

Global and Regional State of Philippine Competitiveness

Skylight Convention Center, Puerto Princesa City, Palawan

March 07, 2017

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Presenter

Mandate: Executive Order No. 44



Advise

the President on
policy matters
affecting
competitiveness
of the country



Promote & develop

competitiveness
strategies and push
for the
implementation of
an action agenda for
competitiveness and
link it to the PH
Development Plan



Provide

inputs to the
Philippine
Development Plan,
Investment
Priorities Plan,
Export
Development Plan



Recommend

to Congress proposed
legislation regarding
country
competitiveness

Strategize and execute

steps to improve
PH competitiveness

Vision – Mission Statement

VISION

- A more competitive Philippines
- Instill a Culture of Excellence
- Public-Private Collaboration as a development engine

MISSION

To build up the long-term competitiveness of the Philippines through:

- Policy reforms
- Project implementation
- Institution-building
- Performance monitoring

Work Program

Benchmark

against key global
competitiveness
indices

Map

each indicator to
the agency
responsible

Focus on
lowest-
indicators

Track city

competitiveness
and key indicators

Concentrate on
specific projects
(**Special Projects and
Working Groups**)

Link work to Philippine
Development Plan,
National Budget,
Legislative Executive
Development Advisory
Council, Cabinet Agenda

NCC Projects

Sectoral focus

Working Groups

Geographical Focus

RCC, CMCI

Institutional focus

PGS -Balanced Scorecards

Process Improvement Focus

Automation
EODB, GO-OBLS, IABPI, NQI

Regulatory focus

EODB, Repeal Project

Customer focus

BPLS M&E, AESC

GLOBAL COMPETITIVENESS REPORT CARD

REPORT	2017	2016	2015	2014	2013	2012	2011	2010	CHANGE 2010/11 to LATEST	SOURCE	TOP 1/3
1. Doing Business Report		99/190	103/189	95/189	108/189	138/185	136/183	148/183	↑ 49	International Finance Corporation	63
2. Economic Freedom Index	58/180	70/178	76/178	89/178	97/177	107/179	115/179	-	↑ 57	Heritage Foundation	60
3. Corruption Perceptions Index		101/168	95/168	85/175	94/177	105/176	129/183	134/178	↑ 33	Transparency International	58
4. Global Competitiveness Report		57/138	47/140	52/144	59/148	65/144	75/142	85/139	↑ 28	World Economic Forum	47
5. Global Enabling Trade Index		-	n/a	64/138	n/a	72/132	n/a	*92/125	↑ 28	World Economic Forum	46
6. Travel and Tourism Report		n/a	74/141	n/a	82/140	n/a	94/139	n/a	↑ 20	World Economic Forum	46
7. Global Innovation Index		74/128	83/141	100/143	90/142	95/141	91/125	-	↑ 17	World Intellectual Property Organization	47
8. Global Information Technology Report		77/139	76/143	78/148	86/144	86/142	86/138	-	↑ 9	World Economic Forum	48
9. E-Government Index		71/193	--	95/193	--	88/191	--	78/184	↑ 7	United Nations	64
10. Fragile States Index		54/178	48/178	52/178	59/178	56/177	50/177	-	↑ 4	Fund for Peace	118
11. Global Gender Gap Report		7/144	7/145	9/142	5/136	8/135	8/135	9/142	↑ 2	World Economic Forum	47
12. World Competitiveness Yearbook		42/60	41/60	42/60	38/60	43/59	41/59	-	↓ 1	International Institute for Management Development	20
13. Logistics Performance Index		71/160	n/a	57/160	n/a	52/155	n/a	44/155	↓ 27	World Bank	53

Reached the Top 3rd of the World Rankings

Latest Performance

GLOBAL COMPETITIVENESS REPORT CARD

REPORT	2010/2011	2016/2017	GOAL (Top 3rd)	CHANGE 4 to 6 yrs
1. Doing Business Report (IFC)	148/183	99/189	63	↑ 49
2. Economic Freedom Index (HF)*	115/179	58/180*	60	↑ 57
3. Corruption Perceptions Index (TI)	134/178	101/175	58	↑ 33
4. Global Competitiveness Index (WEF)	85/139	57/138	47	↑ 28
5. Global Enabling Trade Index (WEF)	92/125	64/138	46	↑ 28
6. Travel and Tourism Report (WEF)	94/139	74/141	46	↑ 20
7. WIPO- Global Innovation Index (WIPO)	91/125	74/128	47	↑ 17
8. Global Information Technology Report (WEF)	86/138	77/139	46	↑ 9
9. E-Government Index (UN)	78/184	71/193	64	↑ 7
10. Fragile States Index (FFP) **	50/177	54/178	118	↑ 4
11. Global Gender Gap Report (WEF)	9/142	7/144	47	↑ 2
12. World Competitiveness Report (IMD)	41/59	42/60	20	↓ 1
13. Logistics Performance Index (WB)	44/155	71/160	53	↓ 27

REACHED THE TOP THIRD

LATEST PERFORMANCE











UPGRADE

DOWNGRADE

*with 2017 Results, **reverse ranking (1 as worst)

GLOBAL COMPETITIVENESS REPORT

PHILIPPINES and ASEAN

Country/Economy	2016 (out of 138)	2015 (out of 140)	2014 (out of 144)	2013 (out of 148)	2012 (out of 144)	2011 (out of 142)	2010 (Out of 139)	Change 2015-2016	Change 2010-2016
 Singapore	2	2	2	2	2	2	3	0	1
 Malaysia	25	18	20	24	25	21	26	-7	1
 Thailand	34	32	31	37	38	39	38	-2	4
 Indonesia	41	37	34	38	50	46	44	-4	3
 Philippines	57	47	52	59	65	75	85	5	28
 Vietnam	60	56	68	70	75	65	59	-4	-1
 Lao PDR	93	83	93	81	n/a	n/a	n/a	10	-12
 Cambodia	89	90	95	88	85	97	109	1	20
 Myanmar	---	131	134	139	n/a	n/a	n/a	--	--
 Brunei Darussalam	58	n/a	n/a	26	28	28	28	--	-30

