

HSBC Bank International Expat Explorer Survey 08

Report Three: Expat Experience

The Expat Explorer survey

The HSBC Bank International Expat Explorer survey is the largest ever independent survey of expatriates, questioning 2,155 expats across four continents. The results of the survey, which have been divided into three reports (Expat Existence; Offshore Offspring and Expat Experience), reveal a fascinating insight into how expat life differs across the globe.

Integration

The Expat Experience report examines the challenges faced by individuals relocating to a new country. The survey looked at cultural and social differences and how they make a difference to ease of integration. Respondents were asked to rate their host countries in four areas:

- ▶ Whether they made friends with people from the local population
- ▶ Whether they joined a local community, such as a religious or sports group
- ▶ Whether they learned the local language
- ▶ Whether they bought property

In addition, expats were also questioned on their experience in other aspects of life including whether they married someone local and/or had children; whether they set up a new business or put down permanent roots by changing their citizenship.

Key Findings

Making friends with the locals

Canada is the friendliest location for expats, where most found it easy to build relationships with local people, followed by Germany and Australia. Germany came out as a popular destination for expats to marry someone from the local population, followed by the Netherlands.

“Canada attracts both the young and middle-aged generations”

Learning the local language

Germany ranked highest in the category of expats learning the local language, with three-quarters of expats learning German. Expats in Spain and Belgium were also likely to blend into the local culture, with 70% of respondents in both countries saying that they had adopted the language of their country of residence.

“Expats living in Europe were most likely to learn the local language”

Property hotspots

France came out as a property hotspot, ranking highest in the category of expats buying property, with approximately two-thirds (64%) of respondents stating that they had purchased a property in the country. Expats in Asia are the least likely to buy a home with India, China and Singapore ranking as the lowest countries for purchasing property.

“France is a property hotspot, with Asia less popular amongst the expat community”

Expatriate Experience methodology

- ▶ The Expatriate Explorer survey was conducted by independent research companies – data capturing was undertaken by Virtual Surveys between the months of February – April 2008, with data analysis conducted by Freshminds. The whole survey looked at a wide range of topics relevant to expats' lives including lifestyle elements such as living standards and an expat's ability to earn and save; to issues affecting expat children such as how much it costs to raise them and how long they spend studying; to how easy expats find it to integrate in a new environment.
- ▶ For the Expatriate Experience report, each country was measured on whether expats made friends with local people, joined a community group (such as religious or sports club), learned the local language and bought property. The final ranking in the data table is based on the average score generated using the criteria below:

Integration	1. Local friends	<ul style="list-style-type: none">• If they made friends from the local country
	2. Joined a community group	<ul style="list-style-type: none">• Whether or not they joined local community groups
	3. Learned language	<ul style="list-style-type: none">• Whether or not they learned the local language, showing that expats are interacting with the culture
	4. Bought property	<ul style="list-style-type: none">• Buying property shows commitment to remain in the country

- ▶ Each of the criteria is weighted evenly
- ▶ Sample size of 2,155 expats living in more than 48 countries
- ▶ Only countries with more than 30 responses were included in overall table (14 in total) to be statistically significant
- ▶ Individual country data has also been used to indicate interesting trends

Overall results for Expat Experience

Country (base)	Local friends	Community group	Learned the language	Bought property	Ranking (average)
Germany	2	1	1	9	1
Canada	1	3	10	2	2
Spain	7	10	2	3	3
France	9	8	5	1	4
Belgium	12	6	2	5	5
Netherlands	10	7	4	6	6
Hong Kong	7	2	8	10	7
US	6	3	13	4	7
UK	4	8	12	10	9
Singapore	13	3	9	12	10
India	5	13	7	14	11
Australia	3	14	14	8	11
UAE	14	10	11	7	13
China	11	12	6	13	13

NB: Each country received a score out of 14 for each section. The country with the lowest score is deemed the best for each criterion. These scores are then translated into an overall ranking, with 1 being the best and 14 the worst.

