

Asia-Pacific Cities of the Future 2015/16 Winners



SINGAPORE HAS TRIUMPHED IN THE RANKING OF CITIES ACROSS THE ASIA-PACIFIC REGION, WITH TOKYO RISING THROUGH THE RANKS TO TAKE SECOND PLACE AND TAIPEI FOLLOWING IN THIRD POSITION. **CATHY MULLAN** REPORTS

Traditionally a strong performer in FDI, Singapore has ranked first of all Asian cities in fDi's Asia-Pacific Cities of the Future 2015/16 ranking, for the third time in a row. Singapore attracted 7.3% of all inward investment in the Asia-Pacific region between 2003 and September 2015.

However, the 2015/16 ranking was shaken-up as Tokyo rose from ninth place in 2013/14 to clinch second place. The city performed well in many of this year's categories as overall winner of megacities, topping Economic Potential for megacities and coming in first place in the Connectivity category for all sizes. Tokyo bucked downward global trends in 2014, attracting a peak number of FDI projects. In total, 96 investments were made according to crossborder investment monitor fDi Markets, with projects coming from some major global investors.

DHL Express, a subsidiary company of Germany-based logistics company Deutsche Post, invested €67m to relocate and expand a new gateway in Tokyo, which is due to come online in the first quarter of 2016. The company credited the investment decision to the country's "remarkable economic recovery", which will provide it with opportunities for further

growth. The majority of investments into the city came from US-based companies, with 474 US projects recorded between 2003 and September 2015.

Companies from the UK invested in 86 projects during this period, while German companies were the source of 67 investments. Software and IT services attracted the highest number of projects in Tokyo by sector, accounting for 32%, followed by business services (13%) and financial services (12%).

With a culture of high technology, Tokyo lends itself to IT investment – US-based internet company Cisco Systems established an innovation lab in the Japanese capital in 2014, chalking its investment decision up to the country's history of innovation and Japan's position as a global leader in technology. In total, 90.58% of the Japanese population are online, the highest of any country analysed. Japan performed well in the Networked Readiness Index from the World Economic Forum and Tokyo enjoys very high upload and download speeds, helping the city rank first in the Connectivity category. Tokyo is easily accessible with two international airports and six ports in its environs.

Taiwan's capital, Taipei,

increased from sixth position in the 2013/14 ranking, to finish third in 2015/16, topping the ranking of mid-sized Asia-Pacific cities, as well as the Business Friendliness and Economic Potential categories of mid-sized city rankings. Taipei has a healthy economy, with a GDP per capita of 44,173 international dollars. The city is a hotbed for innovation, with 24,280 patents recorded between 2010 and 2014, the third highest of all cities in the study.

Taipei offers investors a well-educated workforce, with high rates of secondary (100%) and tertiary (83.4%) enrolment. Minimum wage is low in the country, at just \$3.80 per hour, while investors also enjoy low costs to establish a business, low export and import costs (\$655 and \$720 per container, respectively), low property registration costs and relatively cheap construction permits. In total, 109 international destinations are served by the city's two international airports – Taipei Songshan Airport and Taiwan Taoyuan International Airport.

FDI strategy

Queensland's most populous city, Brisbane, has beaten 2013/14's champion Hong Kong to first place in the FDI Strategy category. Runner-up in



Tokyo has risen to become the second placed City of the Future in fDi's ranking

our previous survey, Brisbane impressed the judging panel with its commitment to and flair for FDI attraction. Brisbane Marketing, the city's official agency for inward investment, devised Brisbane 2022 New World City Action Plan, a report highlighting seven key economic priorities and more than 100 recommendations to propel the city towards economic and urban success.

As part of the plan, the city's Asia-Pacific Headquarters Strategy places an importance on promoting Brisbane as a key destination for companies' Asia headquarters.

The Tourism Infrastructure and Hotel Investment Strategy puts a focus on attracting FDI that will bolster the tourism industry, targeting tourism and infrastructure projects such as cruise ship terminals and hotels.