TOP 4 Biggest Gains

**2017 Results*



+49

No. 99
from No.148

**DOING
BUSINESS
REPORT**



+57

No. 58*
from No. 115

**ECONOMIC
FREEDOM
INDEX***



+33

No. 101
from No. 134

**CORRUPTION
PERCEPTION
INDEX**



+28

No. 57
from No. 85

**GLOBAL
COMPETITIVENESS
REPORT**



WORKING GROUPS

SECTORAL FOCUS

Working Groups

- Anti-Corruption
- Anti-Smuggling
- Business Permits and Licensing System
- Education and Human Resources Development
- Judicial System
- National Quality Infrastructure
- Nutrition and Food Sec*
- Performance Governance System
- Power and Energy
- Transport and Infrastructure

EASE OF DOING BUSINESS

PROCESS IMPROVEMENT FOCUS

EASE OF DOING BUSINESS



No. 148

*out of 183
economies*



Administrative Order 38
Ease of Doing Business Taskforce



REFORMS



+49

NOTCHES



2011-2017

No. 99

out of 189 economies

PHILIPPINES vs ASEAN (2016-2017)

ASEAN		2017 REPORT (190 economies)	2016 REPORT (189 economies)	Change 2016-2017
1	Singapore	2	1	↓ 1
2	Malaysia	23	18	↓ 5
3	Thailand	46	49	↑ 3
4	Vietnam	82	90	↑ 8
5	Brunei Darussalam	72	84	↑ 12
6	Indonesia	91	109	↑ 18
7	Philippines	99	103	↑ 4
8	Cambodia	131	127	↓ 4
9	Lao PDR	139	134	↓ 5
10	Myanmar	170	167	↓ 3

UPGRADE

DOWNGRADE

Source: Published DB reports (2016-2017)

PHILIPPINES DOING BUSINESS INDICATORS (2016-2017)

INDICATORS	2017 REPORT (190 economies)	2016 REPORT (189 economies)	Change 2016-2017
OVER-ALL RANKING	99	103	↑ 4
1. Starting a Business	171	165	↓ 6
2. Dealing w/ Construction Permits	85	99	↑ 14
3. Getting Electricity	22	19	↓ 3
4. Registering Property	112	112	--
5. Getting Credit	118	109	↓ 9
6. Protecting Investors	137	155	↑ 18
7. Paying Taxes	115	126	↑ 11
8. Trading Across Borders	95	95	--
9. Enforcing Contracts	136	140	↑ 4
10. Resolving Insolvency	56	53	↓ 3

UPGRADE

DOWNGRADE

Source: Published DB reports (2016-2017)

LEGISLATION ON EODB

- **Senate Resolution 23** - A Resolution Directing The Committee On Trade, Commerce and Entrepreneurship to Conduct An Inquiry, In Aid Of Legislation, On Government Plans and Strategies to Promote Ease of Doing Business in the Country.
- **Ease of Doing Business Bill** - Filed by Senator Juan Miguel Zubiri, this proposed law aims to streamline the processes involved in securing permits and licenses to start-up a business. The draft bill now contains the following recommendations:
 - Permits shall expire on the anniversary date
 - Longer validity periods for business permits issued at the local and national level.
 - Review of all documentary requirements for business start-up to ensure no duplication of documents
 - Conduct of Regulatory Impact Assessment

LEGISLATION ON EODB

- **House Bill 2171** - An Act Promoting the Ease of Doing Business by Mandating the Automatic Approval of Business Permit Application After Thirty Days of Inaction and Extending Validity Period. This is the House of Representatives' version of the EODB Bill.
- **Amendments to the Corporations Code** - Filed by Sen. Franklin Drilon, NCC specifically supports the following changes to the code.
 - The introduction of the One Person Corporation (Section 73)
 - Simplification of Name Registration-
 - Extension of the lifespan of the corporation to perpetuity, unless shortened at the option of the corporation.
 - Free access to corporate information.
 - Online registration.

NCC pushes for the removal of minimum paid in capital requirements for registration. In the WB-IFC Ease of Doing Business report, 121 out of 189 economies do not have minimum capital requirements at the time of incorporation. Removing this requirement or reducing the amount of the required capital will significantly simplify the process of incorporation, especially for small businesses and entrepreneurs.

REGIONAL COMPETITIVENESS COMMITTEES CITIES AND MUNICIPALITIES COMPETITIVENESS INDEX

GEOGRAPHICAL FOCUS



*Building local competitiveness is critical to
enhancing long-term national
competitiveness*

CITIES AND MUNICIPALITIES COMPETITIVENESS INDEX (CMCI)



Started 2013

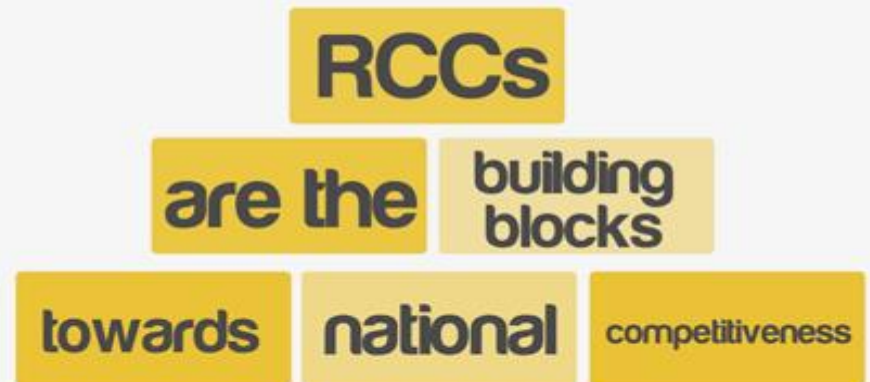
OVERVIEW

The Cities and Municipalities Competitiveness Index is an annual ranking of Philippine cities and municipalities developed by the National Competitiveness Council through the Regional Competitiveness Committees (RCCs) with the assistance of the United States Agency for International Development.



