

NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES



Strengthening Opportunities for Competitiveness

COUNTDOWN TO 2015: Monde Nissin Braces for ASEAN Integration

August 8, 2014

GUILLERMO M. LUZ

Co-Chairman, Private Sector

INVESTMENTS



TRADE





PEOPLE



JOBS

Google images

TOURISTS



IMAGE/BRAND

Island Hopping. More fun in the Philippines



History. More fun in the Philippines



Commuting. More fun in the Philippines



More fun in the Philippines



Stretch limos. More fun in the Philippines



Staring contests. More fun in the Philippines



Anti-aging. More fun in the Philippines

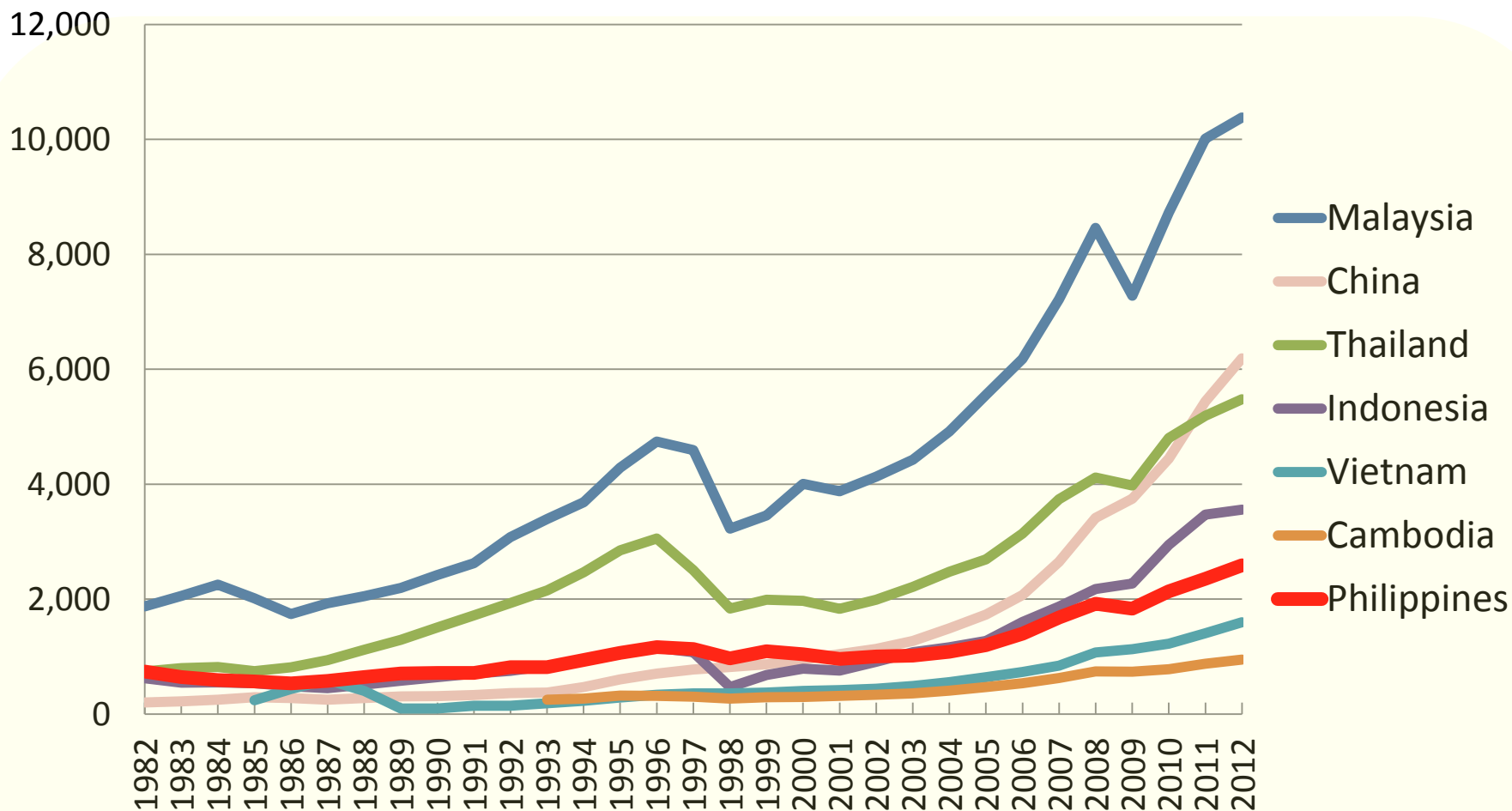


GLOBAL COMPETITIVENESS REPORT CARD

REPORT	2014 RANK	2013 RANK	2012 RANK	CHANGE	ASEAN RANK	NEXT RELEASE	SOURCE	TARGET
1. WEF Global Competitiveness Index		59/148	65/144	↑ 6	6 of 10	Sep-14	WEF	49
2. IFC Ease of Doing Business		108/189	138/185	↑ 30	6 of 10	Oct-14	International Finance Corp	63
