


**NATIONAL  
COMPETITIVENESS  
COUNCIL PHILIPPINES**

**5<sup>th</sup> National COCOPEA Congress**


**Overview of Philippine Competitiveness:  
Implications and Challenges  
for the Education Sector**

**GUILLERMO M. LUZ**  
Private Sector Co-Chair



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## GLOBAL COMPETITIVENESS REPORT CARD

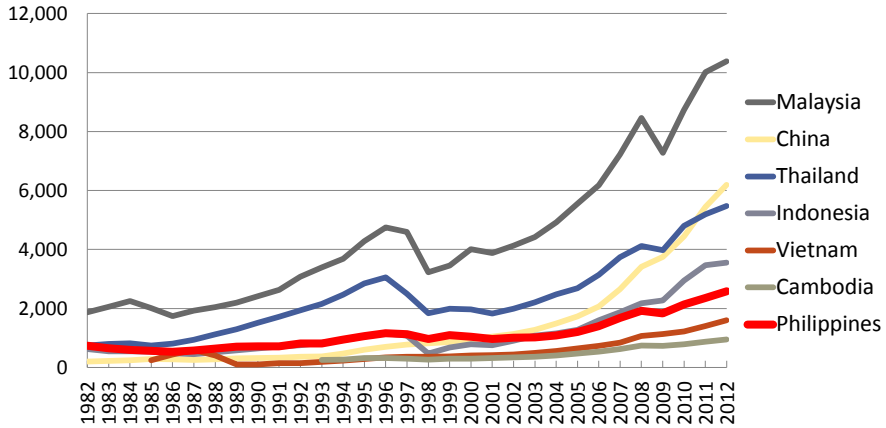


Report	2014 Rank	2013 Rank	2012 Rank	2011 Rank	Change	ASEAN	Next Report	Source	Target
1. WEF Global Competitiveness Index		59/148	65/144	75/142	↑ 6	6 of 10	Sep-14	WEF	49
2. IFC Ease of Doing Business		108/189	138/185	136/183	↑ 30	6 of 10	Oct-14	IFC	63
3. IMD World Competitiveness Report		38/60	43/59	41/59	↑ 5	4 of 5	May-14	IMD	20
4. TI Corruption Perception Index		94/177	105/179	129/183	↑ 11	4 of 10	Dec-13	Transparency International	60
5. Economic Freedom Index	89/178	97/177	107/179	115/179	↑ 8	5 of 7	Jan-14	Heritage Foundation	59
6. Global Information Technology Report		86/144	86/142	86/138	no change	6 of 7	Apr-14	WEF	47
7. Travel and Tourism Report		82/140	n/a	94/139	↑ 12	7 of 8	Mar-15	WEF	46
8. Global Innovation Index		90/142	95/141	91/125	↑ 5	7 of 9	Jul-14	WIPO	47
9. Logistics Performance Index		--	52/155	44/155	↓ 8	4 of 9	Feb-14	World Bank	51
10. Failed States Index		59/178	56/177	51/177	↑ 3	7 of 10	Jun-14	Fund for Peace	118

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## Why does it matter?

### GDP per capita (US\$)



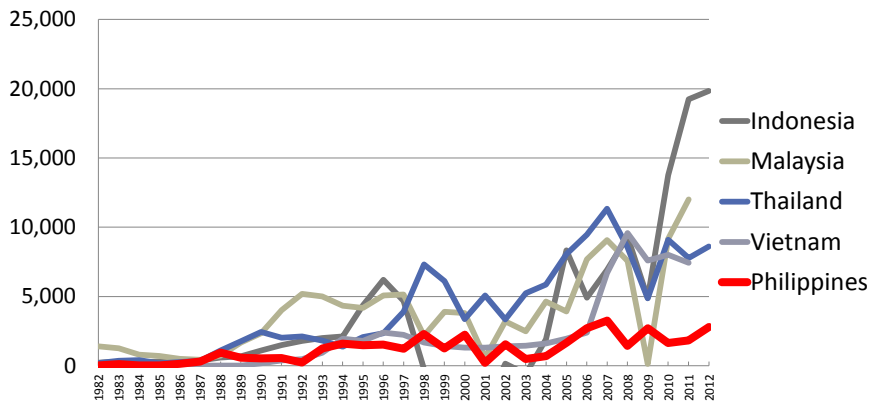
Source: World Bank

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## Why does it matter?

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



Source: World Bank


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# Global Competitiveness Report

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## GLOBAL COMPETITIVENESS REPORT PHILIPPINES VS ASEAN

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

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INDICATORS		2013 Indicators	2012 Indicators	2011 Indicators	2010 Indicators
<b>RED</b>	<b>Bottom 20%</b>	(118 <sup>th</sup> -148 <sup>th</sup> ) <b>7</b>	(115 <sup>th</sup> – 144 <sup>th</sup> ) <b>8</b>	(113 <sup>th</sup> – 142 <sup>nd</sup> ) <b>21</b>	(111 <sup>th</sup> – 139 <sup>th</sup> ) <b>25</b>
<b>PURPLE</b>	<b>Ranked 21 - 40%</b>	(88 <sup>th</sup> to 117 <sup>th</sup> ) <b>33</b>	(86 <sup>th</sup> – 114 <sup>th</sup> ) <b>44</b>	(85 <sup>th</sup> – 112 <sup>th</sup> ) <b>36</b>	(83 <sup>rd</sup> – 110 <sup>th</sup> ) <b>37</b>
<b>GREEN</b>	<b>Ranked 41 – 50%</b>	(74 <sup>th</sup> to 87 <sup>th</sup> ) <b>19</b>	(72 <sup>nd</sup> – 85 <sup>th</sup> ) <b>12</b>	(71 <sup>st</sup> – 84 <sup>th</sup> ) <b>17</b>	(69 <sup>th</sup> – 82 <sup>nd</sup> ) <b>20</b>
<b>BLACK</b>	<b>Ranked 49% or higher</b>	(1 <sup>st</sup> to 73 <sup>rd</sup> ) <b>55</b>	(1 <sup>st</sup> – 71 <sup>st</sup> ) <b>47</b>	(1 <sup>st</sup> – 70 <sup>th</sup> ) <b>37</b>	(1 <sup>st</sup> – 68 <sup>th</sup> ) <b>29</b>
<b>TOTAL</b>		<b>114</b>	<b>111</b>	<b>111</b>	<b>111</b>

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

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**WORLD ECONOMIC FORUM** **GLOBAL COMPETITIVENESS REPORT**  
**PHILIPPINE RANKINGS**

INDICATORS	RANKING (2013)	CHANGE 2012-2013	RANKING (2012)	RANKING (2011)	CHANGE 2011-2012	RANKING (2010)
<b>4th pillar: Health and primary education</b>	96	+2	98	92	-6	90
4.09 Quality of primary education	76	+10	86	110	+24	99
4.10 Primary education enrollment, net %*	108	-7	101	81	-20	82
<b>5th pillar: Higher education and training</b>	67	-3	64	71	+7	73
5.01 Secondary education enrollment, gross %*	83	-2	81	81	0	82
5.02 Tertiary education enrollment, gross %*	81	-5	76	75	-1	76
5.03 Quality of the educational system	40	+5	45	61	+16	69
5.04 Quality of math and science education	96	+2	98	115	+17	112
5.05 Quality of management schools	39	0	39	55	+16	61
5.06 Internet access in schools	74	-1	73	73	0	76
5.07 Availability of research and training services	51	+11	62	62	0	77
5.08 Extent of staff training	27	+5	32	34	+2	46

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**WORLD ECONOMIC FORUM** **GLOBAL COMPETITIVENESS REPORT**  
**2013 ASEAN RANKINGS**

<b>4th Pillar ASEAN</b>	Singapore	Brunei	Malaysia	Vietnam	Indonesia	Laos	Thailand	Philippines 8 of 10	Cambodia	Myanmar
<b>4th pillar: Health and primary education</b>	2	23	33	67	72	80	81	96	99	111
4.09 Quality of primary education	3	17	33	97	55	79	86	76 5/10	106	143
4.10 Primary education enrollment, net %*	1	47	55	15	56	42	101	108 10/10	31	9

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**WORLD ECONOMIC FORUM** **GLOBAL COMPETITIVENESS REPORT**  
**2013 ASEAN RANKINGS**

<b>5<sup>th</sup> Pillar ASEAN</b>	Singapore	Thailand	Malaysia	Brunei	Indonesia	Philippines 6 of 10	Vietnam	Laos	Cambodia	Myanmar
<b>5th pillar: Higher education and training</b>	2	40	46	55	64	67	95	111	116	139
5.01 Secondary education enrolment, gross %*	18	94	105	9	92	83	96	122	125	115
5.02 Tertiary education enrolment, gross %*	20	55	62	94	87	81	89	100	104	103
5.03 Quality of the educational system	3	78	19	32	36	40	95	57	76	125
5.04 Quality of math and science education	1	80	27	29	35	96	85	90	102	134
5.05 Quality of management schools	6	53	35	52	58	39	125	82	108	141
5.06 Internet access in schools	4	65	36	32	50	74	41	87	89	139
5.07 Availability of research and training services	14	64	20	87	48	51	125	88	90	140
5.08 Extent of staff training	6	50	11	26	25	27	98	55	66	146

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**WORLD ECONOMIC FORUM** **GLOBAL COMPETITIVENESS REPORT**  
**PHILIPPINE RANKINGS**

INDICATORS	RANKING (2013)	CHANGE 2012-2013	RANKING (2012)	RANKING (2011)	CHANGE 2011-2012	RANKING (2010)
<b>7th pillar: Labor market efficiency</b>	<b>100</b>	<b>+3</b>	<b>103</b>	<b>113</b>	<b>+10</b>	<b>111</b>
7.08 Country capacity to retain talent	71					
7.09 Country capacity to attract talent	86					
<b>12th pillar: Innovation</b>	<b>69</b>	<b>+25</b>	<b>94</b>	<b>108</b>	<b>+14</b>	<b>111</b>
12.01 Capacity for innovation	48	<b>+38</b>	<b>86</b>	<b>95</b>	<b>+9</b>	<b>80</b>
12.02 Quality of scientific research Institutions	<b>91</b>	<b>+11</b>	<b>102</b>	<b>106</b>	<b>+4</b>	<b>108</b>
12.03 Company spending on R&D	51	<b>+7</b>	<b>58</b>	<b>85</b>	<b>+27</b>	<b>85</b>
12.04 University-Industry collaboration in R&D	69	<b>+10</b>	<b>79</b>	<b>83</b>	<b>+4</b>	<b>85</b>
12.05 Government procurement of advanced tech products	<b>85</b>	<b>+22</b>	<b>107</b>	<b>126</b>	<b>+19</b>	<b>129</b>
12.06 Availability of scientists and engineers	<b>87</b>	<b>+4</b>	<b>91</b>	<b>97</b>	<b>+6</b>	<b>96</b>