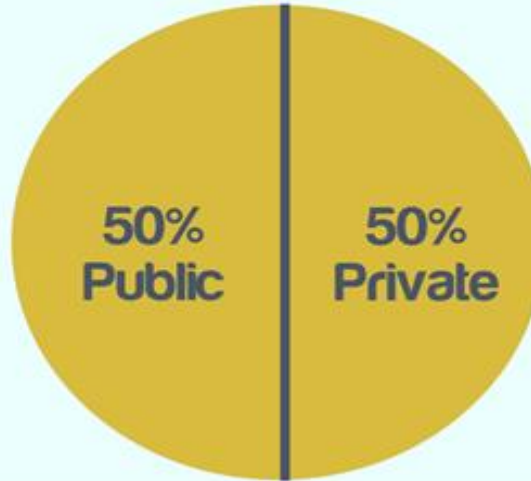
ABOUT THE RCCs

Regional Competitiveness Committees



ABOUT THE RCCs

Regional Competitiveness Committees

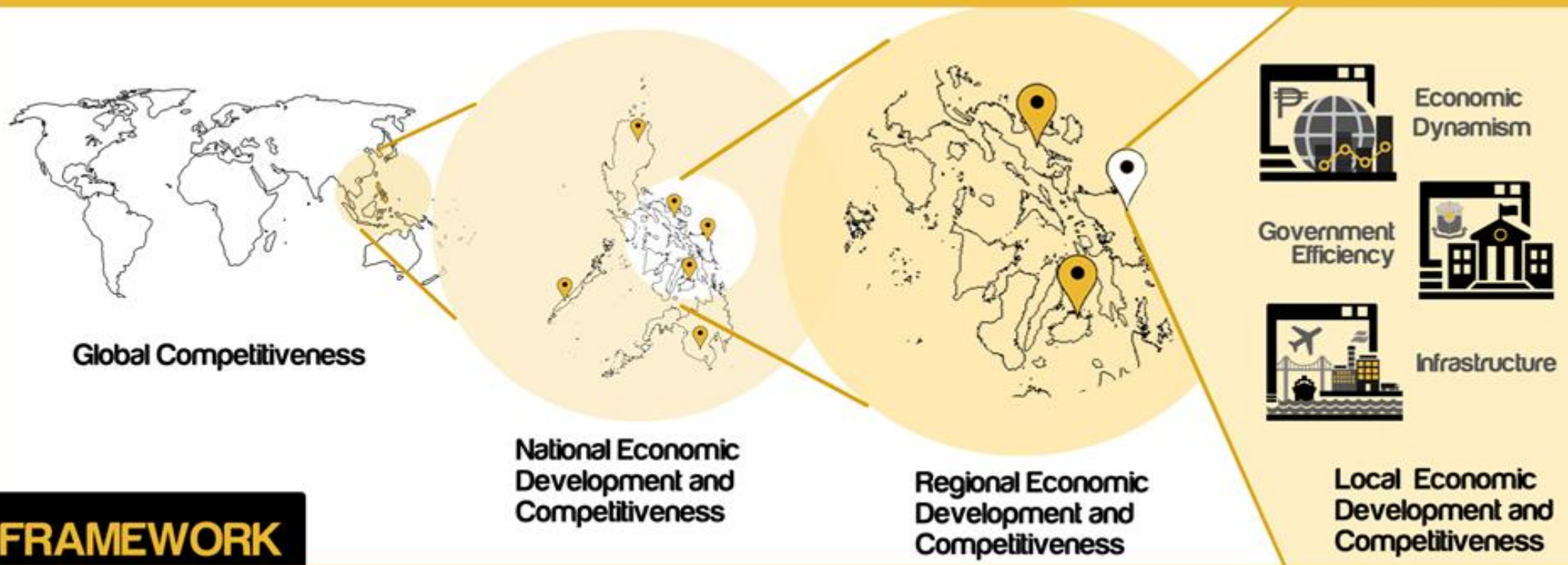


USES OF THE INDEX



ABOUT CMCI

FRAMEWORK



ABOUT CMCI

PILLARS



Economic Dynamism



Government Efficiency



Infrastructure

RANKING CATEGORIES

Competitiveness Ranking Categories



3rd to 6th Class
Municipalities



1st to 2nd Class
Municipalities



Component
Cities



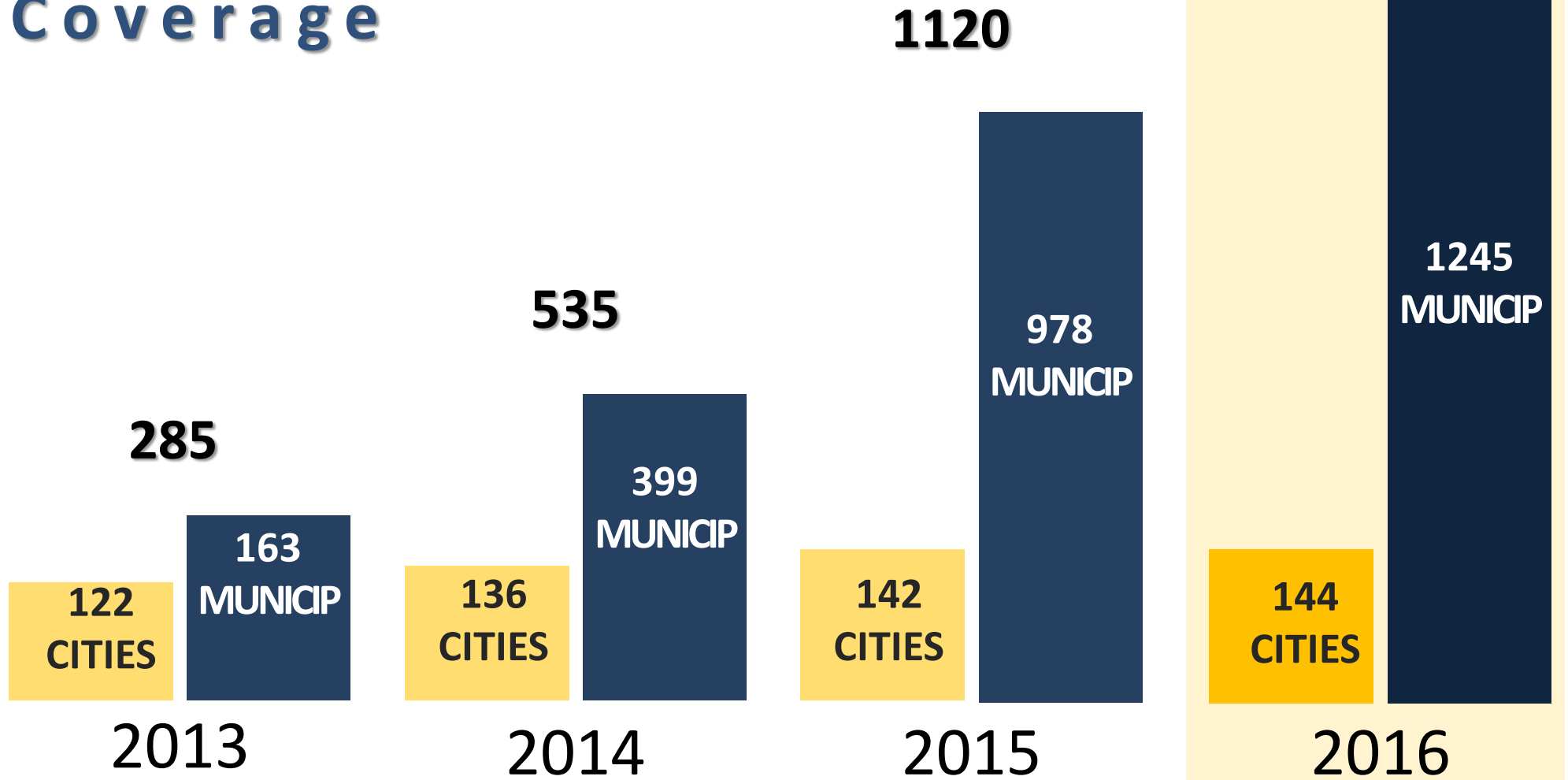
Highly Urbanized
Cities



Provinces

CMCI2016

Coverage



Out of 1,634 local governments in the Philippines

NEXT STEPS...



Resiliency

Indicators	Sub-indicators
Organization and Coordination: Land Use Plan	Presence of Comprehensive Land Use Plan (CLUP), unit to implement, staff and local ordinance for implementation; age of CLUP (from Governance Pillar)
Organization and Coordination: Disaster Risk Reduction Plan	Presence of Disaster Risk Reduction Management Plan (DRRMP), unit to implement, permanent staff and local ordinance for implementation (from Governance Pillar)
Organization and Coordination: Annual Disaster Drill	Conduct of LGU-wide disaster drill (date of latest drill)
Organization and Coordination: Early Warning System	Presence of early warning system that integrates professional responders and grassroots organization
Resiliency Financing: Budget for DRRMP	Ratio of budget for DRRMP to total LGU budget; Contingency fund for disaster as % of total LGU budget (from Governance Pillar)

Indicators	Sub-indicators
Resiliency Reports: Local Risk Assessments	Availability of local Geohazard Maps from DENR; LGU Risk Profile from DSWD
