

KL trails Asia-Pac rivals in competitive city rankings
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KUALA LUMPUR, March 15 — Kuala Lumpur placed 11th in Asia Pacific and only 45th globally in the Economist Intelligence Unit's ranking of the world's most competitive cities released this week.

The capital of Malaysia, a country often described as having first-world facilities but a third-world mentality, scored well in the physical infrastructure and financial maturity categories but was lacklustre in the human capital, social and cultural, institutional effectiveness, and global appeal categories.

Singapore, Hong Kong and Tokyo were the three most competitive cities in the Asia Pacific region, followed by Sydney, Melbourne, Seoul, Auckland, Taipei, Beijing, Shanghai and KL.

New York, London and Singapore were ranked the top three most competitive cities in the world, with Hong Kong, Paris, Tokyo, Zurich, Washington, Chicago and Boston rounding out the top 10.

The Economist Intelligence Unit (EIU)'s report accompanying the rankings singled out KL as an example of good prospects hampered by lack of talent.

"Kuala Lumpur is an example of a city whose otherwise strong growth prospects are set back by talent shortages, exacerbated by the steady emigration of skilled locals, many of whom leave for better prospects in Singapore or elsewhere, according to the World Bank," said the report.

The report also said that Singapore, KL's southern neighbour and the highest ranked Asia Pacific city, benefited from years of strategic recruitment of business and human capital as well as a strong focus on quality of life, high quality jobs and environmental sustainability.

EIU noted that despite being a small, developing economy decades ago, Singapore was ready to turn away industries that could not meet its strict environmental regulations because it did not want factories that would pollute its environment.

The city also opted not to follow other cities that adopted a "grow first, clean up later" attitude and promoted cleanliness through numerous public campaigns as well as concerted clean-up efforts, such as one involving the Singapore River.

It also embarked on a systematic tree-planting programme in order to "green" the city that even entailed specifying the ratio of trees to parking spaces in the city.

EIU noted that the top-ranked emerging market city in terms of physical infrastructure is KL, in joint 49th position that reflected a long history of investment in infrastructure.

KL also ranked a surprising 10th in financial maturity, which measures the breadth and depth of its financial sector.

It failed, however, to crack the top 60 for institutional effectiveness and social and cultural character.

In terms of human capital and global appeal, KL ranked 46th and 35th, respectively.

The Najib administration has said that it intends to propel KL into the top 20 most-economically vibrant and liveable cities by 2020 although it is too early to say if the goal will be achieved.

EIU said that the balance of power between countries and cities is now at an interesting juncture, with cities increasingly likely to be the focus of global business in the decade ahead due to rapid urbanisation and with over half of the world's population are now living in cities, generating more than 80 per cent of global GDP.

The think tank defined "competitiveness" as cities' demonstrated ability to attract capital, businesses, talent and visitors.

It said that the appeal of New York and London at the top of the rankings is largely due to their appeal to a wide range of businesses, including media, arts, technology and fashion, even though both are regarded as world-beating financial services hubs.

The full EIU report is available [here](#).

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