

Business, Energy and Industrial Strategy Committee

Oral evidence: UK plc 2050, HC 1120

Tuesday 28 February 2023

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Members present: Darren Jones (Chair); Alan Brown; Mark Jenkinson; Jane Hunt; Ian Lavery; Andy McDonald; Charlotte Nichols; Mark Pawsey.

Questions 68 - 81

Witnesses

[II](#): Burkhard Keese, Chief Financial Officer & Chief Operating Officer, Lloyd's; Buffy Price, Co-founder & Chief Operating Officer, Carbon Re; Miles Celic, Chief Executive Officer, TheCityUK.

Examination of witnesses

Witnesses: Burkhard Keese, Buffy Price and Miles Celic.

Q68 **Chair:** We are now going to welcome Burkhard Keese, who is the chief financial officer and chief operating officer at Lloyd's; Buffy Price, who is the co-founder and chief operating officer of Carbon Re; and Miles Celic, who is the chief executive officer of TheCityUK.

The first question to all three of you is the same question I put to our colleagues from the goods manufacturing sectors in the first panel. What is the current view of your sector here in the UK and what are your prospects for the decade ahead? Specifically to Buffy, could you answer that in the context of the net zero transition? I will go to Mr Keese first, please.

Burkhard Keese: Thank you very much. In the last year, we have seen a pretty volatile and uncertain environment. I have to say this trend has progressed over the last decade and our expectation is that this will continue. We have seen the volatility in the capital markets in the last year. Inflation is back after 30 years. A very unusual inflation is back. It is not combined with unemployment. We do not really know what is coming next.

That basically means, for the financial services industry and, in particular, for the insurance industry, you need to maintain two things: resilience and agility. Combined with this, we have seen, with the net zero or ESG debate, the biggest trend since the second world war. Everybody needs to reflect this trend. It is the right trend, but it is a trend that will impact all industries in the world, including the insurance industry. We need to adapt to this and promote it for good reason. Strategically, if you do not follow a major trend, you are ignorant and you become irrelevant. That is the reason why it is a strategic imperative for all industries to follow net zero.

In terms of the status of the industry and the Lloyd's market, we see the best underwriting conditions for 30 to 40 years. That is utterly needed because we have seen really bad conditions in the last 10 years. We just paid out over £5 billion for Covid. That is really important. The second component is that interest rates are back. If interest rates are not available to the financial services industry, it is missing one of the two legs it stands on. That is really important, and it gives us the strength to show leadership on ESG and the net zero debate. That where I would leave it.

On resilience, regulation is absolutely needed because it provides prudence, but the regulation must be stable and thought through so we do not have to deal with unintended consequences. That destroys resilience. Whether the new capital regime is wrong or right, it requires me to have more capital, which I may not have, change my capital stake



or do whatever I need to do. We really need to have stability in the policymaking of regulation, which we have seen.

As an international player, we must have equivalence. Our capital regime must be accepted in the countries of our trading partners. Otherwise we cannot place insurance there. That is what it will take for us to become and to continue to be profitable, to grow and to give things back to society.

Q69 Chair: The UK continues to be seen as a competitive place for your sector.

Burkhard Keese: Yes, absolutely. For commercial and specialty insurance, London is the centre and the crossroads of the global insurance industry. That is absolutely clear.

From our perspective, the prudential regulation is good. Any reform is really helpful. From my point of view, it is more around how much support and how agile the supervision is rather than how the policymaking works. We need to work on both things. I have seen some outstanding examples where the PRA really helped us a lot with setting up a new ILS vehicle. Without the PRA, that would not have happened. You do not see that every day.

It is more a question of how this is supported. On regulation, there is always a fine balance that you need to strike between robust regulation and bureaucracy. You always need to push back a little bit on bureaucracy and work on robust regulation. As the leadership of Lloyd's, we know this. We are regulating a market. Many see us as bureaucratic as well. It is a complicated matter.

