

## 2011 Quality of Living worldwide city rankings – Mercer survey

### United Kingdom

London, 29 November 2011

- **European cities dominate worldwide quality of living rankings**
- **Vienna ranks highest for quality of living; Baghdad, the lowest**
- **Luxembourg ranks highest for personal safety; Baghdad, the lowest**
- **In UK, Aberdeen and Glasgow rank 44 for personal safety; London ranks 68 out of 221 cities**

### Regional focus

#### Americas

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#### City rankings

Vienna has the best living standard in the world, according to the Mercer 2011 Quality of Living Survey. Zurich and Auckland follow in second and third position, respectively, and Munich is in fourth with Düsseldorf and Vancouver sharing fifth place. Frankfurt is in seventh, followed by Geneva in eighth, while Copenhagen and Bern share ninth place.

European cities represent over half the cities amongst the top 25 in the ranking. London (38) is the highest-ranking UK city and is followed by Birmingham (52), Aberdeen (54) and Glasgow (56). Belfast (63) is the lowest-ranking of the UK cities that Mercer surveys.

Globally, the cities with the lowest quality of living are Khartoum, Sudan (217), Port-au-Prince, Haiti (218), N'Djamena, Chad (219), and Bangui, Central African Republic (220).

Baghdad, Iraq (221) ranks last in Mercer's table.

Mercer conducts the survey to help governments and multi-national companies compensate employees fairly when placing them on international assignments. Mercer's Quality of Living reports provide valuable information and hardship premium recommendations for major cities throughout the world. **Mercer's Quality of Living index list covers 221 cities, ranked against New York as the base city.**

This year, **the survey separately identifies those cities with the highest personal safety ranking based on internal stability, crime levels, law enforcement effectiveness and the host country's international relations.** Luxembourg tops this personal safety ranking, followed by Bern, Helsinki and Zurich – all ranked at number two. Vienna ranks fifth, while Geneva and Stockholm both rank sixth. Baghdad (221) is the world's least safe city, followed by N'Djamena, Chad (220), Abidjan, Côte d'Ivoire (219), Bangui, Central African Republic (218), and Kinshasa, Democratic Republic of the Congo (217).

Aberdeen and Glasgow both rank 44 and are the highest ranking UK cities on the personal safety list. Birmingham (53) and Belfast (63) both rank higher than London (68).

Slagin Parakatil, Senior Researcher at Mercer, commented: "Companies need to keep on top of current developments to ensure that their compensation packages remain competitive and continue to motivate expatriate employees. That means reviewing major events, such as social unrest, economic turmoil or natural disasters and their impact on the success of overseas placements.

"The top-ranking cities for personal safety and security are in politically stable countries with good international relations and relatively sustainable economic growth. Most of the low-scoring cities are in countries with, civil unrest, high crime levels and little law enforcement," said Mr. Parakatil.

## Americas

Canadian cities dominate the top of the ranking for this region. Vancouver (5) has the best quality of living and is followed by Ottawa (14), Toronto (15) and Montreal (22). Honolulu (29) and San Francisco (30) are the highest-ranking US cities. In Central and South America, Pointe-à-Pitre, Guadeloupe (63), ranks highest, followed by San Juan, Puerto Rico (72), and Montevideo, Uruguay (77). Port-au-Prince, Haiti (218), ranks lowest in the region.

Canadian cities also dominate the higher end of the personal safety ranking for this region, with Calgary, Montreal, Ottawa, Toronto and Vancouver all ranked jointly at 17. In the United States, Chicago, Honolulu, Houston and San Francisco all rank 53. Pointe-à-Pitre, Guadeloupe (40), is again the highest-ranking city in Central and South America, followed by Nassau, Bahamas (66), San Juan, Puerto Rico (79), and Panama City, Panama (92). At the other end of the personal-safety scale, Caracas, Venezuela (205), Port-au-Prince, Haiti (202), Bogotá, Colombia (196), and Kingston, Jamaica (192), rank lowest in the region.

