

The world's most attractive place to set up a private equity firm

Research released this week reveals the most competitive locations for private equity firms.

According to research from Investec, the UK retains the top spot as the most attractive market for private equity.

Despite the UK's sluggish economy and recent tax changes, it remains ahead of Switzerland and the US in terms of having the most attractive infrastructure, regulatory environment and tax regime for private equity firms to be based.

The 88 UK-based private equity professionals polled by Investec identified potential tax increases on capital gains and performance fees as the greatest threats to the country's future attractiveness as a base for private equity firms.

Four-fifths of the managers also warned that the sector needed to do more to improve its image in the light of this year's public debate about the collapse of [Southern Cross](#), the elderly care home operator once owned by Blackstone, the US buy-out group.

At last month's Labour Party Conference, Ed Miliband stated that companies such as the nursing home operator exemplify the "wrong sort of business" and blamed private equity firms for trying to generate excessive profits while placing thousands of vulnerable residents in danger of homelessness.

"Despite continued concern around the reputation of the UK's private equity industry, this research highlights its strength and resilience in the face of tough overseas competition," comments Simon Hamilton, head of Investec Fund Finance. "However, the government must do all that it can to nurture and support the sector to ensure that the UK remains a hub for private equity firms."

Most competitive locations for private equity firms:

1. UK
2. USA
3. Switzerland
4. Luxembourg
5. Channel Islands and Isle of Man
6. Scandinavia
7. Netherlands
8. France
9. Germany

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