

Seoul Finance Snapshot #4

October 2023



Global Financial Centers Index (GFCI) Report

◆ Global Financial Centers Index (GFCI)

: an index that provides evaluations of competitiveness for the major cities (major financial centers) around the world

- The GFCI is produced by the collaboration of the British consulting group Z/Yen and the China Development Institute (CDI) based on the assessments of competitiveness for the major cities (major financial centers) worldwide. The GFCI is published every March and September after collecting both evaluations, measured by external agencies such as the International Institute for Management Development (IMD), the World Economic Forum (WEF), etc., and the results of online questionnaires targeted to financial service providers around the world



Z/YEN



China Development Institute(CDI)



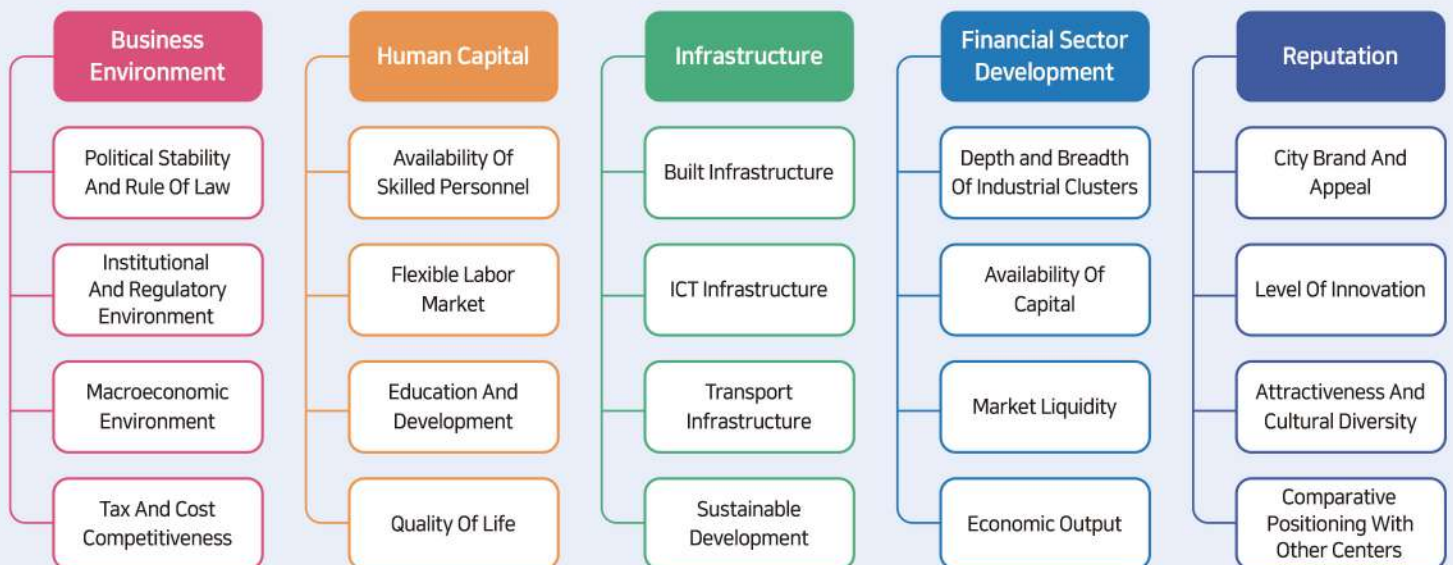
International Institute for Management Development(IMD)



World Economic Forum(WEF)

◆ Area Of Competitiveness

- The Global Financial Centers Index (GFCI) uses 5 broad areas to assess major cities worldwide: ① Business Environment, ② Human Capital, ③ Infrastructure, ④ Financial Sector Development, and ⑤ Reputation.



- Seoul ranked 11th overall in the GFCI 34 released in September, 2023

Center	GFCI 34		Change in Rating
	Rank	Rating	
New York	1	763	▲ 3
London	2	744	▲ 13
Singapore	3	742	▲ 19
Hong Kong	4	741	▲ 19
San Francisco	5	735	▲ 14
Los Angeles	6	734	▲ 15
Shanghai	7	733	▲ 16
Washington, D.C.	8	732	▲ 19
Chicago	9	731	▲ 15
Geneva	10	730	▲ 29
Seoul	11	729	▲ 15
Shenzhen	12	728	▲ 16



Global Financial Centers Index (GFCI) Report

◆ Financial environment of Seoul

- Seoul ranked 8th in the Human Capital, Infrastructure, and Reputation areas and 14th in the Financial Sector Development area among others, featuring in the the top 10 in 3 of the areas of competitiveness.
- Among the areas of competitiveness, Business Environment of Seoul ranked out of the 15th



