



NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

Business Regulations: The National Picture and its Relevance to the Bangsamoro

Business and Labor Regulations Workshop
24 September 2014, Asian Institute of Management

MR. GUILLERMO M. LUZ
Co-Chairman, Private Sector



INVESTMENTS



TRADE





PEOPLE



JOBS

Google images

TOURISTS



IMAGE/BRAND



Island Hopping. More fun in the
Philippines















GLOBAL COMPETITIVENESS REPORT CARD

| REPORT | 2014 RANK | 2013 RANK | 2012 RANK | 2011 RANK | CHANGE | ASEAN RANK | NEXT RELEASE | SOURCE | TOP 1/3 |
|---|-----------|-----------|-----------|-----------|--------|------------|--------------|----------------|---------|
| 1. Global Competitiveness Report | 52/144 | 59/148 | 65/144 | 75/142 | ↑ 7 | 5/9 | Sep-15 | WEF | 48 |
| 2. Ease of Doing Business | | 108/189 | 138/185 | 136/183 | ↑ 30 | 6 of 10 | Oct-14 | IFC | 63 |
| 3. World Competitiveness Report | 42/60 | 38/60 | 43/59 | 41/59 | ↓ 4 | 5 of 5 | May-15 | IMD | 20 |
| 4. Corruption Perception Index | | 94/177 | 105/176 | 129/183 | ↑ 11 | 4 of 10 | Dec-14 | TI | 60 |
| 5. Economic Freedom Index | 89/178 | 97/177 | 107/179 | 115/179 | ↑ 8 | 5 of 9 | Jan-15 | HF | 59 |
| 6. Global Information Technology Report | 78/148 | 86/144 | 86/142 | 86/138 | ↑ 8 | 6 of 10 | Apr 15 | WEF | 49 |
| 7. Travel and Tourism Report | | 82/140 | n/a | 94/139 | ↑ 12 | 7 of 8 | Mar-15 | WEF | 46 |
| 8. Global Innovation Index | 100/143 | 90/142 | 95/141 | 91/125 | ↓ 10 | 6 of 8 | Jul-15 | WIPO | 47 |
| 9. Logistics Performance Index | 57/160 | n/a | 52/155 | n/a | ↓ 5 | 6 of 9 | Mar-16 | World Bank | 53 |
| 10. Fragile States Index | 52/178 | 59/178 | 56/177 | 50/177 | ↓ 7 | 8 of 10 | Jun-15 | Fund for Peace | 118 |
| 11. Global Enabling Trade Index | 64/138 | n/a | 72/132 | n/a | ↑ 8 | 6 of 10 | Mar-16 | WEF | 46 |
| 12. Global Gender Gap Report | | 5/136 | 8/135 | 8/135 | ↑ 3 | 1 of 9 | Oct-14 | WEF | -- |

WORLD ECONOMIC FORUM: GLOBAL COMPETITIVENESS REPORT 2010-2014



| Country/Economy | 2014 (out of 144) | Change 2013-2014 | 2013 (out of 148) | 2012 (out of 144) | 2011 (out of 142) | 2010 (Out of 139) | Change in 4 Years 2010-2014 |
|--|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
|  Singapore | 2 | 0 | 2 | 2 | 2 | 3 | 1 |
|  Malaysia | 20 | 4 | 24 | 25 | 21 | 26 | 6 |
|  Thailand | 31 | 6 | 37 | 38 | 39 | 38 | 7 |
|  Indonesia | 34 | 4 | 38 | 50 | 46 | 44 | 10 |
|  Philippines | 52 | 7 | 59 | 65 | 75 | 85 | 33 |
|  Vietnam | 68 | 2 | 70 | 75 | 65 | 59 | -9 |
|  Lao PDR | 93 | -12 | 81 | n/a | n/a | n/a | n/a |
|  Cambodia | 95 | -7 | 88 | 85 | 97 | 109 | 14 |
|  Myanmar | 134 | 5 | 139 | n/a | n/a | n/a | n/a |
|  Brunei Darussalam | n/a | n/a | 26 | 28 | 28 | 28 | n/a |

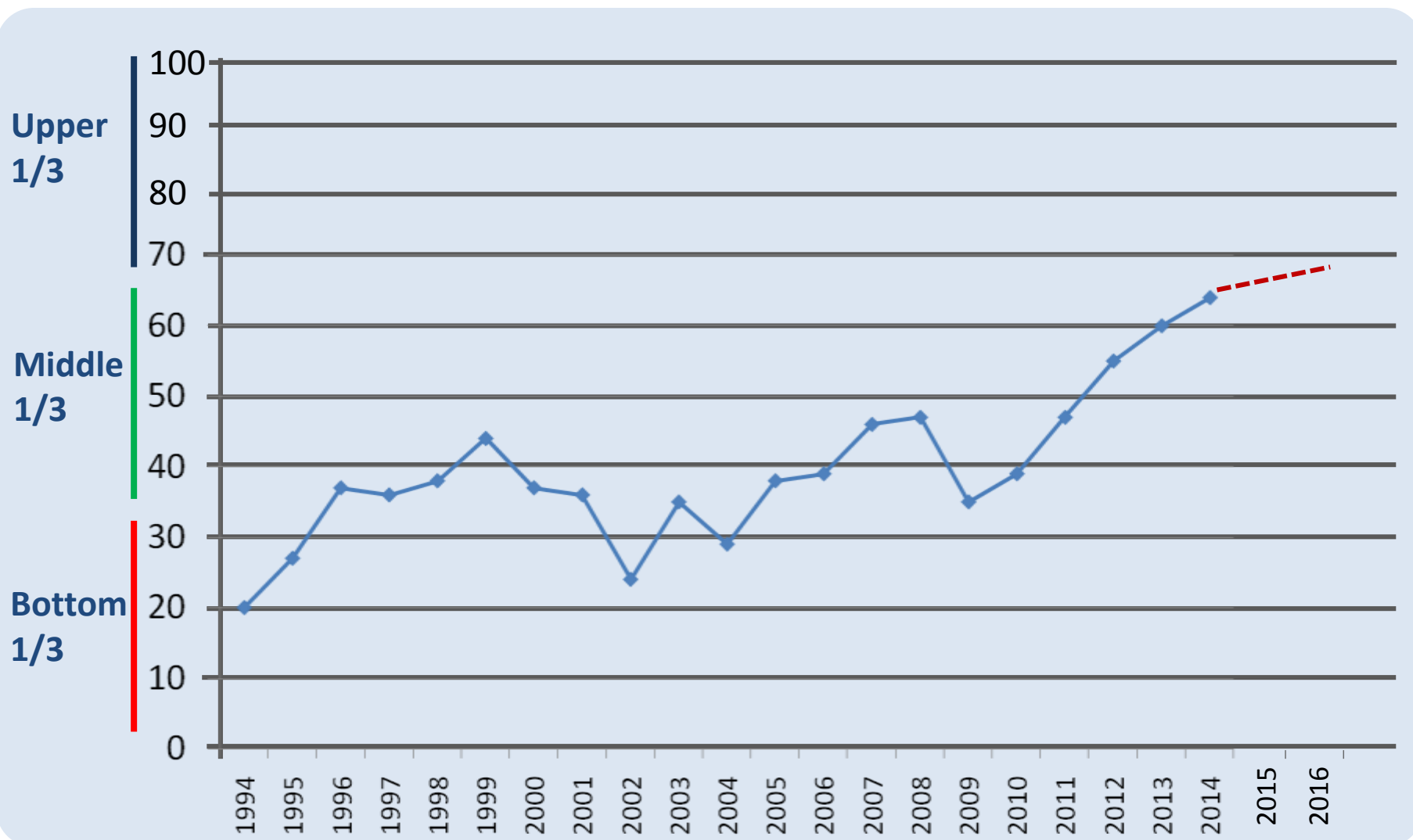
*Brunei Darussalam is not included in the 2014 Ranking



WORLD ECONOMIC FORUM: GLOBAL COMPETITIVENESS REPORT 1994-2014



Percentile Rank





WORLD ECONOMIC FORUM: GLOBAL COMPETITIVENESS REPORT 2010-2014



| PILLARS | (2014) OF 144 | CHANGE 2013-2014 | (2013) OF 148 | (2012) OF 144 | (2011) OF 142 | (2010) OF 139 | CHANGE 2010-2014 |
|---|------------------|---------------------|------------------|------------------|------------------|------------------|---------------------|
| OVER-ALL RANKING | 52 | 7 | 59 | 65 | 75 | 85 | 33 |
| 1st pillar: Institutions | 67 | 12 | 79 | 94 | 117 | 125 | 58 |
| 2nd pillar: Infrastructure | 91 | 5 | 96 | 98 | 105 | 104 | 13 |
| 3rd pillar: Macroeconomic environment | 26 | 14 | 40 | 36 | 54 | 68 | 42 |
| 4th pillar: Health and primary education | 92 | 4 | 96 | 98 | 92 | 90 | -2 |
| 5th pillar: Higher education and training | 64 | 3 | 67 | 64 | 71 | 73 | 9 |
| 6th pillar: Goods market efficiency | 70 | 12 | 82 | 86 | 88 | 97 | 27 |
| 7th pillar: Labor market efficiency | 91 | 9 | 100 | 103 | 113 | 111 | 20 |
| 8th pillar: Financial market development | 49 | -1 | 48 | 58 | 71 | 75 | 26 |
| 9th pillar: Technological readiness | 69 | 8 | 77 | 79 | 83 | 95 | 26 |
| 10th pillar: Market size | 35 | -2 | 33 | 35 | 36 | 37 | 2 |
| 11th pillar: Business sophistication | 46 | 3 | 49 | 49 | 57 | 60 | 14 |
| 12th pillar: Innovation | 52 | 17 | 69 | 94 | 108 | 111 | 59 |