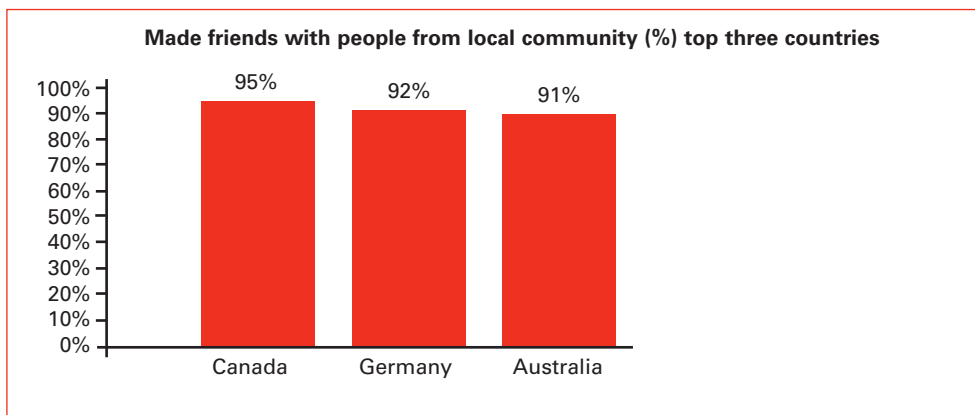
Making friends with the locals

Canada is the most welcoming to expats, with almost all (95%) of respondents claiming that they made friends with local people. This was followed by Germany (92%) and Australia (91%). Canada is also a favourite destination for men and expats working in finance.

Expats from Hong Kong are the most likely to make friends with other expats with 89% of expats from Hong Kong saying that they did so when they moved to another country. Over three-quarters (84%) of expats in Hong Kong also stated that they found it possible to make local friends.

The United Arab Emirates was revealed to be the most difficult country in which to make friends with the locals – only half (54%) of expats surveyed said that they had made friends who were locals.

Interestingly, only a quarter (23%) of expats surveyed living in the UAE said that they found it difficult to make any type of friend – including those from the expat community. This could suggest that expats living in the UAE are more likely to have friends from within the expat community, rather than local people.

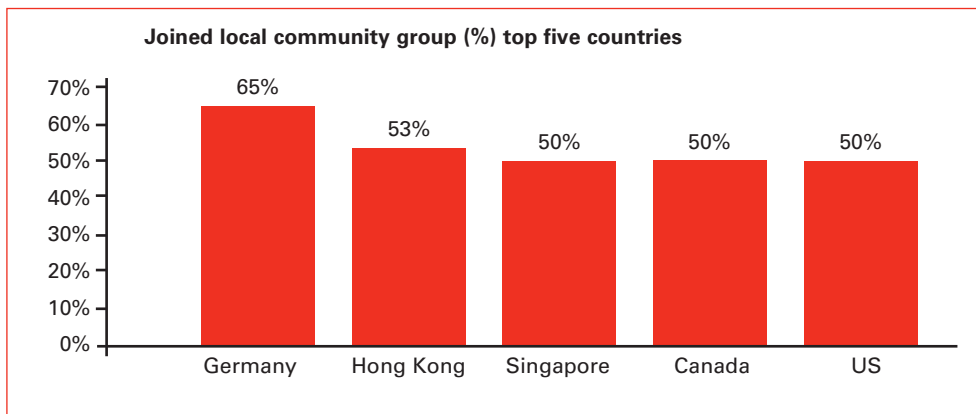


Joining a local community group

Almost half of all respondents said that they had joined a local community group since moving to a new country. Expats living in Germany were most likely to join a community group (65% responded that they had done so), followed by around half of expats living in Hong Kong, Singapore, Canada and the US.

Australia, despite scoring highly for making friends with the locals, came last in the 'joining a community group' category. Just 38% of expats said that they had joined a group – possibly due to the fact that the expats surveyed living in Australia tend to be younger than in other countries (51% are 18-34 years old), and so may find it easier to meet people without the need for an organised social group.

Interestingly, expats who originate from Australia came top of the table for joining a club or group when they moved to another country, with 57% being keen to make friends in this way. Expats from the US (54%) and Brazil (53%) were also fans of joining community groups, in contrast with just a third (32%) of German expats.

