

LATEST CCMR STUDY SHOWS CONTINUED EROSION OF U.S. SHARE OF GLOBAL IPO MARKET

CAMBRIDGE, Mass., May 25, 2011—The [Committee on Capital Markets Regulation](#) (CCMR), an independent and nonpartisan research organization dedicated to improving the regulation and enhancing the competitiveness of U.S. capital markets, today released data confirming that although the first quarter of 2011 saw some improvement in the IPO activity in the United States, U.S. markets continue to lose share of the global IPO market.

Hal S. Scott, President and Director of the Committee said: “This has been a good quarter for IPO activity for U.S. companies in the United States but foreign companies continue to shun our public markets and U.S. companies increasingly make offerings only abroad.”

U.S. Share of Equity Raised Grows While Relative Share of Global IPOs Shrinks

During the first quarter of 2011, U.S. markets raised 51.7% of all global equity—a dramatic increase over prior rates of 30% in 2010, 24.6% in 2009, and the 1996-2006 average of 32.2%. The increase is attributable to a substantial increase in IPO activity of U.S. companies compared to companies in the rest of the world.

During the first quarter of 2011, only 11.9% of global IPOs were listed on U.S. markets. This is a decrease from 14.2% in 2010, and 16.9% in 2009. This figure is also significantly lower than the 1996-2006 average of 28.7%. Four of the first quarter’s 20 largest global IPOs were listed in the United States.

U.S. Companies Increasingly Offer Shares Only Outside U.S. While Delisting of Foreign Companies Declines

The number of IPOs by U.S. companies listed abroad continues to increase. During the first quarter of 2011, 7.7% of IPOs by U.S. issuers were listed only abroad, compared to 5.2% in 2010, and 3.0% for 2009. This percentage was just 1.3% for 1996-2006. All of this quarter’s foreign IPOs of U.S. companies were listed on the Toronto Stock Exchange.

Delistings from the New York Stock Exchange by foreign companies fell during the first quarter of 2011. We project a delisting rate of only 2.3% for 2011, compared with rates of 6.0% in 2010, 4.2% in 2009, and an historical average of 4.8% for 1996-2006.

Capitalization and Trading Market Shares Basically Unchanged

The U.S. share of global market capitalization increased slightly to 32.1%—more than the 2010 total of 31.5%, but less than 2009’s 32.4%, 2008’s 36.0%, and the 1996-2006 average of 45.7%.

The U.S. share of global equity trading, measured by value, decreased again to 44.4% from 48.3% in 2010, 50.2% in 2009, and the historical average of 50.6% from 1990-2006.

Investment Banking Revenue Stays Flat

During the first quarter of 2011, the U.S. share of global M&A advisory and equity/debt underwriting revenue remained at the 2010 level of 40%. This figure was 37% in 2009, but averaged 49% for 1996-2006.

The Committee believes that measures suggested in its 2006 Interim Report must be taken to help restore U.S. competitiveness. We also urge regulators implementing the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act to minimize, to the extent possible, adverse competitive impacts, particularly in areas where the U.S. regulatory approach differs significantly from that taken in other markets.

Historical data through Q1 2011 are available at www.capmktreg.org.

#

For Further Information:

Prof. Hal S. Scott, President and Director
Committee on Capital Markets Regulation
(617) 384-5364
hscott@law.harvard.edu

Tim Metz
Hullin Metz & Co.
(646) 495-5136
tim@hmcllc.com