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**WORLD ECONOMIC FORUM** **GLOBAL COMPETITIVENESS REPORT 2013 ASEAN RANKINGS**

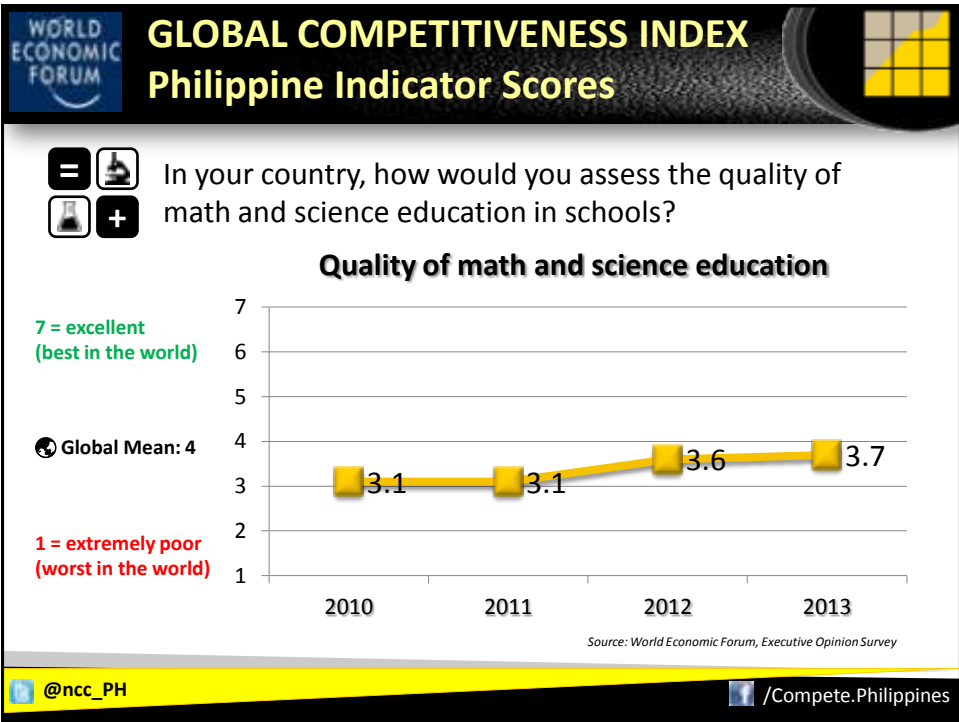
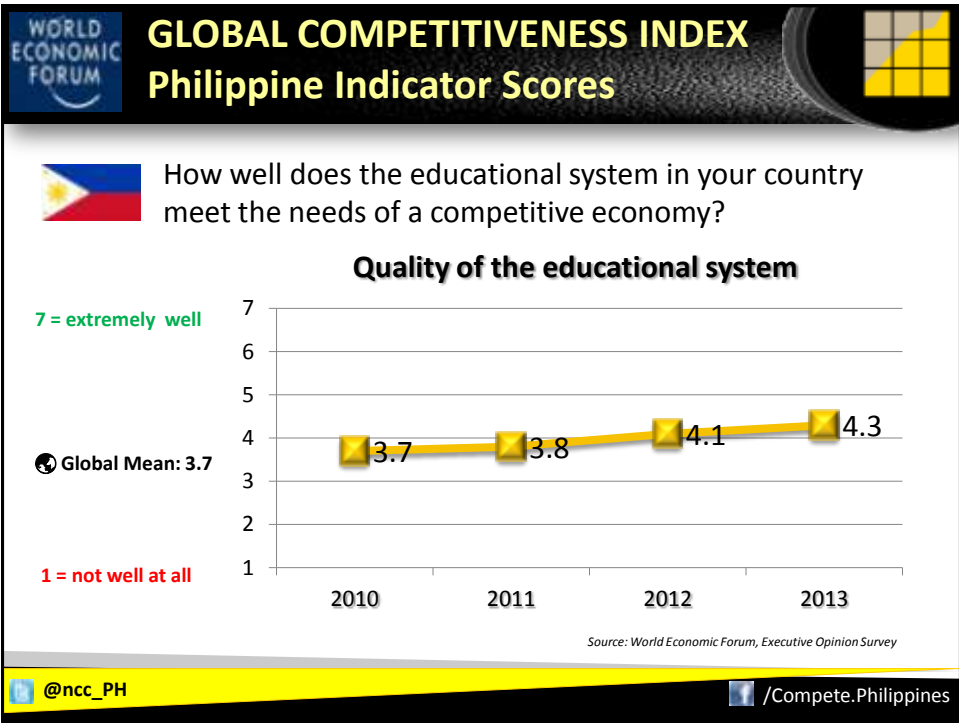
<b>7<sup>th</sup> Pillar ASEAN</b>	Singapore	Malaysia	Thailand	Cambodia	Laos	Vietnam	Brunei	Myanmar	Philippines	Indonesia
<b>7th pillar: Labor market efficiency</b>	1	10	25	27	44	56	62	98	100	103
<b>7.08 Country capacity to retain talent</b>	8	17	20	44	34	95	27	148	71	39
<b>7.09 Country capacity to attract talent</b>	2	27	22	51	74	69	32	122	86	28

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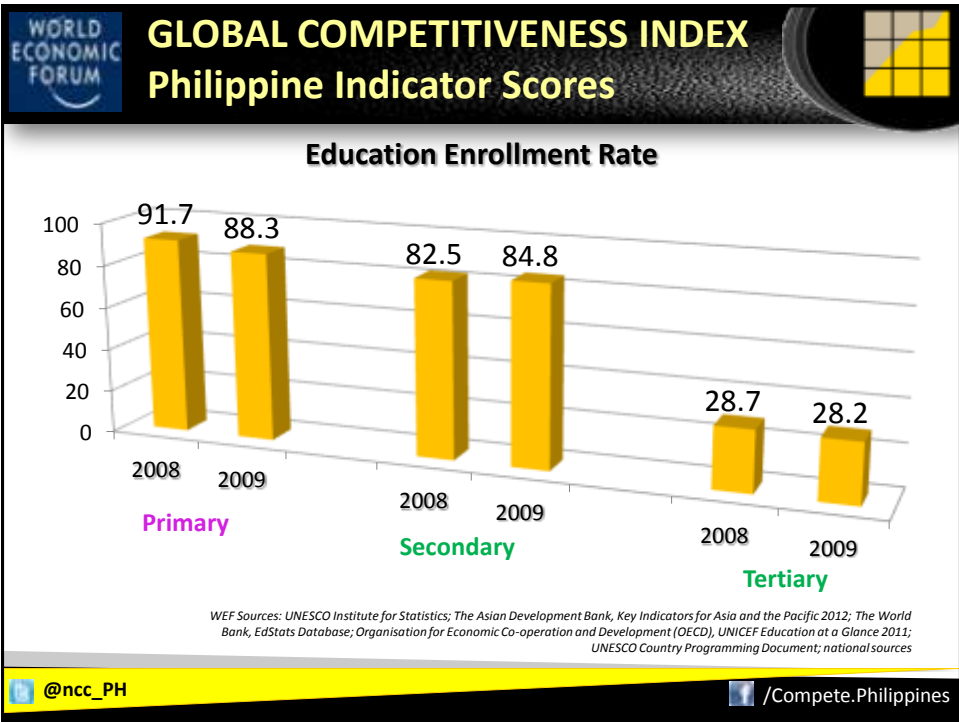
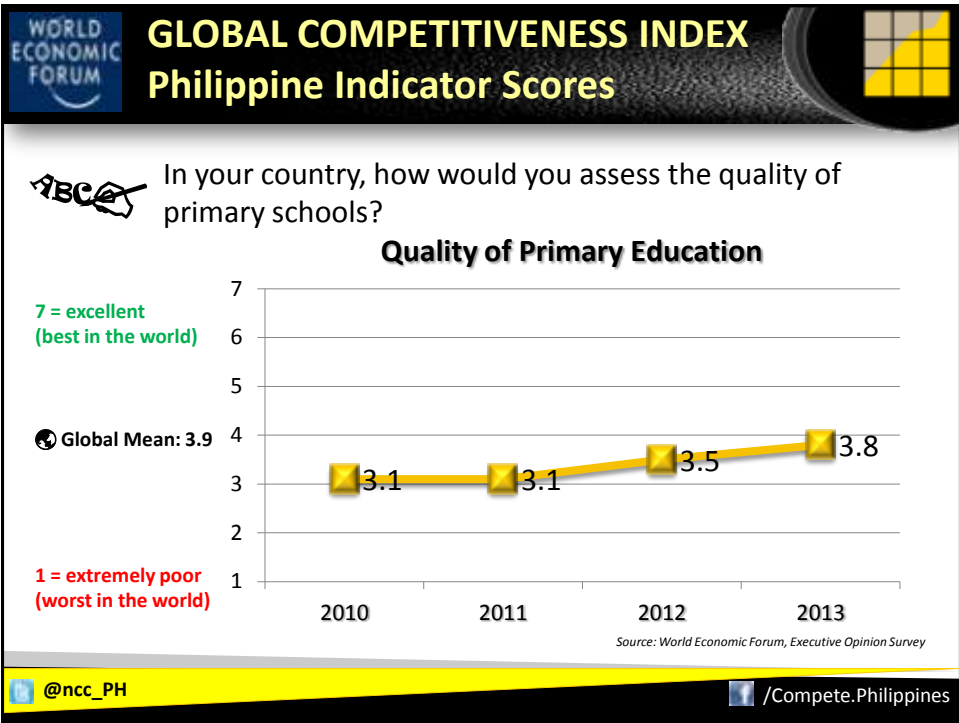
**WORLD ECONOMIC FORUM** **GLOBAL COMPETITIVENESS REPORT 2013 ASEAN RANKINGS**

