

ЕКОНОМІКО-ПРАВОВИЙ ФАКУЛЬТЕТ

СЕКЦІЯ ІНТЕГРАЦІЯ УКРАЇНИ У СВІТОВЕ ГОСПОДАРСТВО

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REGIONAL SHIFTS IN THE GLOBAL FINANCIAL CENTRES' LOCATION

The financial centres of the world in their actual sense were formed and established in the status of international financial markets in the middle of the XX century, although some of them (London, New York, Frankfurt) had already obtained the status of recognized local and regional financial centres before. However, theoretical developments and practical testing of the methods of the international financial centres assessing were initiated only at the beginning of the XXI century.

The most common method for the financial centers ranking is based on the Global Financial Centres Index (GFCI) rating. The first four positions in the GFCI ratings of the international financial centres have not been changed in 2007-2019. Despite the significant impact of the global economic crisis on the US and Western European economies, London and New York have maintained their status as the most competitive financial markets during the period under review, ranking alternately the first and second places in the rating of the international financial centres. Hong Kong and Singapore run third and fourth places by the GFCI.

The status of international financial centres makes cities more vulnerable to economic shocks. One of the most influential factors that caused the redistribution of competitive power in the international financial centres system was the global economic crisis of 2008-2009. In the pre-crisis period, the international financial centres system was highly concentrated in the regional dimension: 48% of the leading financial centres were located in the Western European region, as it is shown in Fig. 1.

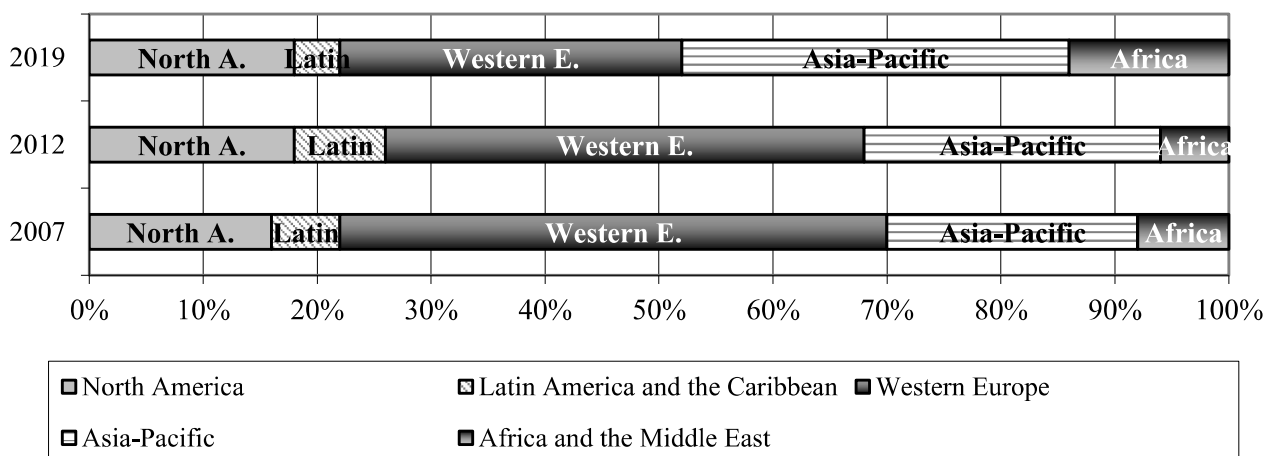


Fig. 1. Regional distribution of top 50 international financial centres in 2007, 2012 and 2019, percent

Source: Authors' calculations based on [3]

Before the global crisis started, the American and Asia-Pacific regions had concentrated 22% of the international financial centres each. The traditionally high rating positions of Western European and North American financial centres are related to their continued domination in the global financial markets: in pre-crisis years about 65% of the global financial assets were concentrated in the EU countries and the USA; EU and US banks accounted for about 52% of the global bank assets; the stock market capitalization of these countries amounted to 52% of the total capitalization of the world stock market; 66% of debt securities were in circulation in these countries; around 50% of foreign exchange transactions were carried out in the US and UK foreign exchange markets [1]. In general, the financial markets of the United States and the EU provided 75% of the international financial services [2].