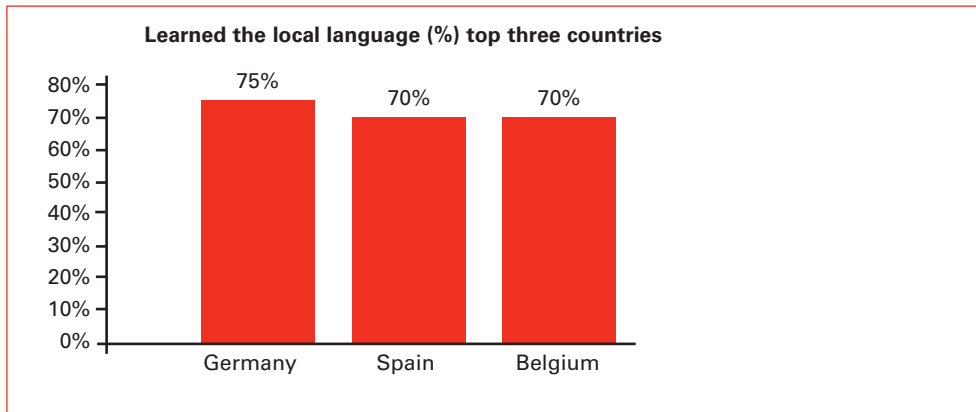


Learning the local language

Expats living in Europe were most likely to learn the local language. Germany came top in this category with three-quarters of expats learning German, followed by 70% of expats in Spain and Belgium who were also likely to adopt the language of their country of residence.

Expats originating from the Americas were most likely to learn a new language – over half (51%) of expats from the US and half (50%) of Brazilians made an effort to learn the local language. A significant proportion of the Irish expat community (41%) also took this step when moving to a new country.

Only approximately one-tenth of expats living in Australia, 15% of people living in the US and 18% of people in the United Kingdom learned the local language – in each case English.



Buying property and setting up a new business

Over half of expats who move to France, Canada or Spain decided to purchase property there.

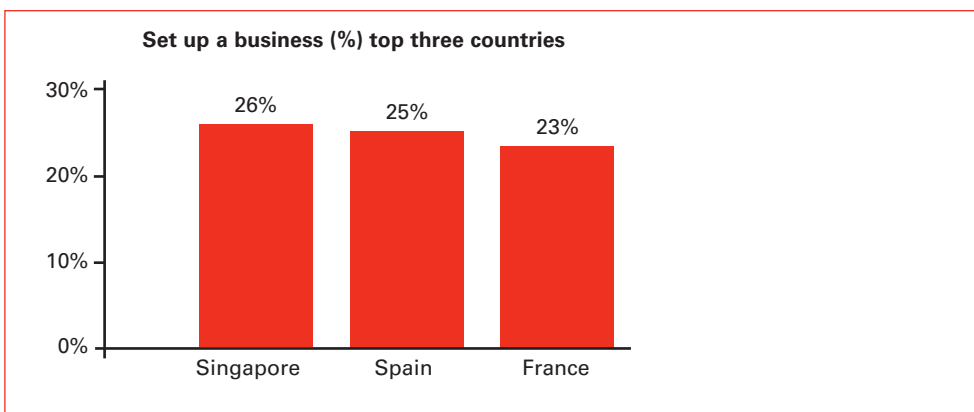
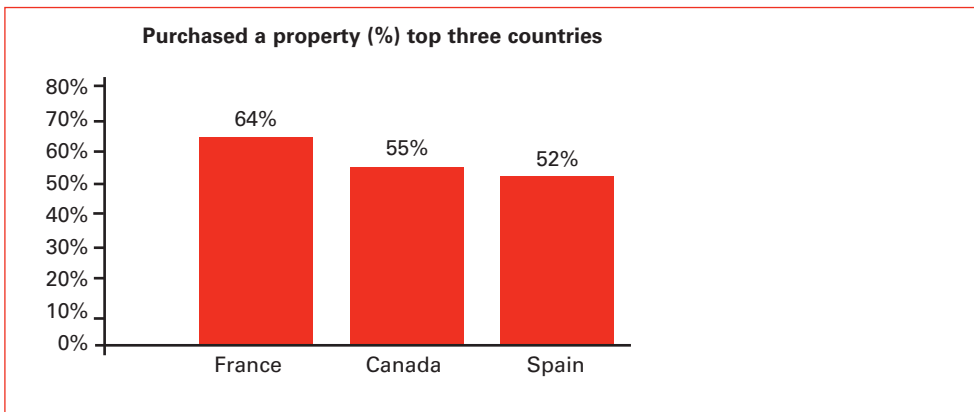
France came top in this category, with 64% of respondents having bought property once they moved to this country – it also scored highly for setting up a business*, with roughly a quarter (23%) of expats saying they had done so. French expats tend to be middle aged – the mean average age from the survey was 49.7 – possibly explaining why they are able to buy homes and businesses. Overall, two-thirds (65%) of over 55 year olds expats had bought property, compared with just 32% of under 55 year olds.

Singapore ranked as the most popular country for setting up a business, with 26% of expats saying they had done so, followed by 25% in Spain.