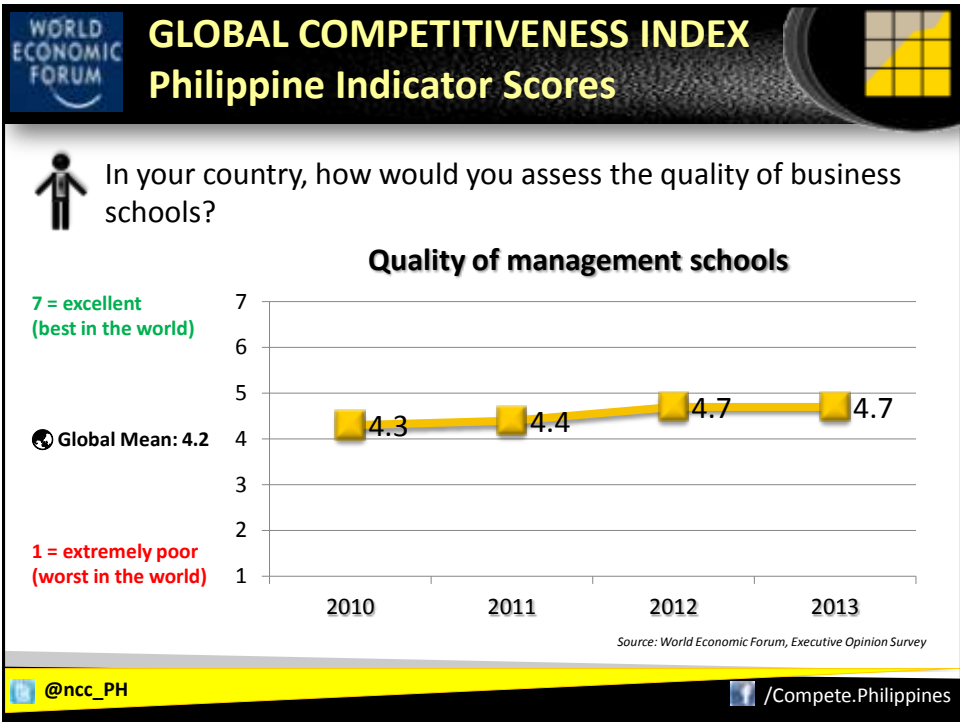
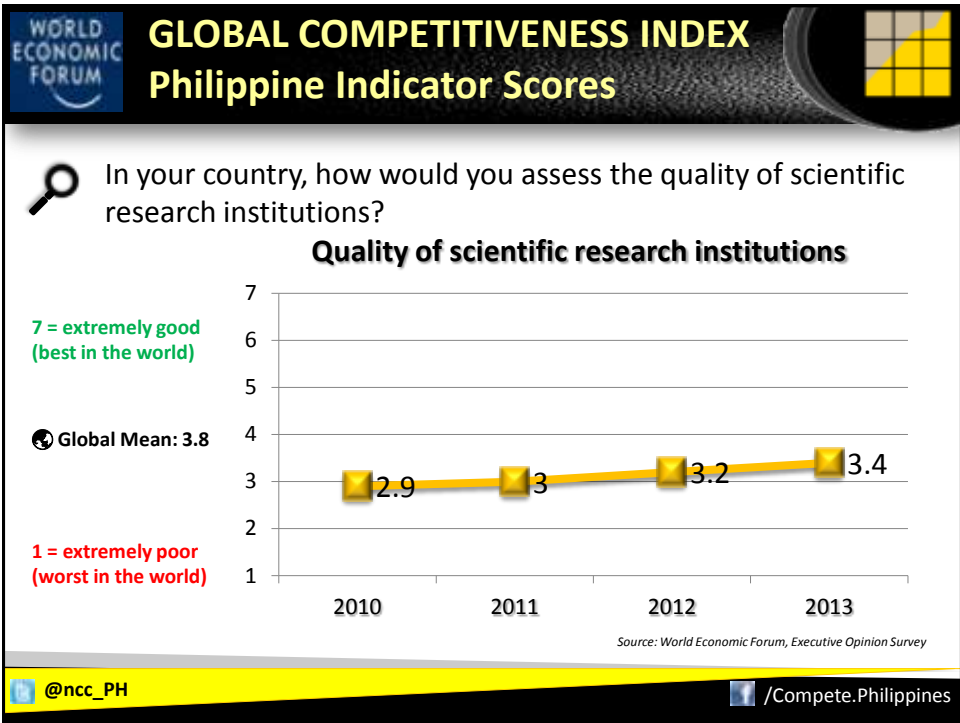
<b>12<sup>th</sup> Pillar ASEAN</b>	Singapore	Thailand	Indonesia	Malaysia	Brunei	Laos	Philippines 7 of 10	Vietnam	Cambodia	Myanmar
<b>12th pillar: Innovation</b>	9	25	33	53	66	68	69	76	91	143
<b>12.01 Capacity for innovation</b>	18	15	24	67	87	46	48	86	71	135
<b>12.02 Quality of scientific research Institutions</b>	11	27	46	81	60	74	91	89	101	143
<b>12.03 Company spending on R&amp;D</b>	8	17	23	67	60	33	51	59	57	140
<b>12.04 University-Industry collaboration in R&amp;D</b>	4	16	30	65	51	83	69	87	105	147
<b>12.05 Government procurement of advanced tech products</b>	2	4	25	10	105	44	85	30	46	145
<b>12.06 Availability of scientists and engineers</b>	14	19	40	86	56	135	87	88	110	129

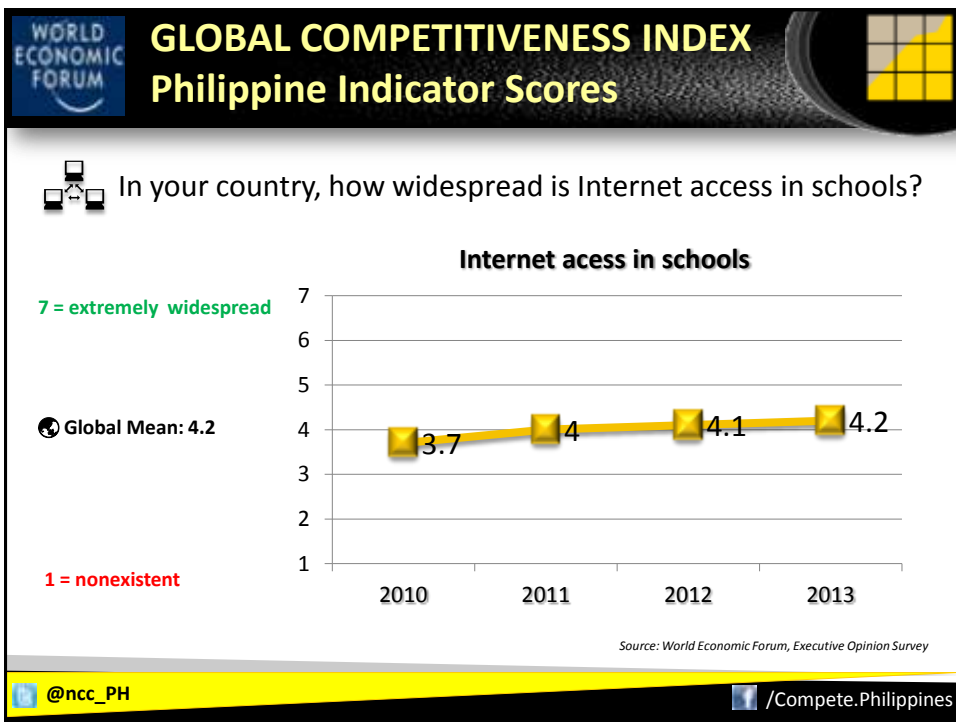
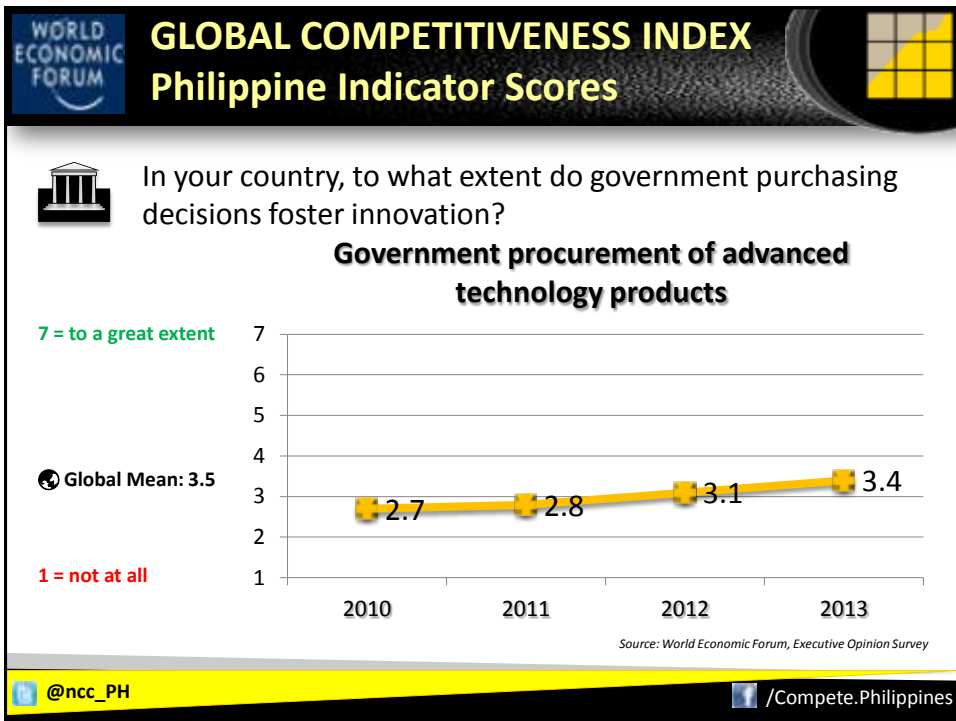
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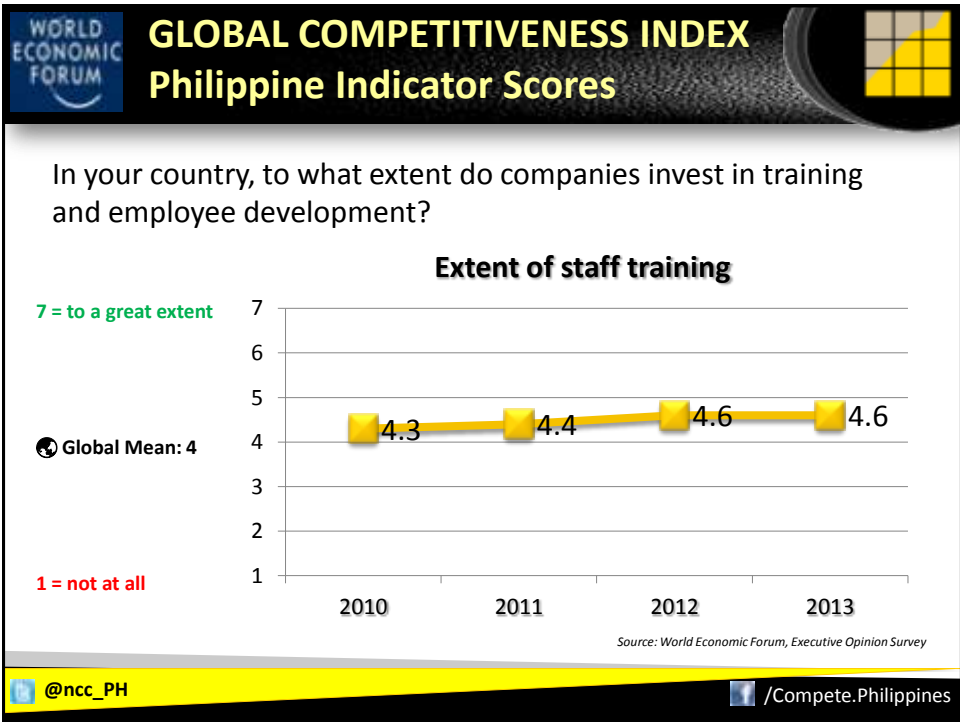