WORLD ECONOMIC FORUM: GLOBAL COMPETITIVENESS REPORT 2010-2014



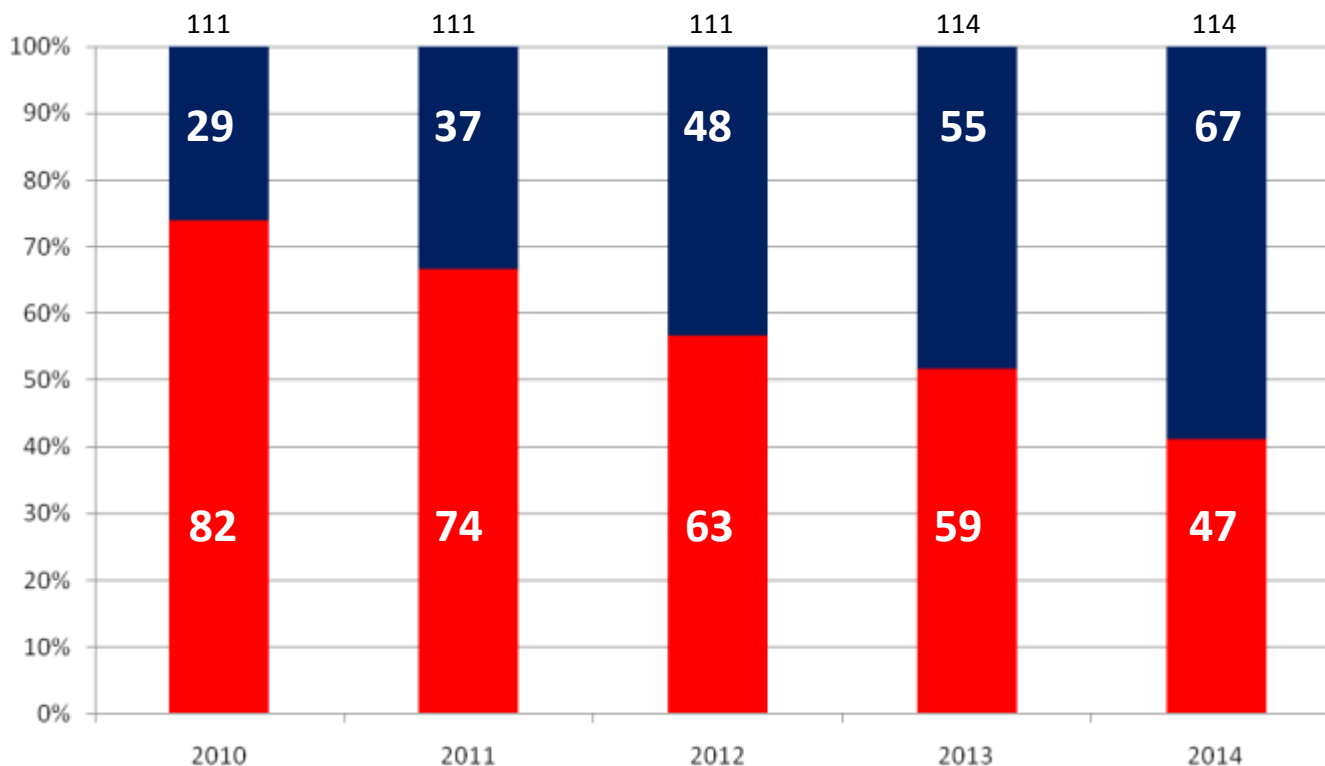
| INDICATORS | | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------|----------------------|--|--|--|--|--|
| | | Indicators | Indicators | Indicators | Indicators | Indicators |
| RED | Bottom 20% | (115 th – 144 th) | (119 th – 148 th) | (115 th – 144 th) | (113 th – 142 nd) | (111 th – 139 th) |
| | | 5 | 7 | 8 | 21 | 25 |
| PURPLE | Ranked 21 - 40% | (86 th – 114 th) | (88 th – 118 th) | (86 th – 114 th) | (85 th – 112 th) | (83 rd – 110 th) |
| | | 29 | 33 | 45 | 36 | 37 |
| GREEN | Ranked 41 – 50% | (72 nd – 85 th) | (72 rd – 87 th) | (72 nd – 85 th) | (71 st – 84 th) | (69 th – 82 nd) |
| | | 13 | 19 | 10 | 17 | 20 |
| BLACK | Ranked 49% or higher | (1 st – 71 st) | (1 st – 71 st) | (1 st – 71 st) | (1 st – 70 th) | (1 st – 68 th) |
| | | 67 | 55 | 48 | 37 | 29 |
| TOTAL | | 114 | 114 | 111 | 111 | 111 |



WORLD ECONOMIC FORUM: GLOBAL COMPETITIVENESS REPORT 2010-2014



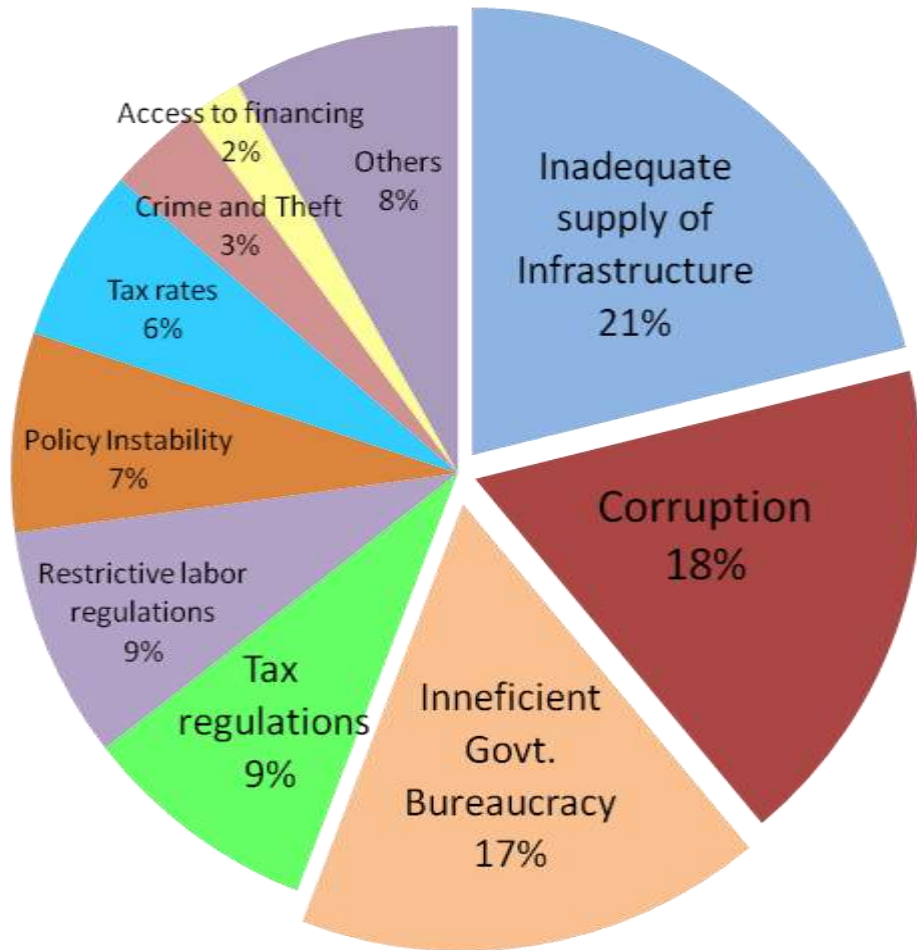
Out of 114 indicators, the Philippines now has 67 indicators ranked 71st or higher (at the upper half of world rankings).



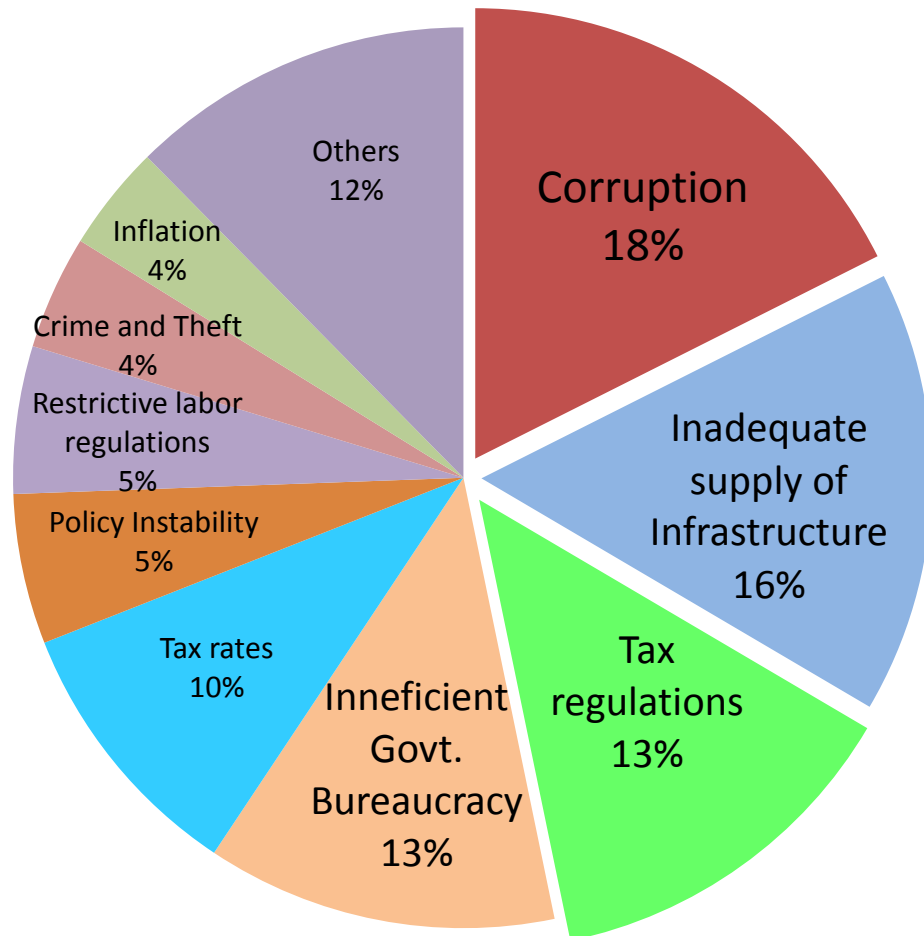
GLOBAL COMPETITIVENESS REPORT 2013-2014: MOST PROBLEMATIC FACTORS FOR DOING BUSINESS