Buffy Price: Good morning. I just want to start by saying that setting up a climate tech company in the UK in the last two years has been incredibly exciting. We are really lucky. We are a spin-out of UCL and Cambridge University. The quality of the institutions and the talent that is coming out of those institutions is really extraordinary.

There is definitely the Government will and political appetite to tackle net zero. We really feel like we are in the right space to do that. Very practically speaking, setting up a new company was very straightforward. There are brilliant accelerator programmes. Carbon Re participated in the digital catapult future scope programme last year. We really see opportunities for early-stage funding and small grants from the Government.

With that said, we have heard a lot this morning about issues with bringing in talent overseas and the legacy of Brexit in particular. At the moment, we are bringing in a non-national who did his MSc in AI and energy systems at UCL. He is now having to go through the UKVI process to bring him back here to work with us in London.



HOUSE OF COMMONS

The Coalition for a Digital Economy, Coadec, has identified what they term as the valley of death, which is where you have amazing start-up funding, but there seems to be a gap in the funding and the Government support to go from piloting to commercialisation. As a start-up, we are two years in. We are really beginning to look at that space and think about how we get to commercialisation and how we roll ourselves out globally to have the impact we can have on industrial decarbonisation. We really feel there is something there that needs to be looked at.

The challenges around the R&D tax cuts, which have been spoken about in the media, can be quite existential for a small company like mine. We are talking about 30% to 40% in R&D tax credits.

More broadly, the investor appetite in the UK seems more conservative than we are seeing overseas. As I mentioned, we are looking at our series A. The Inflation Reduction Act in America is very attractive, and we are really interested in looking at the EU's green deal industrial plan. We are also looking at sovereign wealth funds overseas. Tomorrow we are talking to the Norwegian Embassy. Next week we will be in the Middle East. We would love to see those sorts of opportunities coming up through the UK.

Q70 Chair: If you get foreign direct investment for you to stay in the UK, we will all be thrilled. If the Americans said, "Here is a load of stuff, but you have to come here", would you up sticks and move to America?

Buffy Price: It is very likely that we would certainly have a substantial presence in the US, if we took that funding over there, yes.

Miles Celic: Thank you for the opportunity to give evidence in what is a really important session. I very much agree with the points my fellow panellists have made and indeed the points the previous panel have made. There is both a challenge and an opportunity in the UK for our industry—we are not just the UK's largest exporter; we are the largest exporter of financial and professional services in the world, which is a massive UK success story—around talent.

For a long time, the UK has had a terrific conveyor belt that has come out of UK education. It has also done a very good job of attracting international talent, as previous panellists have talked about. That is now much more of a mixed picture for our industry. We still have a number of strengths, but there are challenges on the horizon, and our industry needs to do better.

We have made real progress, but we need to do better at attracting people from a wider variety of backgrounds into the industry. There has been some real progress there. The Social Mobility Foundation identifies 27 of the top 50 companies for social mobility as being in our industry. There are issues around bringing people in from abroad. Some of that is around immigration factors and immigration policy; some of it is around



HOUSE OF COMMONS

the approach by the regulators, which I will come back to in a moment; and some of it is just sentiment.

The reality is that one of the challenges we have faced for some years in business is, if I can put it in these terms, policy instability. Some people have said to me that this goes back to the Scottish referendum, Brexit, changes in Government, shifts in approach and so on. The UK has not had the policy stability that, post war, it had been very famed for. We were talking earlier about the role of Japanese investors and the long-term perspective that Japanese investors take. A lot of that was driven by a sense of policy stability in the UK.

In terms of regulatory change, we have seen a lot of that. Some of that has been inevitable due to the UK leaving the European Union. For some of that, there has been a requirement to change regulation to reflect the fact we are now a market of 70 million people as opposed to a part of a market of 500 million people, albeit with the world's second leading financial centre in it. We swap places with New York on a pretty regular basis, but there are more challenges to the UK's position as the world's leading financial centre at the moment, one of which is talent, as I said.