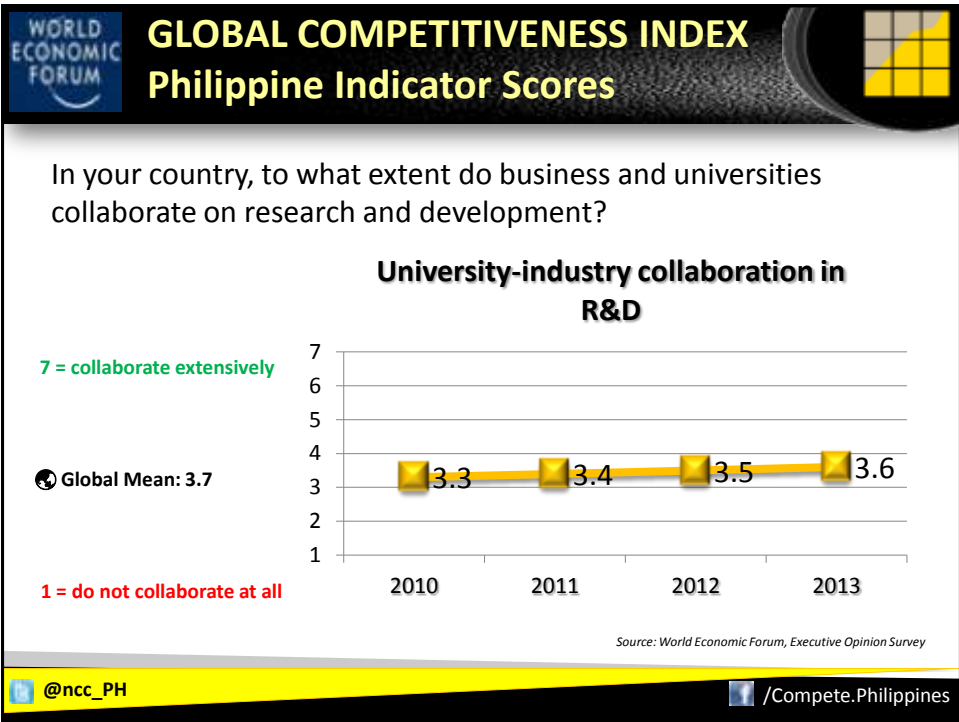
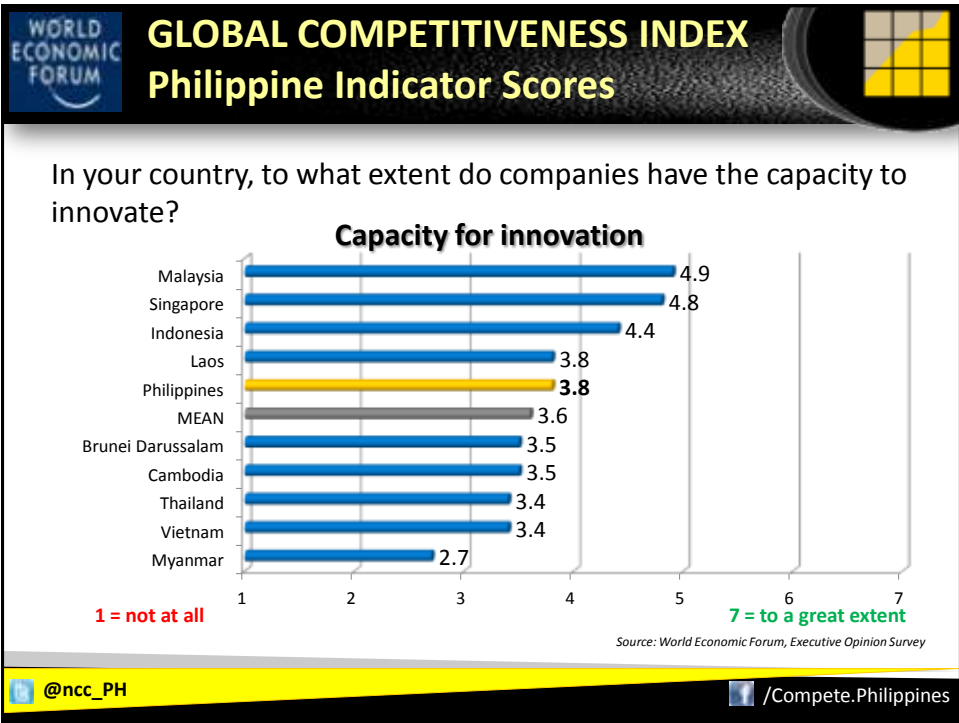
























# Global Innovation Index

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## GLOBAL INNOVATION INDEX PHILIPPINES VS ASEAN

Country	2013 Out of 142	2012-2013 CHANGE	2012 Out of 141	2011 Out of 125	2011-2012 CHANGE
 SINGAPORE	8	-5	3	3	No change
 MALAYSIA	32	No change	32	31	-1
 THAILAND	57	No change	57	48	-9
 BRUNEI DARUSSALAM	74	-21	53	75	+22
 VIETNAM	76	No change	76	51	-25
 INDONESIA	85	+15	100	99	-1
 PHILIPPINES	90	+5	95	91	-4
 CAMBODIA	110	+19	129	111	-18
 LAOS	-	-	138	-	-



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PILLARS	2013	2012-2013	2012	2011	2011-2012
	Out of 142	CHANGE	Out of 141	Out of 125	CHANGE
Innovation Efficiency	24	+8	32	62	+30
Input Pillars	108	-2	106	93	- 13
1. Institutions	128	+4	132	101	- 31
2. Human Capital and Research	116	+5	121	116	-5
3. Infrastructure	78	-9	69	68	-1
4. Market Sophistication	95	+11	106	98	-8
5. Business Sophistication	96	-24	72	61	-11
Output Pillars	77	+6	83	84	+ 1
6. Knowledge and Technology Outputs/Scientific Outputs	61	-2	59	76	+ 17
7. Creative Outputs	91	+17	108	90	- 18



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INDICATORS	2013	2012-2013	2012	2011	2011-2012
	Out of 142	CHANGE	Out of 141	Out of 125	CHANGE
<b>2.1 Education</b>	134	+1	135	116	-19
2.1.1 Current expenditure on education, % GNI.	103	+16	119	109	-10
2.1.2 Public expenditure/pupil, % GDP/cap.	107	+3	110	101	-9
2.1.3 School life expectancy, years.	100	-6	94	80	-14
2.1.4 PISA scales in reading, maths, & science	-	-	-	-	-
2.1.5 Pupil-teacher ratio, secondary	124	+2	126	116	-10

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 <b>GLOBAL INNOVATION INDEX PHILIPPINE RANKINGS</b> 					
INDICATORS	2013 Out of 142	2012-2013 CHANGE	2012 Out of 141	2011 Out of 125	2011-2012 CHANGE
<b>2.2 Tertiary education</b>	91	-4	87	69	-18
2.2.1 Tertiary enrolment, % gross	78	-3	75	68	-7
2.2.2 Graduates in science, %	-	-	-	29	-
2.2.3 Graduates in engineering, %	-	-	-	29	-
2.2.4 Graduates in science & engineering, %	27	+3	30	-	-
2.2.5 Tertiary inbound mobility, %	104	-14	90	-	-
2.2.6 Tertiary outbound mobility, %	-	-	-	120	-
2.2.7 Gross tertiary outbound enrolment, %	136	+3	139	108	-31

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 <b>GLOBAL INNOVATION INDEX PHILIPPINE RANKINGS</b> 					
INDICATORS	2013 Out of 142	2012-2013 CHANGE	2012 Out of 141	2011 Out of 125	2011-2012 CHANGE
<b>2.3 Research &amp; development (R&amp;D)</b>	67	+53	120	113	-7
2.3.1 Researchers, headcounts/mn pop	88	+6	94	82	-12
2.3.2 Gross expenditure on R&D, % GDP	95	+1	96	82	-14
2.3.3 Quality of scientific research institutions†	-	-	103	101	-2
2.3.4 QS university ranking, average score top 3*	44	-	-	-	-