2013



2014





EASE OF DOING BUSINESS ASEAN (2012-2014)

| ASEAN | 2014 (out of 189) | 2013 (out of 185) | CHANGE | 2012 (out of 183) | CHANGE |
|-----------------------|----------------------|----------------------|-----------|----------------------|-----------|
| 1. Singapore | 1 | 1 | 0 | 1 | 0 |
| 2. Malaysia | 6 | 12 | 6 | 14 | 2 |
| 3. Thailand | 18 | 18 | 0 | 17 | -1 |
| 4. Brunei Darussalam | 59 | 79 | 20 | 83 | 4 |
| 5. Vietnam | 99 | 99 | 0 | 99 | 0 |
| 6. Philippines | 108 | 138 | 30 | 136 | -2 |
| 7. Indonesia | 120 | 128 | 8 | 130 | 2 |
| 8. Cambodia | 137 | 133 | -4 | 141 | 8 |
| 9. Lao PDR | 159 | 163 | 4 | 166 | 3 |
| 10. Myanmar* | 182 | NDA | 0 | NDA | 0 |

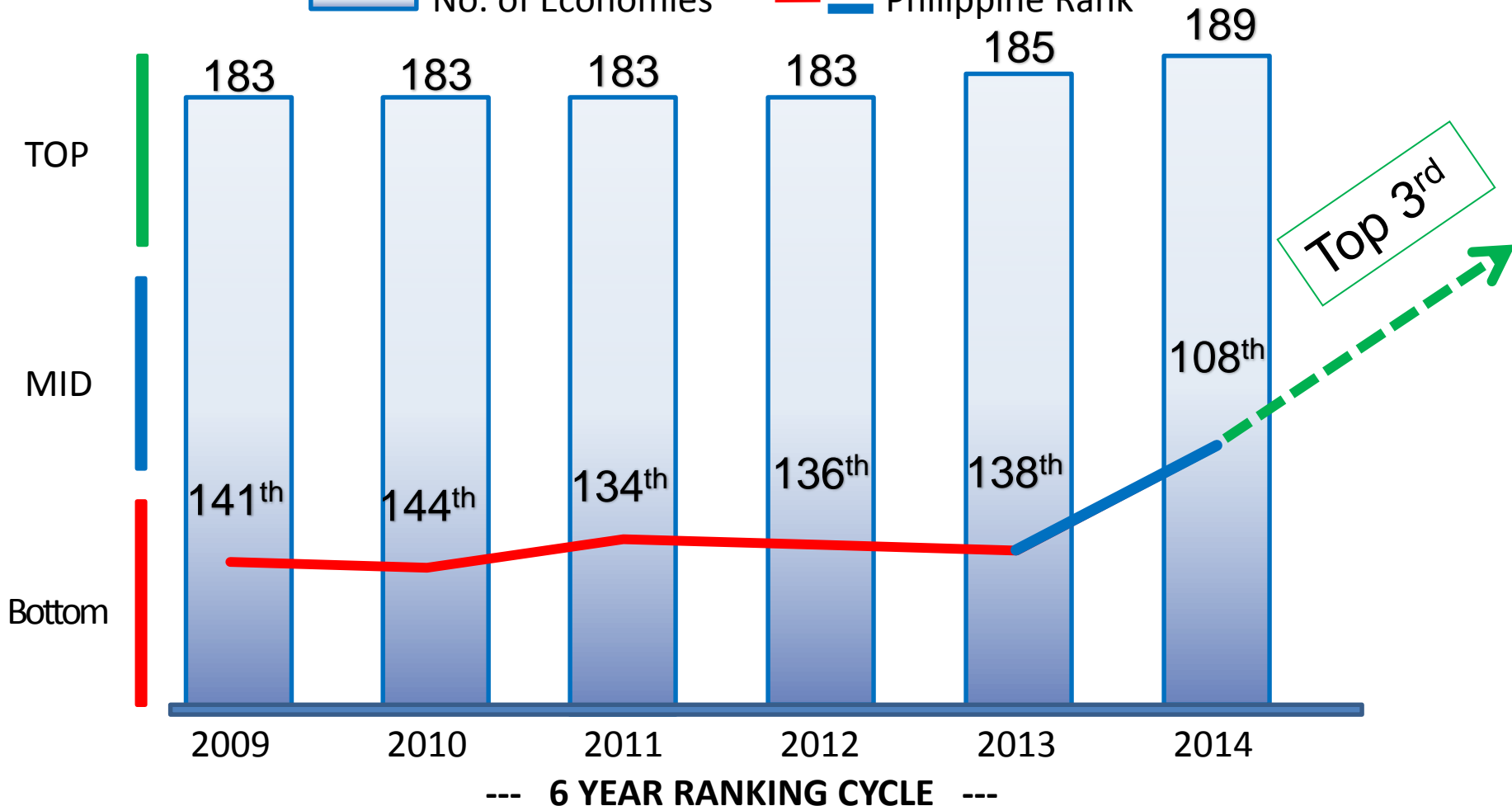
*Myanmar is one of the four new economies measured in the report together with Libya, San Marino and South Sudan.

EASE OF DOING BUSINESS REPORT PHILIPPINES (2009-2014)



Ease of Doing Business Ranking

No. of Economies
 — Philippine Rank

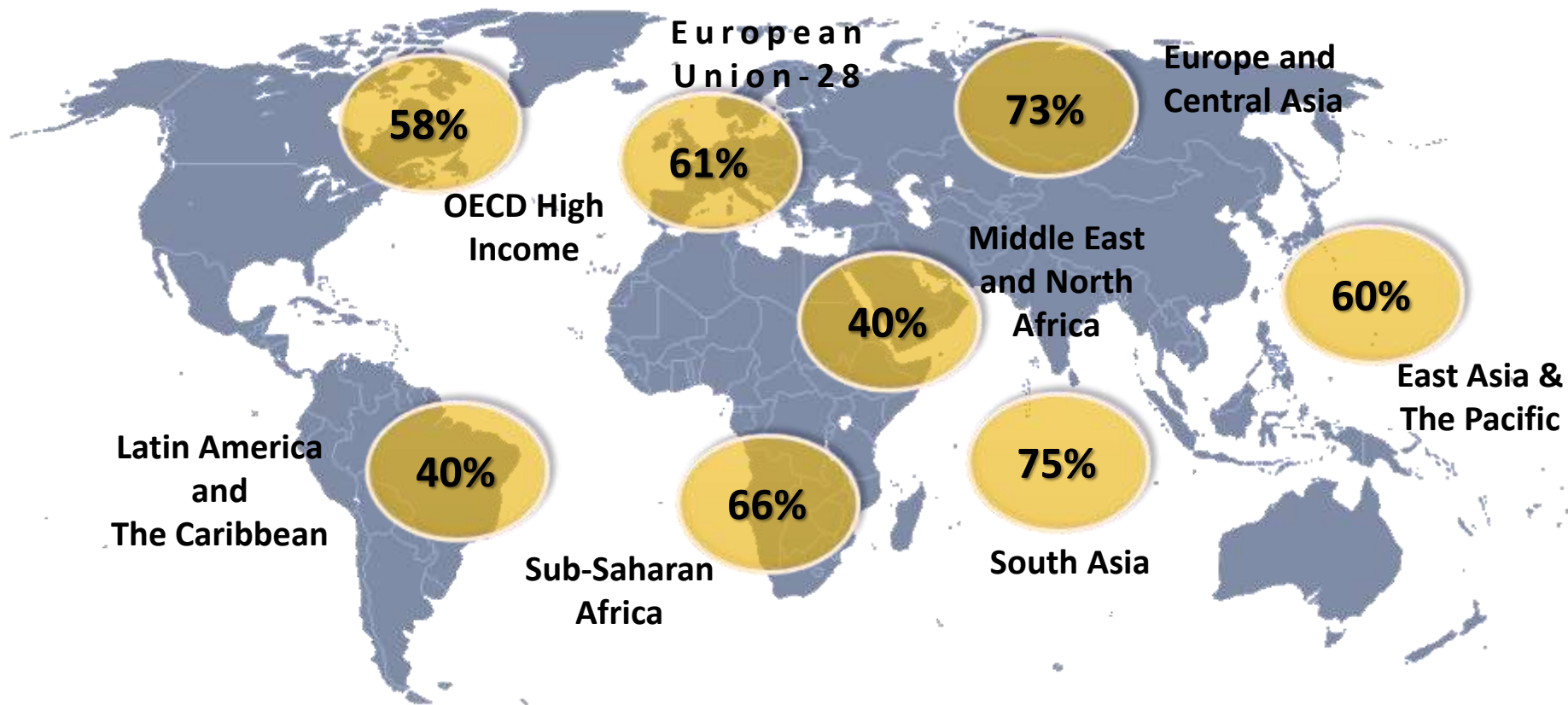




EASE OF DOING BUSINESS PHILIPPINES (2012-2014)

| INDICATORS | 2014 (189) | VARIANCE 2013-2014 | 2013 (185) | 2012 (183) |
|------------------------------------|---------------|-----------------------|---------------|---------------|
| Over-all | 108 | +30 | 138 | 136 |
| 1. Starting a business | 170 | -9 | 161 | 158 |
| 2. Dealing w/ construction permits | 99 | +1 | 100 | 101 |
| 3. Getting electricity | 33 | +24 | 57 | 53 |
| 4. Registering Property | 121 | +1 | 122 | 120 |
| 5. Getting Credit | 86 | +43 | 129 | 127 |
| 6. Protecting Investors | 128 | -- | 128 | 124 |
| 7. Paying Taxes | 131 | +12 | 143 | 136 |
| 8. Trading across borders | 42 | +11 | 53 | 56 |
| 9. Enforcing contracts | 114 | -3 | 111 | 109 |
| 10. Resolving Insolvency | 100 | +65 | 165 | 166 |