The regulatory change does tend to lead to a sense of regulatory exhaustion and contributes to that sense of policy instability. Very much to the point Burkhard was raising earlier, it is not just about the regulation; it is about the regulators and the culture in the regulators. We issued a report last month, which I will be very happy to share with the Committee, about how we can improve the efficiency of execution in the regulators. To give one example, going back to attracting people, it can take much too long for the regulators to sign off an intra-company transfer from the US, Europe or Japan to the UK. That acts as a disincentive for investment.

There are a final couple of points that I would raise, one of which is on the challenges. I totally agree with the points that were raised earlier on the apprenticeship levy. Particularly if we are going to reskill people in work to ensure we can meet the challenges and the opportunities of a 21st century economy, we need to use the apprenticeship levy in a more intelligent and more flexible way. There is a real desire to do that.

In terms of the opportunities, as Buffy has talked about, the green and sustainable finance economy is an enormous opportunity. McKinsey did a survey recently suggesting that to get to net zero we need about \$9.2 trillion of investment in the global economy each year. We are currently at \$5.7 trillion. That gap is roughly the size of the German economy. That is not something the state can meet; it is not something the private sector can meet. It needs a partnership approach.

One of the other areas is fintech. The UK remains a huge fintech and tech centre. In our industry, it is one of three global players, alongside the Americans and the Chinese. That is an enormous area of opportunity. In fact, we attract more fintech investment into the UK than all the other



HOUSE OF COMMONS

European major economies combined. Again, that speaks to the opportunity but also the need to continue to encourage talent.

The final point I would raise would be that we are living in an era of decoupling. Globalisation has gone backwards. There are clearly a variety of macroeconomic and geopolitical challenges that are faced by every economy in the world, but, for our industry, putting friction in the way of cross-border activity is a real drag on activity. We need to avoid regulatory fragmentation, particularly in areas such as data; 86% of all our exports are done digitally. Data restrictions have doubled since 2017. Avoiding the ongoing decline of globalisation is a real challenge.

Q71 Mark Pawsey: I wondered whether I could ask Mr Keese a couple of questions, please, with regards to the insurance industry, which is your sector. Could you just remind us of the value to the UK economy and roughly the number of employees in the sector?

Burkhard Keese: I can only speak for the P&C sector. Maybe you can help there a little bit. The ecosystem of Lloyd's roughly has 50,000 people in London, in the whole London market. There are about 50,000 professionals.

Miles Celic: I believe it is about 300,000 in total in insurance, but I would be happy to confirm that later.

Burkhard Keese: In terms of revenues, the commercial London market, the commercial business on London soil, generates a revenue of roughly \$100 billion.

Q72 Mark Pawsey: You surprised me by saying in your introduction that, whilst the conditions over the last 10 years have been pretty poor and pretty difficult, we now face the best conditions for 30 or 40 years. If we look ahead 10 years, how do you expect the number of people employed in the sector to increase and by how much do you expect the revenues to increase?

Burkhard Keese: That is a great question. We always call this an insurance cycle. We have soft market conditions and hard market conditions. This is not something unusual. Many people believe Lloyd's has something to do with that. If we maintain discipline, the market should stay hard. That is not my personal view. That is what I hear from our analysts quite a lot. That is the reason why going up and down is normal.

In terms of premiums and growth, there are significant growth opportunities. Suddenly, over the last two or three years, particularly with cyber insurance, insurance has become a broad topic. I have been sitting on boards for 15 years. Before, we never discussed, even as an insurer, insurance at our board meetings. With cyber, the risk is so new and so massive that board members have to discuss insurance like they discussed it years ago.



Q73 **Mark Pawsey:** This is a whole new opportunity that has recently emerged.

Burkhard Keese: It is a risk, and risk is opportunity for us. That is the reason why our belief is that we will grow much more than we did in the last 10 years. On top of this, you have more and more losses from nat cat insurance, so natural catastrophes, with hurricanes and wind in the US. The property affected gets bigger and bigger and more and more expensive. Therefore, we have a really good 10 years ahead of us.