Expats in Asia are the least likely to buy a home – India, China and Singapore came last in the survey for purchasing a property. Just 6% of expats in India had taken this step, followed by 12% in China and a quarter in Singapore.

Expats from the UK are the most likely to buy property abroad, almost half claimed to have done so, followed by 40% of South Africans and 37% of Indians. Unsurprisingly, the majority of people who bought property were in the £200,000 + salary bracket.

* not contributing to league table

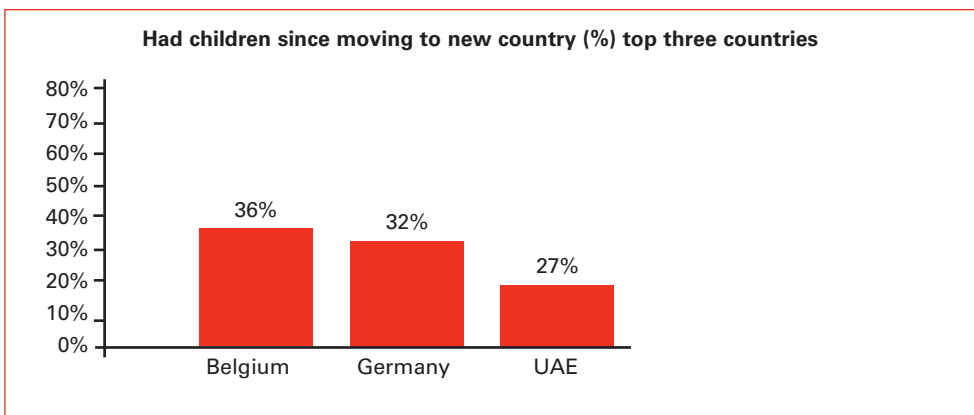
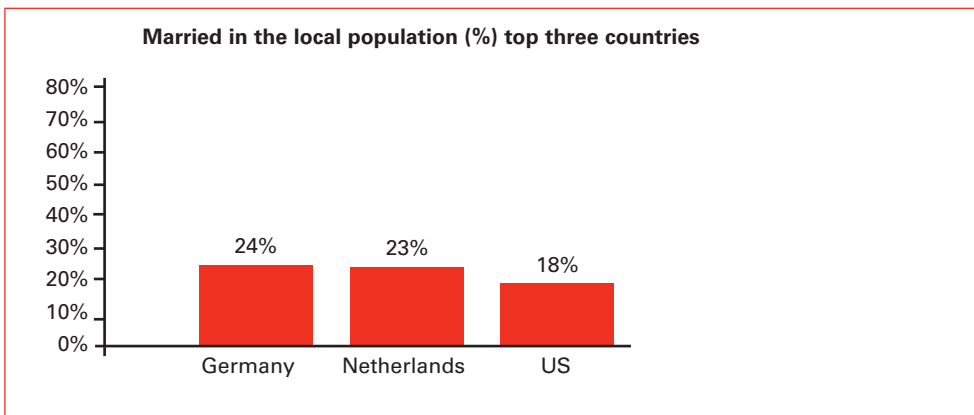


Having children and marrying into the local population

More than a third of expats in Belgium had children since moving there, followed by 32% of people living in Germany. Interestingly, a third of Indian expats had children since moving away from India, in contrast with just 4% of people from Hong Kong. Overall, the majority of expats who have had children are in the 35-44 years old age category and this group is third most likely to marry someone from the local country (over 65s are the most likely to marry someone from the local community followed by expats aged 45 - 54 years old).

People living in China are the least likely to add to their families – just 8% reported taking this step – followed by expats living in India (9%) and, despite scoring highly for buying property and setting up a business, France (10%).

Germany and the Netherlands are the best locations to find love, with a quarter of expats in Germany (24%) and the Netherlands (23%) having married a person from the local community.