3. IMD World Competitiveness Report	42/60	38/60	43/59	↓ 4	5 of 5	May-15	Int'l Institute for Mgt Dev't	20
4. TI Corruption Perception Index		94/177	105/176	↑ 11	4 of 10	Dec-14	Transparency International	60
5. Economic Freedom Index	89/178	97/177	107/179	↑ 8	5 of 9	Jan-15	Heritage Foundation	59
6. Global Information Technology Report	78/148	86/144	86/142	↑ 8	6 of 10	Apr 15	WEF	49
7. Travel and Tourism Report		82/140	n/a	↑ 12	7 of 8	Mar-15	WEF	46
8. Global Innovation Index	100/143	90/142	95/141	↓ 10	7 of 9	Jul-15	World Intellectual Property Org	47
9. Logistics Performance Index	57/160	n/a	52/155	↓ 5	6 of 9	Mar-16	World Bank	53
10. Fragile States Index	52/178	59/178	56/177	↓ 7	8 of 10	Jun-15	Fund for Peace	118
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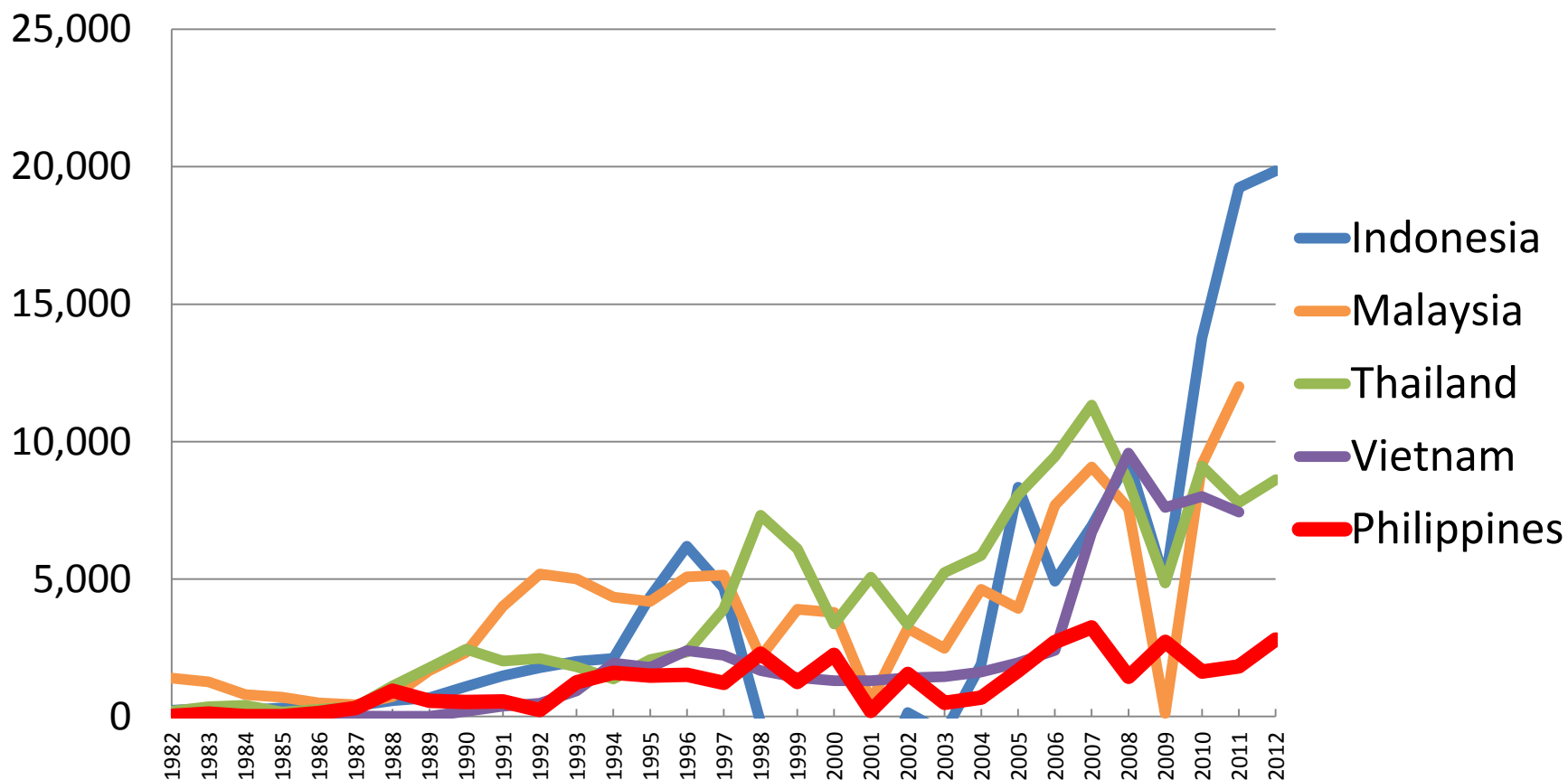
WHY DOES IT MATTER?

GDP per capita (US\$)



WHY DOES IT MATTER?

