

Press-Information

Frankfurt – A City of Commerce and Finance

A brief look at the statistics confirms Frankfurt's significance as an economic centre: for a population of just 650,000, Frankfurt offers 569,100 jobs spread over approx. 44,000 businesses. Each day, 318,000 workers commute to and from the city, while unemployment levels are sitting at a relatively low 7.6%. An annual gross domestic product of 44 billion euros is achieved in Frankfurt, with industrial production accounting for 17% of this and the service sector for the remaining 83%. Numerous large and small businesses from a wide range of service industries are responsible for Frankfurt's reputation as a service-orientated commercial centre. The prime reason for the service sector's dominance in Frankfurt's economy is the city's role as an international financial centre.

Frankfurt is Germany's **premier financial centre** for three main reasons: both the European Central Bank and the German Federal Bank are based in Frankfurt; the city has a long history as a banking, stock market and trade fair centre; and, finally, it is located very centrally - both in terms of Europe and Germany. As a result, the city has excellent transport links with an international airport, the biggest train station in Europe and a major junction on the extensive European motorway network.

At least 332 banking institutions are based in Frankfurt or have a branch office here. Included here are 194 foreign institutions from more than 40 countries. Amongst these are some of the world's biggest banks, e.g. the Bank of America, Citibank, Chase Bank and American Express. In this picturesque city by the Main River, important British, French, Spanish and Italian banking institutions are represented, as are Japan's most significant financial institutions as well as banks from the Middle East, South America and Eastern Europe. Of course Germany's ten largest financial institutions are also represented in Frankfurt. Four of these have their head office here - Deutsche Bank, Commerzbank, DG-Bank and the Kreditanstalt für Wiederaufbau. Also based in Frankfurt are the State Bank of Hesse and Thuringia (otherwise known as Helaba), Hessen and Thüringen Savings Banks' non-profit public

credit institution and state giro centre, as well as the Landeszentralbank/LZB and Hessen's Deutsche Bundesbank head office. This gives Frankfurt highest concentration of banks per city in Germany.

Financial institutions vital to Europe's banking business have been situated in Frankfurt from as early as the 19th century. These include illustrious names such as Rothschild, Bethmann, Oppenheimer, Metzler, Hauck and Goldschmidt. After the German Reich was founded in 1871, the city on the Main had to relinquish her role as the leading banking centre to the capital, Berlin, but, after the Second World War, the city gradually regained its leading role in the banking industry. On the 1st of March 1948, parallel laws enacted by both the British and American military governments stipulated a *Bank deutscher Länder* - a temporary central bank which became the **German Federal Bank** on the 25th of July 1957. This is the Federal Republic of Germany's central bank, situated to this day in Frankfurt. Furthermore, the EC's decision on 29 October 1993 to make Frankfurt the home of the **European Central Bank** (ECB) meant that Frankfurt could retain and strengthen its position as Germany's leading financial centre.

Today, a quarter of the entire German banking business and around half of all German financial transactions with foreign countries are conducted in Frankfurt. More than 76,000 people work in the banking industry, which is almost 12% of the city's jobs.

The **German Stock Exchange in Frankfurt** has benefited from its proximity to the Central Bank. Around 90 percent of Germany's entire stock trading takes place here. Since the introduction of the electronic trading system Xetra in 1997, floor trading has largely been replaced by electronic trading. Today, around 85 percent of Germany's total share transactions are carried out using this computerised system. Up to 30 billion euros pass through Xetra and the Frankfurt stock exchange each day. Around 450 banks and financial service providers from 18 different countries are connected to Xetra, trading stock, options, investment funds and annuities via data lines. Around 5,700 German and foreign businesses are quoted on the Frankfurt exchange.

The history of the Frankfurt Stock Exchange reaches as far back as the 16th century. In 1585, a group of merchants in Frankfurt established fixed exchange rates for different currencies. Initially, exchange meetings were held outside;

later, they took place in the Braunfels House on the Liebfrauenberg. During the exchange's early phase, trading was mostly conducted in bills of exchange, but, towards the end of the 18th century, bonds and promissory notes were also used. In 1879, the stock exchange building was opened and, after suffering extensive damage during WWII, it was rebuilt and remains operational to this day. Even when the Reich's capital, Berlin, was the leading German stock trading centre between the late 19th century and mid-20th century, Frankfurt maintained its position in international trading. After the Second World War, the Frankfurt Stock Exchange was already back in operation by September of 1945, and, once the German currency and economy had stabilised, the stock exchange could also regain its former importance.