Brisbane Marketing works with prospective clients, helping them find funding, arranging visits to potential investment sites and providing access to utilities.

Brisbane is promoted via a range of online platforms and websites, while also optimising social media to stretch its reach effectively. Its Weibo site, a social networking site in China, exclusively targets students, investors and bolsters the tourism ▶

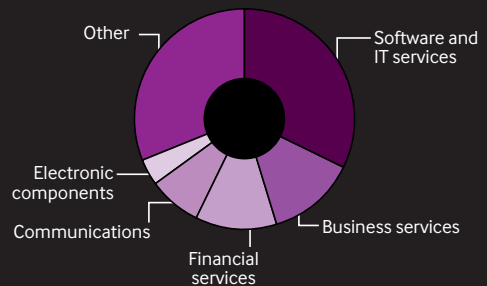
TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – OVERALL

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

TOP 15 ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – FDI STRATEGY

RANK	CITY	COUNTRY
1	Brisbane	Australia
2	Hong Kong	Hong Kong
3	Tokyo	Japan
4	Foshan	China
5	Auckland	New Zealand
6	Sydney	Australia
7	Canberra	Australia
8	Macau	Macau
9	Perth	Australia
10	Melbourne	Australia
11	Dhaka	Bangladesh
12	Gwangju	South Korea
13	Kuala Lumpur	Malaysia
14	Karachi	Pakistan
15	Wuxi	China

TOP FIVE SECTORS INTO TOKYO – 2003 TO SEPTEMBER 2015



“WHAT THE WORLD IS NOW SEEING IS A CONFIDENT BRISBANE – A POWERHOUSE IN THE ASIA-PACIFIC REGION AND A LEADING DESTINATION FOR BUSINESS INVESTMENT”

Graham Quirk,
Brisbane Lord Mayor

sector, targeting the about 100 million Chinese tourists.

2013/14's winner of the FDI Strategy category, Hong Kong is placed second in this year's ranking. Invest Hong Kong has a strong worldwide presence, with 13 economic and trade offices around the world. Those locations not currently serviced by one of these offices are accessed by one of the 14 external consultant companies strategically located around the world.

Hong Kong's Innovation and Technology Fund has been in place since 1999, and has funded more than 4600 projects in R&D. The investment promotion agency actively encourages start-ups with the StartmeupHK initiative, a platform that shares resources with local and overseas start-up communities abroad.

Tokyo placed third in the FDI Strategy category this year. Judges were impressed with the city's 10-year timetable to transform Tokyo into a leading global financial centre and investment hub, through the creation of international business centres, a global life sciences hub and a National Strategic Special Zone system.

Foshan, a prefecture-level city in the south of China, placed fourth in the FDI Strategy category. Foshan Investment Promotion Agency showed initiative in its efforts to attract FDI and was the first unit of the Chinese government to directly hire foreign professionals, with "language skills and intimate knowledge of foreign markets" to boost its FDI prospects. ■

"THERE IS A GROWING SENSE AMONG GLOBAL INVESTORS AND COMPANIES THAT AUCKLAND IS AN IMPORTANT GATEWAY TO ASIA AND A KEY INNOVATION HUB OF THE REGION"

Len Brown,
Auckland mayor

"WE PLAN TO CONTINUE TO DEVELOP TOKYO AS A GLOBAL FINANCIAL CENTRE TO SUPPORT EVEN GREATER ECONOMIC GROWTH BEYOND THE TOKYO 2020 GAMES"

Yoichi Masuzoe,
governor of Tokyo

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL OVERALL

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Taipei	Taiwan
3	Tokyo	Japan
4	Seoul	South Korea
5	Kuala Lumpur	Malaysia
6	Rayong	Thailand
7	Sydney	Australia
8	Hong Kong	Hong Kong
9	Osaka	Japan
10	Beijing	China

