they perform well in terms of talent attractiveness?

8e. Of the cities you understand, which do they perform well in terms of manufacturing activities?

8f. Of the cities you understand, which do they perform well in terms of service industry?

8g. Of the cities you understand, which do they perform well in terms of high-tech industry?

**9. Please rate your confidence in the key cities in BRICS countries become International Financial Centers. Please check the appropriate boxes.**

| | Completely confident | Somewhat Confident | Neither | Not that confident | Have no confidence at all | Do not know |
|---|---|---|---|---|---|---|
| Shanghai | 5 | 4 | 3 | 2 | 1 | 0 |
| Sao Paulo | 5 | 4 | 3 | 2 | 1 | 0 |
| Mumbai | 5 | 4 | 3 | 2 | 1 | 0 |
| Moscow | 5 | 4 | 3 | 2 | 1 | 0 |
| Johannesburg | 5 | 4 | 3 | 2 | 1 | 0 |

**10-13. What is your rating of key cities in the BRICS countries in terms of the following factors? Score 5 represents performs very well, and score 1 represents very poorly.**

| **10**. Factor | Shanghai | Sao Paulo | Mumbai | Moscow | Johannesburg |
|---|---|---|---|---|---|
| How the five cities fare in terms of their effectiveness in raising capital. | _ | _ | _ | _ | _ |
| How the five cities fare in terms of their effectiveness in attracting human resource talent. | _ | _ | _ | _ | _ |
| **11**. Development | Shanghai | Sao Paulo | Mumbai | Moscow | Johannesburg |
| Abundant degree of financial products focuses: richness and diversification of financial products such as bonds, stocks, futures, commodities, foreign exchange, funds in each city. | _ | _ | _ | _ | _ |
| Degree to which the city has shown innovativeness in financial products, | _ | _ | _ | _ | _ |

| financial system, financial services, etc. | | | | | |
|---|---|---|---|---|---|
| **12**. Service | Shanghai | Sao Paulo | Mumbai | Moscow | Johannesburg |
| Degree of financial facilities focuses on comparisons of the degree of facility of financing channels and financing policies in each city | | | | | |
| Intermediary Service Standard focuses on the comparisons of the related intermediary services degree of the financial center construction in each city, including credit rating, investment and financing consultation, financial information, accounting and auditing agency, and asset evaluation. | _ | _ | _ | _ | _ |
| **13**. Environment | Shanghai | Sao Paulo | Mumbai | Moscow | Johannesburg |
| The degree of perfection of the financial legal environment focuses on the comparison of the degrees of perfection of the litigation, arbitration, and legal services environment related to financial business disputes, case processing, and so on as well as the soundness of the national and regional financial rules and regulations. | _ | _ | _ | _ | _ |
| The degree of financial regulations: supervision on product access, appoval of IPO, inside trading in secondary market, and financial innovation. | _ | _ | _ | _ | _ |

**14. How well do you understand the currencies of the BRICS countries?**

| | Completely understand | Somewhat understand | Neither | Not that understand | Don't understand at all |
|---|---|---|---|---|---|
| CNY, China | 5 | 4 | 3 | 2 | 1 |
| REAL, Brazil | 5 | 4 | 3 | 2 | 1 |
| INR, India | 5 | 4 | 3 | 2 | 1 |
| RUB, Russia | 5 | 4 | 3 | 2 | 1 |
| ZAR,South Africa | 5 | 4 | 3 | 2 | 1 |

**15. Do you have any other comments?**

_____

_____

**(II) In-depth interview**

**Sample cities as follows:**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Europe | 1. | Amsterdam | 2. | Vienna | 3. | Oslo | 4. | Paris |
| | 5. | Budapest | 6. | Brussels | 7. | Dublin | 8. | Frankfurt |
| | 9. | Copenhagen | 10. | Helsinki | 11. | Lisbon | 12. | Luxembourg |
| | 13. | London | 14. | Rome | 15. | Madrid | 16. | Milan |
| | 17. | Moscow | 18. | Munich | 19. | Geneva | 20. | Stockholm |
| | 21. | Zurich | | | | | | |
| America | 22. | Boston | 23. | Buenos Aires | 24. | Toronto | 25. | Chicago |
| | 26. | Washington | 27. | San Francisco | 28. | Montreal | 29. | New York |
| | 30. | Sao Paulo | 31. | Vancouver | | | | |
| Asia | 32. | Tokyo | 33. | Osaka | 34. | Dubai | 35. | Mumbai |
| | 36. | Singapore | 37. | Beijing | 38. | Shanghai | 39. | Shenzhen |
| | 40. | Seoul | 41. | Taipei | 42. | Hong Kong | | |
| Others | 43. | Johannesburg | 44. | Melbourne | 45. | Sydney | | |

**Basic information of respondents**

| Basic information | Detailed information |
|---|---|
| Information of interviewees | Senior government officials in departments related to economic and financial affairs |
| | Financial professionals in bank, bond, futures, fund, and asset management fields. |
| | Staffs at headquarters or branches of non-financial multinational companies |
| | Personnel in colleges, research institutes |
| | Others |

1. Basic introduction of the city where reporters are located.
2. Among the above sample cities, which cities are you most familiar with?
3. If a city wants to become an international financial center, what characteristics does it need?
4. What impacts of the subprime crisis and European debt crisis in recent five years do have on cities of respondents?
5. What impacts of the subprime crisis and European debt crisis in recent five years do have on international financial center cities?
6. Do you know financial center cities from BRICS countries? If you do, what do know?

7. What gap do you think BRICS countries have compared to developed countries in terms of construction of international financial center cities? Which aspect should they improve further?

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## Letter of soliciting opinions for Xinhua-Dow Jones International Financial Centers Development Index Report

Note: in order to constantly improve quality of the report and offer more accurate and objective evaluation, we sincerely hope to know your opinions and ideas. Please offer your demands and valuable suggestions, thanks.

Company name: _____ Address: _____
Position: _____ City: _____
Phone number: _____ Email: _____
Feedback: _____
_____
_____
_____

TEL: 010-88052697, 88052795
Email: advice@xinhuaindex.org
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National Financial Information Center Index Research Institute
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