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TITLE: Singapore 4th-most expensive city for expats: ACI

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Living costs for ordinary citizens in Singapore were ranked as the 48th-most expensive in the world, unchanged from last year, according to a study by the Asian Competitiveness Institute.

SINGAPORE: The Republic has been ranked as the fourth-most expensive city for expatriates to live in, according to a study conducted by the Asia Competitiveness Institute (ACI).

Caracas in Venezuela was placed as the most expensive city for expatriates, based on 2013 data, the study, which was released on Friday (Nov 27), showed.

Under the ACI's annual index that compares cost of living for 103 major world cities, Singapore now comes fourth behind Caracas, New York and Zurich. This is an increase from last year's ranking as the seventh-most expensive city for expatriates, after data was updated and revised.

ACI said the strong Singapore dollar has pushed the Republic's ranking upwards. Between 2005 and 2013, the Singapore dollar appreciated by almost 25 per cent against the US dollar, the study showed.

Meanwhile, living costs for ordinary citizens in Singapore were unchanged from last year, staying as the 48th-most expensive in the world.

According to ACI, the rankings will help companies better decide how much to pay their expatriate employees vis-a-vis their local staff. Costs aside, it said that manpower policies are an important factor for multinationals when deciding whether or not to grow headcount.

"If we are very restrictive in our manpower policies - and very often decisions are made by multinationals (MNCs) at the headquarters - if they think that the manpower crunch is a long-term issue, the MNC's headquarters may make the decision for the MNC to relocate," said Associate Professor Tan Khee Giap, co-director of the ACI. "So this is something we have to watch very carefully."

"Of course we want to curb the foreign manpower, whether it's blue collar or whether it's white collar, but I think the best way to achieve this is to go through productivity and efficiencies, both for blue collar and white collar," he added.

The ACI is a research centre under the Lee Kuan Yew School of Public Policy.

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