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Press release

Vienna joins Melbourne and Vancouver at the top

The latest hardship survey by the Economist Intelligence Unit rates Melbourne, Vancouver and Vienna as the easiest cities in the world for expatriates to live in. As in the previous survey, Port Moresby, capital of Papua New Guinea, is branded the worst place to live. The biggest climber in the chart was Hong Kong, rising 11 places in the ranking thanks to a 2% rise in living standards. The war in neighbouring Iraq saw Kuwait fall furthest in the rankings—by ten places—although Harare suffered the greatest actual drop in living standards as a result of ongoing unrest.

Jon Copestake, editor of the report, comments: "Although the threat of terror has increased security concerns around the world, overall hardship levels have remained stable since our last survey, with improving infrastructure helping to offset concerns over safety."

The Economist Intelligence Unit's **HARDSHIP RATING**, part of the Worldwide Cost of Living survey, assesses conditions for expatriates in 130 cities around the world by looking at 12 factors grouped in three categories: health and safety; culture and environment; and infrastructure. Australian and Canadian cities feature prominently at the top of the rankings, with all five Australian cities surveyed appearing in the top ten. The survey considers any rating over 20% to represent some form of hardship—with any score over 65% entailing extreme hardship.

Unsurprisingly, western cities do best—EU countries and North America achieve the lowest regional hardship scores. Non-EU cities, particularly in central and eastern Europe where infrastructure is poorer and health risks tend to be greater, drag the European average down slightly. The highest regional average for hardship is in Africa and the Middle East. Although Asia and Australasia feature some of the worst cities for expatriate hardship, these are offset by a number of cities where hardship is minimal. All Latin American cities entail notable hardship but none falls into the bracket of extreme hardship.

Regional averages of cities surveyed:

Region	Average	2002	Change
Africa/Middle East	46.2	45.1	1.1
Asia/Australasia	33.7	33.6	0.1
Europe EU	10.6	10.1	0.5
Europe non EU	26.4	26.3	0.1
Europe Total	17.1	16.7	0.3
Latin America	36.6	35.4	1.2
North America	10.8	10.6	0.2
World Average	27.8	27.3	0.5

North America unfazed by a greater threat of terror

Despite the increased fear of terrorism and high levels of violent crime in some cities, the United States and Canada have fairly low hardship ratings thanks to a highly developed infrastructure, good education and health indicators and the widespread availability of recreational activities. All the Canadian cities surveyed have a rating of less than 10% while the increased security threat and greater risk of crime means that US cities generally score between 10% and 20%. The most comfortable city in the US is Honolulu (8%), due to its favourable climate, good housing stock, low risk of crime and the widespread availability of recreational activities. Conversely Washington rates as having the greatest hardship of the US

Sheila Allen
 Press Liaison
 Economist Intelligence Unit
 Tel: +44 (0) 20 7830 1010
 Fax: +44 (0) 20 7839 1466
 e-mail: sheilaallen@eiu.com

cities surveyed, at 19%, mainly due to a higher risk of terrorism. This figure still falls below the minimum level at which the Economist Intelligence Unit recommends a hardship allowance for expatriates.

Latin America sees the sharpest overall decline in living standards

All Latin American cities surveyed entail some form of notable hardship, although in the majority of cities this is not extreme enough to warrant more than a minimum adjustment for expatriates. The cities with the lowest hardship are San José, in Costa Rica (22%), where the population has enjoyed the region's longest period of unbroken civilian democracy, and San Juan in Puerto Rico (23%), which holds commonwealth status with the US. Although hardship in many Latin American countries has remained stable, things have not improved anywhere since the last survey, and in some cases the situation has worsened. Asuncion in Paraguay, for example, has seen a decline of 5% in living standards thanks to greater corruption and an increased threat of violent crime. The extreme threats posed by crime and terrorism, combined with an infrastructure ravaged by civil war and a high degree of political corruption, make Bogota in Colombia the worst hardship posting in the region, with a rating of 54%.

The gap between East and West is not closing in Europe

Although most cities within the EU have minimal hardship levels, there is a clear gap between eastern and western Europe. Within the EU only Athens brings notable hardship for expatriates, with a rating of 24%. This is mainly due to a less developed infrastructure than other EU cities—with heavy restrictions for motorists, a potentially uncomfortable climate and weak education indicators. Government investment in infrastructure ahead of the Olympic games has improved this aspect of living—although not enough to make a difference to the overall level of hardship. EU leader Vienna has risen to the top of the global rankings with hardship of just 1% thanks to falling perceptions of corruption. Conversely, a rise in corruption ratings is responsible for a slight fall in the rankings of German cities. Budapest and Prague are the only central and east European cities with ratings of 20% or below—the threshold of notable hardship. Belgrade continues to have the lowest standards of living in Europe, with a rating of 47%, as the fallout from war still blights Serbia-Montenegro's infrastructure.