Foreign Direct Investments, net inflows (US\$ millions)




- Higher FDI (new investments of 3-4% of GDP), from US\$1.7 billion in 2010
- Double export growth to US\$120 billion by 2016 with new products and services to account for 30% of exports
- GDP Growth of 7-8% per year
- Job Growth / Lower Unemployment
- Lower Poverty Incidence : 26.5% in 2009 to 16.6% by 2015
- Growing C socioeconomic class(currently 8.6%); shrinking DE class (currently 91%)


Most people ask -

Are we ready for AEC 2015 ?

Our position -

We must get ready for AEC 2015.

 **Population:** 617.2 million

 **Land Area:** 4,435,617 km²

 **GDP:** US\$ 2,318 billion

 **GDP per capita:** US\$ 3,756

 **Tourist Arrivals ('000)**

Total ASEAN: 89,225.2

Intra-ASEAN: 39,845.5

Extra-ASEAN: 49,379.8

US\$ million

 **Total Trade:** 2,476,427

Total Exports: 1,254,581











Total Imports: 1,221,847

US\$ million











 **Total FDI inflows:** 110,291.2

Intra-ASEAN: 20,160.1











Extra-ASEAN: 90,131.1

ASEAN	2010	2011	2012
 Brunei Darussalam	400,569	406,512	412,238
 Indonesia	240,676,485	243,801,639	246,864,191
 Cambodia	14,364,931	14,605,862	14,864,646
 Lao PDR	6,395,713	6,521,314	6,645,827
 Myanmar	51,931,231	52,350,763	52,797,319
 Malaysia	28,275,835	28,758,968	29,239,927
 Philippines	93,444,322	95,053,437	96,706,764
 Singapore	5,076,700	5,183,700	5,312,400
 Thailand	66,402,316	66,576,332	66,785,001
 Vietnam	86,932,500	87,840,000	88,775,500

ASEAN 0-14 YEARS OLD (% of Total Population)

ASEAN	2010	2011	2012
 Singapore	17.342	16.92	16.475
 Thailand	19.332	18.862	18.466
 Vietnam	23.491	23.118	22.872
 Myanmar	26.071	25.676	25.278
 Brunei Darussalam	26.593	26.165	25.755
 Malaysia	27.683	27.169	26.653
 Indonesia	29.829	29.594	29.273
 Cambodia	31.836	31.448	31.233
 Philippines	35.284	34.908	34.533
 Lao PDR	36.77	36.164	35.605

MEDIAN AGE (as of 2010) ASEAN COUNTRIES

ASEAN	Median Age	Male	Female
 Lao PDR	19.5	19.2	19.8
 Cambodia	22.5	21.8	23.2
 Philippines	22.7	22.2	23.2
 Malaysia	25.1	24.5	25.8
 Myanmar	26.5	26	27.1
 Vietnam	27.4	26.4	28.5
 Indonesia	27.9	27.4	28.4
 Brunei Darussalam	28.1	28	28.2
 Thailand	33.7	32.9	34.7
 Singapore	39.6	39.1	40

Population	2010	2012	2013
	92,337,852	95,800,000	97,400,000



47,697,897
population aged 20-64 (workforce)
both sexes as of 2010

POVERTY HEADCOUNT RATIO AT NATIONAL POVERTY LINE (% OF POPULATION)

COUNTRY NAME	POVERTY HEADCOUNT RATIO	YEAR OF LAST UPDATE
Brunei Darussalam	-	-
Indonesia	11.4	2013
Cambodia	20.5	2011
Lao PDR	27.6	2008
Myanmar	-	-
Malaysia	1.7	2012
Philippines	25.2	2012
Singapore	-	-
Thailand	13.2	2011
Vietnam	17.2	2012

SOURCE: <http://data.worldbank.org>

National poverty rate is the percentage of the population living below the national poverty line. National estimates are based on population-weighted subgroup estimates from household surveys.



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Global Competitiveness Report

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COUNTRIES	2013 Out of 148	CHANGE 2012-2013	2012 Out of 144	2011 Out of 142	CHANGE 2011-2012
 1. SINGAPORE	2	0	2	2	0
 2. MALAYSIA	24	+1	25	21	- 4
 3. BRUNEI DARUSSALAM	26	+2	28	28	0
 4. THAILAND	37	+1	38	39	+ 1
 5. INDONESIA	38	+12	50	46	- 4
 6. PHILIPPINES	59	+6	65	75	+ 10
 7. VIETNAM	70	+5	75	65	- 10
 8. LAOS *	81	-	-	-	-
 9. CAMBODIA	88	-3	85	97	+ 12
 10. MYANMAR*	139	-	-	-	-