Category	Business Environment	Human Capital	Infrastructure	Financial Sector Development	Reputation
1	New York	New York	New York	New York	New York
2	Singapore	London	Singapore	Singapore	London
3	London	Singapore	London	London	Singapore
4	Hong Kong	Hong Kong	Washington, D.C.	Hong Kong	Hong Kong
5	Beijing	San Francisco	Luxembourg	Shenzhen	San Francisco
6	Shanghai	Washington, D.C.	Shenzhen	Shanghai	Washington, D.C.
7	Washington, D.C.	Shanghai	Hong Kong	Frankfurt	Shanghai
8	Amsterdam	Seoul	Seoul	Beijing	Seoul
9	San Francisco	Beijing	Beijing	Los Angeles	Beijing
10	Los Angeles	Los Angeles	Shanghai	Luxembourg	Los Angeles
11	Zurich	Chicago	Frankfurt	Washington, D.C.	Chicago
12	Luxembourg	Zurich	San Francisco	San Francisco	Zurich
13	Frankfurt	Tokyo	Amsterdam	Boston	Tokyo
14	Paris	Boston	Sydney	Seoul	Boston
15	Chicago	Geneva	Los Angeles	Chicago	Geneva

- Human Capital of Seoul came in 8th this year which was not ranked in the last GFCI33. The Financial Sector Development and Reputation areas also showed a increase.








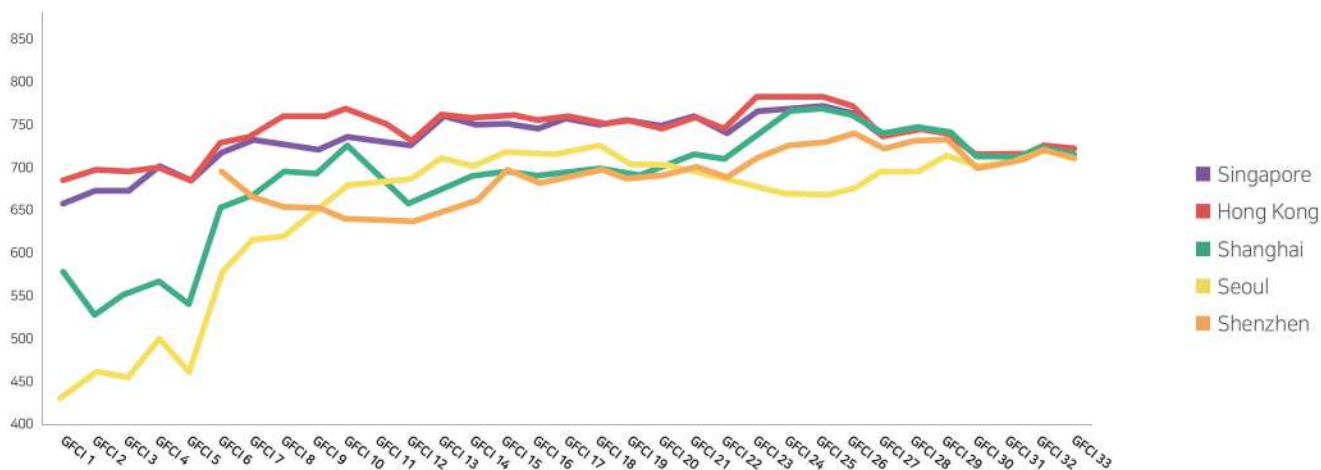
Global Financial Centers Index (GFCI) Report

◆ Regional Analysis

- The GFCI divided the world into 6 regions took close look at the competitiveness of financial centers per region
- Seoul took 4th place in the Asia-Pacific region
- Seoul achieved ratings a bit higher than 400 in 2007 (GFCI 1), falling short of other top-notch Asian cities such as Singapore, Hong Kong, Shanghai. However, as it continues to develop a global financial environment, the gap has become smaller.



Asia-Pacific Region ranking	Center	GFCI 34		Change in Rating
		Rank	Rating	
1	 Singapore	3	742	▲ 19
2	 Hong Kong	4	741	▲ 19
3	 Shanghai	7	733	▲ 16
4	 Seoul	11	729	▲ 15
5	 Shenzhen	12	728	▲ 16



- Seoul is recognized as a competent city in the **Global Diversification*** sector

***Global Diversification** : It is assessed based on the 'richness' of business environment and the 'uniformity' of overall rating distributions

