



## BUSINESS PARTNERS



## Key Takeaways

- The removal of pandemic restrictions in 2023 has improved the liveability of Hong Kong over last 12 months.
- Hong Kong's overall ranking has fallen in the last ten years due to concerns over socio-political tensions and freedom of expression.
- World class infrastructure and low crime rates ensure it remains in the top 10 most liveable Asian cities.
- Singapore remains the most liveable city for Asian expatriates, with low crime rates among the attractions.

# Hong Kong's ranking among the world's most liveable cities recovers but remains significantly lower than ten years ago

----- MARK HARRISON  
ECA INTERNATIONAL

**Hong Kong has long been a key global city and expatriates have been attracted by the career opportunities associated with its status as a well-connected global financial and business hub. The high salaries on offer and low tax environment also go some way to make up for the high cost of living and housing in the city. However, over the last few years the number of expatriates in the city has fallen in response to both political tensions and the city's response to the Covid pandemic.**

At ECA our annual Location Ratings assessments aim to provide an objective assessment of living conditions in over 500 locations globally. We assess factors associated with day-to-day lifestyle conditions, including quality and availability of health services, housing and utilities; access to a social network and recreational and leisure facilities; transportation infrastructure; climate; personal safety; socio-political tensions; and air quality. These assessments are used by organisations to determine if they need to provide additional allowances to incentivise employees to relocate to any of the cities we research.

Based on these assessments, liveability in Hong Kong improved last year in comparison to 2022 due to the removal of the final Covid 19-related social distancing restrictions. Hong Kong and mainland China were among the last places globally to lift restrictions, meaning they were relatively more challenging locations to live in during the final stages of the pandemic compared to locations which lifted restrictions earlier. With those restrictions belatedly lifted, both Hong Kong and mainland Chinese

locations have seen improvements in our rankings over the last 12 months.

Looking at the changes over the last ten years, however, Hong Kong's ranking in terms of liveability has fallen. A location's liveability relative to others will depend on where employees are assigned from. For the purpose of this article, we have assumed that an employee will be relocated to Hong Kong by their employer from any other location in the east Asia region (including mainland China, Japan, Malaysia or Singapore). Our assessments show that Hong Kong's position in our ranking has fallen from 17th globally in 2013 to 77th now. Since political demonstrations in 2014 and protests in 2019, elements of our assessment related to socio-political tensions and freedom of expression have worsened. However, Hong Kong still has excellent facilities, infrastructure, recreational options and low crime rates and remains an attractive location relative to many others in the region. Indeed, Hong Kong is behind only Singapore, Japan and Busan in Korea Republic among Asian locations in our assessment. The intrinsic risk of disruption caused by typhoons, relatively high levels of pollution and difficulties in obtaining suitable accommodation are other factors which count against Hong Kong compared to locations such as Singapore, which remains the most liveable city in Asia.