ECONOMIES CONTINUE TO REFORM













- **114 Economies implemented 238 reforms in 2012-2013**

Source: Doing Business Database

WHO SETS THE FRONTIER?



| Indicator | Philippines 2014 DTF Points | Who sets the Frontier? | Frontier 2014 DTF Points |
|--------------------------------------|--------------------------------|--|-----------------------------|
| Starting a Business | 65.00 |  New Zealand | 99.96 |
| Dealing With Construction Permits | 67.34 |  Hong Kong | 96.07 |
| Getting Electricity | 82.76 |  Germany | 99.83 |
| Registering Property | 64.17 |  Georgia | 99.81 |
| Getting Credit | 56.25 |  Malaysia | 100 |
| Protecting Investors | 43.33 |  New Zealand | 96.67 |
| Paying Taxes | 62.25 |  UAE | 98.88 |
| Trading Across Borders | 76.20 |  Singapore | 95.81 |
| Enforcing Contracts | 51.83 |  Singapore | 89.86 |
| Resolving Insolvency | 31.69 |  Japan | 98.31 |

Source: Doing Business Database

Gameplan 2.0





EODB TIMELINE



2014 RANKING OF ASEAN COUNTRIES PER INDICATOR

| ASEAN | | Starting a Business | | Dealing w/ Construction Permits | | Getting Electricity | | Registering Property | | Getting Credit | | Protecting Investors | | Paying Taxes | | Trading Across Borders | | Enforcing Contracts | | Resolving Insolvency | |
|--------------------|--------------|---------------------|-------------|---------------------------------|--------------|---------------------|---------------|----------------------|-------------|----------------|--------------|----------------------|--|--------------|--|------------------------|--|---------------------|--|----------------------|--|
| Singapore | 1 -- | 3 ↑ | 3 ↓ | 6 ↓ | 28 ↑ | 3 ↑ | 2 -- | 5 -- | 1 -- | 12 -- | 4 ↓ | | | | | | | | | | |
| Malaysia | 6 ↑ | 16 ↑ | 43 ↑ | 21 ↑ | 35 ↓ | 1 -- | 4 -- | 36 ↓ | 5 ↑ | 30 ↑ | 42 ↑ | | | | | | | | | | |
| Thailand | 18 -- | 91 ↓ | 14 ↑ | 12 ↓ | 29 ↓ | 73 ↓ | 12 ↑ | 70 ↑ | 24 ↓ | 22 ↑ | 58 -- | | | | | | | | | | |
| Brunei | 59 ↑ | 137 ↓ | 46 ↓ | 29 -- | 116 ↓ | 55 ↑ | 115 ↑ | 20 ↑ | 39 ↑ | 161 ↓ | 48 ↓ | | | | | | | | | | |
| Vietnam | 99 -- | 109 ↓ | 29 ↓ | 156 ↓ | 51 ↓ | 42 ↓ | 157 ↑ | 149 ↓ | 65 ↑ | 46 ↓ | 149 -- | | | | | | | | | | |
| Philippines | 108 ↑ | 170 ↓ | 99 ↑ | 33 ↑ | 121 ↑ | 86 ↑ | 128 -- | 131 ↑ | 42 ↑ | 114 ↓ | 100 ↑ | | | | | | | | | | |
| Indonesia | 120 ↑ | 175 ↓ | 88 ↓ | 121 ↑ | 101 ↓ | 86 ↑ | 52 ↓ | 137 ↓ | 54 ↓ | 147 ↓ | 144 ↑ | | | | | | | | | | |
| Cambodia | 137 ↓ | 184 ↓ | 161 ↓ | 134 ↓ | 118 ↓ | 42 ↑ | 80 ↑ | 65 ↑ | 114 ↑ | 162 ↓ | 163 ↓ | | | | | | | | | | |
| Laos | 159 ↑ | 85 ↓ | 96 ↓ | 140 ↓ | 76 ↓ | 159 ↑ | 187 ↓ | 119 ↑ | 161 ↓ | 104 ↑ | 189 ↓ | | | | | | | | | | |
| Myanmar | 182 -- | 189 -- | 150 -- | 126 -- | 154 -- | 170 -- | 182 -- | 107 -- | 113 -- | 188 -- | 155 -- | | | | | | | | | | |



STARTING A BUSINESS BENCHMARK: MALAYSIA

| ECONOMY | | PROCEDURES (NUMBER) | TIME (DAYS) | COST (% OF INCOME PER CAPITA) | PAID-IN MIN. CAPITAL (% OF INCOME PER CAPITA) | RANK |
|---------|-------------------|------------------------|-------------|-------------------------------------|--|------|
| 1 | Singapore | 3 | 3 | 0.6 | - | 3 |
| * 2 | Malaysia | 3 | 6 | 7.6 | - | 16 |
| 3 | Lao PDR | 6 | 92 | 6.7 | - | 85 |
| 4 | Thailand | 4 | 28 | 6.7 | 0.0 | 91 |
| 5 | Vietnam | 10 | 34 | 7.7 | - | 109 |
| 6 | Brunei Darussalam | 15 | 101 | 9.9 | - | 137 |
| 7 | Philippines | 15 | 35 | 18.7 | 4.6 | 170 |
| 8 | Indonesia | 10 | 48 | 20.5 | 38.5 | 175 |
| 9 | Cambodia | 11 | 104 | 150.6 | 27.5 | 184 |
| 10 | Myanmar | 11 | 72 | 176.7 | 7,016.0 | 189 |



STARTING A BUSINESS SCORE SIMULATION

| INDICATOR | 2014 REPORT | 2015 REPORT | MOVEMENT / CHANGE IN RANK |
|-----------------------------|-------------|-------------|---------------------------|
| Number of Days | 35 | 6 | -29 days |
| Number of Steps | 15 | 3 | -12 steps |
| Cost (% income/per capita) | 18.7 | 18.7 | -- |
| Min Paid In Capital | 4.6 | 0 | -4.6 |
| Effect in indicator ranking | 170 | 30 | ↑ 140 |
| Effect in world ranking | 108 | 85 | ↑ 23 |

| RECOMMENDATION | AGENCY |
|--|--|
| <ul style="list-style-type: none"> • Reduce number of days and steps • Reduce cost • Implement Online Business Registration • Consider removing Min. Paid in Capital | SEC, QC, SSS, PBR, BIR, Philhealth, Pag-ibig SEC/Congress |

Process Simplification



STARTING A BUSINESS 2014 HIGHLIGHTS



- **144 out of 189 economies improved in either of the 4 starting a business indicators. (steps, days, cost, minimum paid in capital)**
- **47 out of 144 increased in rank.**
- **16 economies improved in 4 indicators ;19 economies improved in 3 out of 4.**
- **64 economies reduced procedures**
- **52 economies reduced time / number of days**
- **124 economies reduced cost - (can also be due to adjustments in income per capita)**
- **53 reduced minimum paid in capital requirement**
- **8 removed minimum paid in capital requirement**

Starting a Business 2014

FROM:

15

STEPS

35

DAYS

Starting a Business 2015

TO:

8

STEPS

8

DAYS

Starting a Business 2016

TO:

3

STEPS

3

DAYS

Starting a Business 2015

18 steps / 85 days

★
START

Verify and reserve company name with SEC.

Notarize articles of incorporation and treasurer's affidavit.

Register the company with SEC and receive pre-registered TIN.

Buy special books of account at bookstore.

Obtain business permit from BPLO.

Pay annual community tax and obtain community tax certificate.

Obtain barangay clearance.

Apply and pay for Certificate of Registration and obtain TIN at BIR.

Pay registration fee and documentary stamp taxes

Obtain authority to print receipts and invoices from BIR.

Print receipts and invoices.

END

Register with Pag-IBIG.

