

THE UNIVERSITY OF HONG KONG
Asian Institute of International Financial Law
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&

RGC Theme-based Research Scheme Project:
“Enhancing Hong Kong’s Future as a Leading International Financial Centre”

Seminar

Financial Centres under Pressure: Geography of Finance in the Post-2008 Era

Professor Dariusz Wójcik

*Professor of Economic Geography
School of Geography and the Environment, University of Oxford*

Tuesday, 21 October 2014

12:30 - 1:30 pm

**Academic Conference Room, 11/F Cheng Yu Tung Tower
The University of Hong Kong**

Since 2008 the financial industry has been affected by a perfect storm of shrinking markets, increased competition, bad reputation, mounting regulation, and new technologies challenging established business models. This presentation highlights preliminary results on the impact of these forces on the global map of finance emerging in the wake of the financial crises. First, the analysis of global foreign exchange markets demonstrates growing spatial and institutional concentration, enhancing the dominance of London, as well as a surprisingly slow growth of international financial activity in Asian centres. Second, the analysis of employment in Germany and the UK shows that while in the UK the financial sector contracted and its spatial concentration increased across regions and urban hierarchy, with London as the sole winner, in Germany there has been no contraction overall, and no significant change in the spatial distribution of financial employment. In both countries forced consolidation and financial re-regulation have acted as centripetal forces, but in Germany they have been offset by strong regional and local banking, underpinned by a decentralized state. Lessons from both analyses are applied to China, leading to the proposition that concentration in the Chinese financial sector will to a large degree depend on political protection afforded to regional and local banking. The second proposition is that a key factor shaping the competition among Chinese financial centres will be their ability to capture the market for financial and other professional services rendered to Chinese firms internationalizing their activities. For a relevant paper see: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2466458.

Dariusz Wójcik is Professor of Economic Geography at the School of Geography and the Environment, Oxford University, and Fellow of St. Peter's College Oxford. He is also Visiting Professor at Beijing Normal University and a Visiting Scholar at the University of Sydney Business School. Previously he held appointments at the London Schools of Economics and Political Science, University College London, Hong Kong Polytechnic University, and National University of Singapore. His research focuses on economic geography, finance, and corporate governance. His book *The Global Stock Market* (Oxford 2011) explores the role of stock markets in the world economy. His book co-authored with Gordon L. Clark *The Geography of Finance* (Oxford 2007) documents the emerging global market for corporate governance. He has published in the leading journals in economic geography and related fields, and serves on the editorial board of *Economic Geography*. His research has been reported in *The Financial Times*, *The Sunday Times*, *The Financial News*, and the *BBC World Service*. At present he is leading a project funded by the Leverhulme Trust on Mapping the Global Securities Industry, and co-leads a project on *Enhancing Hong Kong's Future as a Leading International Financial Centre* funded by the Research Grants Council Hong Kong. He is the co-editor of the forthcoming *New Oxford Handbook of Economic Geography*, and Chair of the *Fourth Global Conference on Economic Geography*, Oxford 2015 (www.gceg2015.org).

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