Resiliency Infrastructure: Emergency Infrastructure	Number of ambulance, firetrucks, bulldozer, rubber boats, public infrastructure for evacuation; (Public and Private) , Presence of drainage systems in LGU Center
Resiliency Infrastructure: Utilities	Presence of Water Source; Distance of Water Source to LGU; Presence of Power Source; Number of Power Source to LGU, Presence of Generator Sets, Redundancy (more than 1 source of power, water, telecom, road, fuel)
Resilience of System: Employed Population	Share of Gross Number of Employees to Total Population of LGU, (Public (Employed by the LGU)+ Private(Based on BPLS))
Resilience of System: Sanitary System	Presence of a Sanitary Landfill; Distance of Landfill to LGU Center; Frequency of Garbage collection per month; Practice of Waste Segregation, Recycling/ Material Recovery Facility

MONITORING AND EVALUATION

CUSTOMER FOCUS

BUSINESS PERMITS AND LICENSING SYSTEM



As of December 2016, **1,422 out of 1,516 LGUs (excluding ARMM LGUs)** reported to have completed and undergo BPLS streamlining program.







For its part, the National Competitiveness Council (NCC), in partnership with DTI Regional/Provincial Offices annually conducted two kinds of BPLS surveys as follows: (1) **Field Monitoring and Evaluation Survey** and (2) **Customer Experience Survey for Renewal of Mayor's Permits.**

BUSINESS PERMITS AND LICENSING SYSTEM



Last August 30, 2016, a new **Joint Memorandum Circular (JMC) on Revised BPLS Standards** was signed by Department of the Interior and Local Government (DILG), Department of Trade and Industry (DTI), and Department of Information and Communications Technology (DICT) in compliance with the administration's pronouncement to further streamline business permitting procedures in all cities and municipalities.