With the onset of the global economic crisis, shifts in the regional distribution and concentration of the international financial centres have become more apparent. In 2012, the share of Western European centres

decreased by 6% compared to 2007, on the background of a corresponding increase in the share of North American centres by 2%, and Asia-Pacific centres – by 4%. Some traditional financial centres have gradually started to lose the status of leaders in the international financial markets, giving way to new centres, including those from developing countries. For instance, leading European financial centres have lost their positions in the 2012 ranking compared to pre-crisis years: Frankfurt moved from 6 to 13 place, Paris – from 11 to 26, Dublin – from 15 to 49, Amsterdam – from 16 to 31, Luxembourg – from 17 to 24. In general, many financial centres in developing countries have managed to recover more quickly after the global crisis compared to traditional financial centres and to achieve pre-crisis levels of liquidity, trade and prices.

Later the processes of regional redistribution of competitive powers in the system of the international financial centres became even more obvious. According to the GFCI, in 2019, 17 centres of 50 leading financial centres were concentrated in the Asia-Pacific (34%). Western European financial markets are currently represented by 15 centers (30%). The list of top 10 international financial centres in 2007 included four European centres (London, Zurich, Frankfurt, Geneva), but in 2019 only London remained in this list. Chinese financial centres demonstrate a particularly noticeable growth in competitiveness level and improvement of positions in the rating of the international financial centres: Shanghai moved from 30 to 5 position for 12 years, Beijing – from 39 to 7. Shenzhen, Guangzhou and Qingdao were not even represented in the rating of 2007 and nowadays they occupy 9, 23 and 33 places respectively. The average rating of the top 5 financial centres in the Asia-Pacific region, according to the Global Financial Centers Index, exceeds the same indicator for Western Europe and North America [3]. China has the greatest potential for developing the competitiveness of its financial centres, taking into account the available international reserves and opportunities for training staff for the banking system. The growth of China's influence within the global financial system also appears in its growing role in the international capital flows: in 2001 China accounted for only 4% of net capital exports in the world, today the country is one of the biggest exporters of capital, providing above 11% of world exports of capital in 2017.

Thus, the system of the international financial centres, historically based on the traditional dominance of leading centres from Western Europe and North America, is gradually collapsing. The global economic crisis has become a catalyst for those changes in the distribution of competitive powers in the system of the international financial centres, which had appeared before the crisis began. As a result of those changes, a brand new regional structure of the global network of financial centres is being formed. The positions of Western European financial centres remain the most volatile. The uncertainty about the future prospects of the European financial centres functioning relates to the impact of Brexit on London's position as the leading financial center of the world and on the competitiveness of European financial markets. The financial markets of North America show rather stable positions in the system of the international financial centres. This is confirmed by the place of the North American financial centres in the respective ratings, as well as by the number and market capitalization of the biggest financial institutions located in the North American region. The positions of Asia-Pacific financial markets and especially China in the system of the international financial centres have changed most notably. The breakthrough of Chinese financial markets in the ratings of financial centres is largely due to the policy of aggressive foreign expansion and cross-border operations of leading banks in China, which currently run the first in the rankings of the world's biggest banks.

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ТРАНСФОРМАЦІЯ АРХІТЕКТУРИ СВІТОВОЇ ЕКОНОМІКИ ПІД ВПЛИВОМ ГЛОБАЛЬНИХ ДЕТЕРМІНАНТ В УМОВАХ ПАНДЕМІЇ

В результаті аналізу існуючих досліджень в галузі сучасного стану та подальшого розвитку світової економіки, складовими сучасної архітектури світової економіки можна вважати: національні економіки