

# Asian Cities of the Future 2009/10

## JUDGING PANEL



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SINGAPORE HAS BEEN RANKED BY fDi MAGAZINE AS THE ASIAN CITY OF THE FUTURE 2009/10, WITH TOKYO AND SHANGHAI FOLLOWING IN SECOND AND THIRD PLACES, RESPECTIVELY. JACQUELINE HEGARTY REPORTS ON THE LEADING PERFORMERS

Singapore has been crowned fDi Magazine's Asian City of the Future 2009/2010, climbing from second place in the previous competition which took place two years ago. Singapore performed well across the spectrum, claiming top positions in the categories of business friendliness and quality of life, second place in infrastructure (behind Hong Kong), and third place in economic potential, behind Shanghai and Beijing.

Chinese cities have dominated the competition, which is unsurprising, given that China has been the top destination country for global FDI since 2003. Shanghai, Beijing and Guangzhou all achieved places within the top 10 in the overall Cities of the Future category, with Shanghai and Beijing claiming the top two positions in the category of economic potential, as both locations are among the top three destination cities for inward FDI into the Asia-Pacific region.

Tokyo ranked second in the Cities of the Future competition, scoring in the top 10 of all categories, with the exception of cost effectiveness. Tokyo is regarded by fDi Magazine as the best Asian city for human resources, primarily due to its high number and high quality of universities.

Hong Kong ranked fourth overall, a position separated by only four percentage points from the leader, Singapore. Hong Kong was perceived by the independent judging panel to have the best FDI strategy of the cities in the Asia-Pacific region and also ranked as the city with the best infrastructure, somewhat attributable to the high quality of port and air transport infrastructure as well as wide telecommunications coverage.

Australian cities also performed well, with the judging panel ranking Brisbane, Melbourne and Perth in the top 10 for the best FDI strategy, and Melbourne and Brisbane ranking seventh and 10th, respectively, overall. Seoul in South Korea also performed well across the categories, positioning the city fifth in the overall Cities of the Future ranking.

fDi Magazine's Asian Cities of the Future 2009/10 shortlists, which took more than six months to research and involved data collection from 133 Asia-Pacific cities, has



ranked Surabaya as top for cost effectiveness, followed by Johor Bahru and Davao. These cities have relatively low wages and low location costs.

#### Note

In April 2008, the Financial Times Ltd acquired fDi Markets and fDi Benchmark. fDi Markets is an independent database tracking global FDI on a real-time basis whereas fDi Benchmark is an independent database which benchmarks global locations on how appealing they are to foreign investors. This division compiled the majority of the data for the Cities of the Future competition, with the exception of the FDI promotion strategy category, which was submitted by individual cities and assessed by the judging panel. These changes have made the competition even more objective.

#### Methodology

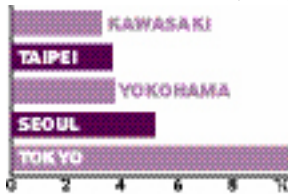
fDi Cities of the Future shortlists are created by the independent collection of data by fDi Benchmark across 133 Asia-Pacific cities. This information was set under six categories: economic potential, human resources, cost effectiveness, quality of life, infrastructure and business friendliness. A seventh category was added – FDI promotion strategy. In this category, 24 Asia-Pacific cities submitted details about their promotion strategies and this was assessed and scored by the independent judging panel.

Cities could score up to a maximum of 10 points for each individual criteria, which were weighted by importance to give the overall scores. Where data was available only at a national rather than city level, a lower weighting was generally applied. ■

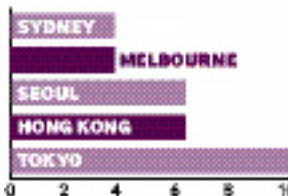
#### TOP 10 ASIAN CITIES OF THE FUTURE 2009/10

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Tokyo	Japan
3	Shanghai	China
4	Hong Kong	Hong Kong
5	Seoul	South Korea
6	Beijing	China
7	Melbourne	Australia
8	Guangzhou	China
9	Osaka	Japan
10	Brisbane	Australia

#### NUMBER OF PATENTS (2008)



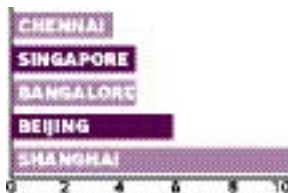
#### NUMBER OF TOP 200 ASIAN UNIVERSITIES



#### NUMBER OF INTERNATIONAL DESTINATIONS SERVED BY AIR



#### NUMBER OF JOBS CREATED BY FDI



#### NUMBER OF COMPANIES IN THE HIGH-TECH MANUFACTURING SECTOR (2008)



#### JUDGING CRITERIA

##### ECONOMIC POTENTIAL

- Population growth rate
- Number of patents
- GDP growth rate
- GDP per capita
- GDP, purchasing power parity
- Size of labour force
- FDI (inward)
- Number of mega projects
- Number of companies in R&D