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE OVERALL

RANK	CITY	COUNTRY
1	Seoul	South Korea
2	Newcastle	Australia
3	Adelaide	Australia
4	Dunedin	New Zealand
5	Canberra	Australia
6	Tokyo	Japan
7	Melbourne	Australia
8	Wellington	New Zealand
9	Darwin	Australia
10	Manila	Philippines

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS OVERALL

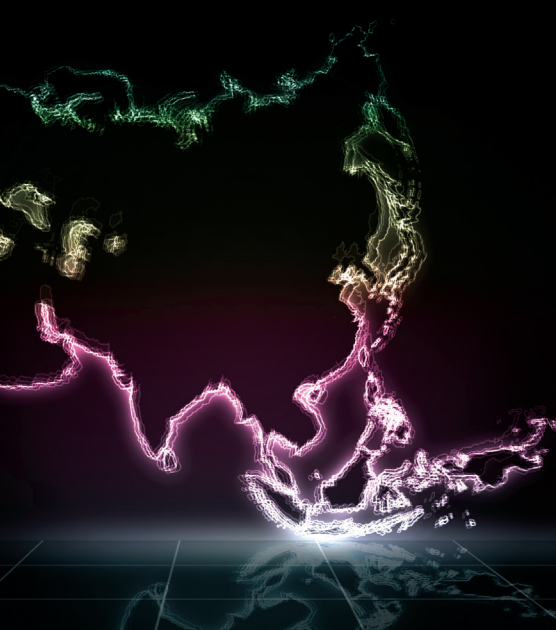
RANK	CITY	COUNTRY
1	Osh	Kyrgyzstan
2	Battambang	Cambodia
3	Chonburi	Thailand
4	Phnom Penh	Cambodia
5	Samarkand	Uzbekistan
6	Rayong	Thailand
7	Danang	Vietnam
8	Namangan	Uzbekistan
9	Kaohsiung	Taiwan
10	Narayanganj	Bangladesh

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS OVERALL

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Shenzhen	China
3	Tokyo	Japan
4	Taipei	Taiwan
5	Shanghai	China
6	Hong Kong	Hong Kong
7	Beijing	China
8	Seoul	South Korea
9	Suzhou	China
10	Osaka	Japan

TOP 10 ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – CONNECTIVITY OVERALL

RANK	CITY	COUNTRY
1	Tokyo	Japan
2	Hong Kong	Hong Kong
3	Singapore	Singapore
4	Incheon	South Korea
5	Seoul	South Korea
6	Yokohama	Japan
7	Chiba	Japan
8	Osaka	Japan
9	Saitama	Japan
10	Kobe	Japan



TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – OVERALL – MEGACITIES

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

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – OVERALL – LARGE CITIES

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Bangkok	Thailand
4	Suzhou	China
5	Nanjing	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – OVERALL – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Taipei	Taiwan
2	Osaka	Japan
3	Sydney	Australia
4	Yokohama	Japan
5	Taichung	Taiwan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL – MEGACITIES

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

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL – LARGE CITIES

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Bangalore	India
4	Suzhou	China
5	Mumbai	India

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Taipei	Taiwan
2	Sydney	Australia
3	Osaka	Japan
4	Yokohama	Japan
5	Melbourne	Australia

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE – MEGACITIES

RANK	CITY	COUNTRY
1	Seoul	South Korea
2	Tokyo	Japan
3	Beijing	China
4	Wuhan	China
5	Guangzhou	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE – LARGE CITIES

RANK	CITY	COUNTRY
1	Bangkok	Thailand
2	Hong Kong	Hong Kong
3	Singapore	Singapore
4	Hanoi	Vietnam
5	Nanjing	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE – MID-SIZED CITIES

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

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS – MEGACITIES

RANK	CITY	COUNTRY
1	Shijiazhuang	China
2	Wuhan	China
3	Jakarta	Indonesia
4	Harbin	China
5	Zhengzhou	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS – LARGE CITIES