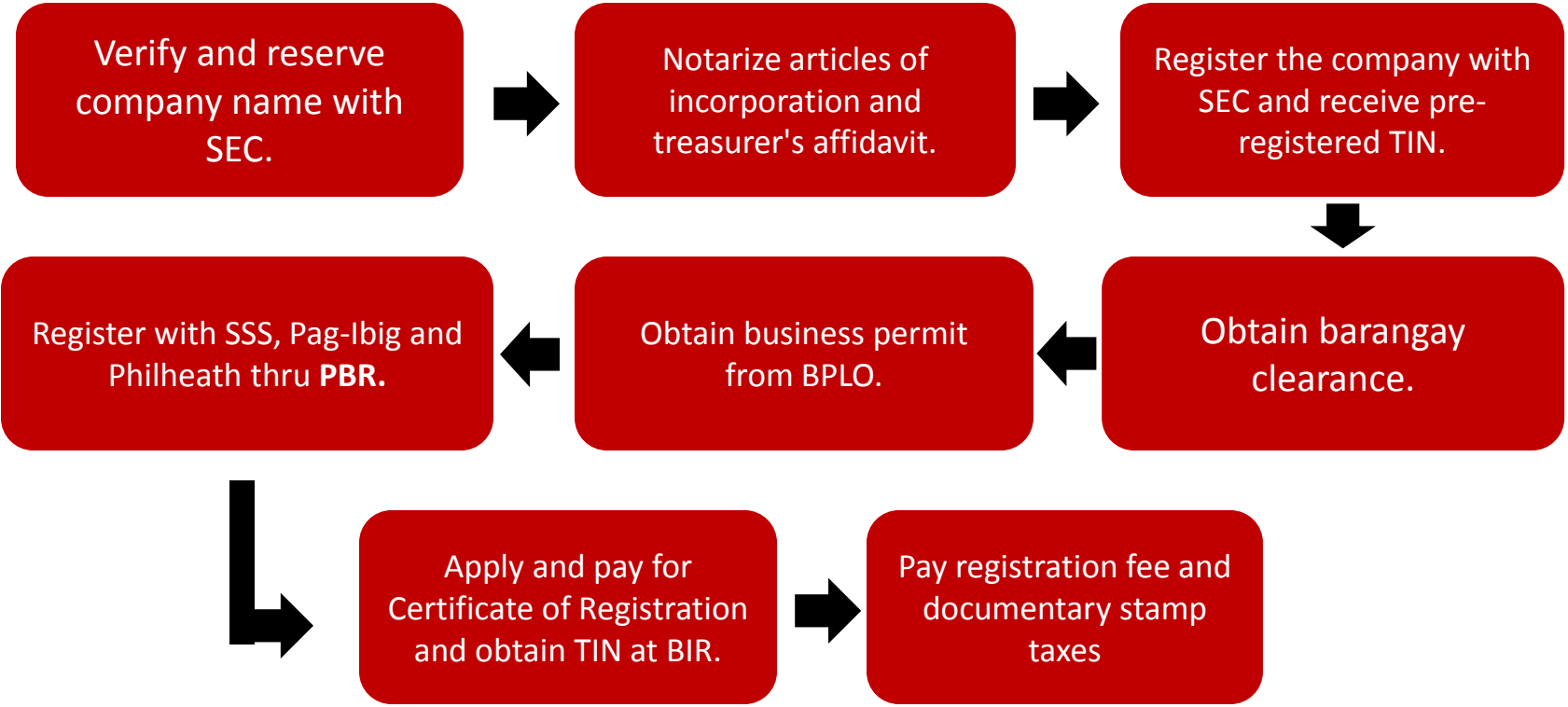
Register with PhilHealth.

Register with SSS.

Have books of accounts and Printer's Certificate of Delivery stamped by BIR.

Starting a Business 2015

8 steps / 8 days



Starting a Business 2016

Verify and reserve company name with SEC.

Notarize articles of incorporation and treasurer's affidavit.

Register the company with SEC and receive pre-registered TIN.

Register with SSS, Pag-Ibig and Philhealth thru **PBR**.

Apply and pay for Certificate of Registration and obtain TIN at BIR.

Pay registration fee and documentary stamp taxes

Obtain business permit from BPLO.

Obtain barangay clearance.



EASE OF DOING BUSINESS 2014 REFORM TARGETS

| INDICATORS | 2014 DB REPORT | | 2014 REFORM TARGETS | |
|-----------------------------------|----------------|------|---------------------|-----------|
| | STEPS | DAYS | STEPS | DAYS |
| Starting a Business | 15 | 35 | 8 | 8 |
| Dealing with Construction Permits | 25 | 77 | 14 | 65 |
| Getting Electricity | 5 | 42 | 4 | 32 |
| Registering Property | 8 | 39 | 7 | 16 |



EASE OF DOING BUSINESS

2014 REFORM TARGETS

| INDICATORS | 2014 REPORT | | 2014 REFORM TARGETS | |
|-----------------------|-----------------------------|------------------------|-----------------------------|------------------------|
| Getting Credit | Credit Information (0-6) | Legal Rights (0-10) | Credit Information (0-6) | Legal Rights (0-10) |
| | 5 | 4 | 5 | 10 |

| | 2014 REPORT | | | 2014 REFORM TARGETS | | |
|-----------------------------|----------------------|---------------------------------|--------------------------------|----------------------|---------------------------------|--------------------------------|
| Protecting Investors | Disclosure (0-10) | Director Liability (0-10) | Shareholder Suits (0-10) | Disclosure (0-10) | Director Liability (0-10) | Shareholder Suits (0-10) |
| | 2 | 3 | 8 | 7 | 9 | 10 |

| | 2014 REPORT | | 2014 REFORM TARGETS | |
|---------------------|-------------------|--------------|---------------------|--------------|
| Paying Taxes | Payments (number) | Time (Hours) | Payments (number) | Time (Hours) |
| | 36 | 193 | 13 | 193 |



EASE OF DOING BUSINESS 2014 REFORM TARGETS

| INDICATORS | 2014 REPORT | | 2014 REFORM TARGETS | |
|-----------------------------------|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Trading Across Borders | Documents to Export (number) | Time to Export (days) | Documents to Export (number) | Time to Export (days) |
| | 6 | 15 | 4 | 9 |
| | Documents to Import (number) | Time to Import (days) | Documents to Import (number) | Time to Import (days) |
| | 7 | 14 | 4 | 9 |

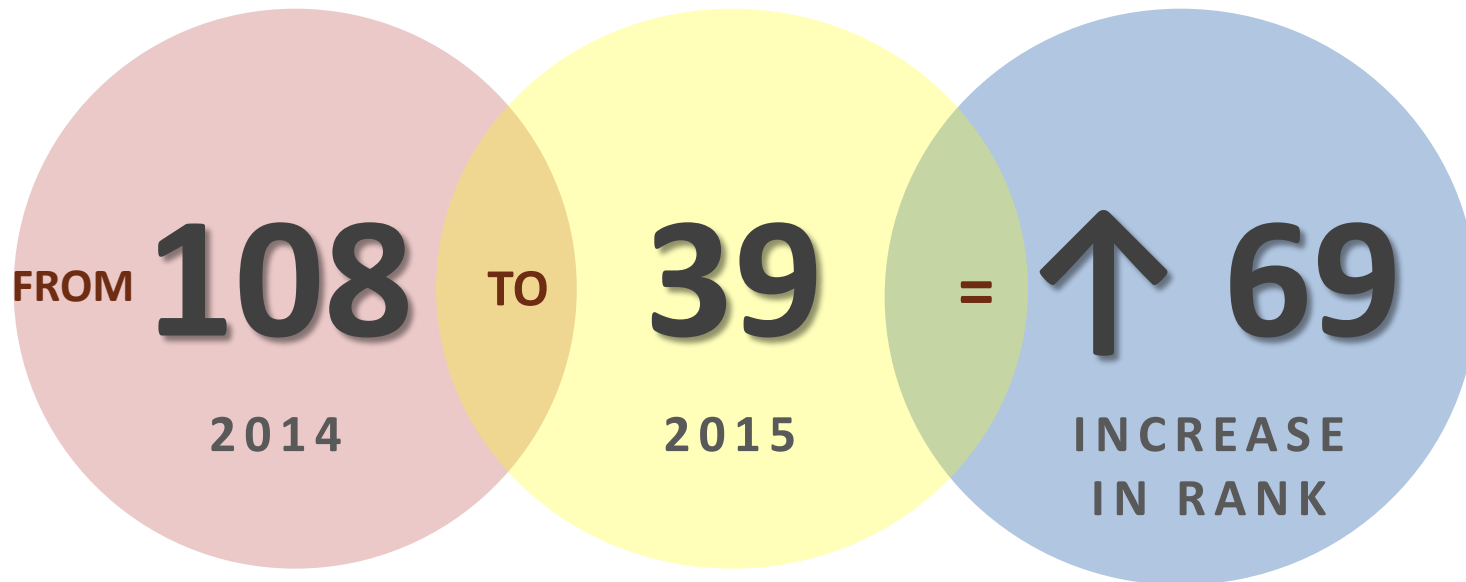
THE RESULTS



Scenarios:

- **Unfinished Business**- Impact of FULL implementation of Doing Business 2013 reform inventory.
- **Big Impact Indicators** – Implement reforms on 4 identified big impact indicators (Starting a Business, Registering Property, Getting Credit, Protecting Investors).
- **Stretch targets** – Implement suggested reforms for all indicators.