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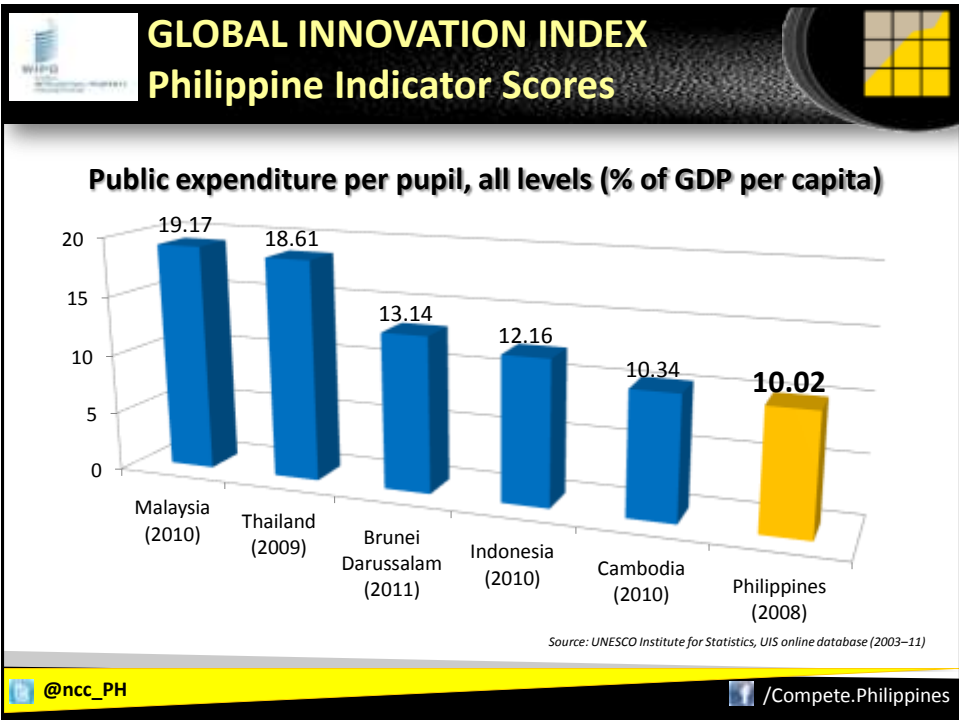
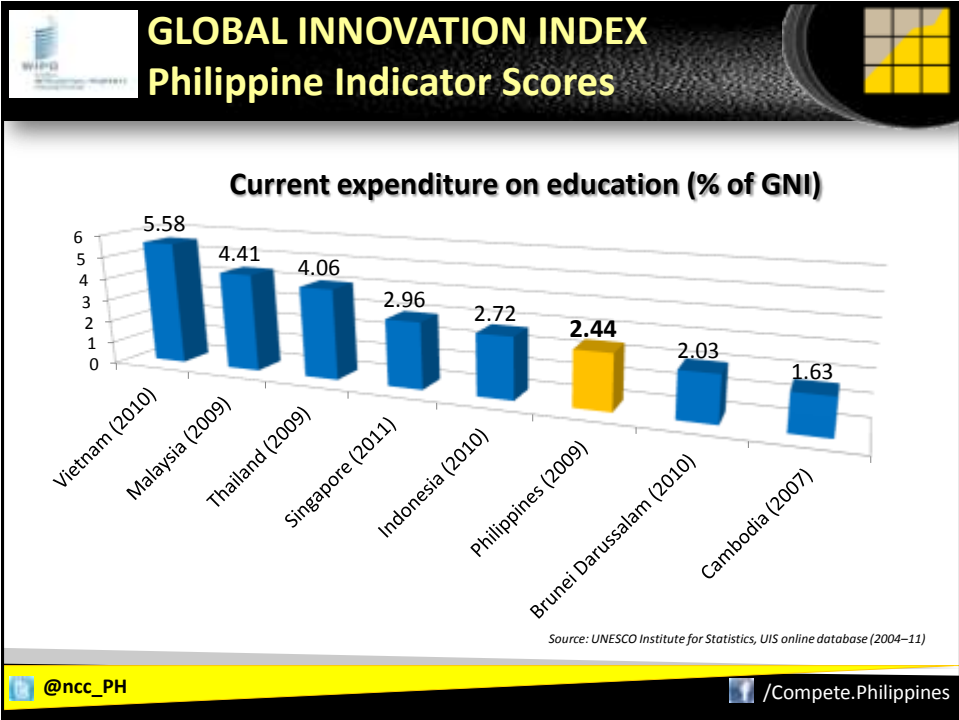
INDICATORS	2013	2012-2013	2012	2011	2011-2012
	Out of 142	CHANGE	Out of 141	Out of 125	CHANGE
<b>5.1 Knowledge workers</b>	73	-11	62	47	-15
5.1.1 Knowledge-intensive employment, %	59	+10	69	67	-2
5.1.2 Firms offering formal training, % firms	61	No change	61	53	-8
5.1.3 R&D performed by business, % GDP	63	-37	26	22	-4
5.1.4 R&D financed by business, %	8	+4	12	13	+1
5.1.5 GMAT mean score	41	+11	52	-	-
5.1.6 GMAT test takers/mn pop. 20–34	119	No change	119	-	-

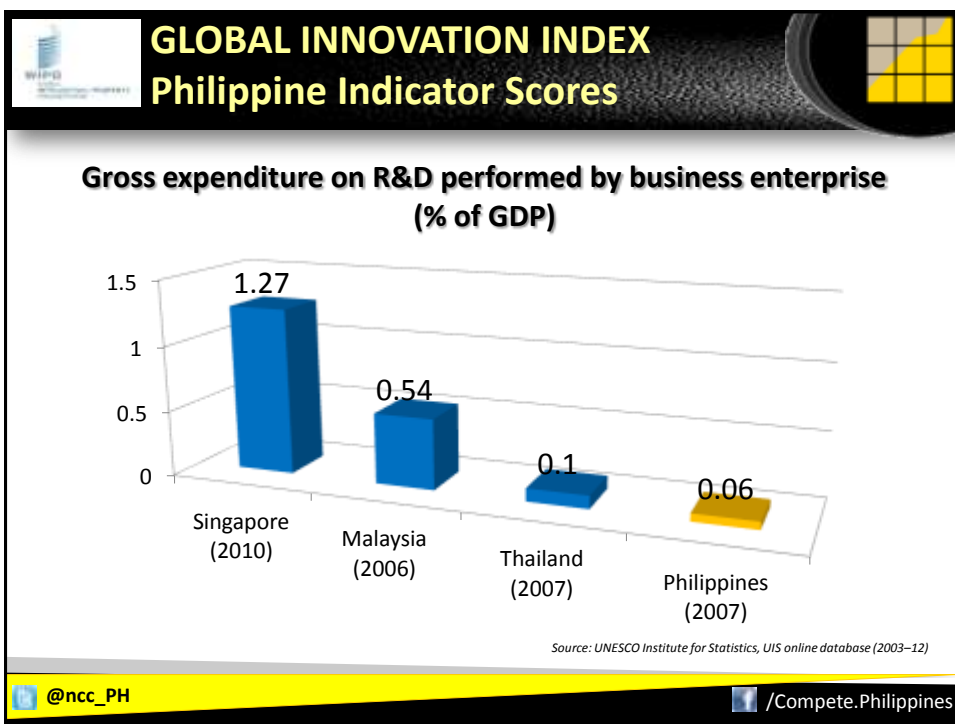
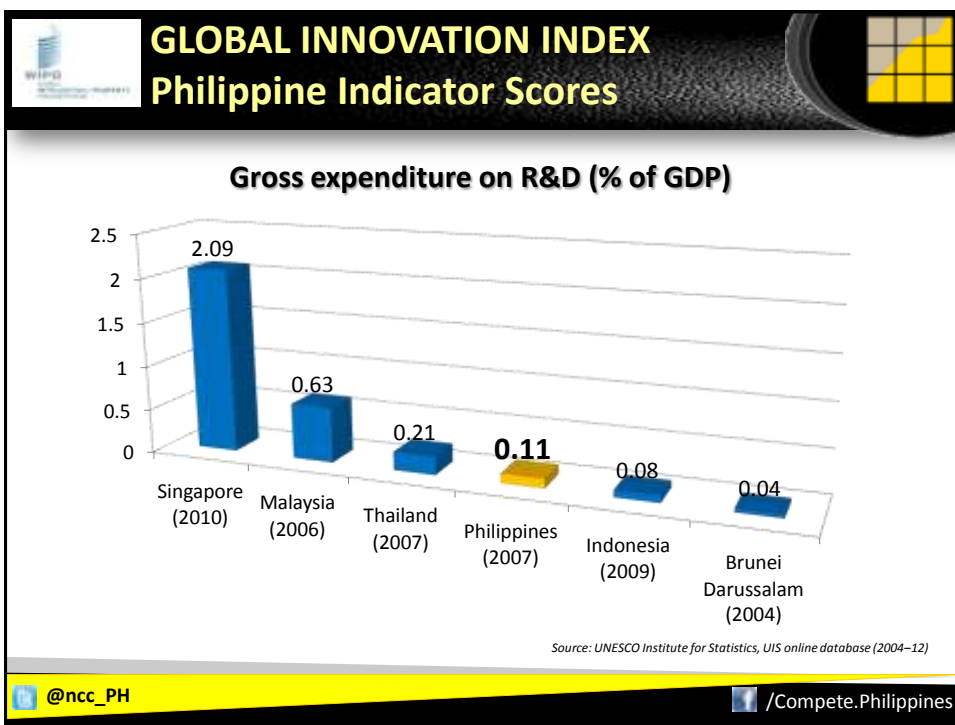
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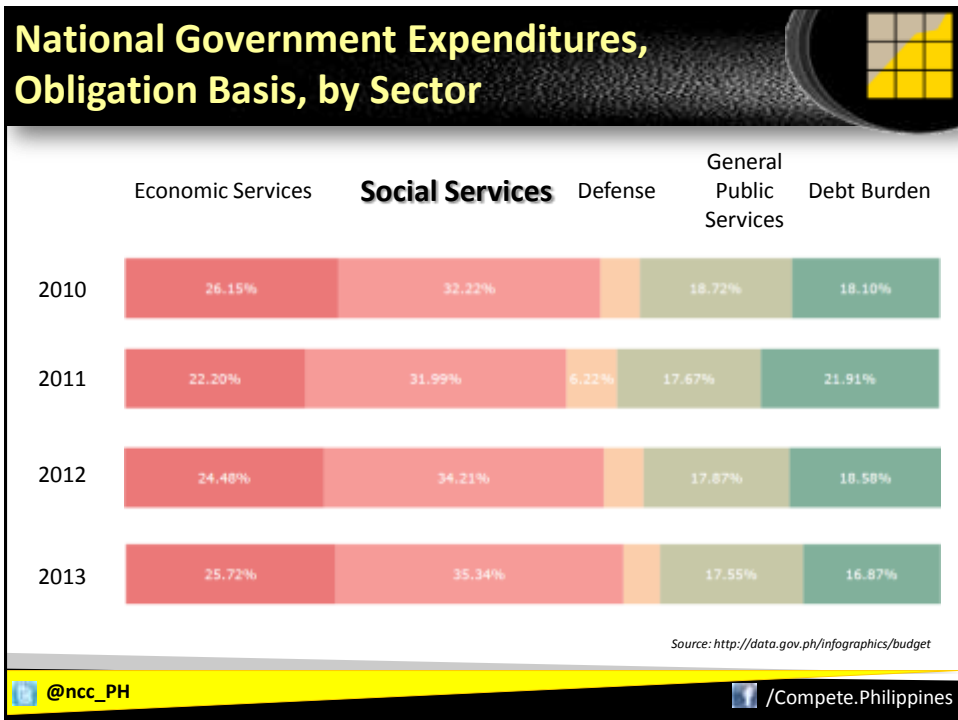
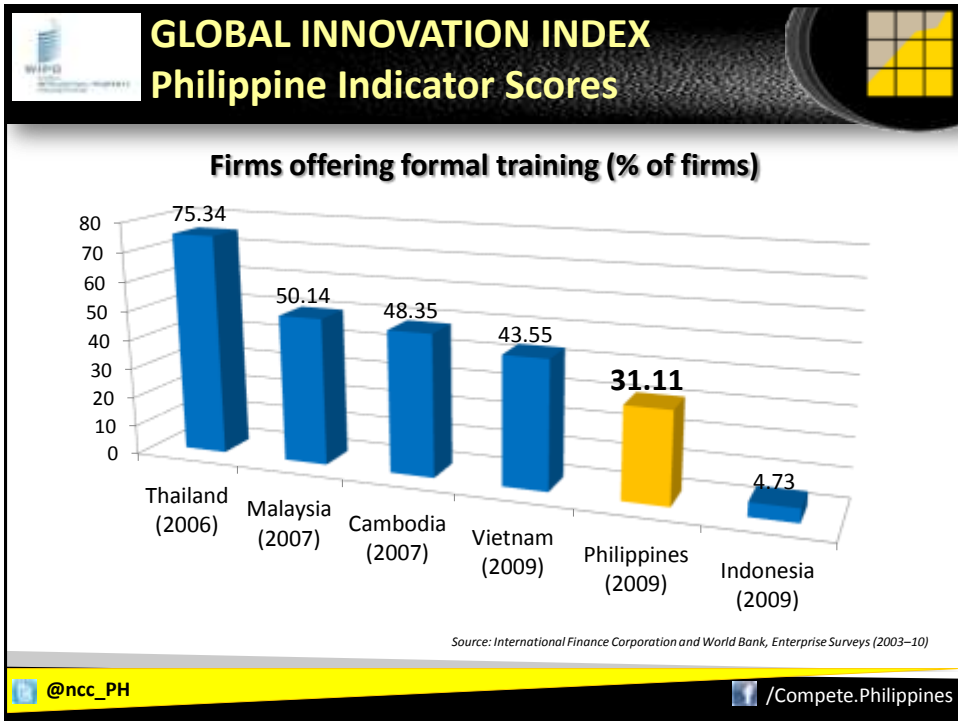
## Selected Indicators

