

Asia-Pacific Cities of the Future 2019/20 Winners



SINGAPORE HAS RETAINED ITS PLACE AT THE TOP OF fDi'S ASIA-PACIFIC CITIES OF THE FUTURE RANKING, WITH SHANGHAI AND TOKYO COMPLETING THE TOP THREE LIST. REPORT BY **CATHY MULLAN AND NAOMI DAVIES**

For the fourth consecutive ranking, Singapore has beaten the regional competition to be named fDi's Asia-Pacific City of the Future. Between 2014 and 2018, the city-state attracted almost 1900 projects – almost one-tenth of all of Asia's FDI during that period. The city-state's low unemployment rate and stable inflation have created a healthy economy and contributed to its first place ranking in the Economic Potential category.

Singapore is a global draw for investors and the US was the source of more FDI projects in the city-state than all other Asian countries combined in the five years to 2018, with more than one-third of this in the software and IT services sector.

Singapore also has a reputation as an innovative hub for investment. US-based OnSophic, which produces change management software and established an office in the city-state in July 2018, attributed this decision to the city's "very innovative culture", while business intelligence company Thomson Reuters opened a data and innovation library in Singapore, citing it as "one of the world's most innovative cities thanks to its focus on collaboration between corporations, government, financial institutions, regulators and academia".

Singapore tops the Business

Friendliness ranking, as companies can start a business there in one-and-a-half days and enjoy a corporate tax rate of 17%. It also performs well in the Ease of Doing Business ranking from the World Bank and the Corruption Perception Index from Transparency.org.

Shanghai's surge

Shanghai rises from fifth position in 2017's ranking to take second place in 2019. While real estate in other global locations is suffering due to political and economic uncertainty, Shanghai is bucking the trend. Shanghai accounted for 37% of all China's commercial real estate deals in the first quarter of 2019, while foreign investment in the sector increased significantly between 2014 and 2018, peaking with 28 FDI projects in 2018, up from three in 2014.

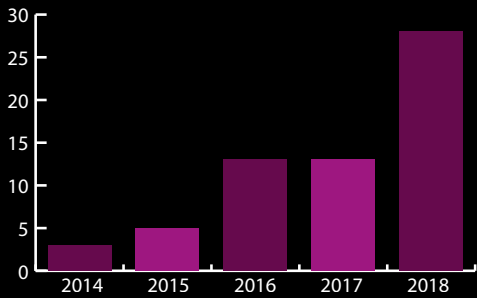
Tokyo ranks third in this year's ranking, with FDI job creation more than doubling between 2014 and 2018, from 4000 in 2014 to peak at more than 8500 in 2018. Projects and capital investment also reached record levels in 2018, with 123 projects and more than \$2.6bn in capital investment. Tokyo boasts two international airports, accessible from more than 100 international destinations, helping the city to rank first in the Connectivity category. ▶

THE US WAS THE SOURCE OF MORE FDI PROJECTS IN SINGAPORE THAN ALL OTHER ASIAN COUNTRIES COMBINED

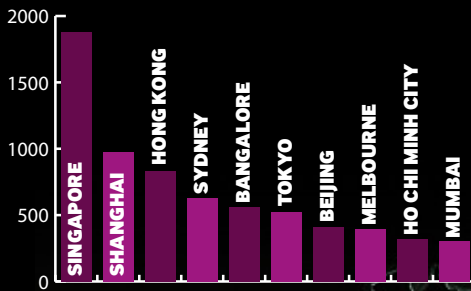


Easy access: companies coming to Singapore can start a business there in one-and-a-half days and enjoy a corporate tax rate of 17%

REAL ESTATE FDI INTO SHANGHAI BY PROJECT NUMBER, 2014-2018



TOP 10 CITIES FOR INWARD FDI BY PROJECT NUMBER, ASIA-PACIFIC, 2014-2018



TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – OVERALL

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

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Shanghai	China
3	Tokyo	Japan
4	Hong Kong	Hong Kong
5	Beijing	China
6	Taipei	Taiwan
7	Bangalore	India
8	Seoul	South Korea
9	Sydney	Australia
10	Yokohama	Japan