Q74 **Mark Pawsey:** We are experiencing climate change. Some of the catastrophes you have referred to can be attributed to climate change. Is that not going to continue to create a substantial burden on your assets?

Burkhard Keese: I am not sure. That is what you always read in the press. I have a slightly different view. We do not insure climate. We insure weather. We renew the underwriting every year. After Ian, market prices nearly doubled in Florida for nat cat insurance on property. Climate change is the progress over years and decades.

We could end up in a situation where climate change results in more and more nat cat losses, but people cannot afford anymore to ensure property in the wind belt. That could be a consequence, and that would harm our growth story. We are quite a bit away from this. As long as we can reprice the insurance every year, climate change only impacts us indirectly in the long term.

Q75 **Mark Pawsey:** Tell us why the past 10 years have been bad conditions. There has been uncertainty and very major events that you have had to cover. Why has it been so bad and why is it going to get better, aside from this whole new market?

Burkhard Keese: You probably have to go back to the beginning of 2000, with 9/11. That accelerated the casualty crisis, which was originated by asbestos, quite a lot. Therefore, we ended the 2000s, up until 2010, with very solid prices in casualty. The price of casualty insurance nearly halved between 2010 and 2018.

On top of this, we experienced social inflation in the US and the UK. We had to deal with court rulings on casualty classes, like the opioid rulings, which were much more expensive than originally priced. That is the reason why the market was in a terrible condition overall, but over the last three or four years we have recovered really nicely.

Q76 **Andy McDonald:** Can I turn our attention to IT and technology? Tech Nation reported last month that there was a mixed picture in terms of tech growth in 2022, with investment and the number of unicorns created decreasing, but the UK tech industry showed resilience in comparison to other countries. What is your view about how tech is going to fare in 2023? Buffy, do you want to start with this?



Buffy Price: It depends where the investment is. Speaking from the perspective of climate tech, £222 billion has been invested in climate tech in the last decade. It really depends on which area you are focusing.

There are huge economic opportunities for clean tech and artificial intelligence in the UK. More focus on applying artificial intelligence to real-world problems and less fiddling around in the Metaverse would have an incredible economic impact and be an opportunity for us.

Miles Celic: It is an ongoing opportunity for the UK, but, as I said, there is a wider international challenge here around data localisation. Data is the oil that keeps tech moving. In our industry, data is now as important as capital, if not more so. There are barriers being put in the way of data.

If you look, for example, at the EU-Japan versus UK-Japan FTA, EU-Japan specifically has data localisation in financial services. That leads to additional costs. It leads to difficulties in making data move across borders. It makes it harder in terms of things like anti money laundering and so on. UK-Japan specifically has an avoidance of data localisation built in. The Americans have recently done a number of digital economy agreements or have a number underway. We have done one ourselves with Singapore. This is very much the way of the future.

The problem is we have a global system built around trade that is still very goods focused. The liberalisation of the trade in services remains much further back than we would like it to be. The liberalisation of the trade in services talks in Geneva have been going on, I think I am right in saying, for nearly 20 years, with not a great deal of progress being made.

Bluntly, this is a 21st century economy. When it comes to the UK's strengths, I absolutely pay tribute to the fantastic work we do in advanced manufacturing and elsewhere here in the UK, but the growth areas of the future will include and will be driven by green technologies, digital technologies and so on. We need a very different approach on that. We also need, therefore, regulation that looks at these and recognises that there are risks that need to be mitigated and taken account of but also encourages innovation.

If you do not end up with an innovative regulatory environment, the reality is that this is a hugely mobile group of individuals and companies: 40% of the fintechs in the US were started by people born outside the US and 44% of the employees were born outside the US. The two biggest sources of labour are China and India. We are in a 21st century economy. We need to act like we are in a 21st century economy.

Q77 **Andy McDonald:** If that is the case, are we hooked into and addicted to this City-based focus and importing that labour in from the jurisdictions you have talked about? Are we missing a trick in terms of our own talent pool within the United Kingdom? Are we doing enough to nurture that in our regions across the country?