RANK	CITY	COUNTRY
1	Bangkok	Thailand
2	Ho Chi Minh City	Vietnam
3	Hanoi	Vietnam
4	Dongguan	China
5	Nantong	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Kaohsiung	Taiwan
2	Surabaya	Indonesia
3	Taichung	Taiwan
4	Jilin	China
5	Taipei	Taiwan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – CONNECTIVITY – MEGACITIES

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

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – CONNECTIVITY – LARGE CITIES

RANK	CITY	COUNTRY
1	Hong Kong	Hong Kong
2	Singapore	Singapore
3	Bangkok	Thailand
4	Dongguan	China
5	Foshan	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – CONNECTIVITY – MID-SIZED CITIES

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

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS – MEGACITIES

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

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS – LARGE CITIES

RANK	CITY	COUNTRY
1	Singapore	Singapore
2	Hong Kong	Hong Kong
3	Suzhou	China
4	Dongguan	China
5	Bangalore	India

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS – MID-SIZED CITIES

RANK	CITY	COUNTRY
1	Taipei	Taiwan
2	Osaka	Japan
3	Pune	India
4	Chennai	India
5	Changzhou	China

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – OVERALL – SMALL CITIES

RANK	CITY	COUNTRY
1	Kuala Lumpur	Malaysia
2	Wellington	New Zealand
3	Rayong	Thailand
4	Kawasaki	Japan
5	Nagoya	Japan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL – SMALL CITIES

RANK	CITY	COUNTRY
1	Kuala Lumpur	Malaysia
2	Rayong	Thailand
3	Kawasaki	Japan
4	Gurgaon	India
5	Perth	Australia

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE – SMALL CITIES

RANK	CITY	COUNTRY
1	Newcastle	Australia
2	Adelaide	Australia
3	Dunedin	New Zealand
4	Canberra	Australia
5	Wellington	New Zealand

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS – SMALL CITIES

RANK	CITY	COUNTRY
1	Osh	Kyrgyzstan
2	Battambang	Cambodia
3	Chonburi	Thailand
4	Phnom Penh	Cambodia
5	Samarkand	Uzbekistan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – CONNECTIVITY – SMALL CITIES

RANK	CITY	COUNTRY
1	Chiba	Japan
2	Saitama	Japan
3	Kobe	Japan
4	Okayama	Japan
5	Nagoya	Japan

TOP FIVE ASIA-PACIFIC CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS – SMALL CITIES

RANK	CITY	COUNTRY
1	Kunshan	China
2	Rayong	Thailand
3	Xiamen	China
4	Kuala Lumpur	Malaysia
5	Noida	India

METHODOLOGY

To create a shortlist for fDi's Asia-Pacific Cities of the Future 2015/16, the fDi-Intelligence division of the Financial Times collected data using the specialist online tools fDi Markets and fDi Benchmark. In total, 163 locations were analysed for the study.

Data was then collected for these 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 data-point. These were weighted

by importance to the FDI decision-making process to compile both the subcategory rankings, as well as the overall Asia-Pacific Cities of the Future 2015/16 ranking.

Locations were broken down into population categories, using the following parameters:

Megacity: Population over 10 million

Large city: Population between 5 million and 10 million

Mid-sized city: Population between 2.5 million and 5 million

Small city: Population less than 2.5 million

In addition, surveys were collected under a sixth category, FDI Strategy. This category is the only qualitative category and does not feed into the overall result. For this category there were 32 sub-missions – locations submitted details about their strategy for promoting FDI, which was then scored by fDi's judging panel. In previous rankings, FDI Strategy had been included in the overall ranking, however, to separate totally qualitative and quantitative data, we chose to list FDI Strategy as a stand-alone ranking. ■