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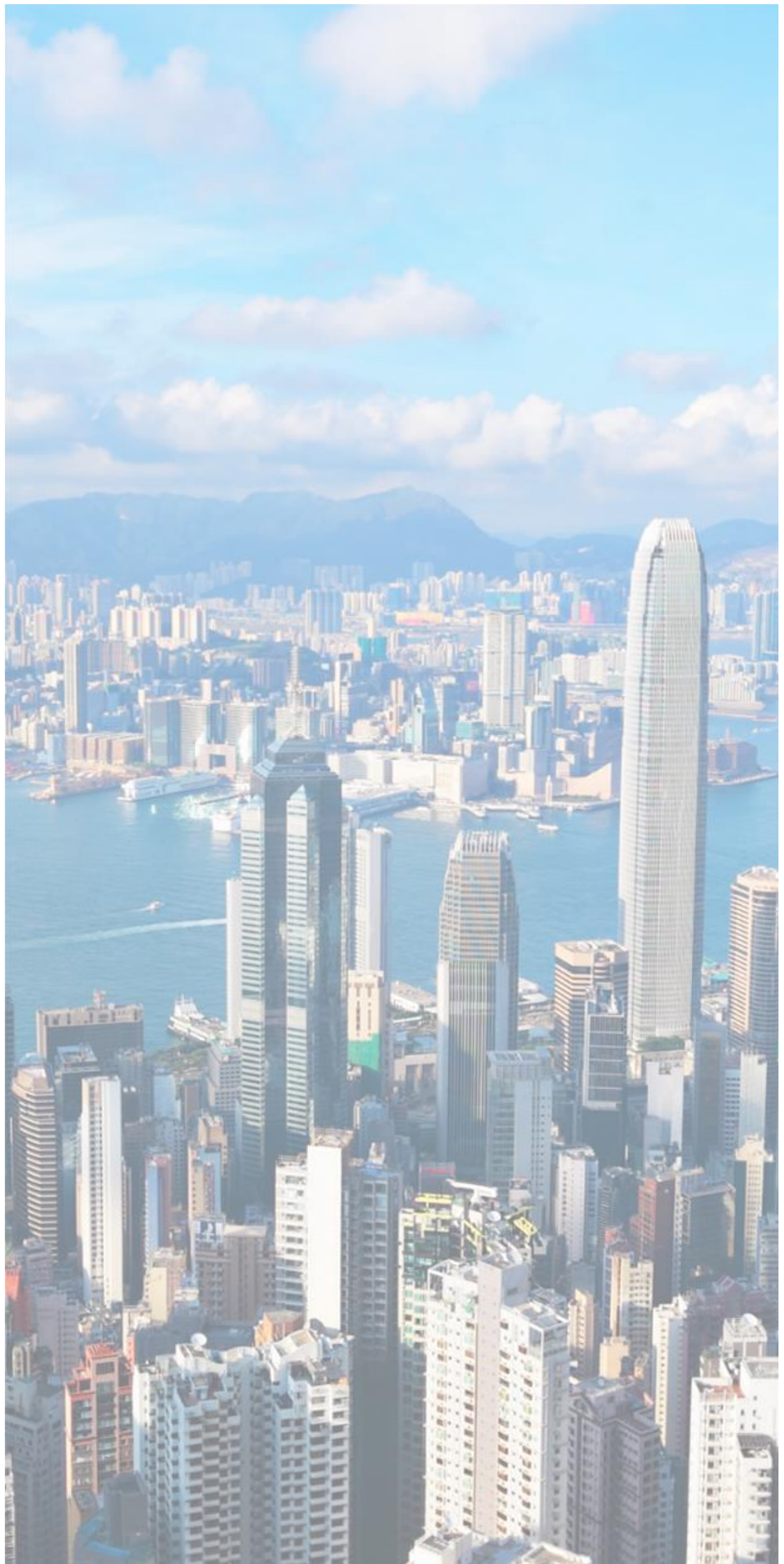
To remain an attractive option for people relocating for work, a focus on continual small improvements has been the most successful plan among those locations we have seen rise the most in liveability rankings over the last ten years. In Hong Kong, air pollution is an issue the local government could improve if it wished to become more attractive; we have seen efforts by municipal authorities in Beijing, for example, lead to better air quality. Ensuring that English remains widely spoken, along with Cantonese and Mandarin, would also ensure Hong Kong kept its place as a 'global city'. Enabling ongoing diversification of the expatriate workforce would help Hong Kong remain vibrant and globally relevant. Those hoping for an easing of socio-political tensions and better relations between China and the United States may be disappointed, however, at least in the short term.

Beyond Hong Kong, cities in mainland China have climbed significantly in the rankings in the last ten years, despite losing some of this momentum during the Covid-19 pandemic. The zero-Covid policy and associated restrictions caused many Chinese cities to fall in our rankings for a couple of years, but when we look at our current assessment compared to five or ten years ago, we can see that Chinese cities have risen notably in the rankings as living conditions have generally improved. Some aspects of life continue to be challenging for employees relocating to Chinese cities for work, such as high levels of pollution, censorship, and suboptimal healthcare facilities. However, improvements in areas such as transport infrastructure and international schooling provision are the reason cities like Shenzhen (137th this year compared to 152nd ten years ago), Xi'an (163rd this year compared to 176th), and Wuhan (up from 160th to 145th) have improved in the rankings and have narrowed the gap in living conditions between cities in mainland China and Hong Kong.

The pattern of gradual improvement has also been witnessed elsewhere in Asia. Small developments over the last ten years in areas such as transport infrastructure, health services and recreational facilities have seen the likes of Jakarta (213th to 196th), Phnom Penh (200th to 184th) and Hanoi (160th to 144th) climb the rankings. Busan is the most dramatic example, having risen from 81st to 49th over the last decade due to small but significant improvements in healthcare facilities, recreational options, and the quality of utilities.

Hong Kong remains one of the most liveable locations in Asia, but our annual assessments show it should not be complacent. Although its ranking improved in the past year, owing to the removal of Covid-19 restrictions, it has fallen over the longer term. Without making the necessary ongoing changes to keep attracting the world's top talent, Hong Kong may struggle to maintain its current, still lofty, status over the longer term.

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