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE

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

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS

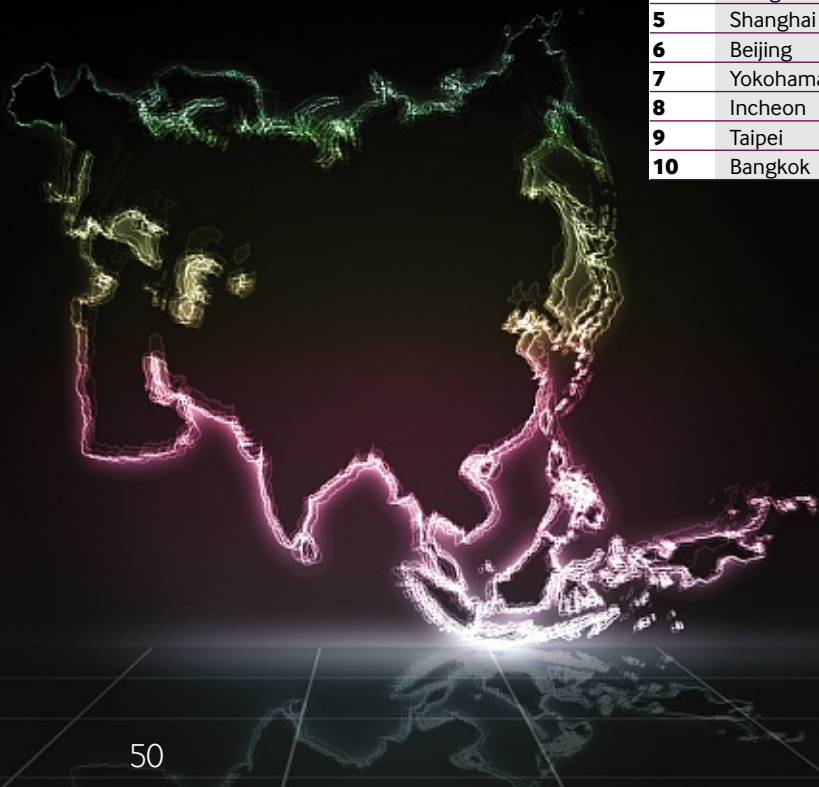
RANK	CITY	COUNTRY
1	Chonburi	Thailand
2	Rayong	Thailand
3	Taichung	Taiwan
4	Samut Prakan	Thailand
5	Tashkent	Uzbekistan
6	Phnom Penh	Cambodia
7	Hai Phong	Vietnam
8	Bekasi	Indonesia
9	Bangkok	Thailand
10	Shah Alam	Malaysia

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – CONNECTIVITY

RANK	CITY	COUNTRY
1	Tokyo	Japan
2	Seoul	South Korea
3	Singapore	Singapore
4	Hong Kong	Hong Kong
5	Shanghai	China
6	Beijing	China
7	Yokohama	Japan
8	Incheon	South Korea
9	Taipei	Taiwan
10	Bangkok	Thailand

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Tokyo	Japan
4	Shanghai	China
5	Shenzhen	China
6	Taipei	Taiwan
7	Bangalore	India
8	Seoul	South Korea
9	Ho Chi Minh City	Vietnam
10	Guangzhou	China



TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – OVERALL – MEGACITIES

RANK	CITY	COUNTRY
1	Shanghai	China
2	Tokyo	Japan
3	Seoul	South Korea
4	Beijing	China
5	Bangkok	Thailand

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – OVERALL – LARGE CITIES

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Sydney	Australia
4	Ho Chi Minh City	Vietnam
5	Osaka	Japan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – OVERALL – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Taipei	Taiwan
2	Melbourne	Australia
3	Yokohama	Japan
4	Incheon	South Korea
5	Taichung	Taiwan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL – MEGACITIES

RANK	CITY	COUNTRY
1	Shanghai	China
2	Tokyo	Japan
3	Beijing	China
4	Bangalore	India
5	Seoul	South Korea