(*) – New Economies added for 2013 report

12 PILLARS	2013	2012-2013 CHANGE	2012	2011-2012 CHANGE	2011
1st pillar: Institutions	79	+15	94	+23	117
2nd pillar: Infrastructure	96	+2	98	+7	105
3rd pillar: Macroeconomic environment	40	-4	36	+18	54
4th pillar: Health and primary education	96	+2	98	-6	92
5th pillar: Higher education and training	67	-3	64	+7	71
6th pillar: Goods market efficiency	82	+4	86	+2	88
7th pillar: Labor market efficiency	100	+3	103	+10	113
8th pillar: Financial market development	48	+10	58	+13	71
9th pillar: Technological readiness	77	+2	79	+4	83
10th pillar: Market size	33	+2	35	+1	36
11th pillar: Business sophistication	49	0	49	+8	57
12th pillar: Innovation	69	+25	94	+14	108













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Ease of Doing Business

	ECONOMY	2014 Rank out of 189	2013 Rank out of 185	CHANGE
1	Philippines	108	138	30
2	Ukraine	112	137	25
3	Rwanda	32	52	20
4	Brunei Darussalam	59	79	20
5	Russian Federation	92	112	20
6	Burundi	140	159	19
7	Guatemala	79	93	14
8	Brazil	116	130	14
9	Iraq	151	165	14
10	Kosovo	86	98	12

ASEAN	2014 Rank out of 189	2013 Rank out of 185	CHANGE	2012 Rank 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	-	0	-	0

INDICATORS	2014 Rank out of 189	CHANGE 2013-2014	2013 Rank out of 185	2012 Rank out of 183
1. Starting a business	170	-9	161	158
2. Dealing with 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	0	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



CORRUPTION PERCEPTIONS INDEX



COUNTRIES	2013 Rank (out of 177)	CHANGE (2012-2013)	2012 Rank (out of 176)	2011 Rank (out of 183)	2010 Rank (out of 178)	CHANGE Over 3 Years
SINGAPORE	5	0	5	5	1	-4
BRUNEI DARUSSALAM	38	8	46	44	38	0
MALAYSIA	53	1	54	60	56	3
PHILIPPINES	94	11	105	129	134	40
THAILAND	102	-14	88	80	78	-24
INDONESIA	114	4	118	100	110	-4
VIETNAM	116	7	123	112	116	0
LAOS	140	20	160	154	154	14
MYANMAR	157	15	172	180	176	19
CAMBODIA	160	-3	157	164	154	-6



Country / Territory	2013 (out of 177)	Change 2012-2013	2012 (out of 176)	2011 (out of 183)	2010 (out of 178)	Change in 3 Years
Philippines	94	11	105	129	134	40
Mongolia	83	11	94	120	116	33
Nepal	116	23	139	154	146	30
Sao Tome and Principe	72	0	72	100	101	29
Armenia	94	11	105	129	123	29
Senegal	77	17	94	112	105	28
Comoros	127	6	133	143	154	27
Russia	127	6	133	143	154	27
Ecuador	102	16	118	120	127	25
Mauritania	119	4	123	143	143	24












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GLOBAL ENABLING TRADE INDEX

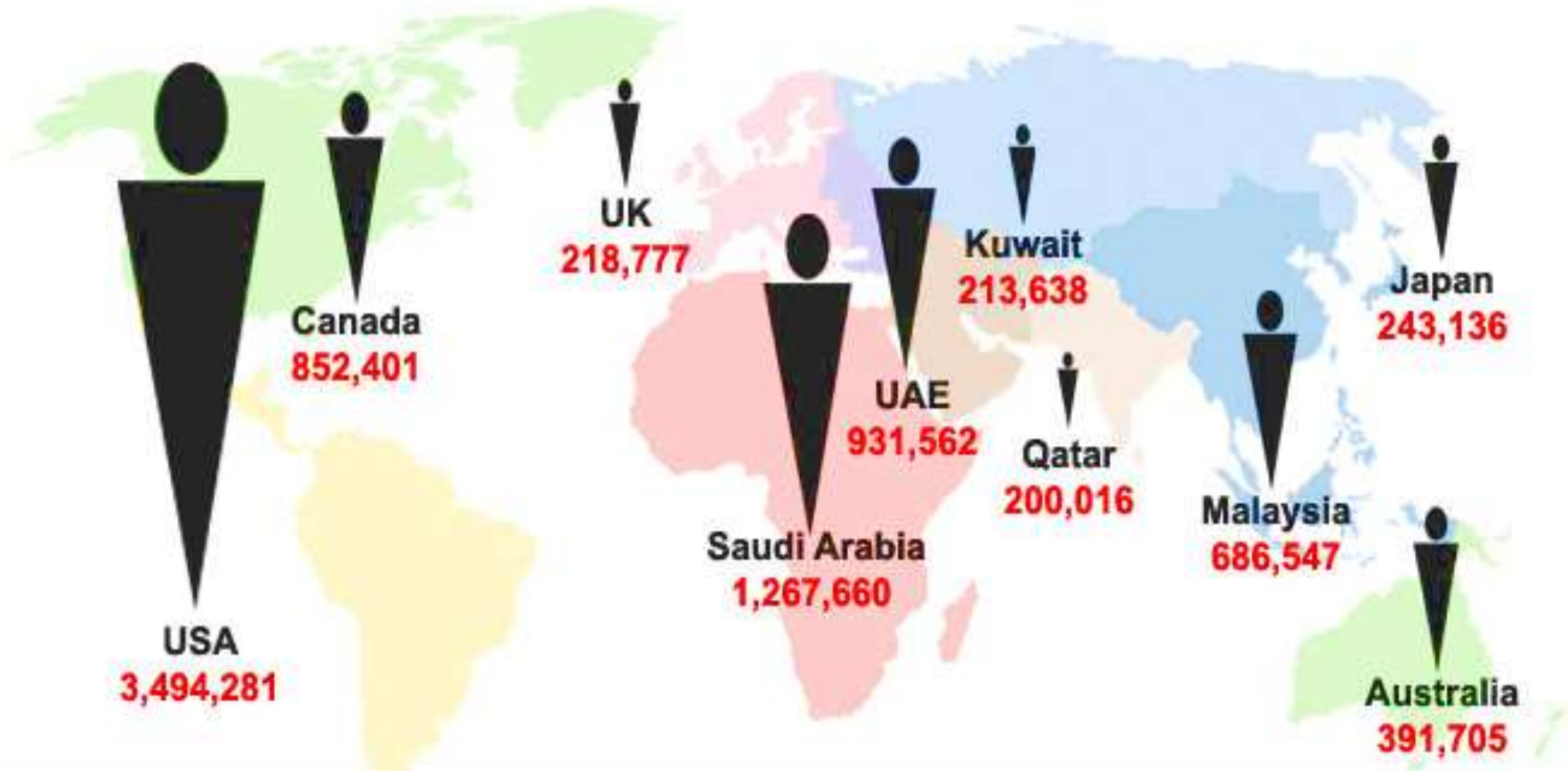
COUNTRIES	2014 Out of 138	CHANGE	2012 Out of 132	2010 Out of 125	CHANGE
 1. SINGAPORE	1	0	1	1	0
 2. MALAYSIA	25	-1	24	30	6
 3. THAILAND	57	0	57	60	3
 4. INDONESIA	58	0	58	68	10
 5. PHILIPPINES	64	+8	72	92	20
 6. VIETNAM	72	-4	68	71	3
 7. CAMBODIA	93	+9	102	102	0
 8. LAOS *	98	-	-	-	-
 9. MYANMAR*	121	-	-	-	-