Mr Parakatil said: "The disparity in living standards between North and South America is still considerable. Though a number of South and Central American countries have experienced positive change, political and safety issues predominate in the region. In particular, drug trafficking, drugs cartels and high levels of street crime, combined with natural disasters, continue to impair the region's quality of living."

## Europe

Vienna is the European city with the highest quality of living. German and Swiss cities dominate the top of the ranking, with three cities each in the top 10. Zurich (2) is followed by Munich (4), Düsseldorf (5), Frankfurt (7) and Geneva (8), while Bern shares ninth place with Copenhagen.

In the next tier are Amsterdam (12), Hamburg (16), Berlin (17), Luxembourg (19), Stockholm (20), Brussels (22), Nurnberg (24) and Dublin (26). Paris ranks 30 and is followed by Oslo (33), Helsinki (35) and London (38). Lisbon is number 41, Madrid is at 43 and

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Rome ranks 52. Prague, Czech Republic (69), is the highest-ranking eastern European city, followed by Budapest, Hungary (73), Ljubljana, Slovenia (75), Vilnius, Lithuania (79), and Warsaw, Poland (84). The lowest-ranking European city is Tbilisi, Georgia (214).

With seven cities in the top 10, European cities also fare well in the personal safety ranking. Luxembourg ranks highest, followed by Bern, Helsinki and Zurich, which all rank second. Vienna (5) is ahead of jointly ranked Geneva and Stockholm (6). In Eastern Europe, Ljubljana (30) and Prague (47) rank highest for personal safety, whereas Moscow (199) and Tbilisi (215) rank lowest.

Mr Parakatil said: "European cities in general continue to have high standards of living, because they enjoy advanced and modern city infrastructures combined with high-class medical, recreational and leisure facilities. But economic turmoil, high levels of unemployment and lack of confidence in political institutions make their future positions hard to predict. Countries such as Austria, Germany and Switzerland still fare particularly well in both the quality of living and personal safety rankings, yet they are not immune from decreases in living standards if this uncertainty persists."

## Asia-Pacific

Auckland (3) is the highest-ranking city for quality of living in the Asia-Pacific region and is followed by Sydney (11), Wellington (13), Melbourne (18) and Perth (21). The highest-ranking Asian cities are Singapore (25) and Tokyo (46). Hong Kong (70), Kuala Lumpur (76), Seoul (80) and Taipei (85) are other major Asian cities ranked in the top 100. Meanwhile, Dhaka, Bangladesh (204), Bishkek, Kyrgyzstan (206), and Dushanbe, Tajikistan (208), rank lowest in the region.

At 8, Singapore ranks highest for personal safety, followed by Auckland and Wellington – both ranked 9. Canberra, Melbourne, Perth and Sydney all rank 25, and all the Japanese cities on the list (Tokyo, Kobe, Nagoya, Osaka and Yokohama) rank 31. The region's lowest-ranking city for personal safety is Karachi, Pakistan (216).

"As a region, Asia Pacific is highly diverse. Countries such as Australia, New Zealand and Singapore dominate the top of both our general and personal safety rankings, in part because they have been continuously investing in infrastructure and public services," said Mr Parakatil. "In general, the region has seen a greater focus on city planning. Nevertheless, many Asian cities rank at the bottom, mainly due to social instability, political turmoil, natural disasters such as typhoons and tsunamis, and lack of suitable infrastructure for expatriates.

## Middle East and Africa

Dubai, UAE (74), ranks highest for quality of living across the Middle East and Africa and is followed by Abu Dhabi, UAE (78), Port Louis, Mauritius (82), and Cape Town, South Africa (88). Johannesburg ranks 94 and is followed by Victoria, Seychelles (95), Tel Aviv (99), Muscat, Oman (101), and Doha, Qatar (106). Africa has 18 cities in the bottom 25, including Bangui, Central African Republic (220), N'Djamena, Chad (219), Khartoum, Sudan (217), and Brazzaville, Congo (214). Baghdad (221) is the lowest-ranking city both regionally and globally.