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL – LARGE CITIES

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Sydney	Australia
4	Ho Chi Minh City	Vietnam
5	Osaka	Japan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Taipei	Taiwan
2	Yokohama	Japan
3	Melbourne	Australia
4	Pune	India
5	Taichung	Taiwan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE – MEGACITIES

RANK	CITY	COUNTRY
1	Seoul	South Korea
2	Tokyo	Japan
3	Shanghai	China
4	Beijing	China
5	Bangkok	Thailand

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE – LARGE CITIES

RANK	CITY	COUNTRY
1	Sydney	Australia
2	Singapore	Singapore
3	Hong Kong	Hong Kong
4	Wuhan	China
5	Nanjing	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Melbourne	Australia
2	Busan	South Korea
3	Incheon	South Korea
4	Yokohama	Japan
5	Taipei	Taiwan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS – MEGACITIES

RANK	CITY	COUNTRY
1	Bangkok	Thailand
2	Guangzhou	China
3	Chongqing	China
4	Shenzhen	China
5	Chengdu	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS – LARGE CITIES

RANK	CITY	COUNTRY
1	Hanoi	Vietnam
2	Ho Chi Minh City	Vietnam
3	Nantong	China
4	Foshan	China
5	Kuala Lumpur	Malaysia

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Taichung	Taiwan
2	Samut Prakan	Thailand
3	Bekasi	Indonesia
4	Surabaya	Indonesia
5	Taipei	Taiwan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – CONNECTIVITY – MEGACITIES

RANK	CITY	COUNTRY
1	Tokyo	Japan
2	Seoul	South Korea
3	Shanghai	China
4	Beijing	China
5	Bangkok	Thailand

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – CONNECTIVITY – LARGE CITIES

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Osaka	Japan
4	Kuala Lumpur	Malaysia
5	Ho Chi Minh City	Vietnam

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – CONNECTIVITY – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Yokohama	Japan
2	Incheon	South Korea
3	Taipei	Taiwan
4	Samut Prakan	Thailand
5	Busan	South Korea

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS – MEGACITIES

RANK	CITY	COUNTRY
1	Tokyo	Japan
2	Shanghai	China
3	Shenzhen	China
4	Bangalore	India
5	Seoul	South Korea

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS – LARGE CITIES

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Ho Chi Minh City	Vietnam
4	Sydney	Australia
5	Kuala Lumpur	Malaysia

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Taipei	Taiwan
2	Melbourne	Australia
3	Incheon	South Korea
4	Pune	India
5	Yokohama	Japan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – OVERALL – SMALL CITIES

RANK	CITY	COUNTRY
1	Hsinchu	Taiwan
2	Shah Alam	Malaysia
3	Auckland	New Zealand
4	Chonburi	Thailand
5	Petaling Jaya	Malaysia

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – ECONOMIC POTENTIAL – SMALL CITIES

RANK	CITY	COUNTRY
1	Hsinchu	Taiwan
2	Chakan	India
3	Rayong	Thailand
4	Sanand	India
5	Colombo	Sri Lanka

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – HUMAN CAPITAL AND LIFESTYLE – SMALL CITIES

RANK	CITY	COUNTRY
1	Adelaide	Australia
2	Canberra	Australia
3	Brisbane	Australia
4	Perth	Australia
5	Auckland	New Zealand

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – COST EFFECTIVENESS – SMALL CITIES

RANK	CITY	COUNTRY
1	Chonburi	Thailand
2	Rayong	Thailand
3	Tashkent	Uzbekistan
4	Phnom Penh	Cambodia
5	Hai Phong	Vietnam

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – CONNECTIVITY – SMALL CITIES

RANK	CITY	COUNTRY
1	Shah Alam	Malaysia
2	Petaling Jaya	Malaysia
3	Chonburi	Thailand
4	Hsinchu	Taiwan
5	Auckland	New Zealand

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2019/20 – BUSINESS FRIENDLINESS – SMALL CITIES

RANK	CITY	COUNTRY
1	Auckland	New Zealand
2	Almaty	Kazakhstan
3	Shah Alam	Malaysia
4	Xiamen	China
5	Noida	India