Sub-index	PHILIPPINES	CAMBODIA	INDONESIA	LAO PDR	MALAYSIA	MYANMAR	SINGAPORE	THAILAND	VIETNAM	
MARKET ACCESS	2 of 9	11	36	20	39	40	25	2	51	34
Domestic Market Access	2 of 9	19	133	26	121	75	97	3	113	76
Foreign Market Access	6 of 9	26	1	37	4	42	6	13	12	28
BORDER ADMINISTRATION	5 of 9	71	108	69	114	33	117	1	56	86
Efficiency and Transparency of Border Administration	5 of 9	71	108	69	114	33	117	1	56	86
INFRASTRUCTURE	6 of 9	89	101	64	115	23	136	1	46	60
Availability and Quality of Transport Infrastructure	7 of 9	96	113	60	91	14	138	2	28	74
Availability and Quality of Transport Services	6 of 9	84	97	58	107	26	133	1	39	50
Availability and use of ICTs	6 of 9	85	95	81	122	38	135	8	71	64
OPERATING ENVIRONMENT	8 of 9	82	74	61	68	27	134	2	75	81
Operating Environment	8 of 9	82	74	61	68	27	134	2	75	81

OVERSEAS FILIPINO WORKERS



GLOBAL MAPPING OF OVERSEAS FILIPINOS



Top 10 countries of destination based on the 2012 Stock Estimate of Overseas Filipinos



