

## NEWS

### Expatriate expense

Mercer has found African, Asian and European cities dominate their list of the most expensive locations for employees working abroad. The information, found in the company's 21st annual Cost of Living Survey also demonstrates how economic and political unrest and related currency volatility is challenging multinationals' ability to plan international assignments and compete.

Just as foreign exchange costs create headwinds for many multinational organisations, currency fluctuations – driven by economic and political unrest – are contributing to the cost of expatriate packages for those on the front line of globalisation of their organisations. Mercer's report finds that factors including instability of housing markets and inflation for goods and services impacts significantly on the overall cost of doing business in a global environment. "As the global economy has become increasingly interconnected, close to 75 per cent of multinational organisations are expecting long-term expatriate

assignments to remain stable or increase over the next two years to address business needs," said Ilya Bonic, senior partner and president of Mercer's talent business. "Sending employees abroad is necessary to compete in markets and for critical talent, and employers need a reliable and accurate reflection of the cost to their bottom line."

According to Mercer's 2015 Cost of Living Survey, Asian and European cities – particularly Hong Kong (2), Zurich (3), Singapore (4), and Geneva (5) – top the list of most expensive cities for expatriates. The costliest city for the third consecutive year is Luanda (1), the capital of Angola. Despite being recognised as a relatively inexpensive city, the cost of imported goods and safe living conditions in this country are available at a steep price.

Other cities appearing in the top 10 of Mercer's costliest cities for expatriates are Shanghai (6), Beijing (7), and Seoul (8) in Asia; Bern (9); and N'Djamena (10). The world's least expensive cities for expatriates, according to Mercer's survey, are Bishkek (207), Windhoek (206), and Karachi (205).

"Aligning workforce and mobility strategies by ensuring the right employees are in the right places is more critical than ever to manage globalisation," said Mr. Bonic. "Properly compensating employees on international assignments is as important as it is costly."

According to Mr. Bonic, this is especially important for emerging mobility programs with smaller pools of candidates and higher business needs for sending employees on international assignments. It is essential that these organisations have accurate and transparent data as they consider how to compensate fairly and in line with market demands.

### Special Report Yukiko Nagashima, regional representative for Ciett in Northern Asia.

In the North East Asia Region of CIETT, we hold a regional meeting once a year in one of the regional member countries, China, Korea and Japan. Last year we held the 9th meeting in Beijing on October 31. In the meeting, we discussed mainly the regulation situation on the Temporary Agency Work in each country.

In China, 'The Interim Provisions on Labour Dispatch' became effective on March 1, 2014 which regulates quota (10 per cent) of dispatched workers in the total number of employees of user companies. CAFST will continue to pay close attention to the

impact brought by the provisions to the industry, and strengthen the communication with the union, user companies and its members, in an effort to make its contribution to building harmonious labour relations. In Korea, by recent changes of statutory provisions, the prohibition on discriminative treatment of temporary agency workers is reinforced. As a result, the suppression of use of temporary agency workers and the increase of outsourcing are observed.

In Japan, JASSA is actively lobbying to policymakers, trade union and media. with the aim of amending the Worker Dispatching Law for modifying duration restrictions from job unit to personal unit as well as career development support and improvement of treatment of dispatched workers. The bill of amendment has passed the Lower House on June 19 and been forwarded to the Upper House and is expected to pass in the summer of this year. Japan has established JHR, Japan Association of Human Resource Services Industry, in 2012 to improve our overall private employment service industries such as job board, placement, temp-staffing. JHR has started "The Excellent Temporary Work Agencies Certification System" in November 2014 entrusted by the Ministry of Health, Labour and Welfare. It is a good example of public-private cooperation in Japan. ■