LIST OF DATAPOINTS

ECONOMIC POTENTIAL

- Population
- Average annual % population growth – 2009 to 2014
- Unemployment rate
- Inflation rate 2015
- GDP (purchasing power parity, PPP, rate in current international \$m)
- GDP per capita (PPP rate in current international \$)
- Average annual GDP growth rate (2009 to 2014)
- GDP forecast (average annual growth 2015 to 2020)
- Outward FDI projects (January 2010 to August 2015)
- Outward FDI projects per 100,000 people (January 2010 to August 2015)
- Inward FDI projects (January 2010 to August 2015)
- Inward FDI projects per 100,000 people (January 2010 to August 2015)
- Inward FDI projects 2005 to 2009
- Inward FDI projects 2010 to 2014
- Nominal growth in FDI projects (2005 to 2009 vs 2010 to 2014) per 100,000 people
- FDI projects in research and development, and design, development and testing (January 2010 to August 2015) per 100,000 people
- FDI projects in advanced manufacturing (January 2010 to August 2015) per 100,000 people
- Number of megaprojects by capital expenditure per 100,000 people (more than \$100m) (January 2010 to August 2015) including estimates
- Number of megaprojects by jobs per 100,000 people (more than 1000) (January 2010 to August 2015) including estimates
- Number of patents (2010 to 2014)
- Number of patents per 100,000 people (2010 to 2014)
- Number of patents (2005 to 2009)
- Nominal growth in the number of patents (2005 to 2009 vs 2010 to 2014) per 100,000 people

HUMAN CAPITAL AND LIFESTYLE

- Secondary enrolment rate
- Tertiary enrolment rate
- Education expenditure (% of gross

- national income, GNI)
- Number of higher education institutions per 100,000 people
- Number of international baccalaureate schools per 100,000 people
- Number of top 500 universities per 100,000 people
- Number of students
- Third level students as a % of population
- Human Development Index
- Life expectancy
- Labour force as a % of population
- Brain drain

COST EFFECTIVENESS

- Four-star and five-star hotels in city centre (\$)
- Minimum wage (\$ per hour)
- Cost of establishing a business (absolute value using GNI)
- Cost of construction permits (absolute value using GNI)
- Cost to export (\$ per container)
- Cost to import (\$ per container)
- Corporation tax rate
- Total tax rate (as % of profit)
- Country PPP/exchange rate
- Petrol prices (\$)
- Common indirect tax/VAT

CONNECTIVITY

- Upload speed (kilobytes/second)
- Download speed (kb/s)
- Growth in internet users (%)
- Percentage of people using the internet 2013
- Number of airports (within 80km of the city)
- Number of international destinations served
- 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 (2014)
- Telephone mainline subscribers (2013)
- Mobile phone subscribers (2013)
- Growth in mobile phone subscribers 2007 vs 2014 (%)
- Access to electricity (% of population)

- Logistics performance index (2014)
- Networked Readiness Index (2014)
- Environmental Performance Index (2014)
- Quality of overall infrastructure
- Quality of roads
- Quality of railroad infrastructure

BUSINESS FRIENDLINESS

- Number of companies in hi-tech manufacturing sector 2014
- Number of companies in hi-tech service sector 2014
- Number of companies in knowledge-based sector 2014
- Proportion of companies in hi-tech manufacturing sector 2014
- Proportion of companies in hi-tech service sector 2014
- Proportion of companies in knowledge-based sector 2014
- Number of companies in hi-tech manufacturing sector 2014 (per 100,000 people)
- Number of companies in hi-tech service sector 2014 (per 100,000 people)
- Number of companies in knowledge-based sector 2014 (per 100,000 people)
- Number of jobs created by all inward FDI (January 2010 to August 2015)
- Number of jobs created by all inward FDI per 100,000 people (January 2010 to August 2015)
- Number of all jobs created by inward FDI (2010 to 2014)
- Nominal growth in jobs created by inward FDI (2005 to 2009 vs 2010 to 2014) per 100,000 people
- Number of expansion/colocation projects (January 2010 to August 2015) per 100,000 people
- Number of top 1000 World Banks 2015
- FT Global 500 companies
- Corporation tax rate
- Days taken to start a business
- Ease of doing business index
- Index of Economic Freedom
- Corruption Perception Index
- Strength of Investor Protection Index
- Country risk score
- Index of Firing Costs
- Credit rating