### Investments in Education

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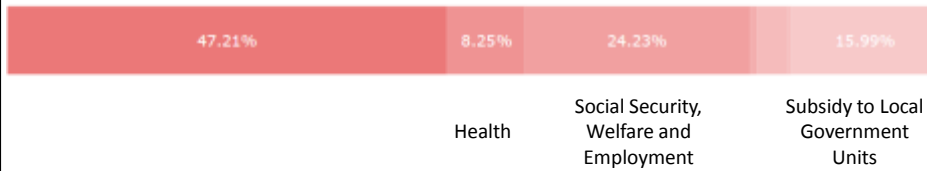






## Breakdown of Social Services 2013 (in million pesos)

Education, Culture, and Manpower Development  
2013: 330,181



Source: <http://data.gov.ph/infographics/budget>

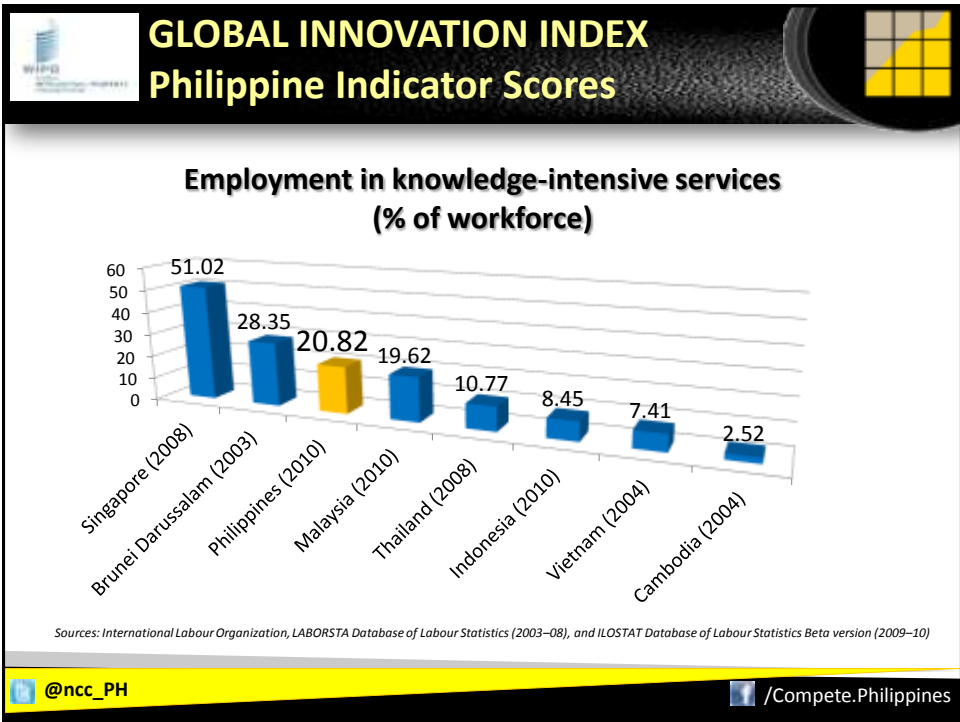
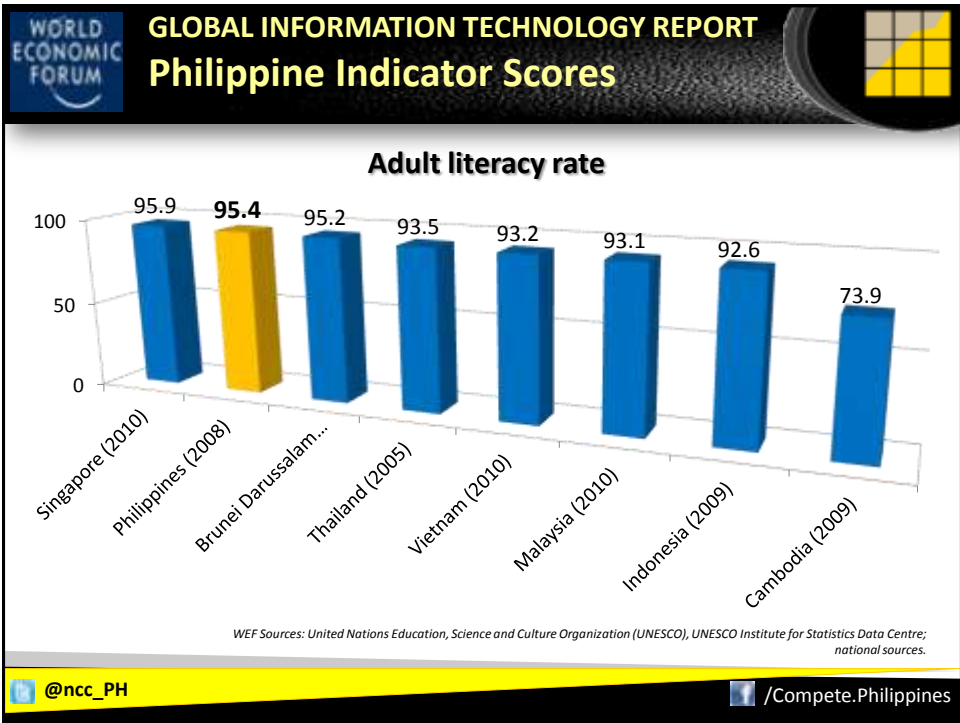
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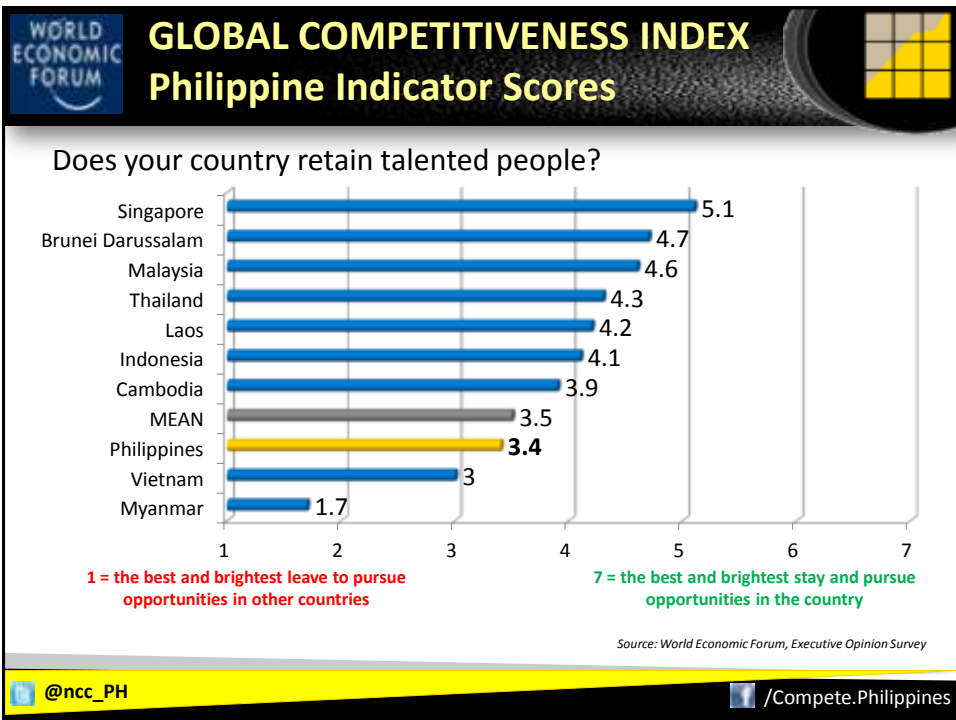
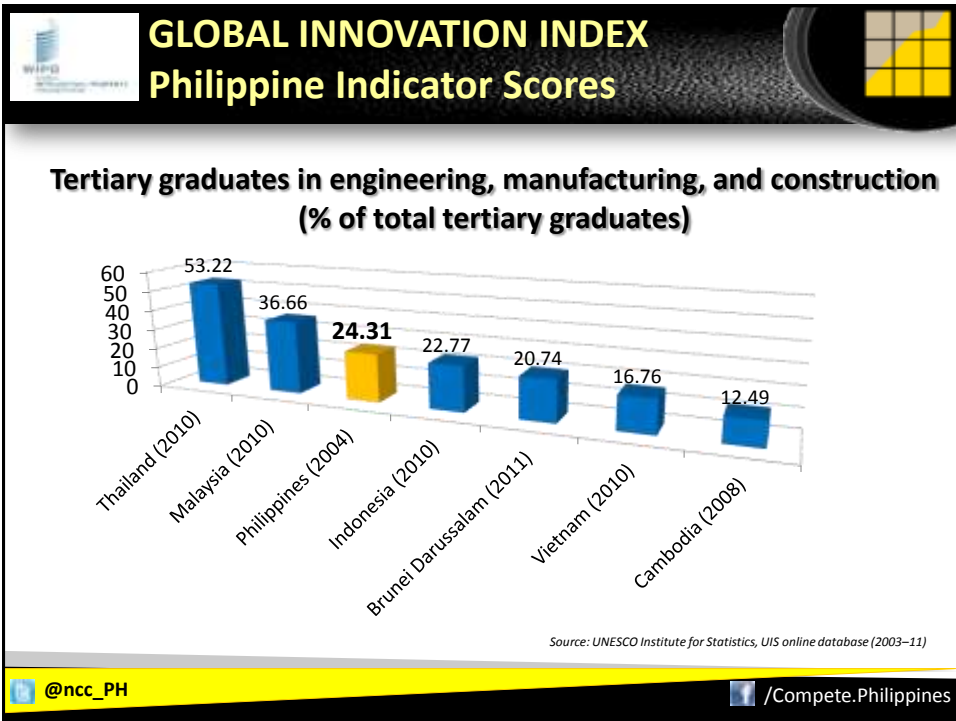
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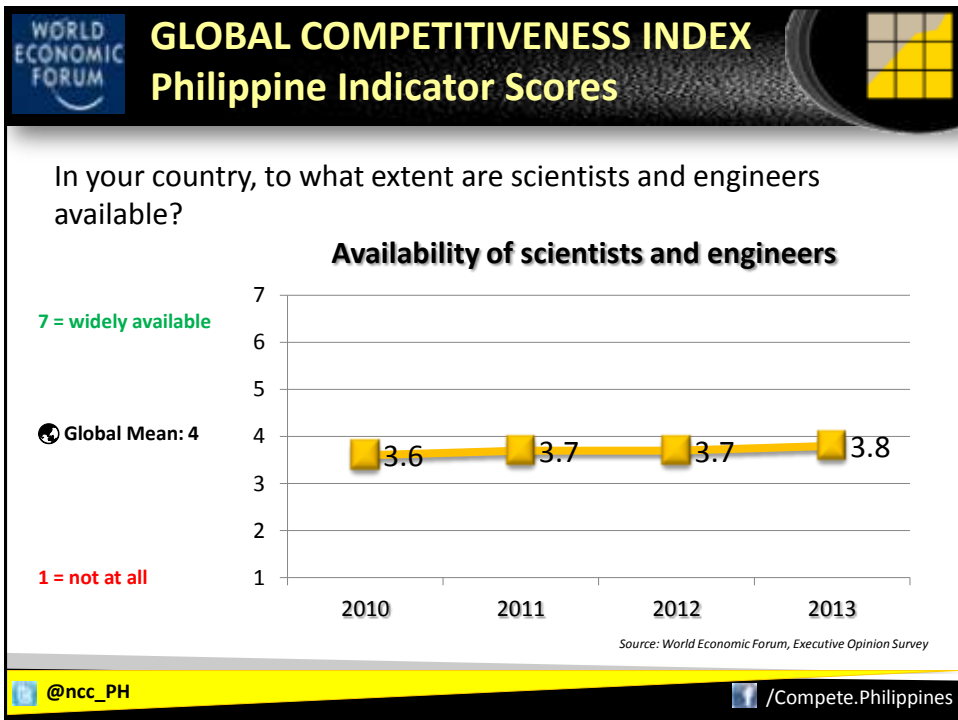
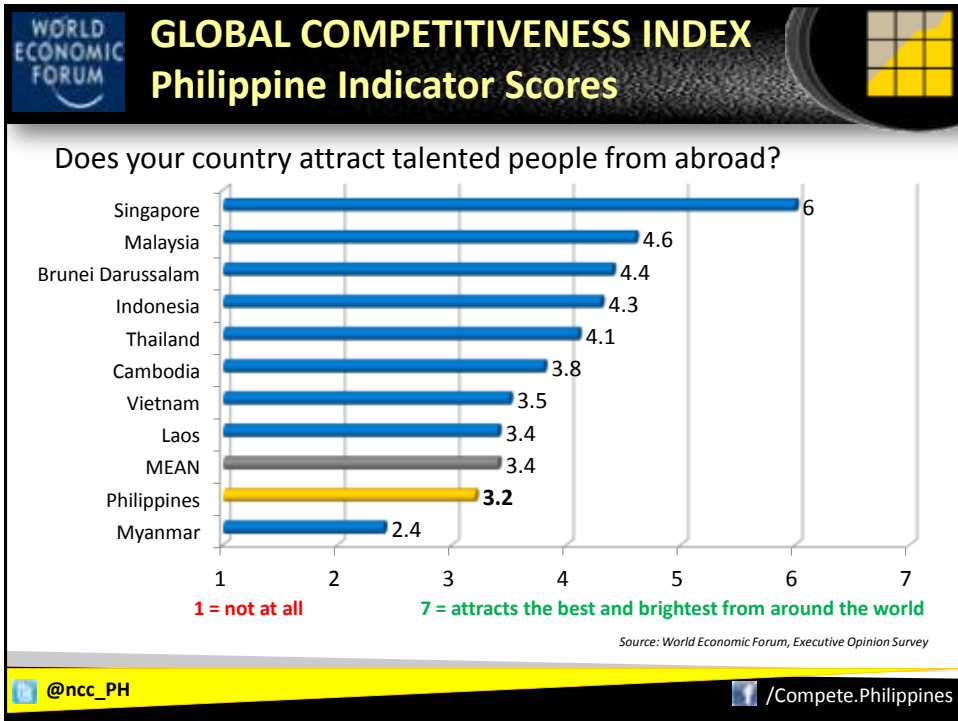
## Selected Indicators Graduate/Workforce Profile