At 23, Abu Dhabi has the highest personal safety ranking in the Middle East and is followed by Muscat (29), Dubai (39), and Doha (67). Port Louis (59) and Victoria (79) are the only African cities in the top 100. Elsewhere in the region, Tunis, Tunisia, ranks 140, Casablanca, Morocco, is at 147 and Cairo ranks 176. At 185, Algiers is followed by Tehran (188), and towards the bottom of the list is Tripoli (204). In terms of personal safety, Baghdad (221) is the lowest-ranking city regionally and globally, along with N'Djamena, Chad (220), Abidjan, Côte d'Ivoire (219), Bangui, Central African Republic (218), and Kinshasa, Democratic Republic of the Congo (217).

Mr Parakatil said: "The recent wave of violent protests across North Africa and the Middle East has temporarily lowered living standards in the region. Many countries such as Libya, Egypt, Tunisia and Yemen have seen their quality of living levels drop considerably. Political and economic reconstruction in these countries, combined with funding to serve basic human needs, will undoubtedly boost the region as a key player in the international arena."

He added: "Currently, expatriates and locals need to exercise extreme caution when going about their everyday activities in the most dangerous cities. The roots of unrest vary from country to country, and many places remain volatile. So companies should ensure they monitor the impact this might have on their local expatriates. Furthermore, employers should review their expatriate strategies to ensure they contain specific safety measures such as secure accommodation and effective communication channels if evacuation becomes necessary."

"It is also worth noting that some of this region's cities, including Abu Dhabi, Dubai and Muscat, rank quite high on the personal safety list. This is mainly due to their internal stability and low crime levels," concluded Mr Parakatil.

### Notes for editors

The worldwide rankings are produced annually from the most recent **Worldwide Quality of Living Survey**, conducted by Mercer. Individual reports are produced for each city surveyed. Comparative quality-of-living indexes between a base city and a host city are available, as are multiple-city comparisons. Further information is available from Mercer Client Services in Warsaw, on tel. +48 22 434 5383. Or see [www.mercer.com/qualityofliving](http://www.mercer.com/qualityofliving)

**The list of rankings is provided to journalists for reference, and should not be published in full.** Publications and other media outlets may reproduce the top 10 and bottom 10 cities in either list in a table. **The data was largely collected between September and November 2011**, and is regularly updated to take account of changing circumstances. In particular, the assessments are revised in the case of significant political, economic and environmental developments.

### Updated index

This year's Quality of Living press release is published in November rather than April/May as in previous years. It is based on data from Mercer's latest Quality of Living Survey. The new timing of the survey and press release provides a more current assessment of quality of living in the world that employers can use for planning purposes.

### Expatriates in difficult locations: Determining appropriate allowances and incentives

Companies need to be able to determine their expatriate compensation packages rationally, consistently and systematically. Providing incentives to reward and recognise the efforts that employees and their families make when taking on international assignments remains a typical practice, particularly for difficult locations. Two common incentives include a quality-of-living allowance and a mobility premium.

- Quality-of-living or "hardship" allowances compensate expatriates for decreases in the quality of living between their home and host locations.

- By contrast, a mobility premium simply compensates for the inconvenience of being uprooted and having to work in another country.

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A quality-of-living allowance is typically location-related, whilst a mobility premium is usually independent of the host location. Some multinational companies combine these premiums, but the vast majority provide them separately. The latter approach is clearer and more transparent.

**Mercer hardship allowance recommendations**

Mercer evaluates local living conditions in all the 420 cities it surveys worldwide. Living conditions are analysed according to 39 factors, grouped in 10 categories:

- 1) Political and social environment (political stability, crime, law enforcement, etc)
- 2) Economic environment (currency exchange regulations, banking services, etc)
- 3) Socio-cultural environment (censorship, limitations on personal freedom, etc)
- 4) Health and sanitation (medical supplies and services, infectious diseases, sewage, waste disposal, air pollution, etc)
- 5) Schools and education (standard and availability of international schools, etc)
- 6) Public services and transportation (electricity, water, public transport, traffic congestion, etc)
- 7) Recreation (restaurants, theatres, cinemas, sports and leisure, etc)
- 8) Consumer goods (availability of food/daily consumption items, cars, etc)
- 9) Housing (housing, household appliances, furniture, maintenance services, etc)
- 10) Natural environment (climate, record of natural disasters)

The scores attributed to each factor allow for city-to-city comparisons. The result is a quality-of-living index that compares relative differences between any two locations. For the indices to be used effectively, Mercer has created a grid that allows users to link the resulting index to a quality-of-living allowance amount by recommending a percentage value in relation to the index.

