

AFRICAN, EUROPEAN, AND ASIAN CITIES DOMINATE THE TOP 10 MOST EXPENSIVE LOCATIONS FOR EXPATRIATES

United States , New York

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- Luanda, Angola is the world's most expensive city for expatriates
- Moscow and Tokyo rank costliest for Europe and Asia, respectively
- A cup of coffee in Moscow can cost \$8.29 compared to \$1.54 in Managua, Nicaragua
- A fast food hamburger meal in Caracas can cost \$13.49 compared to \$3.62 in Kolkata

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Although more European cities dominate the world's top costliest locations for expatriates, according to Mercer's latest Cost of Living Survey, several cities in Asia are among the top 10 while Luanda holds the number one position.

TOP 10 COSTLIEST CITIES FOR EXPATRIATES

1 Luanda, Angola	6 Hong Kong, Hong Kong
2 Moscow, Russia	7 Geneva, Switzerland
3 Tokyo, Japan	8 Zurich, Switzerland
4 N'Djamena, Chad	9 Bern, Switzerland
5 Singapore, Singapore	10 Sydney, Australia

Source: Mercer's 2013 Cost of Living Survey

Mercer's 2013 Cost of Living Survey is one of the world's most comprehensive, and is designed to help multinational companies and governments determine compensation allowances for their expatriate employees. New York is used as the base city, and all cities are compared against it. Currency movements are measured against the US dollar.

The survey covers 214 cities across five continents and measures the comparative cost of over 200 items in each location, including housing, transportation, food, clothing, household goods, and entertainment.

The difference in cost for these items can be dramatic. For example the cost of a cup of coffee in Managua, Nicaragua is \$1.54 compared to \$8.29 in Moscow; a fast food hamburger meal is \$3.62 in Kolkata (Calcutta), India, versus \$13.49 in Caracas, and a cinema ticket is \$5.91 in Johannesburg compared to \$20.10 in London. These are but a few examples of the thousands of comparisons to be found in Mercer's full report that aid employers in setting cost of living and other expatriate allowances.

Mercer produces individual cost of living and rental accommodation cost reports for each city surveyed.

The cost of expatriate housing is typically the biggest expense for employers, and it plays an important part in determining the rankings. The Russian capital of Moscow follows Luanda as the second most expensive city because of high costs for rental accommodation and imported goods and services commonly purchased by expatriates commanding a premium. A luxury two

bedroom unfurnished apartment rental for one month in Moscow is \$4,600 a month or 14 times as much than Karachi. Rounding out the top five most expensive cities for expatriate living, which also have pricey rental accommodations, are Tokyo, the Chad city Ndjamen, and Singapore.

"Recent world events, including economic and political upheavals, which resulted in currency fluctuations, cost inflation for goods and services, and volatility in accommodation prices have impacted these cities making them expensive," said Barb Marder, Senior Partner and Mercer's Global Mobility Practice Leader. *"Despite being one of Africa's major oil producers, Angola is a relatively poor country yet expensive for expatriates since imported goods can be costly. In addition, finding secure living accommodations that meet the standards of expatriates can be challenging and quite costly."*

The other cities appearing in Mercer's list of top 10 costliest cities for expatriates are Hong Kong, Geneva, Bern and Zurich. According to Ms. Marder, *"A recent Mercer global mobility survey shows that all different types of international assignments are on the rise. Given the increasing numbers of business travelers, global 'commuters' and longer-term expatriates, companies are keeping a close eye on the cost of living for international assignees in different cities around the world. Organizations need to evaluate the impact of currency fluctuations, inflation, and political instability when sending employees on overseas assignments while ensuring they can facilitate the moves they need to drive the business results by offering fair and competitive compensation packages."*

Currency fluctuations and the impact of inflation on goods and services have affected the cost of expatriate programs as well as the city rankings.

"Overall, the cost of living in cities across parts of Europe has gone up in the ranking as a result of the slight strengthening of local currencies against the US dollar, whereas in Asia about half of the cities went down in the ranking – Japan especially – due to local currencies' weakening against the US dollar," said Nathalie Constantin-Métral, Principal at Mercer with responsibility for compiling the survey ranking.

Four European cities are among the top 10 most expensive despite moderate price increases in most European countries. Switzerland remains one of the costliest locations for expatriates despite decreasing or stable accommodation costs and a robust Swiss franc.

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Some African cities rank high in Mercer's 2013 survey, reflecting high living costs for expatriate employees.

In the Americas, cities in South America are the most expensive locations for expatriates. Some cities dropped in the ranking as a result of local currencies weakening against the US dollar such as Brazilian cities, while others jumped as a result of high inflation on goods and services and rentals. New York, the base city for Mercer's Cost of Living ranking, is the most expensive city in the United States.

"Overall, US cities either remained stable in the ranking or have slightly decreased due to the movement of the US dollar against the majority of currencies worldwide," explained Ms. Constantin-Métral. "Yet several cities, including New York, moved up in the ranking due to a rise in the rental accommodation market."

Canadian cities generally moved down in the ranking this year as a result of a slight decrease of the Canadian dollar against the US dollar, and because the prices of goods and services increased at a lower pace than in New York.

-Ends-

NOTES FOR EDITORS

Important: The top 10 cities ranked may be reproduced in a table. The figures for Mercer's cost of living and rental accommodation costs comparisons are derived from a survey conducted in March 2013. March 2013 exchange rates and Mercer's international basket of goods and services have been used as base measurements.

Governments and major companies use this data to protect the purchasing power of their employees when transferred abroad; rental accommodation costs data is used to assess local expatriate housing allowances. The choice of cities surveyed is based on the demand for data.

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COST OF LIVING COMPARISONS – 2013 SELECT CITIES WORLDWIDE – US\$

(Note purchases at medium-priced establishments)

	LUANDA	MOSCOW	TOKYO	N'DJAMENA	SINGAPORE	HONGKONG	GENEVA	ZURICH	BERN	SYDNEY
Rent of a luxury two-bedroom unfurnished apartment (per month)	6500.00	4600.00	4513.34	NA	3794.94	7091.69	4349.74	3914.77	2686.51	2551.42
Rent of a luxury three-bedroom unfurnished house (per month)	15000.00	8000.00	7199.86	2244.62	7266.91	13538.68	7068.33	5980.89	NA	5163.64
Cinema, international release, 1 seat	10.42	11.60	19.34	NA	9.28	11.60	18.48	20.66	18.95	19.62
Pair of blue jeans	204.41	169.13	135.40	NA	129.11	115.92	141.26	141.26	138.00	113.55
1 issue of international daily newspaper	5.42	9.95	5.37	6.94	3.63	3.87	4.35	4.35	4.35	6.20
1 cup of coffee, including service	3.88	8.29	6.98	3.06	4.84	5.67	6.52	5.98	4.68	5.16
Fast food hamburger meal	20.06*	6.47	7.31	25.51*	5.61	3.54	12.51	12.51	12.51	9.2
1 liter of gasoline, unleaded 95 octane	0.63	1.04	1.74	0.98	1.76	2.23	2.02	2.02	2.02	1.51
Pasteurized whole milk, above 2.5% fat (1lt)	3.18	7.59	3.05	2.75	2.62	3.12	1.74	1.74	1.74	2.67
1 liter of soda	2.14	1.77	1.92	1.63	1.13	1.02	1.60	1.60	1.60	2.15

*In Luanda, and Ndjamen this category was replaced by a club sandwich and soda meal in the absence of any comparable fast food outlets.

Source: Mercer's 2013 Cost of Living Survey

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