In addition to the banks, numerous large and small businesses contribute to Frankfurt's status as a services centre. The **Messe Frankfurt GmbH**, for example, is an important contributor to the city's economy, its 2006 annual report describing a turnover of 406 million euros. In 2006, Messe Frankfurt has organised in total 110 trade fairs, exhibitions and public events, 64 of them in abroad, totalling over 2.7 million visitors and 68,109 exhibitors. Today the Messe Frankfurt exhibition grounds are the third biggest worldwide by providing 578,000 square metres of exhibition space, nine exhibition halls and the nearby Congress Centre.

The biggest, most significant trade fairs held on Frankfurt's expo grounds are the consumer goods fair Paperworld, Christmasworld, Beautyworld, Tendence Lifestyle or Ambiente, the ISH, the leading international fair for sanitary equipment and heating systems and the huge textiles fair Heimtextil, Texcare International or Techtexil.

Besides all particular exhibitions Frankfurt is also habitat of worldwide known performances such as the international chemical engineering fairACHEMA, the Book Fair or the International Automotive Exhibition (IAA) for cars and motorcycles, which is held every two years.

Frankfurt's *Messe* also has long history. In 1240, Emperor Friedrich II granted his protection to the merchants travelling to Frankfurt's fair, and granted the

city the privilege of holding the fairs. In 1990 Messe Frankfurt celebrated its 750th anniversary.

With its multiplicity of communications businesses, Frankfurt is one of Germany's biggest **advertising** centres. With areas like public relations, advertising, market research and sales development, this industry comprises one of the fastest growing business sectors. A large proportion of the slogans we see and hear every day was devised by the creative thinkers of Frankfurt. Around 5,200 businesses from the advertising and communications industries responsible for product marketing and image development are located in Frankfurt. Approximately 40 % of the sales revenue earned by Germany's advertising industry is generated in the Frankfurt Rhine-Main region. A vast number of industry suppliers and job-shops, such as production firms, print shops, typesetting and reprographic business have come to profit greatly from the strong agency presence in Frankfurt Rhine-Main.

Frankfurt's role as a service centre and as Germany's foremost financial centre is also responsible for the city's appearance: Frankfurt's famous **skyline** is indebted to the overriding demand for office space by the service sector. In order to do justice to both employee numbers and location demands, there was only one direction to build in: upwards - which is why Frankfurt has Germany's tallest buildings. With its height of 259 metres (299 metres counting the antenna!), the Commerzbank is Europe's tallest office building. In the last decade, several more buildings around the 200-metre mark have enriched Frankfurt's skyline. These include the 186-metre Trianon building and the Deutsche Genossenschaftsbanks's 208-metre skyscraper (also known as the "crowned high-rise" due to its distinctive appearance); both of these are situated on the Mainzer Landstrasse. Not far from there one finds the MAIN TOWER on the Neue Mainzer Strasse, which opened in 2000. This is Frankfurt's first public-access skyscraper, featuring two floors for visitors at the 200-metre mark and a restaurant on the 53rd floor. In the near future, more skyscrapers will be built in the banking district and also in the western city districts. This means that in the coming years there will be enough space for Frankfurt's service sector, enough space in fact to ensure that the slogan "Frankfurt – A City of Commerce and Finance" will ring true for years to come!

Further information regarding Frankfurt's institutions can be found at

- www.bundesbank.de (German Federal Bank)
- www.ecb.int (European Central Bank)
- www.deutsche-boerse.com (German Stock Exchange, Financial Centre Frankfurt)
- www.messefrankfurt.com (Messe Frankfurt)

Contact:

Tourismus+Congress GmbH Frankfurt am Main, Kaiserstraße 56,
60329 Frankfurt, phone: +49 (0) 69 / 21 23 88 00, Fax +49 (0) 69 / 21 23 78 80,
eMail: info@infofrankfurt.de, Internet: www.frankfurt-tourismus.de.