OLD vs NEW BPLS STANDARDS

		<u>JMC 2010</u>	<u>JMC 2016</u>
	PROCESSING TIME	New : 10 - 5 days Renewal : 5 days or less	New : 1 – 2 days Renewal : 1 day or less
	NUMBER OF STEPS	Max of 5 steps for New and Renewal of business registration	Max of <u>3 steps</u> for New and Renewal of business registration
	NUMBER OF FORMS	Unified Form	Unified Form (Print and Electronic document)
	NUMBER OF SIGNATORIES	Max of 2, Mayor and Treasurer/BPLO	Max of 2, Mayor and Treasurer/BPLO with alternatives



BPLS FIELD MONITORING AND EVALUATION SURVEY



SURVEY OBJECTIVES

As part of the Good Governance and Anti-Corruption Cluster (GGAC) initiatives under the present administration. The survey was commissioned by the National Competitiveness Council (NCC) through the regional and provincial offices of the Department of Trade and Industry (DTI) and local academe to:



determine the profile of the businessmen in selected LGUs who applied for new and renewal of business permits;



determine the compliance rate of the selected LGUs in terms of the BPLS standards set for both new and renewal process;



ensure the implementation of the Nationwide Streamlining of BPLS Program through performance and customer feedback.

SURVEY METHODOLOGY

The survey was conducted by local academe through triangulation method as follows:



INTERVIEW








FOCUS GROUP DISCUSSION



SECONDARY RESOURCES
(Articles, Circulars, etc.)

- Based on the list of LGUs submitted by DILG-LGA [reported to be compliant] was provided to all regional focal person. A sample size of 20 respondents [10 for new and 10 for renewal] per LGU was determined in the conduct of the survey.

NATIONWIDE COMPLIANCE RATE

 Processing Time	2 0 1 4		2 0 1 5		 A R E A (Example)
	NEW	RENEWAL	NEW	RENEWAL	
 Procedures/Steps	90%	78%	93%	80%	CAR, IX VII, VIII
	10%	22%	7%	20%	
 Unified Form	58%	65%	72%	73%	CAR, I VII, XII
	42%	35%	28%	27%	
 Signatory	59%	58%	69%	69%	CAR, I, II, and XII IV-B, V, VI, VII, AND VIII
	41%	42%	31%	31%	
	86%	85%	90%	89%	CAR, I, II, and XII
	14%	15%	10%	11%	

BPLS CUSTOMER EXPERIENCE SURVEY



SURVEY OBJECTIVES



To assess the experience of the businessmen who renewed their Mayor's Permit in the renewal period of January to February 2016



To determine the satisfaction level of businessmen based on the CSI framework with the process of renewing their Mayor's Permit in their respective local government units (LGUs)



To encourage/facilitate private sector participation in the conduct of the survey through institutional support and active engagement in BPLS activities

SURVEY METHODOLOGY

The survey was composed of two (2) parts:

- ☐ Business Profile of Renewals;
- ☐ Assessment of the renewal process in terms of BPLS Standards (Based on JMC no.1 s. 2010);
- ☐ Customer Satisfaction Index (CSI) Framework










The framework of the BPLS CES is based on the American Customer Satisfaction Index (ACSI), a customer-based measurement system for evaluating and enhancing a performance. A set of indicators such as customer's expectations, perceived quality, perceived value for money, and overall satisfaction comprise the BPLS CSS index or score.

SURVEY METHODOLOGY

Customer Satisfaction Indicators

1. Expectations of the overall quality of the renewal process
2. Services of the LGUs considering all expectations
3. Speed of the renewal process
4. Number of steps involved
5. Number of signatures affixed to the business permit
6. Number of forms issued by the LGU to facilitate the renewal process
7. Delivery of the services of the BPLO frontliners
8. Cost of fees paid to renew business permit
9. Overall quality of the renewal process **this** year
10. Overall quality of the renewal process **last** year

COMPLIANCE RATE: Renewal Period

	JAN TO FEB 2015	JAN TO FEB 2016	 CHANGE
 Processing Time	89% 11%	88% 12%	 1%
 Procedures/Steps	77% 22%	80% 20%	 3%
 Unified Form	73% 27%	71% 29%	 2%
 Signatory	86% 14%	85% 15%	 1%

GOVERNMENT ONLINE

AUTOMATION

Proposed Project



Online Business Interactive Licensing System

THE GOAL

- Ability to file applications online, anytime, anywhere.
- Online payment via credit card, debit payments, mobile cash, any form of online payment. Payments can be credited to appropriate agency.
- License or permit can be issued electronically by agency, where appropriate.
- Online kiosks to be provided in government offices to accommodate those without access to computers.



THE PROJECT

- Government portals for online licensing and permits covering a wide range of National Government Agency (NGAs) and Local Government processes.



COVERAGE

Ease of Doing Business- Contains basic licenses and permits for starting, renewing, and operating businesses at the national and local government levels.

Portal: www.business.gov.ph

Trade Facilitation- Inter-Agency Business Process Interoperability (IABPI).

Link approximately 55 agencies or units of government involved in import/export and movement of goods.

Portal: www.trade.gov.ph

National Quality Infrastructure- Focus on the standards, accreditation, and certification of agricultural, industrial, food, and pharmaceutical products.

Portal: www.quality.gov.ph

PROJECT REPEAL

REGULATORY FOCUS

RATIONALE



- Consumers and Businesses are saddled by too much regulation
- Regulation happens at Executive, Legislative, Local Government levels
- Laws date back to Commonwealth period and includes PDs from Martial Law era
- Multiple layers of laws, rules, regulations
- Are they all necessary or relevant ?