Africa and the Middle East—a bad situation worsening

Hardship scores in Africa and the Middle East have increased by just over 1% since the 2002 survey. This is partly because the situation in Zimbabwe has continued to worsen under Robert Mugabe and partly because the situation in Iraq has had a negative impact on surrounding countries like Kuwait. Cities in Iran and Saudi Arabia have seen a slight improvement in living standards. Political and religious violence combined with undeveloped infrastructure and inconsistent availability of goods place both Algiers and Lagos in the classification entailing serious hardship, with ratings of 67% and 73% respectively, followed closely by Abidjan, where recent instability has caused a 4% drop in living standards.

Asia is still divided

There have been improvement in some Asian cities—notably Seoul in South Korea, which saw hardship levels fall by 3%, and Hong Kong, which rose 11 places in the ranking thanks to a 2% drop in hardship. Overall, however, the levels of hardship are fairly stable and the differences across the region remain pronounced. Although Australia can boast virtually no hardship at all, Port Moresby in neighbouring Papua New Guinea still suffers from the worst hardship rating (80%) of all the cities surveyed. Expatriates in Port Moresby must take extreme security precautions both personally and with their property. Education and health indicators are poor, corruption is rife and high humidity makes the climate oppressive all year round. Such variations are commonplace throughout Asia. Low hardship ratings in key business centres stand in marked contrast to cities such as Phnom Penh, Dhaka and Karachi, whose scores fall into the same category of extreme hardship as Port Moresby.

For more information contact Jon Copestake on joncopestake@eiu.com or see our website at <http://wcol.eiu.com>.

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Melbourne 'world's top city'

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Melbourne has retained its position as the best city in the world to call home. Often derided as Bleak City by Sydneysiders, Melbourne topped a survey of 130 cities, narrowly beating out the other four Australian capitals surveyed - because its weather rated the best. Sydney lost ground because its crime rate was rated on a par with New York and London.

The Economist Intelligence Unit (EIU) survey ranked Melbourne, Vancouver and Vienna as the best cities for expatriates to live, with Perth fourth and Adelaide, Brisbane and Sydney equal sixth. Geneva was ranked fifth, while Papua New Guinea's capital Port Moresby kept the title it took in the last survey in October 2002 as the worst. "Melbourne pretty much top scored in everything," said survey co-editor Jon Copestake. "But the difference between all the Australian cities is minimal. One thing Sydney had different to the other cities was a higher crime rate, and its climate. Its level of humidity was worse than Melbourne's." Victorian Tourism Minister John Pandazopoulos said the award was based on a survey of a city's infrastructure, access, education levels, crime rate, focus on the environment, culture and events, its diversity and how connected it was with the rest of the world. Mr Pandazopoulos said even Melbourne's weather rated better than Sydney's. "It's a brilliant pat on the back for Melbourne, particularly for two years in a row," he said. "We already promote ourselves as the world's most liveable city, we can continue doing that." Mr Pandazopoulos said the award backed Victoria's record as the only Australian state in which international visitor rates grew for the past two years. He said Melbourne was also a very affordable city, where people got value for money for great products, including top fashion and restaurants. He said the government would continue to work hard to meet the balance of stimulating a vibrant economy and social standards to ensure Melbourne remained one of the world's best cities. The London-based EIU assessed the level of hardship for expatriates in the 130 cities, using 12 factors including housing, education, recreational activities, health, climate and terrorism. Cities were rated one to five in the 12 categories, with one meaning there was no hardship and five indicating extreme hardship. Melbourne received the perfect one in each category, including its unpredictable weather, to give it an overall score of one. The other Australian cities were all given a two for climate, while Adelaide also received two for housing, Brisbane and Perth scored two for transport and Sydney for its crime. Port Moresby received five for crime and an overall score of 80.

1= Melbourne
1= Vancouver
1= Vienna
4 Perth
5 Geneva
6= Adelaide
6= Brisbane
6= Copenhagen
6= Montreal
6= Oslo
6= Sydney
6= Zurich
13= Helsinki
13= Stockholm
13= Toronto

Others:

19= Auckland
19= Honolulu
28= Paris
45= London
51= Dublin
51= New York
57= Washington
64= Athens
75= Beijing
130 Port Moresby

While Perth was given an overall mark of 1.1, Adelaide, Brisbane and Sydney scored 1.2.

The heightened terrorist threat only had a minimal impact on western cities, even those in the United States, largely because of newly developed security measures.

The highest ranked US city was Honolulu in 19th on eight points, while New York was 51st with 16 and Washington was the lowest of 16 American cities in the survey at 57th, mainly due to a higher risk of terrorism giving it an overall score of 19.

London was equal 45th, along with Los Angeles, Madrid and San Francisco.

Kuwait fell the most places, dropping from 87 to 97 because of the war in neighbouring Iraq, while Harare suffered the greatest actual drop in living standards as a result of ongoing unrest and slid eight places to 118.

The Iraqi capital Baghdad was not included in the survey.

- AAP

This story was found at: <http://www.theage.com.au/articles/2004/02/06/1075854028808.html>