SEA - BASED

2010	347,150
2011	369,104
2012	366,865

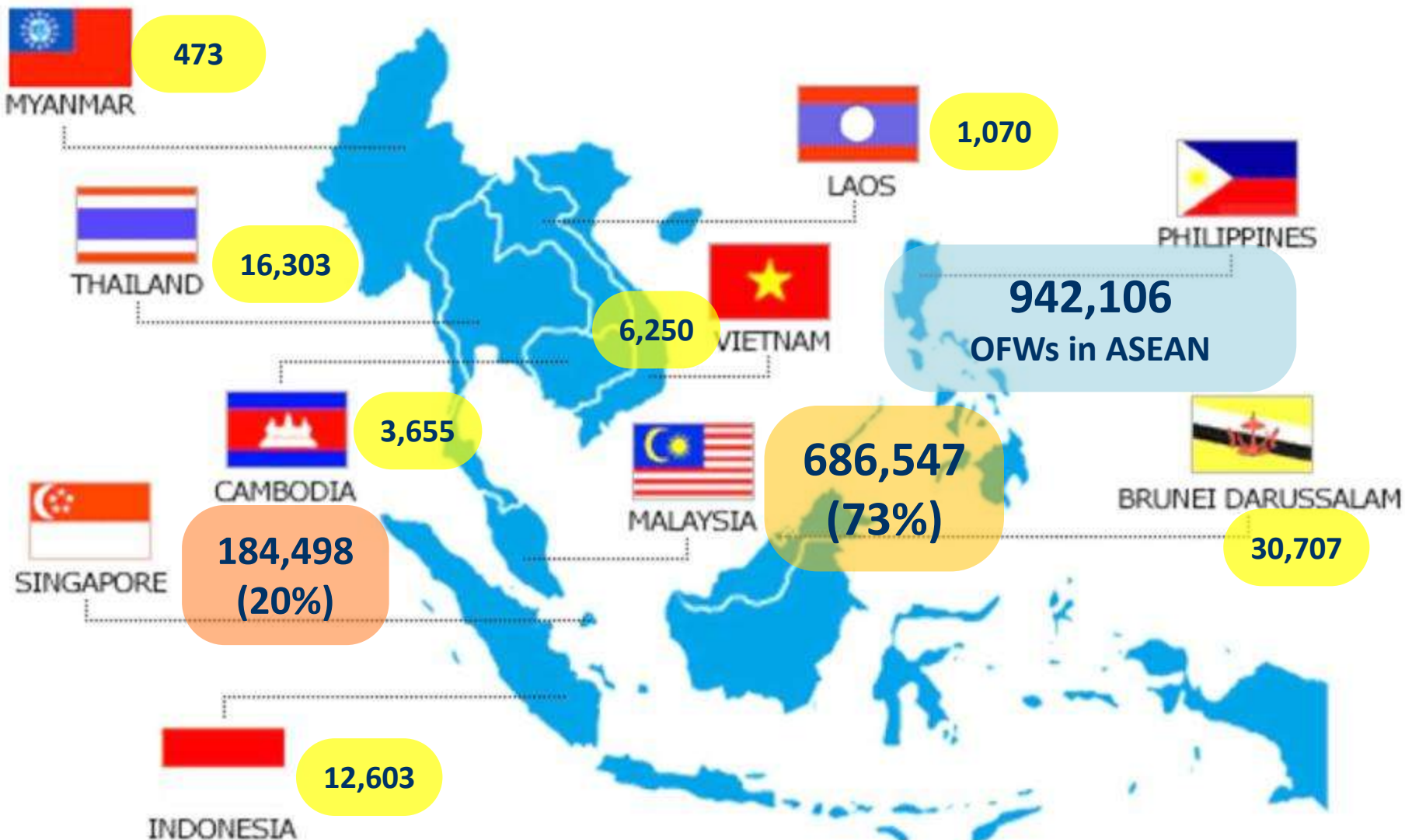


LAND - BASED

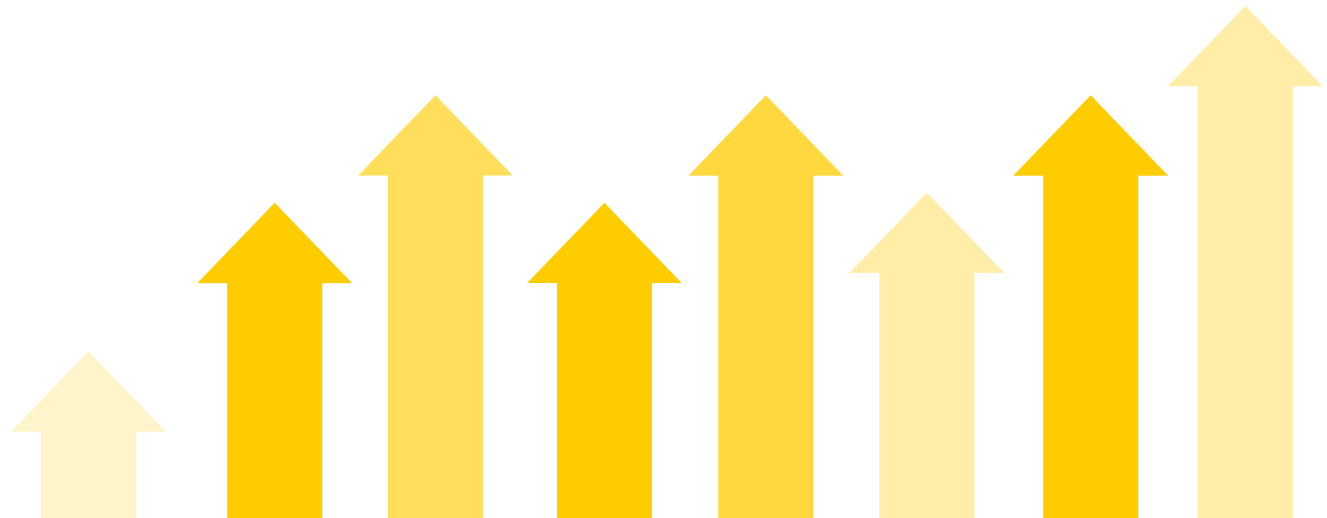
2010	9,105,834
2011	10,086,684
2012	10,122,763

Source: Commission on Filipinos Overseas (CFO)