STRATEGY



**Crowdsource
Proposals**



**Establish Repeal
System**



**Cut
Regulatory Cost**

OBJECTIVES



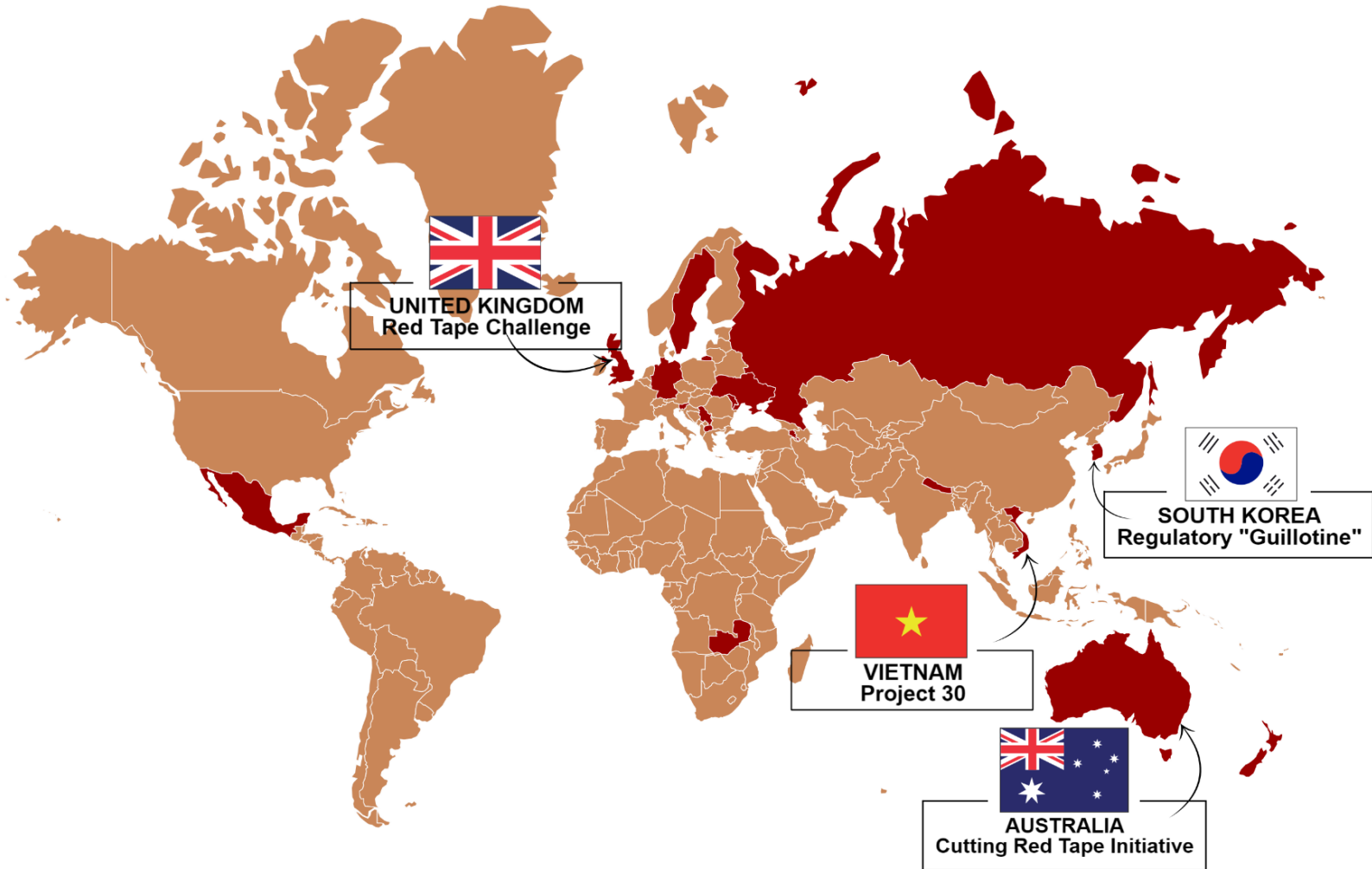
**Reduced cost of compliance for
people and businesses; savings for
the economy, measured in PhP
Millions annually**

PRIORITIZATION

- Executive Department Orders/Circulars
- Executive Orders & Administrative Orders
- Legislation
- LGU Ordinances