Miles Celic: That is a really important point. We employ 2.5 million people in financial and related professional services. Two-thirds of those jobs are outside the M25, and that proportion is growing. Everyone tends to go, "That is back office jobs and call centres". That is just not true. As I mentioned earlier, we are the largest and most successful exporter of these kinds of services in the world. More than 40% of those exports come from outside the M25.

I would love to see—we have called for this—greater devolution into the cities, regions and devolved nations of the UK. There are some really exciting possibilities off the back of that. There are some really exciting clusters developing in places like Manchester, Birmingham, various parts of Scotland, Belfast, Cardiff and elsewhere. When metro mayors or combined authorities pull their plans together, we would love to see them consulting with business and being given, where possible, the ability to experiment with policy. Our sense is that this is where the real growth is going to be.

On tech, one of the things that has been really beneficial is the growth and success of universities outside the M25, particularly in places like Birmingham and Manchester. Everybody knows the Oxford and Cambridge arc as well, but beyond Oxford and Cambridge you are seeing these talent pools develop. That is attracting investment and it is attracting companies.

Burkhard Keese: I would agree.

Buffy Price: I just have one small point. We are a company that set up in lockdown. There is the ability to work remotely; we can hire the talent and keep the talent where it is living. That is much more open to us now. It does not need to be concentrated in London in the way it used to be.

Q78 **Chair:** This might be a simple question. Part of the criticism of free trade or globalisation around manufacturing was that the UK lost lots of industrial capacity to lower-cost jurisdictions, which was part of an international move to reduce costs for multinationals. If the UK has a particular strength in exporting services, if we were to make progress on the liberalisation of the services trade, is there not a risk that we then start to lose some of that from the UK because it will start to build strength in other countries around the world?

Miles Celic: I will take care when I talk about goods because that is outside my bailiwick. There is an inevitable shift of low-cost manufacturing into other areas, which is driven by cost. You have seen that over the years. This has been a terrific advantage, by the way, for the countries that have moved up the development curve. Certainly when I was growing up, you would pick up a cheap plastic toy and it was made in Taiwan or Hong Kong. That was part of the development curve those economies went through. They then went up in terms of GDP per capita and had an explosion of growth.



That tends to lead to people consuming services more. There is an exponential growth in services consumption in countries that are going up the development curve. Both in manufacturing and, I would argue, in services, therefore, you play to your national comparative advantage.

What are the national strengths you have? In manufacturing here in the UK, we still have the world's second most successful aerospace industry. That is because we concentrated on that part of manufacturing. We have heard from pharmaceuticals. That is still a huge UK success story. On the services side, financial and professional services, technology, et cetera, are all enormous strengths for the UK. They have been identified both by Government and opposition parties down the years as the core elements of the UK's development.

We need to get it right. My view is that this requires a partnership approach between Government, regulators and industry. You talked earlier about whether this is a case of the state getting out of the way. To my knowledge, there is no successful financial centre anywhere in the world that is not based in some form on a partnership between the private sector, Government and regulators.

Singapore is often identified. Singapore is enormously driven by a very successful partnership between the private and the public sectors. If we are going to take advantage of where trade and the economy are going and be able to sell and invest into high-growth economies, that requires us to have the kinds of free trade agreements and side agreements, such as digital economy agreements, that allow us to sell and invest into populations that are moving up the development curve I talked about earlier.

Burkhard Keese: I would like to add two things. From my experience of financial services, yes, sometimes you go offshore for cost reasons for very low-skill jobs. There is always a conflict: is it cheaper to digitalise the job or to outsource it? That is just a fact. There is not much you can do about it. This is not very much in the value chain of insurance.

The bigger problem you have sometimes is that you simply cannot hire the resources that you need to have, such as actuaries. That is something where we really need to work together with Government. Sometimes you are forced to go offshore, to Poland, India or Spain, because they still have a bigger pool of actuaries available to work with you.