2012 MAPPING OF OVERSEAS FILIPINOS IN ASEAN



CITIES AND MUNICIPALITIES COMPETITIVENESS INDEX 2014



Top 10 Cities

OVERALL RANK (136 CITIES)	LOCAL GOVERNMENT	PROVINCE	REGION
1	Makati City		National Capital Region
2	Cagayan de Oro City	Misamis Oriental	Region X - Northern Mindanao
3	Naga City	Camarines Sur	Region V - Bicol Region
4	Davao City	Davao del Sur	Region XI - Davao Region
5	Marikina City		National Capital Region
6	Iloilo City	Iloilo	Region VI - Western Visayas
7	Cebu City	Cebu	Region VII - Central Visayas
8	Manila City		National Capital Region
9	Valenzuela City		National Capital Region
10	Paranaque City		National Capital Region

DAVAO CITY

	Rank	Score
Overall Competitiveness	4	47.716761
Economic Dynamism	11	12.443621
Local Economy: Size	7	0.82992
Local Economy: Growth	67	1.19259
Jobs	6	1.12920
Inflation Rate	77	2.94871
Financial Institutions	5	2.20073
Productivity	12	0.39334
Business Groups	43	0.31702
Cost of Doing Business	18	3.43207
Government Efficiency	13	18.982915
Transparency Score in LGPMS	1	3.333333
Economic Governance Score in LGPMS	65	2.727273
Ratio of LGU collected tax to LGU revenues	18	1.33715
LGU Competitions Related Awards	20	0.51587
Business Registration Efficiency	13	2.947636
Investment Promotion	1	3.333333
Compliance to National Directives for LGUs	1	3.33333
Security	39	0.71390
Health	43	0.20608
Schools	82	0.53498
Infrastructure	1	16.29022
Existing Road Network	NDA	NDA
Distance of Center to Major Ports	27	3.20879
DOT Accredited Accommodations	3	1.67198
Health Infrastructure	10	0.57591
Education Infrastructure	2	1.69684
Availability of Basic Utilities	107	3.14310
Annual Investments in Infrastructure	1	2.09876
Connection to ICT	76	0.13674
Number of ATMs	3	2.34378
Number of Public Transportations	3	1.41428



Province:
Davao del Sur

Region:
Region XI - Davao Region

Population:
1,449,296

Mayor:
DUTERTE, Rodrigo R.

View Profile

CEBU CITY

	Rank	Score
Overall Competitiveness	7	43.686459
Economic Dynamism	10	12.586404
Local Economy: Size	8	0.80599
Local Economy: Growth	34	1.30913
Jobs	3	1.69920
Inflation Rate	49	3.14102
Financial Institutions	3	2.55080
Productivity	24	0.18330
Business Groups	58	0.18115
Cost of Doing Business	91	2.71578
Government Efficiency	55	16.211767
Transparency Score in LGPMS	1	3.333333
Economic Governance Score in LGPMS	132	1.418182
Ratio of LGU collected tax to LGU revenues	32	0.98999
LGU Competitions Related Awards	30	0.40476
Business Registration Efficiency	55	2.080712
Investment Promotion	1	3.333333
Compliance to National Directives for LGUs	1	3.333333
Security	24	0.90358
Health	NDA	NDA
Schools	104	0.41452
Infrastructure	5	14.88828
Existing Road Network	NDA	NDA
Distance of Center to Major Ports	24	3.22621
DOT Accredited Accommodations	15	0.37207
Health Infrastructure	7	0.67975
Education Infrastructure	4	1.11792
Availability of Basic Utilities	1	3.333333
Annual Investments in Infrastructure	68	0.67284
Connection to ICT	2	2.95914
Number of ATMs	2	2.52699
Number of Public Transportations	NDA	NDA



Province:
Cebu

Region:
Region VII - Central Visayas

Population:
886,171

Mayor:
RAMA, Michael L.