RESULT: UNFINISHED BUSINESS



Unfinished Business- Impact of FULL implementation of Doing Business 2013 reform inventory on 8 indicators (Starting a business, Dealing with Construction Permits, Registering Property, Getting Electricity, Getting Credit, Protecting Investors, Paying Taxes and Trading Across Borders)

RESULT: UNFINISHED BUSINESS

NEW ASEAN RANK

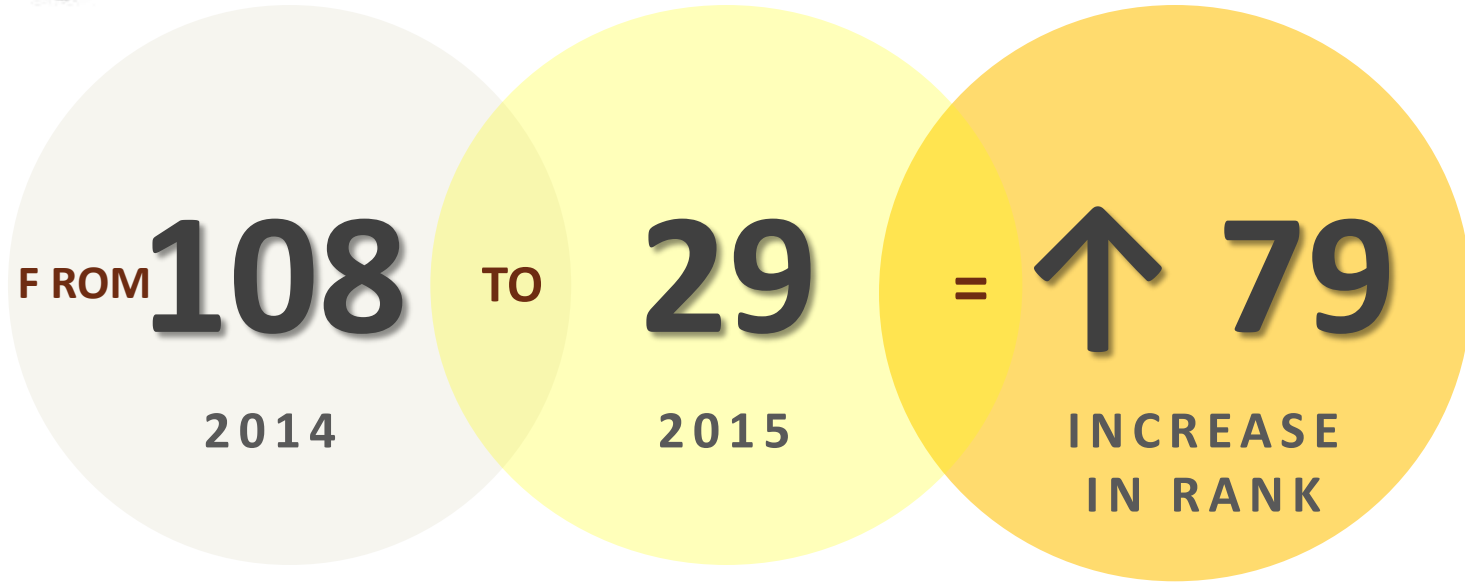


move from 6 to 4



| ECONOMY | | 2014 REPORT | RANK AS OF CURRENT DATA AND SIMULATION |
|---------|-------------------|-------------|--|
| 1 | Singapore | 1 | 1 |
| 2 | Malaysia | 6 | 6 |
| 3 | Thailand | 18 | 18 |
| *4 | Philippines | 108 | 39 |
| 5 | Brunei Darussalam | 59 | 59 |
| 6 | Vietnam | 99 | 99 |
| | | | |
| 7 | Indonesia | 120 | 120 |
| 8 | Cambodia | 137 | 137 |
| 9 | Lao PDR | 159 | 159 |
| 10 | Myanmar | 182 | 182 |

RESULT: BIG IMPACT INDICATORS



- **Big Impact Indicators** – Implement reforms on 4 identified big impact indicators (Starting a Business, Registering Property, Getting Credit, Protecting Investors).

RESULT: BIG IMPACT INDICATORS

NEW ASEAN RANK



move from 6 to 4



| ECONOMY | | 2014 REPORT | RANK AS OF CURRENT DATA AND SIMULATION |
|---------|-------------------|-------------|--|
| 1 | Singapore | 1 | 1 |
| 2 | Malaysia | 6 | 6 |
| 3 | Thailand | 18 | 18 |
| *4 | Philippines | 108 | 29 |
| 5 | Brunei Darussalam | 59 | 59 |
| 6 | Vietnam | 99 | 99 |
| | | | |
| 7 | Indonesia | 120 | 120 |
| 8 | Cambodia | 137 | 137 |
| 9 | Lao PDR | 159 | 159 |
| 10 | Myanmar | 182 | 182 |

RESULT STRETCH TARGETS



- **Stretch targets** – Implement suggested reforms on ALL indicators based on the new benchmarks.

RESULT: STRETCH TARGETS

NEW ASEAN RANK



move from 6 to 3

| ECONOMY | | 2014 REPORT | RANK AS OF CURRENT DATA AND SIMULATION |
|---------|-------------------|-------------|--|
| 1 | Singapore | 1 | 1 |
| 2 | Malaysia | 6 | 6 |
| 3 | Philippines | 108 | 7 |
| 4 | Thailand | 18 | 18 |
| 5 | Brunei Darussalam | 59 | 59 |
| 6 | Vietnam | 99 | 99 |
| | | | |
| 7 | Indonesia | 120 | 120 |
| 8 | Cambodia | 137 | 137 |
| 9 | Lao PDR | 159 | 159 |
| 10 | Myanmar | 182 | 182 |

REGIONAL COMPETITIVENESS COMMITTEES

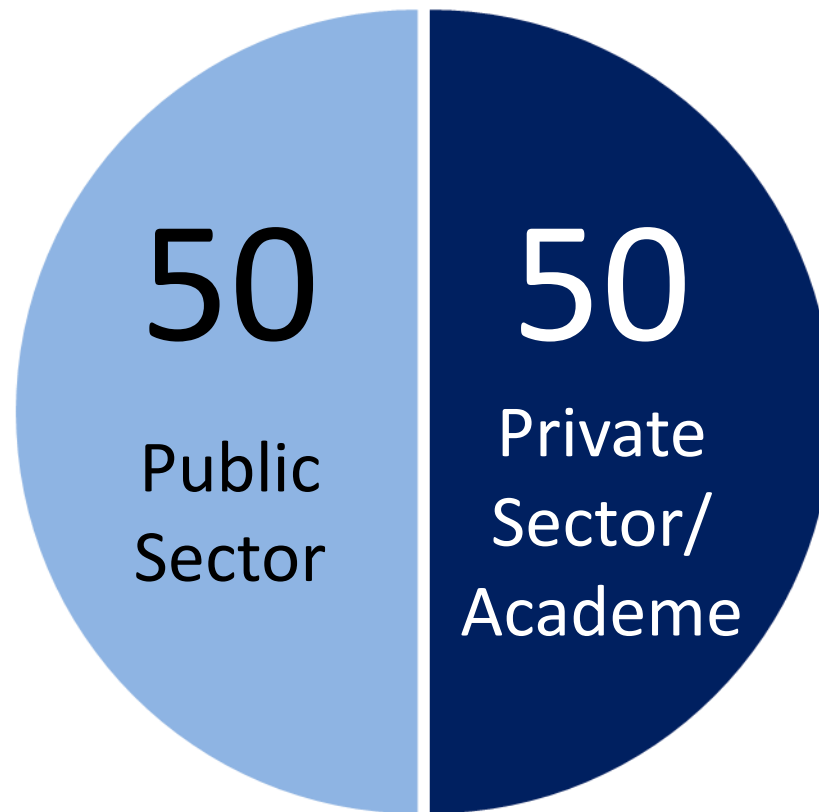


- Very little information about the competitiveness of Philippine regions, cities, and municipalities
- Created Regional Competitiveness Committees in 15 regions + National Capital Region (Metro Manila) in 2012



REGIONAL COMPETITIVENESS COMMITTEES

COMPOSITION





REGIONAL COMPETITIVENESS COMMITTEES

15 Regional Competitiveness Committees (RCCs) + National Capital Region

- Region I (Ilocos)
- Region II (Cagayan)
- Region III (Central Luzon)
- Region IVA (CALABARZON)
- Region IVB (MIMAROPA)
- Region V (Bicol)
- Region VI (Western Visayas)
- Region VII (Central Visayas)
- Region VIII (Eastern Visayas)
- Region IX (Zamboanga)
- Region X (Northern Mindanao)
- Region XI (Davao)
- Region XII (SOCCSKSARGEN)
- Region XIII CARAGA
- CAR

REGIONAL COMPETITIVENESS COMMITTEES



Regional Competitiveness Committees (RCCs)

As building block of overall competitiveness

Cities and
Municipalities
Competitiveness
Index

Technical Capacity
Building Programs

Benchmarking of
Best Practices

1Q 2012

1 NCC advocates for the creation of Regional Competitiveness Committees

**June 2012
Sept. 2012**

2 RCC Dialogues held in Cebu and Davao; 15 RCCs + NCR formed

Nov.-Dec. 2012

3 USAID assists NCC in developing a framework to measure local competitiveness



Feb. 2013

4 List of indicators for the framework finalized in RCC Forum

JULY 2013

7 NCC presents the 1st Cities and Municipalities Competitiveness Index at the Regional Competitiveness Summit

JULY 2013

6 NCC holds a meeting workshop with all RCCs to improve the framework

March 2013

5 Final list of indicators released to RCCs; data collection begins

8 The city of Cagayan de Oro, Misamis Oriental and the municipality of San Francisco, Agusan del Sur topped the Index which ranked 122 cities and 163 municipalities based on the local competitiveness framework.