FDI Strategy

FDI IDENTIFIES SIX CITIES WHOSE IMPRESSIVE FDI STRATEGIES DRAW IN FOREIGN INVESTMENT IN INNOVATIVE WAYS

Kaohsiung City, Taiwan

Kaohsiung City’s Export Processing Zone Administration (EPZA) in Taiwan employs more than 400 staff and oversees 10 export processing zones, which aim to expand international trade, attract industrial investments, introduce new technologies and create jobs. EPZA focuses on attracting investment in hi-tech sectors such as artificial intelligence, the Internet of Things, intelligent manufacturing and semiconductor packaging and testing. The organisation provides a one-stop service for investors, and showcases the zone’s advantages, including easy access to a major harbour and airport, customs services and tax incentives.

Hong Kong

InvestHK, supported by a network of 31 global offices, continues to improve its investment promotion efforts through marketing campaigns, seminars and visits to key overseas markets. Innovation remains at the heart of the organisation’s FDI strategy, with dedicated teams for start-ups, fintechs, aftercare and mainland business development. In June 2018, the government launched the Technology Talent Admission Scheme, which enables technology companies or institutes to attract overseas talent in areas including biotechnology, artificial intelligence, cybersecurity and robotics.

Melbourne, Australia

Invest Victoria’s head office team of 90 is complemented by 38 investment specialists across 22 global offices – the largest international network by any Australian state. In the last reporting year, Invest Victoria achieved its best results for jobs in eight years and its best capital investment outcome in four years. The agency has implemented initiatives to help bolster investment including the Melbourne Tech City campaign, which promotes its highly skilled tech workforce and position as a leading Asia-Pacific tech hub.

Perth, Australia

The city of Perth targets growth in key sectors to foster business devel-

opment and diversify its economy base and revenue streams. In 2018 it launched Think Perth, an investment attraction website focused on education, life sciences, energy, tourism and technology. The city is a member of the World Energy City Partnership, which promotes the exchange of industry knowledge and economic development expertise for investment attraction between its member cities. The organisation has also partnered with AsiaLink Business to facilitate enhanced engagement in Asia.

Brisbane, Australia

Brisbane Marketing aims to deliver an integrated industry development and investment attraction programme, with a focus on supporting small businesses and boosting tourism infrastructure investment, along with a dedicated programme targeting the food and agriculture sector. Key initiatives include the Brisbane Future Food Initiative, which aims to advance the city’s capability to build, scale and grow food ventures; the Global Opportunities Initiative, which has identified several opportunity areas where Brisbane has a competitive advantage, including precision medicine, field robotics and property technology; and the Connecting with Asia programme.

Canberra, Australia

The Australian Capital Territory Government (ACT Government) works closely with Austrade, the Australian Trade and Investment Commission, to maximise investment facilitation in Canberra. It operates the Inbound Trade Mission Programme, which targets buyers, investors and influencers to visit the Canberra region to showcase local services, goods and technologies as well as Canberra’s broader business operating environment. The ACT Government also offers free tailored advice and guided support to potential investors through its investment facilitation framework and builds on key economic capability areas through its international engagement strategy. ■

METHODOLOGY

To create a shortlist for fDi's Asia-Pacific Cities of the Future 2019/20, the fDi Intelligence division of the Financial Times collected data using the specialist online tools fDi Markets and fDi Benchmark.

In total, 101 locations were ana-

lysed for the study. Data was then collected for these 101 locations under five categories: Economic Potential, Business Friendliness, Human Capital and Lifestyle, Cost Effectiveness and Connectivity. Locations scored up to a maximum

of 10 points for each datapoint, which were weighted by importance to the FDI decision-making process in order to compile both the subcategory rankings as well as the overall Asia-Pacific Cities of the Future 2019/20 ranking. ■