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**City Rankings**

Mercer Quality of Living Survey - Worldwide Rankings, 2011		
Rank	City	Country
1	Vienna	Austria
2	Zurich	Switzerland
3	Auckland	New Zealand
4	Munich	Germany
5	Düsseldorf	Germany
5	Vancouver	Canada
7	Frankfurt	Germany
8	Geneva	Switzerland
9	Bern	Switzerland
9	Copenhagen	Denmark
11	Sydney	Australia
12	Amsterdam	Netherlands
13	Wellington	New Zealand
14	Ottawa	Canada
15	Toronto	Canada
16	Hamburg	Germany
17	Berlin	Germany
18	Melbourne	Australia
19	Luxembourg	Luxembourg
20	Stockholm	Sweden
21	Perth	Australia
22	Brussels	Belgium
22	Montreal	Canada
24	Nurnberg	Germany
25	Singapore	Singapore
26	Canberra	Australia
26	Dublin	Ireland
28	Stuttgart	Germany
29	Honolulu, HI	United States
30	Adelaide	Australia
30	Paris	France
30	San Francisco, CA	United States
33	Calgary	Canada
33	Oslo	Norway
35	Helsinki	Finland
36	Boston, MA	United States
37	Brisbane	Australia
38	London	United Kingdom
39	Lyon	France
40	Barcelona	Spain
41	Lisbon	Portugal
42	Milan	Italy
43	Chicago, IL	United States
43	Madrid	Spain
43	Washington, DC	United States
46	Tokyo	Japan

47	New York City, NY	United States
48	Seattle, WA	United States
49	Kobe	Japan
49	Pittsburgh, PA	United States
49	Yokohama	Japan

Personal Safety Ranking, 2011\*

Rank	City	Country
1	Luxembourg	Luxembourg
2	Bern	Switzerland
2	Helsinki	Finland
2	Zurich	Switzerland
5	Vienna	Austria
6	Geneva	Switzerland
6	Stockholm	Sweden
8	Singapore	Singapore
9	Auckland	New Zealand
9	Wellington	New Zealand
11	Copenhagen	Denmark
11	Düsseldorf	Germany
11	Frankfurt	Germany
11	Munich	Germany
11	Nurnberg	Germany
16	Dublin	Ireland
17	Amsterdam	Netherlands
17	Calgary	Canada
17	Montreal	Canada
17	Ottawa	Canada
17	Toronto	Canada
17	Vancouver	Canada
23	Abu Dhabi	United Arab Emirates
24	Oslo	Norway
25	Canberra	Australia
25	Melbourne	Australia
25	Perth	Australia
25	Sydney	Australia
29	Muscat	Oman
30	Ljubljana	Slovenia
31	Kobe	Japan
31	Nagoya	Japan
31	Osaka	Japan
31	Tokyo	Japan
31	Yokohama	Japan
36	Berlin	Germany
36	Hamburg	Germany
36	Hong Kong	Hong Kong
39	Dubai	United Arab Emirates
40	Brussels	Belgium
40	Pointe-à-Pitre	Guadeloupe
42	Leipzig	Germany
42	Stuttgart	Germany
44	Aberdeen	United Kingdom
44	Glasgow	United Kingdom
46	Limassol	Cyprus
47	Lisbon	Portugal
47	Prague	Czech Republic
49	Bratislava	Slovakia
50	Adelaide	Australia
50	Brisbane	Australia

\*Mercer's Personal Safety Ranking 2011 is based on measures of internal stability, crime levels, law enforcement effectiveness and host country international relations.

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