



## **City of London: Scenarios for India and China 2015**

The City of London Corporation provides local government services for the financial and commercial heart of Britain, the 'Square Mile'. It is committed to maintaining and enhancing the status of the City as the world's leading international financial and business centre through the policies it pursues and the high standard of services it provides.

### **Taking the long view on the future of China and India**

The City has long recognised the critical importance of China and India. It invited SAMI Consulting to help it understand and meet the threats and opportunities in financial services arising from these two potentially powerful economic powerhouses.

This encompassed:

- The use of scenario planning to construct three different visions of each country up to 2015.
- Assessing the possible impacts, both positive and negative, on the City of London financial services sector through a series of workshops and interviews, including with representatives of major City institutions.
- Preparing an overall report which offered conclusions to stimulate a wider debate and appropriate action among City financial institutions, government and other interested parties.

### **SAMI's role: refining the picture**

SAMI commissioned the scenarios from Oxford Analytica. Each of the three scenarios, which were developed with input from SAMI's network and Oxford Analytica's country experts, consisted of a base case where the current pace of growth is maintained, and alternative visions where change is either retarded or accelerated by the interplay of economic forces and political development.

SAMI then held three workshops in the City to explore the implications of the scenarios for differing sectors of the financial services sector. There were also one-to-one interviews. In total, over 60 people were consulted, including representatives of major City institutions such as the Bank of England, The Financial Services Authority, Lloyds of London and The China-Britain Business Council



## **The outcome: highlighting opportunities and threats**

Detailed recommendations emerged from these extensive discussions. A few key points:

- Because the scenarios all see positive rates of economic growth in both countries over the next ten to fifteen years –although it could be uneven under certain scenarios – there are numerous and diverse opportunities for City financial institutions across regions and sectors.
- Despite its acknowledged strengths, however, the City can't afford to be complacent: both India and China are creating links with other countries.
- India's growth has been underestimated by outsiders, and the English language, democratic system, and legal and commercial structures should give the City an advantage.
- China's growth presents many opportunities but the differences in the political system and legal and commercial structures provide hazards for the unwary.

As Michael Snyder, Chairman, Policy and Resources Committee, City of London, noted,

“Given the range and scale of possibilities, and the many uncertainties that attend them, these conclusions are complex. If there is one overriding theme, however, it is that China and India will present significant possibilities for business that the City simply must do everything it can to capitalise upon. Equally, India and China have much to gain through a closer relationship with the City. I commend the report to all interested parties as an essential contribution to understanding exactly how these possibilities could evolve, and how they might be exploited.”