LIST OF DATAPPOINTS

ECONOMIC POTENTIAL

- Population
- Average annual % population growth, 2014-2018
- Unemployment rate
- Inflation rate 2019
- GDP (PPP rate in current international dollars, millions)
- GDP per capita (PPP rate in current international dollars)
- Average annual GDP growth rate (2014-2018)
- GDP forecast (average annual growth 2019-2023)
- Outward FDI projects (2014-2018)
- Outward FDI projects per 100,000 people (2014-2018)
- Inward FDI projects (2014-2018)
- Inward FDI projects per 100,000 people (2014-2018)
- FDI projects in R&D and DDT (2014-2018)
- FDI projects in R&D and DDT (2014-2018) per 100,000
- FDI projects in advanced manufacturing (2014-2018)
- FDI projects in advanced manufacturing (2014-2018) per 100,000
- Number of mega projects by capital expenditure (over \$100m) (2014-2018) including estimates
- Number of mega projects by capital expenditure per 100,000 people (over \$100m) (2014-2018) including estimates
- Number of mega projects by jobs (over 1000) (2014-2018) including estimates
- Number of mega projects by jobs per 100,000 people (over 1000) (2014-2018) including estimates
- Capital expenditure on

R&D and DDT projects (\$) (2014-2018)

- Number of patents (2014-2018)
- Number of patents per 100,000 people (2014-2018)

HUMAN CAPITAL AND LIFESTYLE

- Literacy rate (%)
- Secondary enrollment rate (%) (2017)
- Tertiary enrollment rate (%) (2017)
- Education expenditure (% of GDP) (2017)
- Number of higher education institutions
- Number of IB schools
- Top 350 universities and colleges in Asia
- Number of students
- Third-level students as a % of population
- Human Development Index 2017
- Life expectancy, 2017
- Labour force participation rate, total (% of total population ages 15+) (modelled ILO estimate)
- Number of business schools in Global MBA rankings 2019
- Number of physicians per 1000 people
- Social Progress Index 2018

COST EFFECTIVENESS

- 4*/5* hotel in city centre (\$)
- Minimum wage (\$ per hour)
- Cost of establishing a business (absolute value using GNI)
- Cost of construction permits (% of warehouse value)
- Cost to export (\$ per container)
- Cost of establishing an electricity connection (absolute value using GNI)

- Cost to import (\$ per container)
- Corporation tax rate (%)
- Total tax rate (as % of profit)
- Country PPP/exchange rate
- Petrol prices (\$ per litre)
- Common Indirect Tax/VAT

CONNECTIVITY

- ICT Development Index
- Percentage of people using the internet
- Number of airports within 80km of the city
- Number of international destinations served
- Distance to nearest international airport (km)
- Number of ports within 100km (medium)
- Number of ports within 100km (large)
- Number of ports within 100km (very large)
- Number of ports within 100km (medium +)
- Liner Shipping Connectivity Index 2018
- Telephone mainline subscribers, 2017
- Mobile phone subscribers, 2017
- Access to electricity (% of population)
- Logistics performance index (2018)
- Environmental Performance Index 2018
- Quality of overall infrastructure
- Quality of roads
- Quality of railroad infrastructure
- Companies in the transportation sector

BUSINESS FRIENDLINESS

- Total number of companies within the hi-tech manufacturing sector 2019
- Total number of companies in the hi-tech service sector 2019

- Total number of companies in the knowledge-based sector 2019
- Proportion of companies in the hi-tech manufacturing sector 2019
- Proportion of companies in the hi-tech service sector 2019
- Proportion of companies in the knowledge-based sector 2019
- Total number of companies in the hi-tech manufacturing sector 2019 (per 100,000 people)
- Total number of companies in the hi-tech service sector 2019 (per 100,000 people)
- Total number of companies in the knowledge-based sector 2019 (per 100,000 people)
- Number of jobs created by all inward FDI (2014-2018)
- Number of jobs created by all inward FDI per 100,000 people (2014-2018)
- Number of expansion/ colocation projects (2014-2018)
- Number of expansion/ colocation projects (2014-2018) per 100,000
- Number of top 1000 World Banks 2018
- Corporation tax rate (%)
- Days taken to start a business
- Ease of Doing Business Rank 2018
- Index of Economic Freedom 2018
- Corruption perception Index 2018
- Strength of Investor Protection Index
- Country risk score
- Index of Firing Costs
- Credit rating (S&P)
- Fragile States Index 2019
- Innovation Cities Index 2018-2019