

Fintech Locations of the Future 2019/20 Winners



LONDON HAS BEEN NAMED **fDi**'S INAUGURAL FINTECH LOCATION OF THE FUTURE FOR 2019/20, FOLLOWED BY SINGAPORE AND BELFAST. **NAOMI DAVIES** REPORTS

Despite Brexit uncertainty, London ranks first in **fDi**'s inaugural study of financial technology (fintech) locations. According to greenfield investment monitor **fDi** Markets, the UK capital attracted 156 inward fintech investment projects between 2014 and 2018, the highest of all cities included in the analysis. It also tops the FDI Performance category. London attracted almost 50% more fintech projects than its closest competitor, Singapore, and brought in the highest number of fintech co-location and expansion projects (25).

London triumphs in the Connectivity category due to its IT and transport infrastructure. The city boasts six airports located within 80 kilometres, serving more than 320 international locations. It also performs well in the Environmental Performance and Network Readiness indices. Improving digital connectivity is a top priority for the local government, as shown by mayor Sadiq Khan's Connected London programme, which seeks to coordinate connectivity and 5G projects to drive the next wave of innovation in the city.

Singapore's surge

City-state Singapore is in second position overall. It attracted \$1.74bn in fintech capital investment between 2014 and 2018, the largest amount of

all the locations analysed. Data from **fDi** Markets shows that 2018 was a bumper year for Singapore's fintech FDI, welcoming its largest number of fintech projects (28), investment (\$533.6m) and jobs (1011) since records began in 2003.

In January 2018, New Zealand-based Youtap, a mobile financial services company, relocated its corporate headquarters to Singapore in recognition of the country's growing influence in the global fintech sector, noting: "Singapore has established an enviable position as a leading Asian financial technology centre with an exciting innovation ecosystem, a great talent pool and fantastic infrastructure."

Northern Ireland capital Belfast, which ranks third overall, fares particularly well in the FDI Performance category. According to **fDi** Markets data, jobs in the fintech sector made up more than one-fifth of all FDI jobs created in the city between 2014 and 2018.

Global corporations such as Citi, Allstate and Liberty Mutual have established and expanded their operations in Belfast. Economic development agency InvestNI says investors benefit from the strength of technology and innovative talent in the city as well as tailored government support packages combining practical advice and financial assistance.

FDI STRATEGY SPOTLIGHT

Porto, Portugal

InvestPorto operates as a one-stop shop for fintech investors, organising international missions, events and networking initiatives, and partnering with fintech-related businesses and clusters such as Porto Tech Hub. The organisation offers dedicated incentives for investors in the technology sector and its ScaleUp Porto scheme promotes a sustainable entrepreneurial ecosystem by providing knowledge, access to talent and customers and funding to high-growth companies.

Halifax, Canada

Nova Scotia Business Inc (NSBI) boasts a team of seven people dedicated to attracting investors in fintech in the Canadian city. NSBI's attraction and retention strategy centres on four initiatives: leveraging proprietary intelligence, supporting the site-selection process, presenting complementary business opportunities and providing comprehensive site visits. Incubators such as Volta Labs, Innovacorp and the IdeaHub also help start-ups grow by offering mentoring and resources.

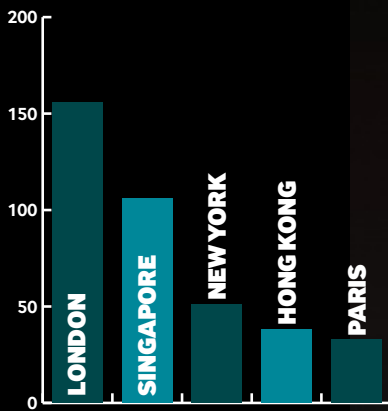
Leeds, UK

Leeds City Region Enterprise Partnership offers a bespoke service for fintech businesses looking

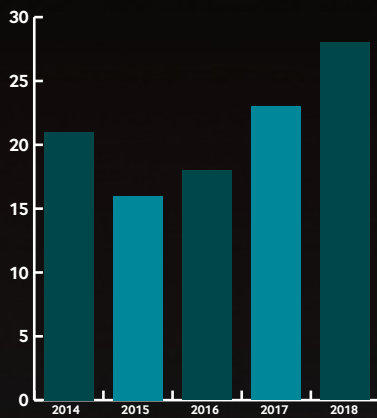


Still swinging: London attracted almost 50% more fintech projects than its closest competitor, Singapore

TOP CITIES FOR INWARD FDI IN THE SOFTWARE AND IT SERVICES SECTOR AND FINANCIAL SERVICES CLUSTER, 2014-2018



INWARD FDI INTO SINGAPORE IN THE SOFTWARE AND IT SERVICES SECTOR AND FINANCIAL SERVICES CLUSTER, 2014-2018



Source: fDi Intelligence



beyond London to expand their UK presence. Companies can access the expertise of the Leeds Institute for Data Analytics, the Cybercrime and Security Innovation Centre and the Quantum Communications hub. The #Welcome Digital Inward Investment Fund also offers between £10,000 and £50,000 (\$12,150 and \$60,750) of grant funding for eligible digital and technology businesses.

Cape Town, South Africa

Wesgro, the official investment promotion agency for Cape Town and the Western Cape, formulates, executes and manages public policy to attract increased levels of technology investment into South Africa. The agency holds inward and outward roundtable delegation missions with executives, creates digital social media campaigns and facilitates access to private and public funding.