**Dec. 2013
April 2014**

9 RCCs gather in Iloilo and Cagayan de Oro to prepare for the next round of the Index



May – June 2014

11 Submission and Validation

April – May 2014

10 2nd Round of Data Collection



June 2014

12 Standardization and Processing of data into rankings

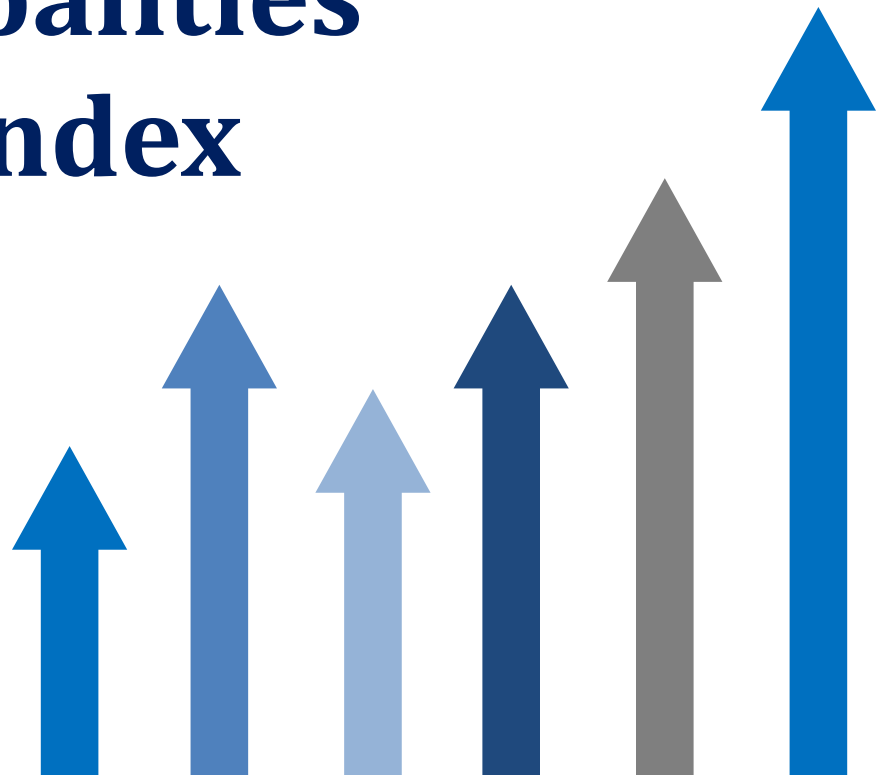
August 2014

13 Announcement and Awarding of the Top Cities and Municipalities

RCC TIMELINE



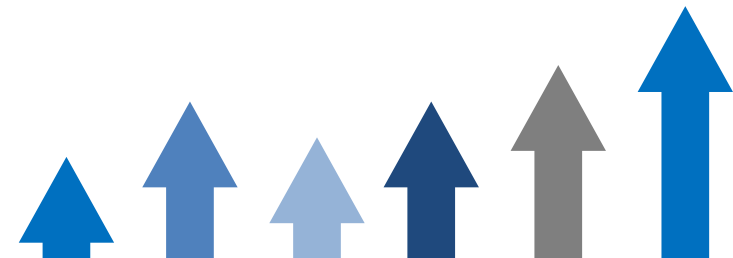
Cities And Municipalities Competitiveness Index





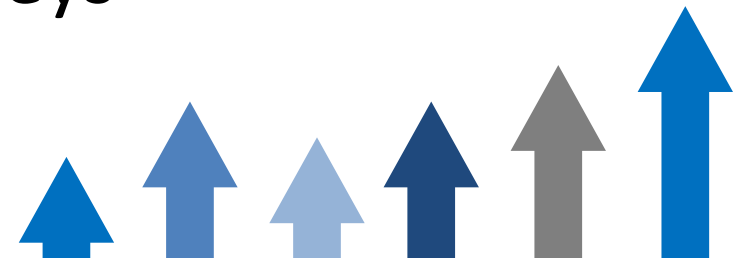
We asked...

- How competitive are our cities and municipalities?
 - How easy is it to start a business in a city?
 - What is the cost of doing business in a municipality?



We found out...

- Difficult to gather data at city and municipality level
- Sustainability of data collection affected by funding
- Time lag in national data surveys

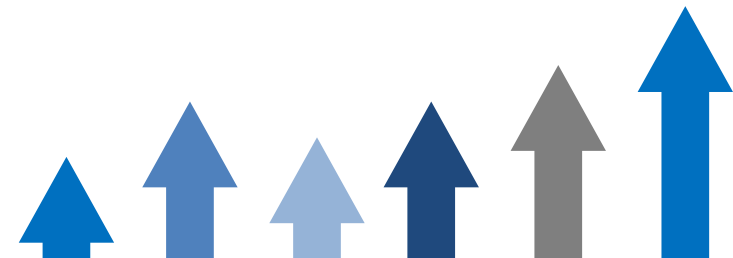




We proposed...

The creation of Regional Competitiveness Committees (RCCs) tasked to:

- Track local competitiveness indicators
- Formulate programs to improve competitiveness
- Engage in investment promotion activities to attract investors and create new jobs





INDICATORS: ECONOMIC DYNAMISM

Economic dynamism refers to “activities that create stable expansion of businesses and industries and higher employment.” It is divided into eight indicators:

1. Size of the Local Economy (Registrations, Capital, Revenue, Permits)
2. Growth of the Local Economy (Registrations, Capital, Revenue, Permits)
3. Capacity to Generate Employment
4. Cost of Living
5. Cost of Doing Business
6. Financial Deepening
7. Productivity
8. Presence of Business and Professional Organizations





INDICATORS: GOVERNMENT EFFICIENCY

Government efficiency refers to “the quality and reliability of government services and support for effective and sustainable productive expansion.” It is divided into ten indicators:

1. Transparency Score in LGPMS
2. Economic Governance Score in LGPMS
3. Ratio of LGU collected tax to LGU revenues
4. LGU Competition Related Awards
5. Business Registration Efficiency
6. Investment Promotion
7. Compliance to National Directives for LGUs
8. Security
9. Health
10. Schools





INDICATORS: INFRASTRUCTURE

Infrastructure refers to “the physical building blocks that connect, expand, and sustain a locality and its surroundings to enable the provision of goods and services”. It is divided into ten indicators:

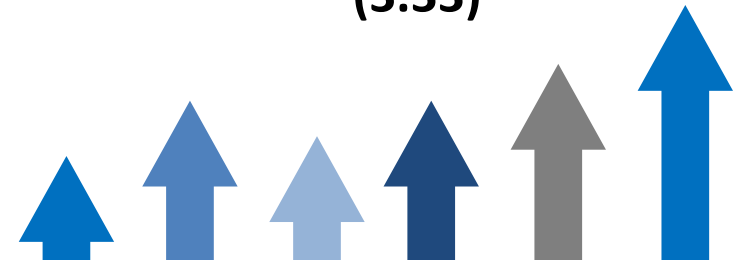
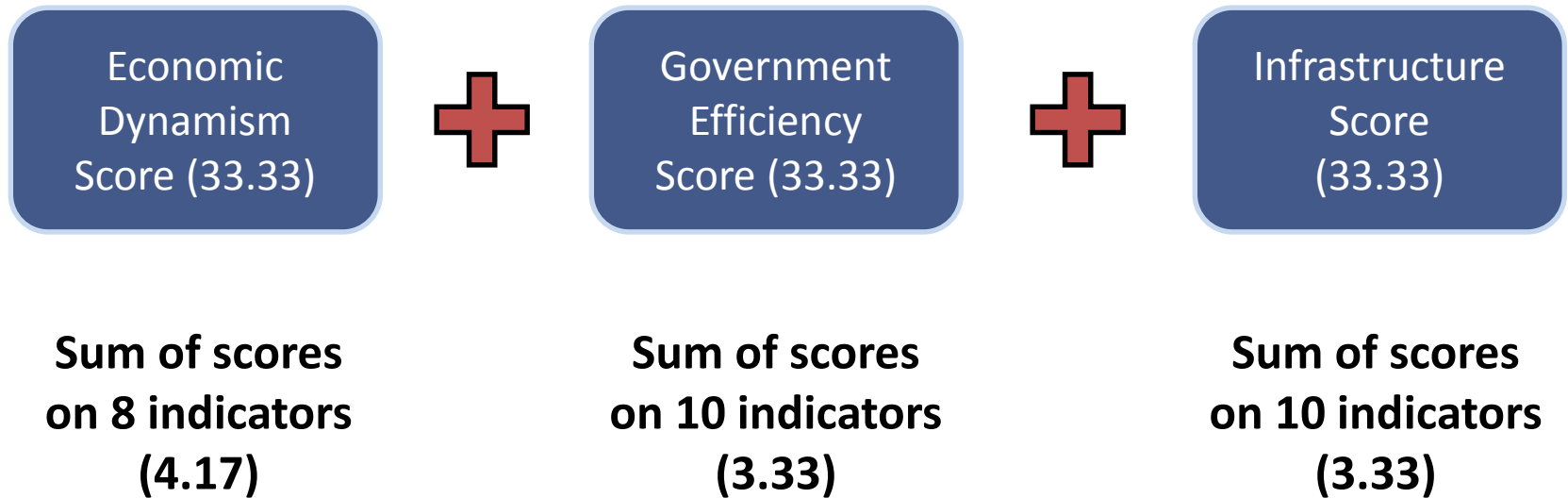
1. Existing Road Network
2. Distance of Center to Major Ports
3. DOT-Accredited Accommodations
4. Health Infrastructure
5. Education Infrastructure
6. Availability of Basic Utilities
7. Annual Investments in Infrastructure
8. Connection of ICT
9. Number of ATMs
10. Number of Public Transportation





- Separate rankings were made for cities and municipalities.

