

# Looking beyond Brexit

By **ALDERMAN DR ANDREW PARMLEY**

LORD MAYOR OF THE CITY OF LONDON



**DR ANDREW PARMLEY** was born in Manchester and educated at Blackpool Grammar School, the Royal Academy of Music, Manchester and London Universities, and Jesus College, Cambridge. He has been a teacher for over 30 years and served as Director of Music at Forest School, Grey Coat Hospital Westminster and as Principal of the Harrodian Senior School. He is a Board Member of the Prime Minister's Apprenticeship Delivery Board and is closely involved in culture and the creative industries.

1986 marked the first and only Spanish State Visit to date, with King Juan Carlos and Queen Sofia visiting in April of that year. Six months later the City marked its own watershed moment with what in hindsight we now call the 'Big Bang'. This sudden deregulation of financial markets in the UK was one of the major reasons why in the last 30 years London has assumed the title of the number one global financial centre. We have managed to hold onto that position since then, despite constant competition vying for business. Things have therefore changed a lot in the following 31 years since the last State Visit.

That said, the country is slowly recovering from the global downturn that started with the US subprime mortgage crunch in 2007, triggering a debt crisis and a bank bailout that hit productivity and drove up unemployment.

We have also seen 31 Lord Mayors serve in office during that time. As the latest and 689th, I act as a global ambassador for the UK's financial and professional services sector. During my one year in office I will visit more than thirty key growth markets across the world representing the UK's most important industries. The economic expansion of the City, supporting trade and creating jobs are my main roles in office.

I will very much look forward to hosting King Felipe VI and his wife Queen Letizia on 13 July in the Square Mile – the colloquial term for the UK's financial and business district. The business event, held at my office and residence, the Mansion House, will help build long-term commercial links between our two countries. Over 200 business leaders, entrepreneurs and investors will use the opportunity to discuss business, regulation, trade and investment.

The good attendance shows how valuable Spanish businesses are for the UK. Their inward investment provided 66 foreign direct investment projects, creating 2,376 new jobs and safeguarding 770 jobs between 2015 and 2016. Household names like IAG and Santander have a strong presence in here. The UK imported £24.7bn of goods and services from Spain in 2015 – £14.1bn in goods and £10.6bn in services.

Later in the evening the City will host a Banquet at Guildhall, with all the pomp and ceremony the City is known for, where over 700 assembled guests, ranging from Royalty, government ministers and officials, captains of industry, senior business leaders, diplomats and academia will hear speeches given by the King and myself.

My main message from that evening will be that the visit will hopefully re-affirm and highlight the importance of Spain as a genuine partner and ally of the UK. I am certain we can build on the opportunities for commercial partnerships in both our countries.

I will also touch on how the City and wider London have always been built on the principles of globalisation, free trade and openness. London provides valuable services to companies across the EU, giving firms access to the world's capital markets that facilitates growth across the EU, which is beneficial for businesses and millions of employees across the Continent. This won't change as a result of Brexit.



Commanding heights: Madrid (right) and London (opposite) have much to gain from a positive outcome to the UK's EU exit negotiations



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So what does the City of London have to say on this critical topic and what do City firms want to see as an outcome? We are clear on our three asks of the UK Government, and these include:

- Filling the best jobs with the best talent. The many talented people that come from all over the world to work in London have helped make its financial and professional services sector what it is today. We want to keep that open stance. We want to attract the CEOs of tomorrow and the entrepreneurs of today and provide that clarity and certainty on their immigration status.
- An early transitional deal. Ahead of leaving the EU, firms across Member States need reassurance and stability in order to continue serving their customers and their clients. As the Chancellor said during his recent Mansion House speech this agreement is necessary to avoid disruption and a dangerous cliff edge. We welcome the UK Government's recognition of this important priority for business.
- Closest possible access to the current regulatory frameworks and a trade deal. The EU is the UK's biggest trading partner by some margin. While the UK does want to explore new trading relationships with international partners, it's incredibly important to maintain this relationship with our closest neighbour. We want a deal that works for the UK and the EU27.

I heard recently that 62 per cent of members of the UK-Spanish Chamber of Commerce are now more concerned about Brexit than they were a year ago – fearing a 'hard Brexit'. Since the General Election result in the UK in June I think the agreed consensus among business is that the Government is going to engage more, listen more and generally be more receptive to these asks. This will be important as we look to seek a trade deal with both the EU and other international markets and business

must speak about what they want from any deal.

For the UK and Spain we start from a position as important trade partners. The latest figures show that there were over 2,000 Spanish nationals working in the City, with a further 20,000 working in a wide range of roles in London. The majority of these City workers come from the fields of investment banking, markets and technology. Across the City we find that 12 per cent of our workforce is from the EU, holding disproportionately senior and managerial positions. I am clear that their immigration status in the UK must be confirmed as soon as possible.

The City has many positive attributes, such as the business infrastructure, the established rule of law, and history of international business with important markets like Spain, but by far the most important positive attribute is the incredible pool of talented individuals available to business. I am certain these points will come up for discussion during what I am sure will be a successful State Visit. E

#### About the Lord Mayor of the City of London:

The Lord Mayor represents the City of London and businesses and helps the City Corporation advise the Government of the day on what is needed to help the financial services sector to function well. The Lord Mayor frequently travels to represent the City; and travels overseas with the status of a Cabinet Minister. On average, the Lord Mayor will meet one head of state a month and will meet a prime minister or finance minister each week to discuss financial services, often in conjunction with senior City business representatives.