Historical Data

Lessons Learned

TRANSPARENCY LEADS TO COMPETITIVENESS



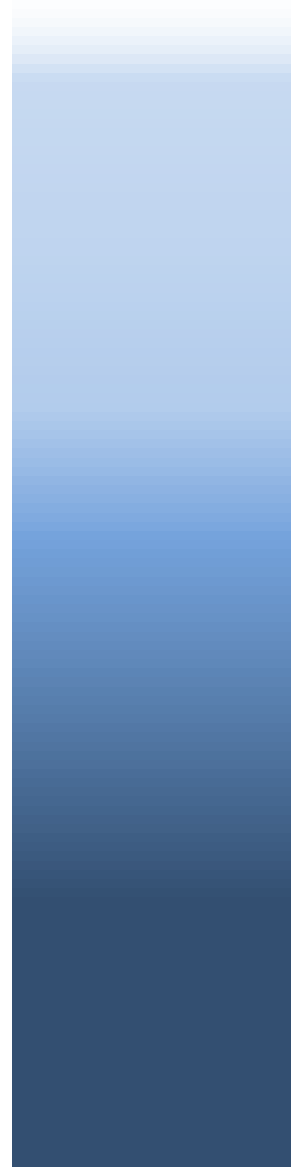
Governance Matters

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

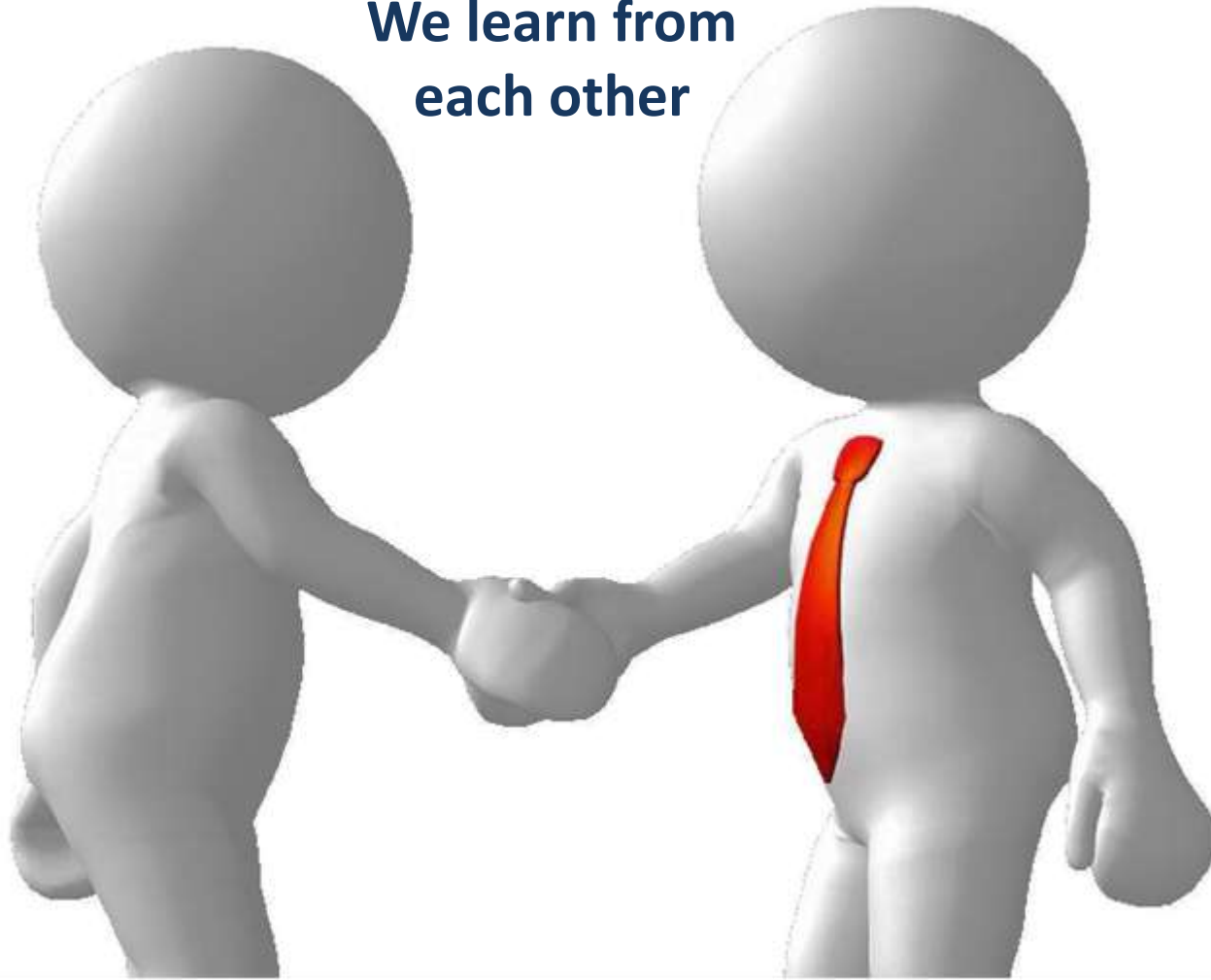


EMBED AND INSTITUTIONALIZE CHANGE



PUBLIC – PRIVATE COLLABORATION IS IMPORTANT AND EFFECTIVE.

**We learn from
each other**





LUCKY ME
SUPREME
Noodles
Tom Yum
Premium Noodles

Top 10 Most Popular Fast-moving Consumer Goods

2013 Rank	Rank Movement	Brand Name	Consumer Reach Points	Penetration %	Frequency	Consumer Reach Points Growth %
1	+1	Lucky Me	893	98.2%	45.5	0.1%
2	-1	Nescafé	893	93.3%	47.9	-9.8%
3	=	Surf	565	89.3%	31.7	4.7%
4	+3	Palmolive	475	82.6%	28.8	6.3%
5	-1	Milo	471	85.5%	27.6	-5.6%
6	=	Bear Brand	451	88.3%	25.6	0.2%
7	-2	Ajinomoto	416	82.0%	25.4	-8.7%
8	+1	Safeguard	388	93.5%	20.8	0.8%
9	-1	Oishi	387	87.4%	22.2	-4.4%
10	+12	Great Taste	363	62.3%	29.2	72.6%



SPURS
9

SPURS
4

SPURS
12

SPURS
15

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21

at&t









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