##### COST EFFECTIVENESS

- Registering property – cost (% of property value)
- Cost of dealing with construction permits (% of income per capita)
- Profit tax (%)
- Office costs
- Industrial costs – as above
- Average wage
- Cost of one litre of unleaded petrol
- Minimum wage

##### HUMAN RESOURCES

- Literacy rate
- Number of universities
- Number of university students
- Unemployment rate
- Gross tertiary enrolment rate
- Number of top 500 universities
- Top 200 Asian universities

##### QUALITY OF LIFE

- Life expectancy
- Number of hospital beds (per 1000 people)
- Death rate
- Health expenditure (% of GDP)
- Households with television (%)
- Average house price
- Unemployment
- Income per capita
- Number of International Baccalaureate schools
- Unemployment

##### INFRASTRUCTURE

- Internet users
- Telephone mainlines
- Mobile phone subscribers
- Number of airports
- Number of international destinations served
- Number of ports ▶



Vibrant spot: Singapore is a growing business and tourism centre

### BEST FDI STRATEGY

RANK	CITY	COUNTRY
1	Hong Kong	Hong Kong
2	Brisbane	Australia
3	Guangzhou	China
4	Melbourne	Australia
5	Bangalore	India
6	Ulsan	South Korea
7	Chongqing	China
8	Perth	Australia
9	Tokyo	Japan
10	Auckland	New Zealand

### BEST ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Shanghai	China
2	Beijing	China
3	Singapore	Singapore
4	Tokyo	Japan
5	Hong Kong	Hong Kong
6	Shenzhen	China
7	Seoul	South Korea
8	Suzhou	China
9	Guangzhou	China
10	Tianjin	China

### BEST COST EFFECTIVENESS

RANK	CITY	COUNTRY
1	Surabaya	Indonesia
2	Johor Bahru	Malaysia
3	Davao	Philippines
4	Jakarta	Indonesia
5	Manila	Philippines
6	Cebu	Philippines
7	Kuala Lumpur	Malaysia
8	Da Nang	Vietnam
9	Dongguan	China
10	Shenyang	China

### BEST HUMAN RESOURCES

RANK	CITY	COUNTRY
1	Tokyo	Japan
2	Seoul	South Korea
3	Beijing	China
4	Hong Kong	Hong Kong
5	Shanghai	China
6	Taiyuan	China
7	Singapore	Singapore
8	Melbourne	Australia
9	Sydney	Australia
10	Adelaide	Australia

### BEST QUALITY OF LIFE

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Auckland	New Zealand
3	Ulsan	South Korea
4	Sydney	Australia
5	Tokyo	Japan
6	Wellington	New Zealand
7	Yokohama	Japan
8	Seoul	South Korea
9	Melbourne	Australia
10	Osaka	Japan

### BEST INFRASTRUCTURE

RANK	CITY	COUNTRY
1	Hong Kong	Hong Kong
2	Singapore	Singapore
3	Incheon	South Korea
4	Yokohama	Japan
5	Seoul	South Korea
6	Tokyo	Japan
7	Chiba	Japan
8	Sydney	Australia
9	Osaka	Japan
10	Kobe	Japan

### BEST BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Shanghai	China
3	Tokyo	Japan
4	Seoul	South Korea
5	Beijing	China
6	Shenzhen	China
7	Osaka	Japan
8	Mumbai	India
9	Taipei	Taiwan
10	Hong Kong	Hong Kong

### JUDGING CRITERIA

- Size of largest port
- Type of largest port
- Internet speeds upload
- Internet speeds download

### BUSINESS FRIENDLINESS

- Number of jobs created by FDI
- Number of days taken to start a business
- Hiring costs (days)
- Firing costs (days)
- Ease of doing business index
- Number of companies within the high-tech manufacturing sector (2008)
- Number of companies within the high-tech services sector (2008)
- Number of companies within the knowledge-based sector (2008)
- Number of companies within the high-tech manufacturing sector since 2005
- Number of companies within the high-tech services sector since 2005
- Number of companies within the knowledge-based sector since 2005
- Growth of high-tech manufacturing firms from 2005 to 2008
- Growth of high-tech services firms from 2005 to 2008
- Growth of knowledge-based firms from 2005 to 2008
- Top 100 banks
- Top 200 Asian banks

### FDI PROMOTION STRATEGY

- Number of staff dedicated to promoting and facilitating inward investment
- Key initiatives that are being implemented to attract more investment
- Information on high-growth sectors/sub-sectors in the city which offer excellent potential for inward investment
- Description of incentives which are available to inward investors, outlining where possible the typical size of incentives
- High-profile, world-class property/sites available in the city suitable for investors to move in to, with basic information on each property if available

Note: Information collected by fDi Benchmark except for final judging criteria – this information was provided by the cities and assessed by the judging panel.