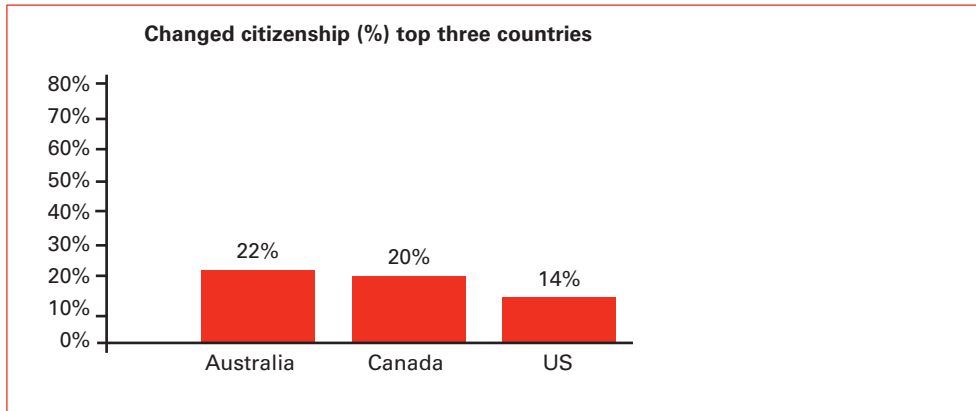


Changed citizenship

Almost a quarter of South African and 16% of Indian expats were most likely to change their citizenship once they had moved away from home. Australians, Brazilians and Germans were least likely to take this step with just 4%, 3% and 3% respectively deciding to change citizenship.

Expats in Australia and North America scored highly here – almost a quarter (22%) of expats in Australia decided to adopt its citizenship, followed by 20% in Canada and 14% in the US.

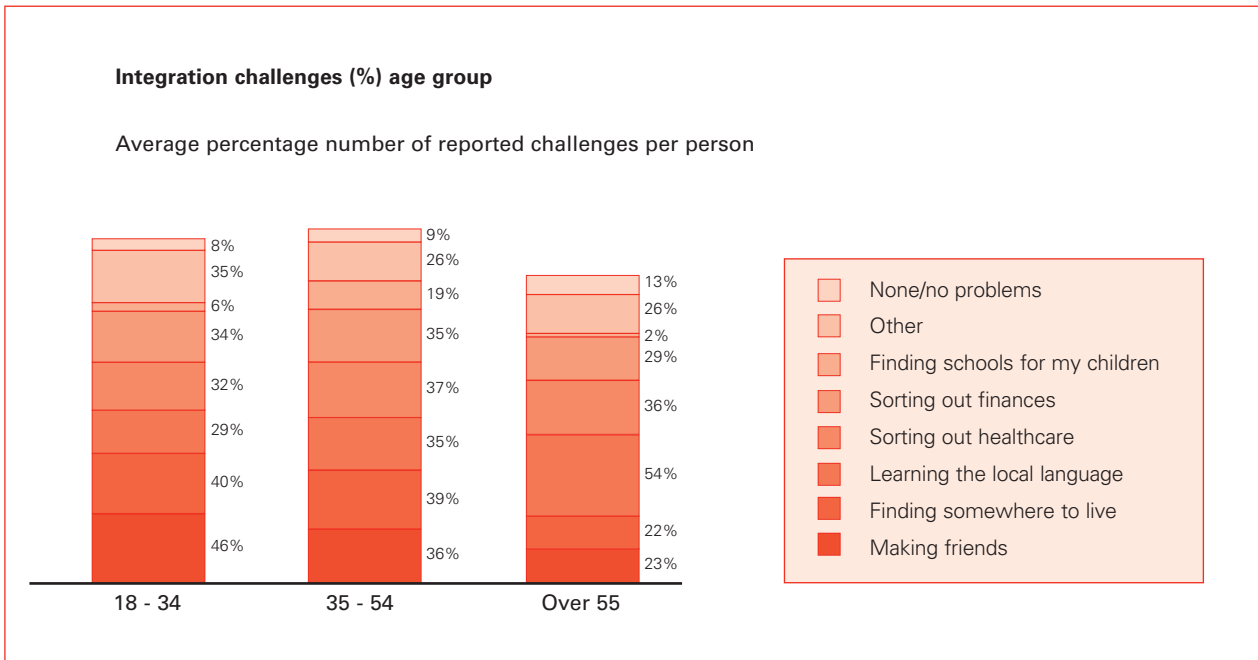
However, very few expats chose to take this step – with just 6% of those surveyed overall permanently changing their citizenship.



The age factor

Expats over the age of 55 reported that they face different and markedly fewer challenges settling in a new country than their younger respondents. The hardest aspect for this group was learning the local language – with over half (54%) saying that they struggled with this aspect of making a new life abroad.

Surprisingly, overall, 18 - 34 year olds found making new friends the most challenging aspect of moving somewhere new – almost half claimed to struggle with this – followed by finding somewhere to live, which was ranked by 39% of 35 - 54 year olds as the biggest obstacle when settling.



Further information

Please visit www.offshore.hsbc.com/expatsurvey for further information.

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