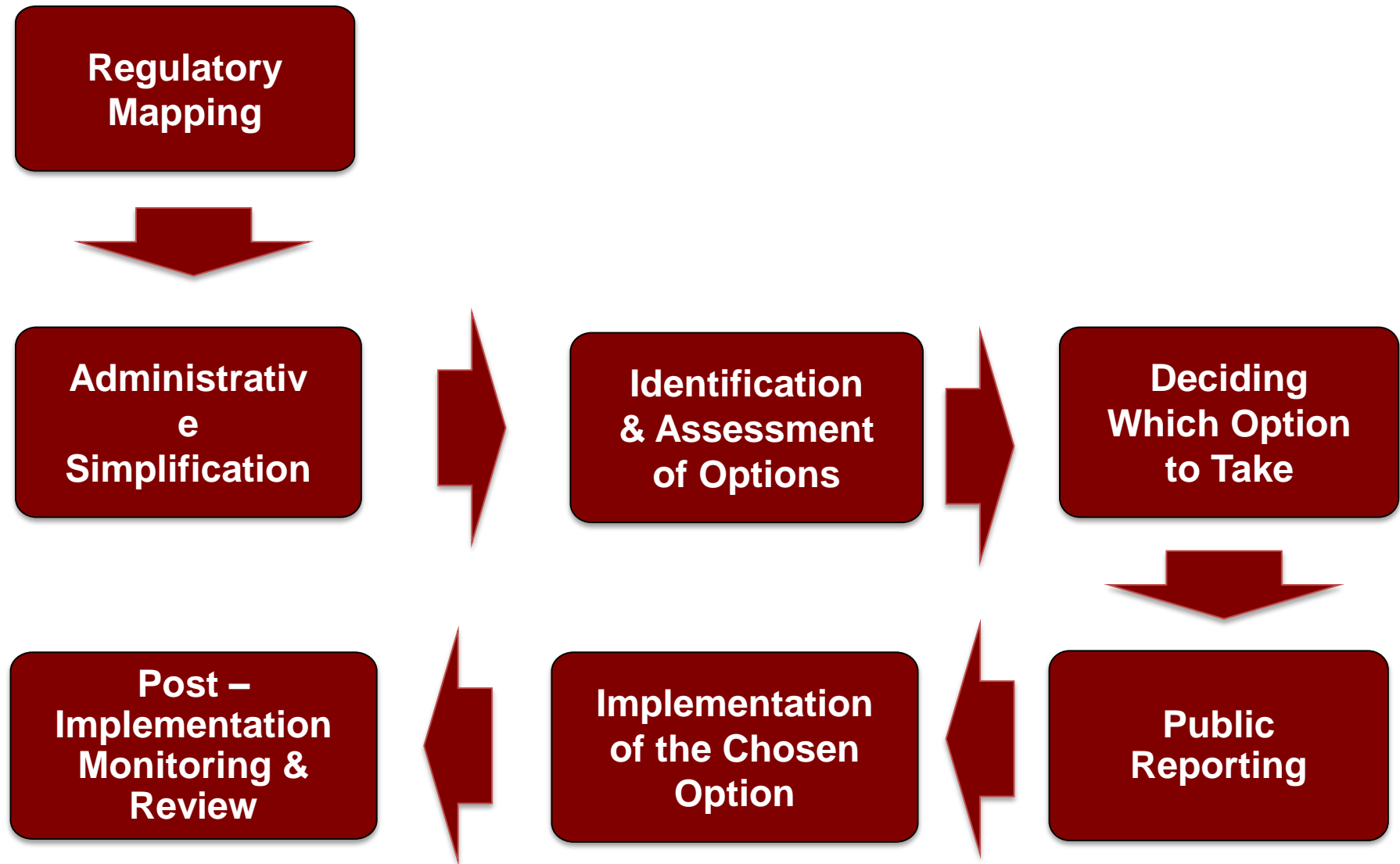
INSPIRATION



■ Countries with similar Initiatives:

Macedonia | Moldova | Zambia | Armenia | Slovenia | Mexico | Serbia | Russia | Germany | Ukraine | New Zealand | Nepal | Sweden | Moldova

PROJECT REPEAL PROCESS



SCOPE



AMENDMENT

Addition, deletion and/or change of certain provisions of a rule or regulation

CONSOLIDATION

Integration of multiple, similar regulations into one legal document.

DELISTING

Removal of invalid rules and regulations from an agency's website and roster of active issuances.

REPEAL

Full elimination of a rule/issuance because it has been deemed no longer necessary.

PARTICIPATING AGENCIES

8

Initial
Participating
Agencies



80+

Participating Agencies + Partners

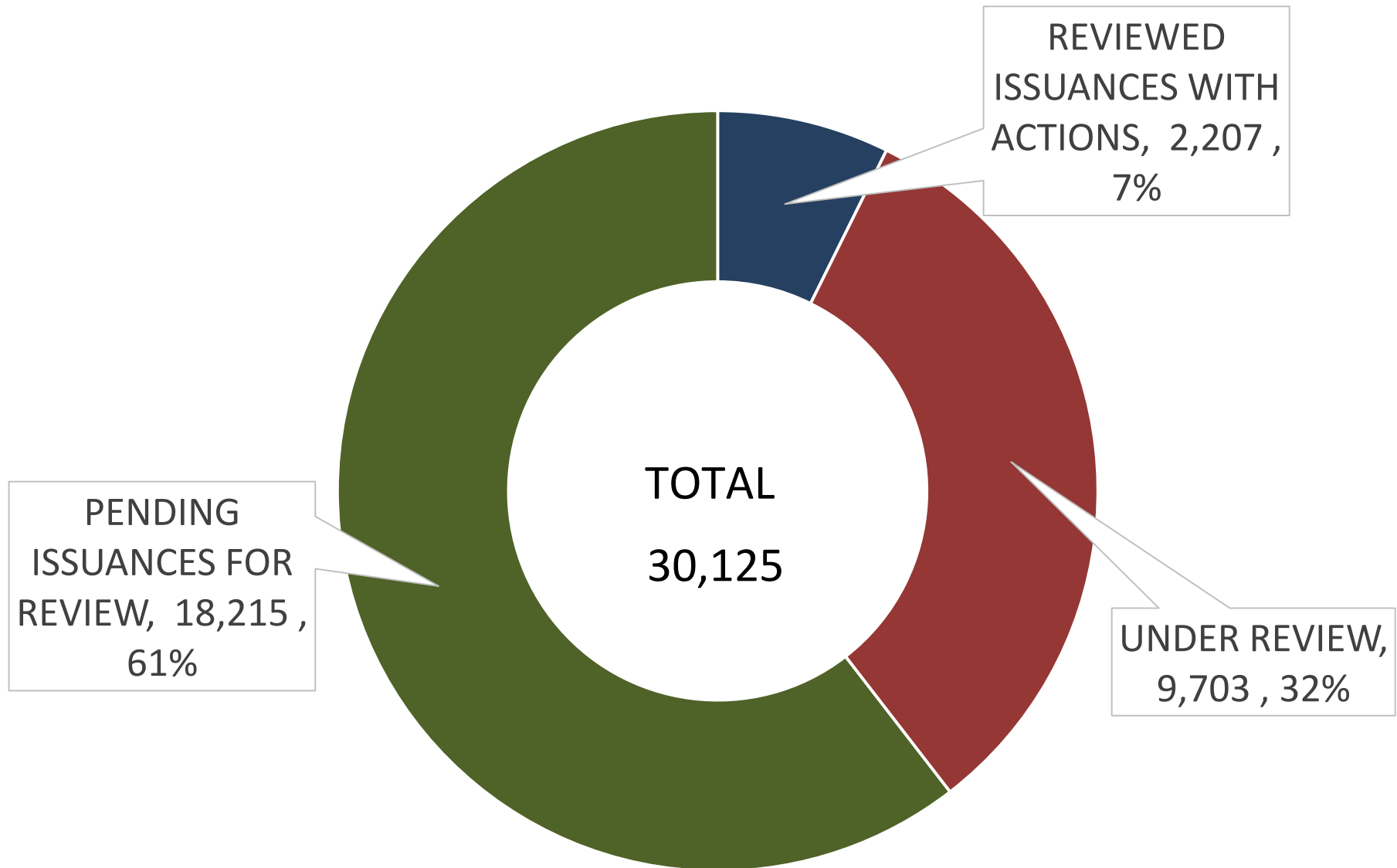
- Increased participation from National Government Agencies and Academe