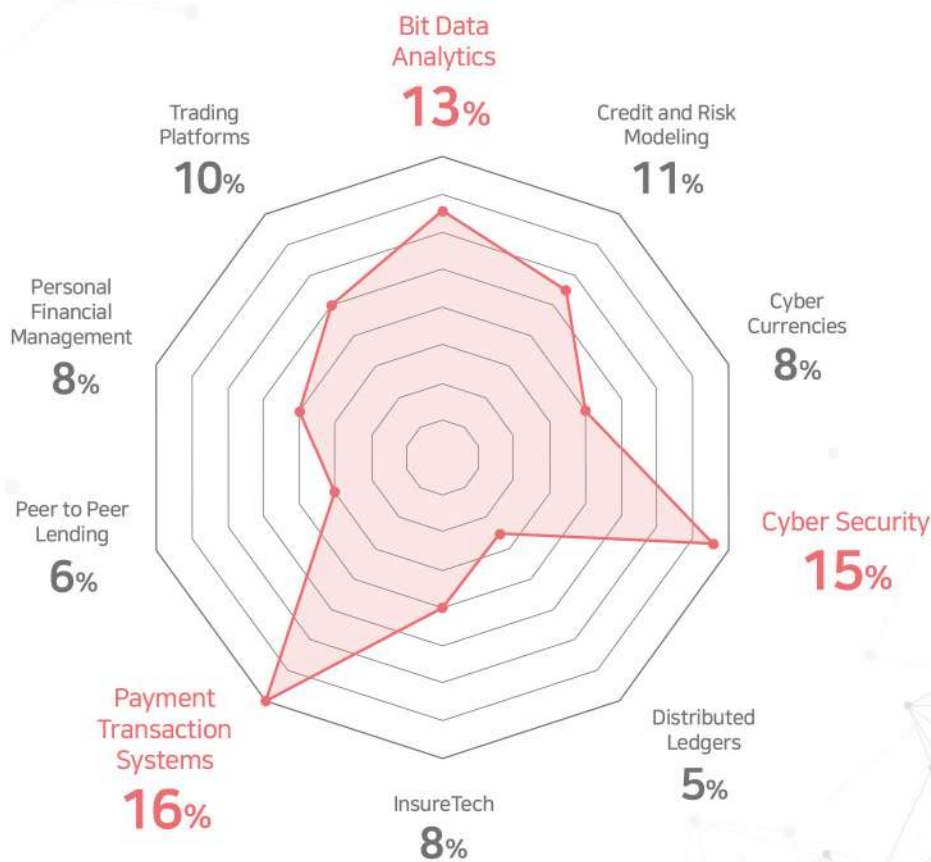
Global Diversification Sector	Seoul
	Paris
	Chicago
	Washington, D.C.
	Los Angeles
	San Francisco



Global Financial Centers Index (GFCI) Report

◆ FinTech

- The FinTech index is one of the 5 instrumental factors used in the GFCI affecting the level of infrastructure innovation.
- The following chart indicates the most important areas of FinTech activity.



- The pundits who participated in the GFCI 34 responded that Payment Transaction System, Cyber Security, and Big Data Analytics, etc. are the most important areas of Fintech activity
- The FinTech rank of Seoul went up to 11th, up one place from the last FinTech-relevant evaluations.

Center	GFCI 34		GFCI 33		Change in Rank	Change in Rating
	FinTech Rank	FinTech Rating	FinTech Rank	FinTech Rating		
New York	1	738	1	728	0	▲ 10
London	2	724	3	696	▲ 1	▲ 28
San Francisco	3	723	2	701	▼ 1	▲ 22
Shenzhen	4	722	4	695	0	▲ 27
Singapore	5	721	9	690	▲ 4	▲ 31
⋮			⋮			
Seoul	11	701	12	685	▲ 1	▲ 16

Global Financial Centers Index (GFCI) Report

◆ Future Prospects

- The GFCI questionnaire asks respondents every year which centers they consider will have higher possibility to grow significantly over the next 2 to 3 years.
- Seoul was recognized by experts as a 'future promising city with potential' likely to become more significant over the next 2 to 3 years
- The ratings of Seoul were 3 times higher than Singapore whose global and Asia-Pacific rank is 3rd and 1st, respectively.
- Experts emphasize an "agile and flexible ability to respond to the changing financial environment such as green finance, FinTech." and reckon that such competition is likely to become increasingly important based on the analysis result.
- With online accessibility being more emphasized than physical one nowadays, cities with well-developed online infrastructure are expected to rapidly dominate the FinTech area.



Center	Number of Mentions for the Last 24 Months	Center	Number of Mentions for the Last 24 Months
Seoul	176	London	47
Singapore	61	Shanghai	32
Dubai	56	Busan	30
Hong Kong	50	New York	30

- Already, Seoul is focusing on supporting the growth of future unicorn companies through the discovery of promising FinTech startups and tailored assistance to individual enterprises. This effort includes the opening of 'Seoul FinTech Lab II' in January 2023.
- Oh Se-hoon, the Mayor of Seoul, announced a comprehensive plan for fostering the financial industry under the goal of transforming Seoul into one of the world's top five financial cities (financial centers), unveiling the vision of establishing the city as the 'Financial Hub of Asia'



Inside the Seoul



Building Appearance of



Front View of Yeouido,