Again, this is something we need to do with universities in a public-private partnership. If we are all fair, I would say that the insurance industry in London is Essex and Kent—90% of the people from school in Essex end up in the City. We can do much more to broaden our reach to the rest of the United Kingdom and to attract the right talent into the industry. We simply have not done that, if you ask me.

Q79 **Ian Lavery:** Very briefly, I want to ask about the financial and related



HOUSE OF COMMONS

professional services sector. How can we ensure international competitiveness in this sector? How is regulation impacting growth and investment in the sector as well?

Miles Celic: That is the critical question. From our perspective, it is about making sure we have regulation that is fit for purpose. There has been a process of updating regulation.

The Financial Services and Markets Bill, which is making its way through Parliament at the moment, is a reflection of a huge number of consultations and reviews that have taken place over time. It will introduce a new secondary objective on competitiveness and economic growth, which is something we argued for and very much welcome; it will look at how we keep the regulators accountable; and it will look at a new financial regulatory framework. The Edinburgh reforms that were announced by the Chancellor in December were also very welcome.

As I talked about earlier, this needs to be looked at as moving to a process of evolution rather than permanent revolution. Companies have had to take on board a huge amount of regulatory change over recent years. That takes time, focus, money and management resource to put in place. I need to be really clear. This is not an argument for a reduction of regulatory standards. What attracts people to do business in the UK is high regulatory standards. As one international company put it to me, there is a kite mark of quality that comes to doing business in the UK. If you can do it here, you can do it anywhere.

However, we need to watch out for a regulatory culture—this goes back to the supervisory point that was raised earlier—that is much too negative and not nimble, and does not encourage the kind of innovation I talked about earlier.

If I had to use an analogy, if you changed the laws of football but the referees still insisted on interpreting those laws in the most negative, careful and conservative way possible, the game is not going to be much fun. You are not going to get the flow you want. We need a very different approach from the regulators. In the conversations we have had with regulators, there is a recognition that the culture in the regulators needs to shift.

There is also the point I raised earlier about making sure we have the right talent coming into the industry, including from communities within the UK, as Burkhard has already talked about. Certainly my experience at TheCityUK is that we seem to employ a lot of people from Essex as well. It would be nice to have greater diversity in that at least. We also need to encourage people from around the world.

There is a sentiment piece to this. You can certainly look at what the tax rate is, what the regulatory environment is and so on, all of which are really important, but the thing that attracts talented people to a centre is



as much sentiment and quality of life as anything else. That is something that really requires Government, industry and regulators to lean in on.

Q80 **Ian Lavery:** That is very interesting. What impact will the Financial Services and Markets Bill have on the sector?

Miles Celic: We hope the impact will be positive. As I say, it is something industry contributed a great deal to in terms of consultations and reviews over the years. At this point I would just like to pay tribute to the work of the various City Ministers, such as John Glen and Andrew Griffith, who led that over recent years, and the officials, who have done a fantastic job in taking that forward.

Once it is in place and there is a drive towards that secondary objective on economic growth and competitiveness, the challenge will be in making sure the regulators implement that in the right way. We very much welcome the amendments on accountability. It is going to be important to put in place appropriate key performance indicators.

We think that should be done in consultation with industry but not just with industry; it should be done with the third sector, charities and others that have a role to play, to make sure the regulators are not marking their own homework and there is a proper recognition of the role of regulation in driving employment, prosperity and success across the whole of the UK.

Burkhard Keese: I would reiterate what you have said. The key is that, in day-to-day regulation, the regulators are following an agile, responsive, proactive and holistic approach. This is where other centres in the world are more agile than the UK.

You hear it all the time. It is not that they have less regulation. Everybody wants to have the regulation. In the UK, you need to go from PRA to FCA to HMRC and to HMT. There are four different sets of people, and they all ask you the same questions. There could be a more concentrated customer-friendly approach. That is all you need to do.

