



**THE  
GLOBAL  
CITY**

# Catalysing UK economic growth through financial services foreign direct investment: a call to action



Financial and professional services are a key driver of the UK economy. Supporting the establishment of UK offices by sovereign investors – sovereign wealth funds and public pension funds – could bring in up to £7.7bn by 2030 across the UK to drive jobs and growth.

# Foreword



**Chris Hayward**  
Policy Chairman,  
The City of London  
Corporation

In the past decade, sovereign investors who made a Foreign Direct Investment (FDI) into the UK, such as opening an office, have increased their UK investments significantly. In areas like infrastructure and innovative tech sectors. Their investments have more than doubled (x2.2) in the five years after establishing their presence here.

Building on our *Vision for Economic Growth*<sup>1</sup>, to increase investment across the UK, the City of London Corporation recommends:

- That the UK goes beyond the Harrington Review of Foreign Direct Investment to develop a long term Financial and Professional Services (FPS) Strategy. Overseen by an FPS Council, the Strategy will boost the sector, which will in turn, drive growth across the UK economy.
- That the UK creates an Inward Investment Agency to implement the Strategy. Piloting a dedicated Financial and Professional Services Investment Hub is a first step towards creating a standalone, cross-sector National Investment Agency.

<sup>1</sup> Find out more at [www.theglobalcity.uk/vision-for-economic-growth](http://www.theglobalcity.uk/vision-for-economic-growth).

# The impact beyond FDI

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**FDI directly creates jobs and investment:** foreign sovereign investors have created more than



**3,200**

**jobs and invested £1.7bn** in FDI in the past decade.

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However, this underestimates the impact of their FDI. Over the past decade, sovereign investors who have opened a UK office, have **more than doubled**



**x2.2**

**their investments across the UK,** comparing the five years after establishing a UK presence with the five years preceding it.

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This was worth an additional



**£13.4bn**

**investment uplift across the UK,** in areas like infrastructure, innovative tech sectors and renewable energy.

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The benefits are UK wide:



**92**

**investments** by these firms have been spread across **36 different cities and towns outside of London** over the past decade.

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Traditional FDI estimates often overlook the significant impact of the financial services sector. The investments made by this group of investors following initial FDI flows contribute immensely to the broader economy, **playing a vital role in driving long-term economic growth.**



**£119.5bn**

**was collectively invested by all sovereign investors** with a UK presence over the past decade.

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Encouraging FDI by supporting the establishment of UK offices by sovereign investors currently without a presence here, **could bring in**



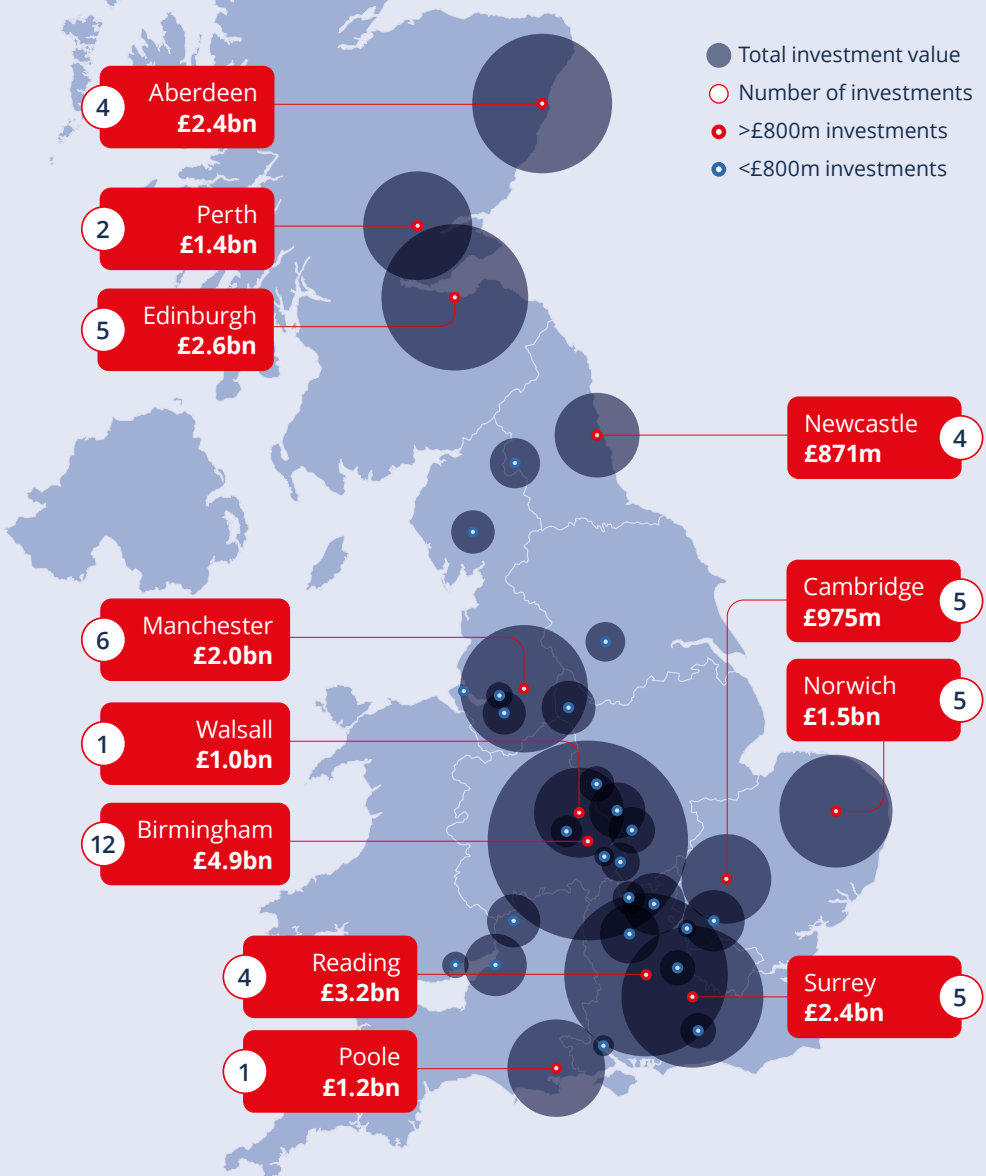
**£3.8bn-£7.7bn**

**of additional investment by 2030.**

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# Sovereign investors FDI sparks further investments across the UK

*Sovereign investors after setting up an office in the UK have collectively invested in 36 locations outside of London over the past decade.*



# Case studies

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## **AWARE SUPER**

Australia

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Since recently opening an office in 2023, Aware Super has committed **£8bn to the UK by 2030**, focusing on energy transition and digital infrastructure. Major investments so far include **Octopus Energy and Forth Ports**.



## **BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**

Canada

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After opening a UK office, the fund **increased UK investments by £4.7bn** including substantial investments in the **National Grid and wider UK infrastructure**.



## **TEMASEK**

Singapore

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UK investments **rose by a further £2.2bn** after opening a UK office. These include UK tech companies, such as **AI drug discovery (BenevolentAI), wealth management (FNZ), and fintech (Thought Machine)** across multiple UK cities – Cambridge, Oxford and Sheffield.

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This analysis was produced by The City of London Corporation using data provided by Global SWF for investments made by sovereign wealth funds and public pension funds. Alongside data provided by fDi Markets (from The Financial Times Limited) for foreign direct investment, accessed in August 2024.

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

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