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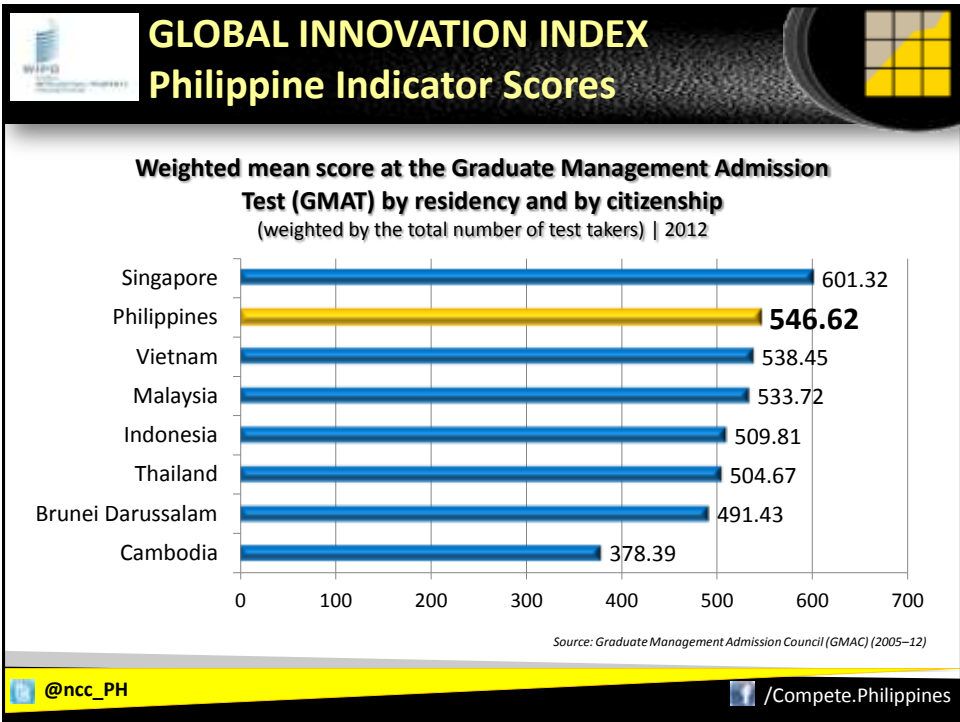
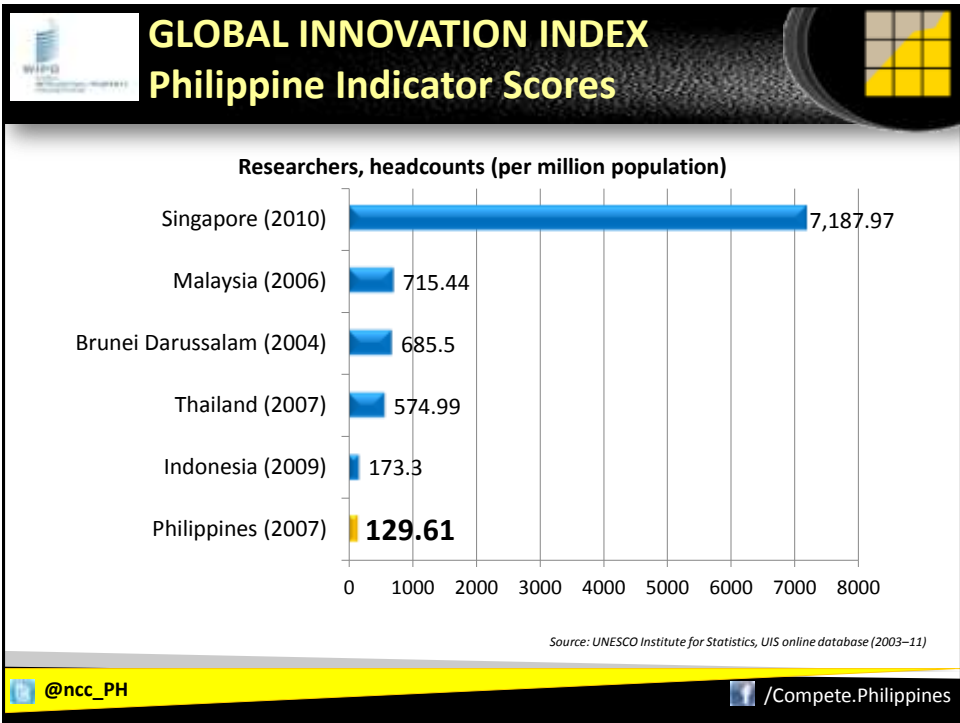
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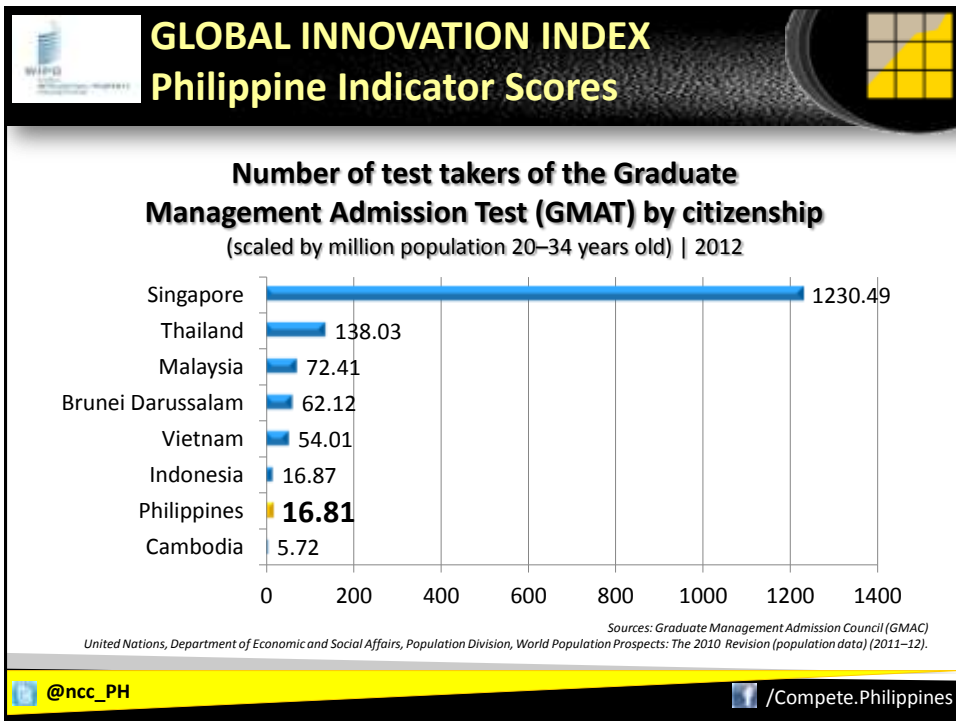