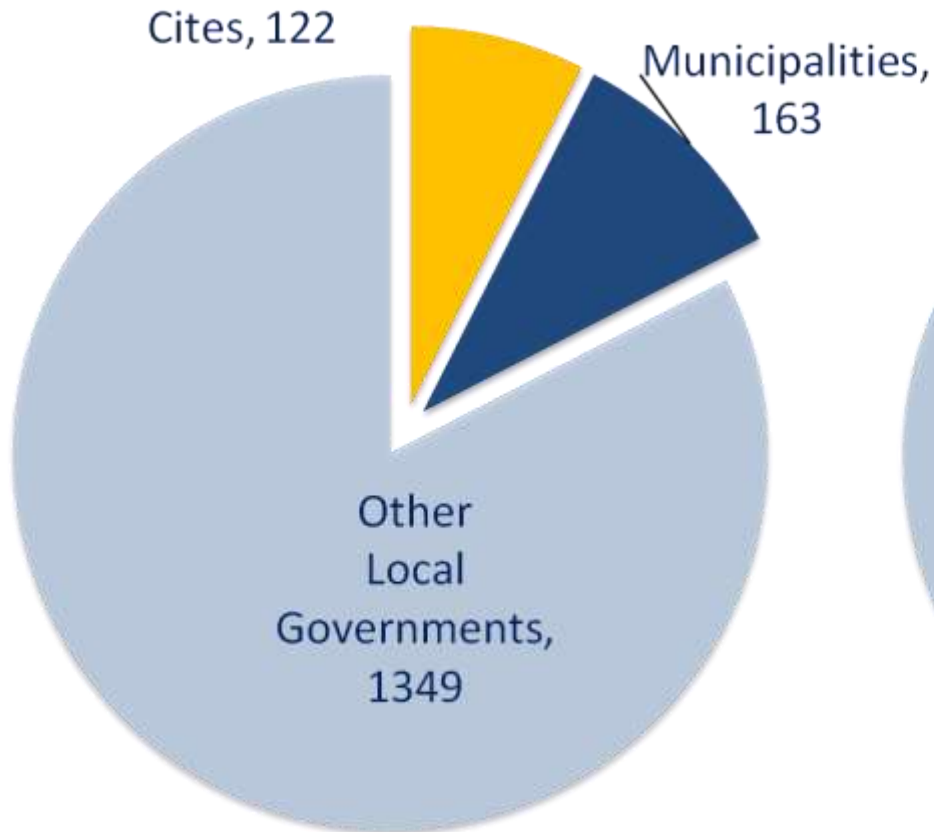
OVERALL COMPETITIVENESS RANKING =





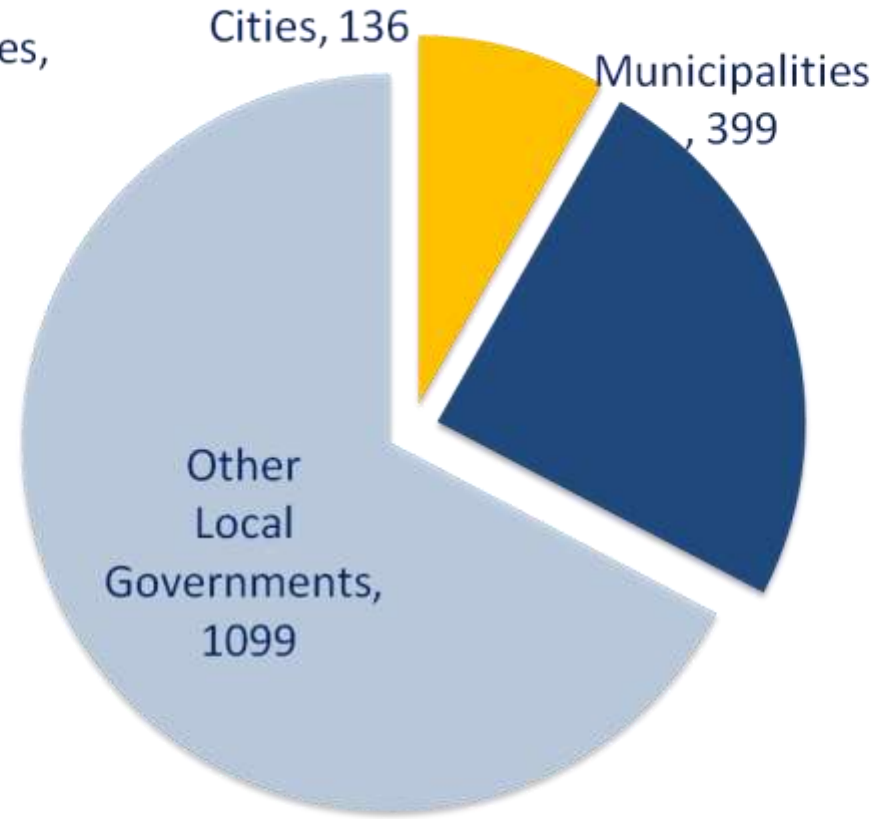
LOCAL GOVERNMENTS COVERED: 2013 vs 2014

2013



(285 Local Governments)

2014



(535 Local Governments)



* Out of 1,634 local governments in the Philippines



Most Competitive Cities (out of 136)

1. Makati City
2. Cagayan de Oro (Misamis Oriental)
3. Naga (Camarines Sur)

Most Competitive Municipalities (out of 399)

1. Daet (Camarines Norte)
2. General Trias (Cavite)
3. Kalibo (Aklan)

To view the full results of the Cities and Municipalities Competitiveness Index 2014 go to :

www.competitive.org.ph/cmciindex/rankings



Lessons
Learned

TRANSPARENCY LEADS TO COMPETITIVENESS



Governance Matters

WORK IN PROGRESS

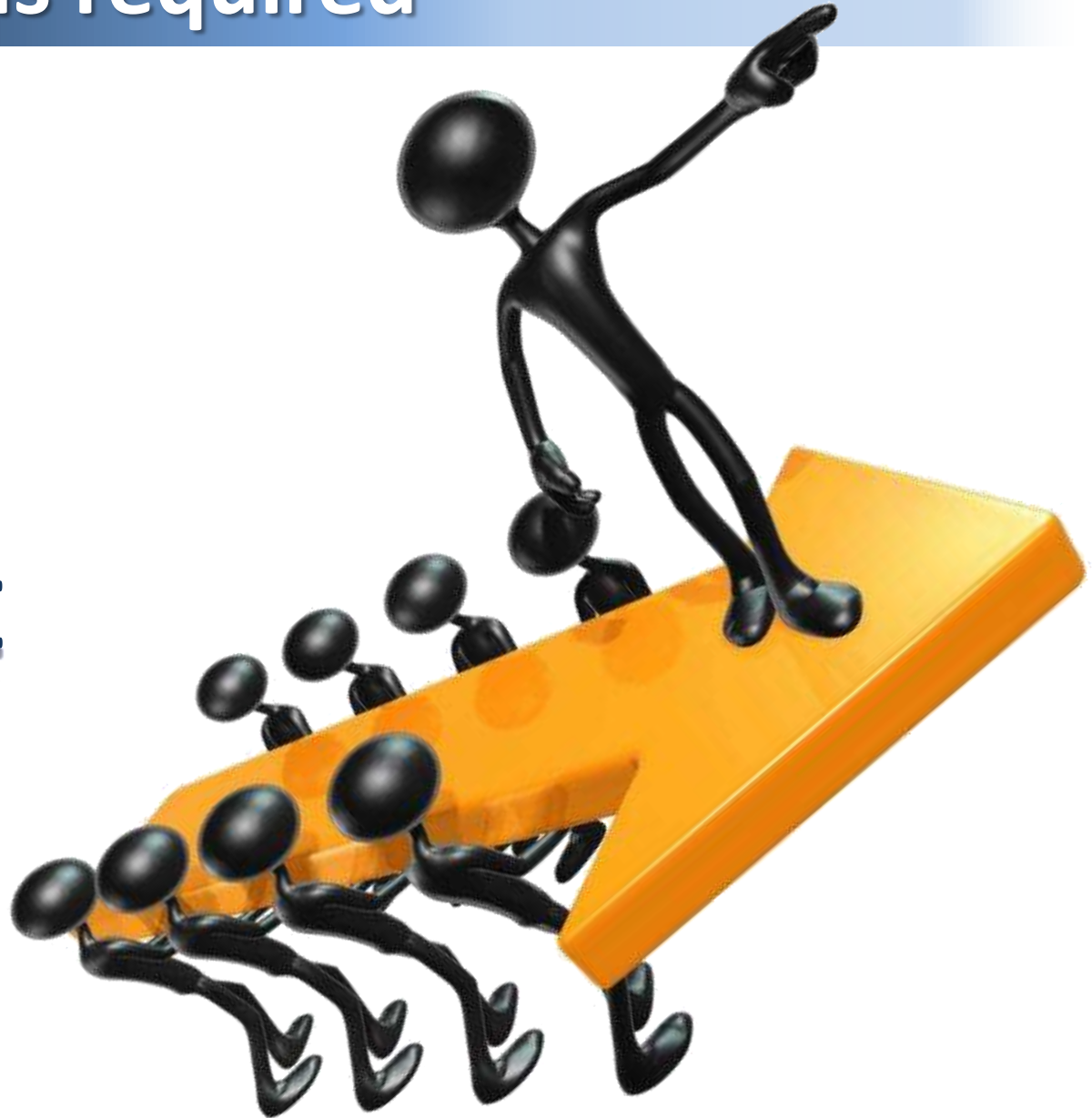
is not good enough



Execution and Delivery



Teamwork is required



**NO MORE
SILOS**



on multiple fronts

**NO SINGLE
VARIABLE**





**THE
COMPETITION
NEVER
SLEEPS**



THE BAR ALWAYS RISES



**We move up a
weight class and
meet larger,
stronger
competition**

SPEED-TO-REFORM SHOULD BE OUR NEW MANTRA



MAINTAIN MOMENTUM



EMBED AND INSTITUTIONALIZE CHANGE



PUBLIC – PRIVATE COLLABORATION IS IMPORTANT AND EFFECTIVE.

**We learn from
each other**





NATIONAL COMPETITIVENESS COUNCIL | PHILIPPINES



admin@competitive.org.ph



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