

More multinationals moving to Malaysia from Singapore
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Thanks to the lower value of the ringgit many multinationals in the oil and gas sector have moved significant numbers of expatriate staff from Singapore to Malaysia.

KUALA LUMPUR: More multinational corporations, particularly in the oil and gas (O&G) sector, are moving their operations here from Singapore because of lower costs due to the depreciation of the ringgit.

“Over the the past two to three years, we have seen more multinationals with regional or significant operations in Singapore, relocating some of their departments or expatriates to Kuala Lumpur,” said ECA International regional director for Asia Lee Quane.

“Between 10 to 20 multinationals in the O&G sector moved significant numbers of expatriate staff from Singapore to Malaysia because benefits such as housing are much cheaper here thanks to the lower value of the ringgit,” he told Bernama.

Quane also said the latest ECA Cost of Living survey found Singapore to be the 24th most expensive location in the world for expatriates, an improvement from 18th place last year.

This was because the Singapore dollar depreciated against many currencies over the last 12 months, he added.

Quane said the gap between the cost of living in Singapore and Kuala Lumpur had meanwhile increased, with the Malaysian capital falling 15 places to be the 212th most expensive city.

Georgetown and Johor Bahru fell to 245th and 250th spot respectively,” he said.

Johor Bahru also had the second-lowest cost of living in the region.

“Cities in Malaysia continue to rank among those with the lowest cost of living for international assignees, becoming marginally cheaper over the past five years,” Quane said.

He said ECA has been conducting research into the cost of living for over 45 years and carries out two main surveys in March and September every year.

This is to help companies calculate the cost of living allowances so that their employees' spending power is not compromised while on international assignment.

The ECA surveys compare a basket of like-for-like consumer goods and services commonly purchased by assignees in over 460 locations worldwide, covering the prices of groceries, household goods and clothing, among others.

"Certain living costs such as house rental, car purchases and school fees are usually covered by separate allowances.

"Data for these costs are collected separately and not included in ECA's cost of living basket," Quane said.

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