We are really supporting the new legislation, which gives them the right objective. At the moment, there is no objective for these institutions to work together. If you prompt them, they work together fantastically. It is not really there at the moment. That is what my advice would be.

Q81 **Chair:** We heard evidence in a previous session, not the one today but the one before, that in Whitehall and Westminster we often forget about the services industry. There is a lot of focus on manufacturing and goods. Torsten Bell told us we forget that we are the second largest exporter of services in the world. You have also given us some further statistics on financial services today.

On the one hand, the financial services and insurance industries are quite lucky in your relationship with the Treasury, which still technically holds industrial policy. I wonder whether any of you have reflections on the



HOUSE OF COMMONS

relationship with Government. We nearly had a services sector deal many years ago, but it kind of did not happen. What needs to change in order for us to make the most of our services sector generally?

Miles Celic: I am happy to kick off. One of the problems is that this is 80% of the UK's economy. That often gets forgotten. If I may crave the indulgence of a group of politicians, it is a lot easier to do a photoshoot with a high-vis jacket on a construction site or in a factory than it is on a bunch of desks. We get that the optics are not always advantageous for us in terms of attractiveness for publicity.

The reality is that, particularly when it comes to our industry, there is too much of a lack of joined-up-ness across Government. We have argued for the creation of a partnership group, which we think should be chaired by the Chancellor. You should not just have Treasury in the room. When we originally created the idea, we thought you should have DCMS in the room because they sat with a responsibility for digital; you should have the Home Office in the room because of the importance of talent and getting the right talent in the UK; you should have MoJ in the room because of the value of common law here in the UK. We are one of the world's most successful exporters of legal services.

We very much welcome the changes in the machinery of Government that we have seen in recent weeks. That is something we have argued for for some time. In effect what now exists is a Department for economic growth and investment, driving together trade and business. That should be in the room as well, together with the regulators and industry.

This is not about some corporatist approach or some sort of attempt to find mushy consensus. It is about finding a long-term strategic vision. I am afraid that is particularly lacking when it comes to services. We need to be able, in the way our major competitors can, to say, "This is the vision that we have for the economy. This is a recognition of where we are now. This is the gap we need to fill".

If you do that just in skills, you will drive, just in our part of the economy, an additional £38 billion of economic activity over time. It is about Government being willing to lead a partnership approach because industry cannot do that and regulators cannot do that. It is about putting that together, very much as Burkhard has talked about, in a holistic, integrated and comprehensive way.

Buffy Price: There is nothing I want to add specifically. For us, we really want to see the Vaccine Taskforce approach being applied to climate tech. "Nature" released a report in 2001 stating that it is more important to reduce our carbon emissions between now and 2030 than to hit net zero between 2040 to 2050.

We would want to see that partnership with industry and Government, driving Government procurement on things like low-carbon concretes, homing in on high-impact and scalable solutions, accelerating that



HOUSE OF COMMONS

decision-making and driving investment in that space from both Government and investors overseas as well.

Burkhard Keese: I just have three points. Most importantly, the financial services industry needs stability, predictability and clear policies. 2022 was not a particularly good year, as we all know. That is number one.

Secondly, I would always recommend taking a holistic view on regulation. Normally, when you look through the thousands of rules, they all make sense on a standalone basis. If you aggregate them, they do not make sense anymore. This helicopter view is sometimes missing. That is something that is also true in our case. That is the case for every big company I know.

The third one is to warm up the political atmosphere with Europe. That would be really important. We welcomed the news yesterday. The City of London is engaged in a business dialogue across the Channel. That is really good, but the political atmosphere is frosty. We feel that. Everybody feels it on both sides. We need to warm that up as soon as possible. The warming up of this political situation cannot be quick enough.

Chair: Hopefully, we started to turn a corner yesterday.

Burkhard Keese: Yes, hopefully.

Chair: Some of us are off to Brussels this afternoon. We will do our best to help. We have timed out now, but thank you, all three of you, for your contributions. We are grateful. I will bring the session to an end.