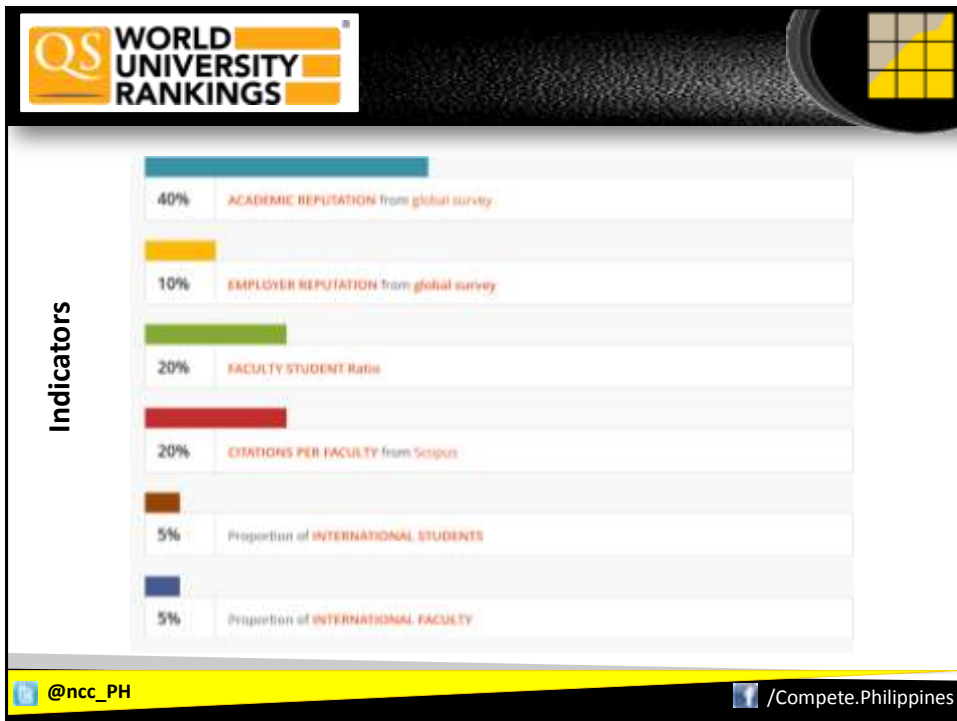








**Selected Indicators**

**How our universities rank**

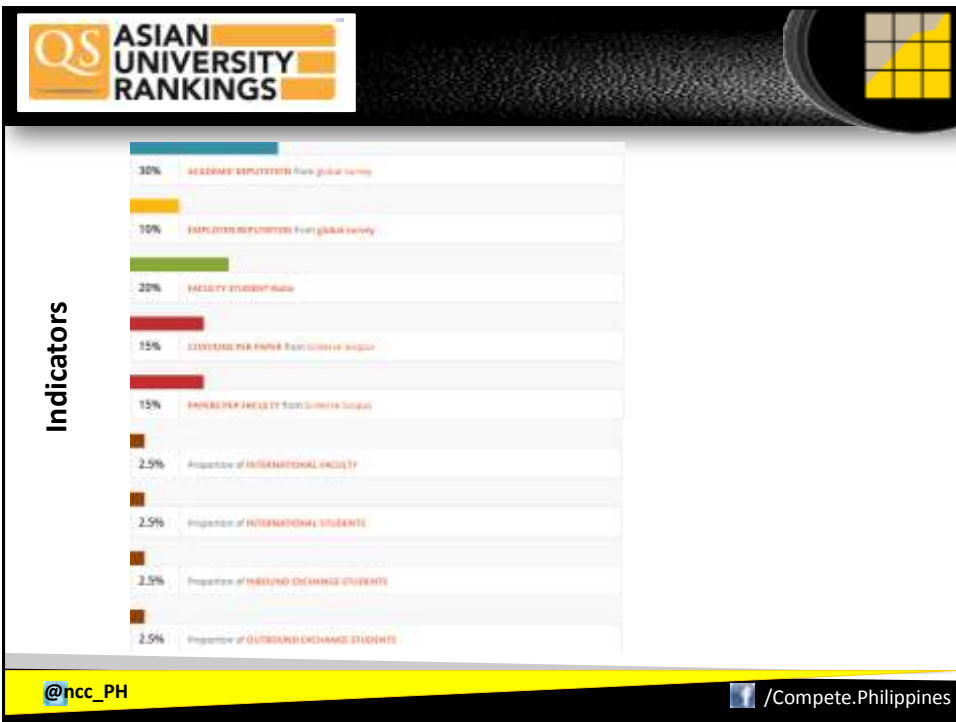
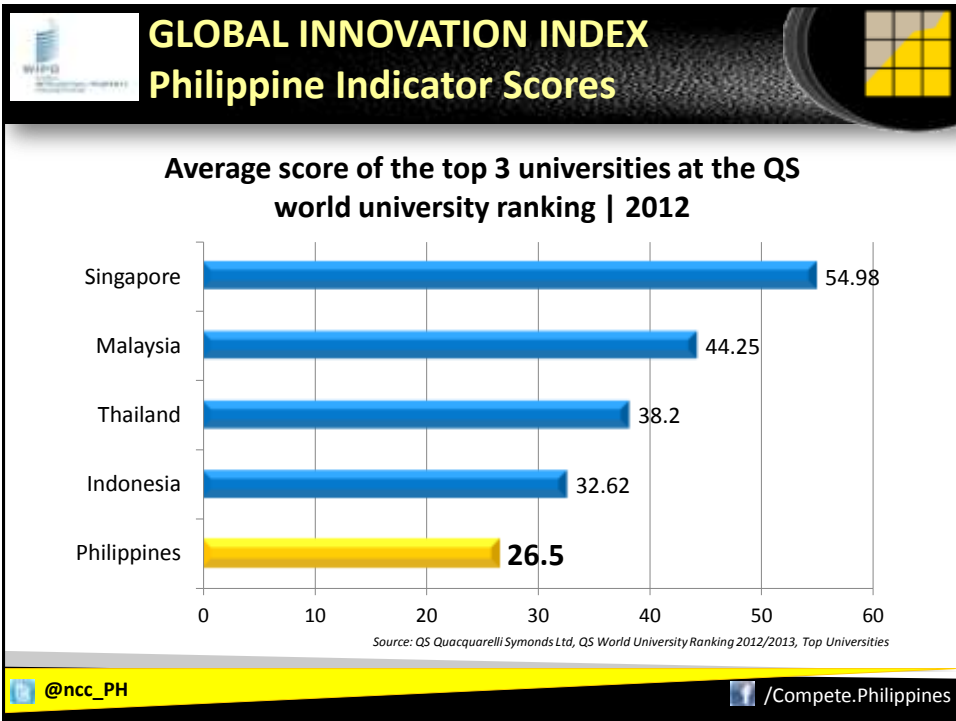
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**QS WORLD UNIVERSITY RANKINGS**


Institution	2011	2012	2013
 University of the Philippines	332	348	380
 Ateneo de Manila University	360=	451-500	501-550
 De La Salle University	551-600	601+	601-650
 University of Santo Tomas	601+	601+	701+

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Institution	2011	2012	2013
 <b>University of the Philippines</b>	62=	68=	67
 <b>Ateneo de Manila University</b>	65	86	109
 <b>University of Santo Tomas</b>	104=	148	150=
 <b>De La Salle University</b>	107	142	151-160
 <b>University of Southeastern Philippines</b>	201+	251-300	251-300

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THE WORLD UNIVERSITY RANKINGS

POWERED BY THOMSON REUTERS

The *Times Higher Education* World University Rankings look into five areas:

- Teaching - the learning environment (30% of overall ranking score)
- Research - volume, income, and reputation (30%)
- Citations - research influence (30%)
- Industry income - innovation (2.5%)
- International outlook - staff, students and research (7.5%)

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**ACADEMIC RANKING OF WORLD UNIVERSITIES** SINCE 2003

Published by the Center for World-Class Universities of Shanghai Jiao Tong University, the ARWU uses six objective indicators to rank world universities:

Criteria	Indicator	Code	Weight
Quality of Education	Alumni of an institution winning Nobel Prizes and Fields Medals	Alumni	10%
	Staff of an institution winning Nobel Prizes and Fields Medals	Award	20%
Research Output	Highly cited researchers in 21 broad subject categories	HICI	20%
	Papers published in Nature and Science*	N&S	20%
Per Capita Performance	Papers indexed in Science Citation Index-expanded and Social Science Citation Index	PUB	20%
	Per capita academic performance of an institution	PCP	10%
Total			100%

\* For institutions specialized in humanities and social sciences such as London School of Economics, N&S is not considered, and the weight of N&S is relocated to other indicators.

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Top Philippine schools are absent in other international university rankings such as the Times Higher Education World University Rankings and Academic Ranking of World Universities.






**ACADEMIC RANKING OF WORLD UNIVERSITIES** SINCE 2003

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## Moving forward


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## Preparing for Global Competition

- Continuous tracking of global competitiveness reports and inclusion in performance evaluation systems
- Formulation of Industry Roadmaps (Education & Human Resources Development components)
- Meeting international standards


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## Preparing for Global Competition

- Increase investment in educational sector (both public and private)
- Increase capacity for Research & Development
- Foster more industry-academe linkages (e.g., curriculum, teaching, apprenticeships, R&D, etc.)
- Foster international linkages
- Create a balance between traditional education and vocational-technical education
- Find balance between Science, Tech, Math, Liberal Arts

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# Questions?

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