Munich, Germany

Munich's Department of Labour and Economic Development assists domestic and international companies with relocation issues and coordinates incentive programmes on their behalf. The city hosts fintech events such as Digital Insurance Agenda, which aims to accelerate innovation by connecting insurance executives with insurtech leaders, and is home to fintech incubators Finconomy and the InsurTech Hub.



“DUBLIN CITY COUNCIL WILL CONTINUE TO SUPPORT OUR BUSINESS COMMUNITY, START-UPS AND SMEs, WHO ADD SO MUCH TO THE FABRIC OF DUBLIN”

PAUL McAULIFFE, MAYOR OF DUBLIN

Frankfurt, Germany

The Frankfurt Economic Development Agency helps develop the city's fintech ecosystem by facilitating communication between investors, the public sector and financial institutions and by organising events. The unit encourages innovation in the sector by focusing support on accelerator and incubator TechQuartier, which develops

programmes and events by matching corporates and venture capital firms with start-ups, as well as co-planning exclusive events and roadshows.

Toronto, Canada

Toronto Finance International (TFI) works with stakeholders across Toronto to attract and retain investors in the fintech sector. As the head of Toronto's financial services cluster group, TFI brings together government representatives at federal, provincial and city level and government agency Toronto Global. Its extensive investment promotion strategy includes international promotion at key events, influencing policy and regulatory issues, talent initiatives and partnerships with similar entities in key global financial centres.

Vilnius, Lithuania

Go Vilnius helps strengthen growth in the Lithuanian capital's fintech sector by regularly contacting businesses for feedback on potential areas for improvement, offering direct support and co-operating with educational institutions to ensure a sufficient supply of labour for the industry in the future. In 2019, the government revised its 2017 fintech action plan, adding measures to improve the legal environment, the management of related risks and increase demand for fintech products and services. ■



“WE ARE HAPPY THAT OUR EFFORTS GET NOTICED – IT HELPS US DEVELOP VILNIUS AS EUROPE'S FINTECH HOTSPOT EVEN FURTHER”

REMIGIJUS ŠIMAŠIUS, MAYOR OF VILNIUS

TOP 10 FINTECH LOCATIONS OF THE FUTURE 2019/20 – OVERALL

RANK	CITY	COUNTRY
1	London	UK
2	Singapore	Singapore
3	Belfast	UK
4	New York	US
5	Dublin	Ireland
6	Tokyo	Japan
7	Zug	Switzerland
8	San Francisco	US
9	Edinburgh	UK
10	Amsterdam	Netherlands

TOP 10 FINTECH LOCATIONS OF THE FUTURE 2019/20 – FDI PERFORMANCE

RANK	CITY	COUNTRY
1	London	UK
2	Singapore	Singapore
3	Belfast	UK
4	Dublin	Ireland
5	Zug	Switzerland
6	New York	US
7	Vilnius	Lithuania
8	Edinburgh	UK
9	Hong Kong	Hong Kong
10	Tel Aviv	Israel

TOP 10 FINTECH LOCATIONS OF THE FUTURE 2019/20 – CONNECTIVITY

RANK	CITY	COUNTRY
1	London	UK
2	Toronto	Canada
3	Tokyo	Japan
4	Paris	France
5	Zurich	Switzerland
6	Singapore	Singapore
7	Amsterdam	Netherlands
8	New York	US
9	Berlin	Germany
10	Luxembourg	Luxembourg

TOP 10 FINTECH LOCATIONS OF THE FUTURE 2019/20 – COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Sofia	Bulgaria
2	Vilnius	Lithuania
3	Bucharest	Romania
4	Hanoi	Vietnam
5	Kuala Lumpur	Malaysia
6	Warsaw	Poland
7	Jakarta	Indonesia
8	Nairobi	Kenya
9	Bangkok	Thailand
10	Manila	Philippines

TOP 10 FINTECH LOCATIONS OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	New York	US
2	Tokyo	Japan
3	London	UK
4	Singapore	Singapore
5	Beijing	China
6	Seoul	South Korea
7	Dubai	UAE
8	Kuala Lumpur	Malaysia
9	Shanghai	China
10	Hong Kong	Hong Kong

TOP 10 FINTECH LOCATIONS OF THE FUTURE 2019/20 – INNOVATION AND ATTRACTIVENESS

RANK	CITY	COUNTRY
1	Austin	US
2	San Francisco	US
3	Tokyo	Japan
4	New York	US
5	Bangalore	India
6	Dublin	Ireland
7	Belfast	UK
8	Beijing	China
9	Munich	Germany
10	Shanghai	China

Source: fDi Intelligence

METHODOLOGY

To create a shortlist for fDi's Fintech Locations of the Future 2019/20, the fDi Intelligence division of the Financial Times collected data using the specialist online FDI tools – fDi Benchmark and fDi Markets as well as other sources. Data was collected for 52 locations, under five categories: Economic Potential, FDI Performance, Innovation & Attractiveness, Connectivity and Cost Effectiveness. Locations scored up to a maximum of 10 points for each data point, which were weighted by importance to the FDI decision making process in order to compile the subcategory rankings.

For the full list of data points, visit www.fdiintelligence.com