UPDATES

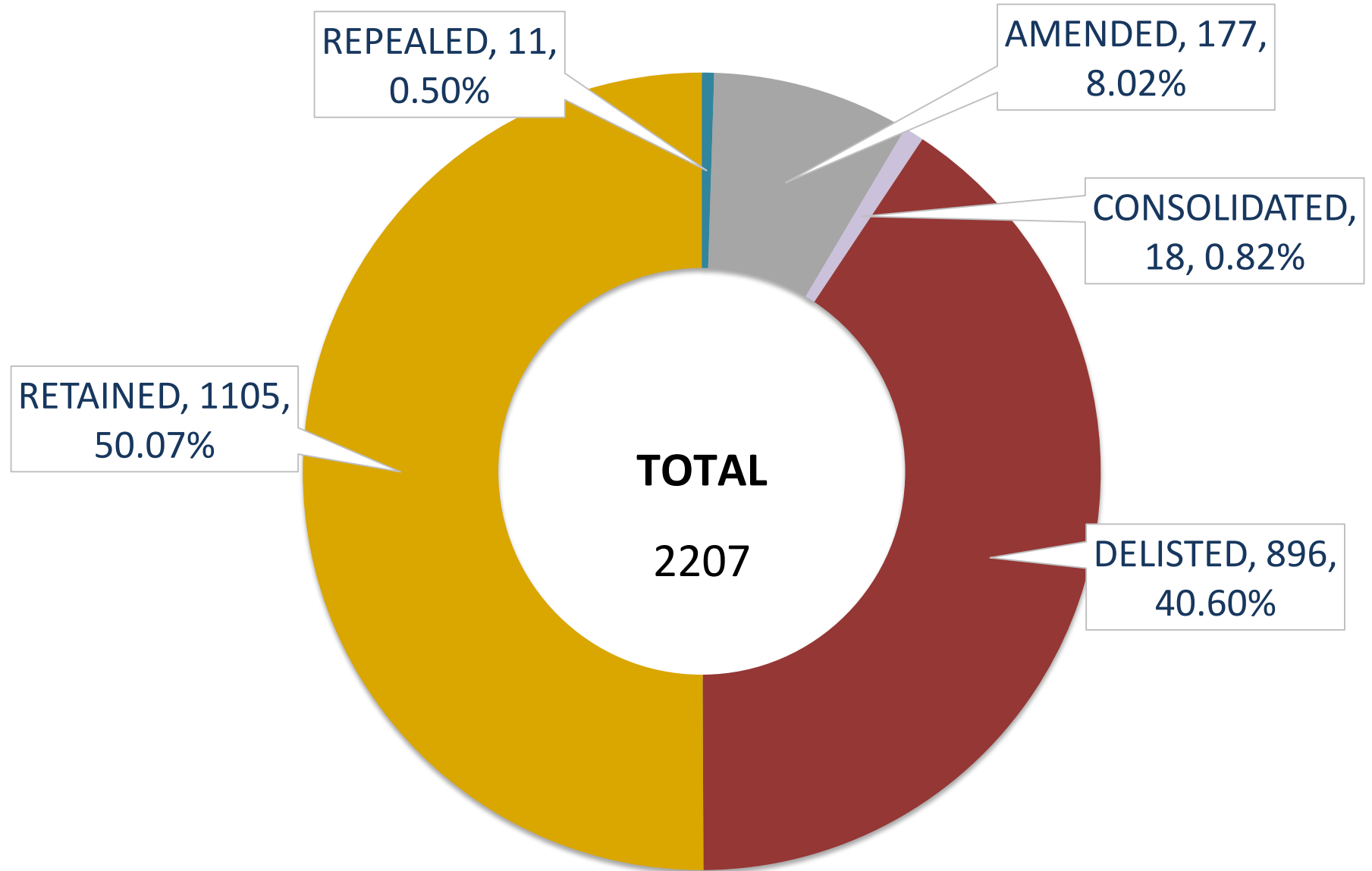
STOCKTAKE	Total
As of June 13, 2016	17,388
Enrolled for 1 st Repeal Day	(3,777)
Balance for Review	13,611
Additional Submissions	16,514
As of November 28, 2016	30,125

Total Stocktake as of Nov. 28, 2016		30, 125	100%
Reviewed		2,207	39.54%
Repeal	11		
Amendment	177		
Consolidation	18		
Delisting	896		
Retained	1,105		
Under Review		9,703	
Balance for review		18, 215	60.46%

DISTRIBUTION OF ISSUANCES FOR 2ND REPEAL DAY



REVIEWED ISSUANCES WITH CORRESPONDING ACTIONS





NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

THANK YOU!



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www.competitive.org.ph



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