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Competing in the Global Arena

MS. MARINA SALDANA

Tagaytay City Roadshow
25 February 2014









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Donald Tapan



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About NCC



It is a **public-private sector body** tasked to build up the long-term competitiveness of the Philippines through:

About NCC



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



Vision

- Promote a more competitive Philippines and instill *a culture of excellence* through



PUBLIC-PRIVATE sector collaboration
as a means to REDUCE POVERTY THROUGH
INCLUSIVE GROWTH

Work Program

- **Benchmark** against key global competitiveness indices
- **Map** each indicator to the agency responsible
- **Focus** on lowest-ranking indicators
- **Track** city competitiveness and key indicators
- **Working Groups** concentrate on specific projects
- **Link** work to Philippine Development Plan, National Budget, Legislative Executive Development Advisory Council, Cabinet Agenda

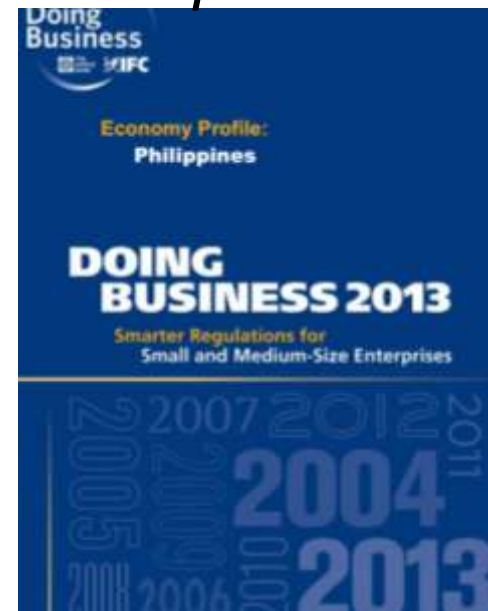
How to Measure Competitiveness

- Global competitiveness reports

*WEF Global
Competitiveness Index*



*IFC/WB Ease of Doing Business
Report*



How to Measure Competitiveness

- **Balanced Scorecard** for government agencies and local governments



How to Measure Competitiveness

- City/Municipality Competitiveness Index



Global Competitiveness Report Card

Report	2013 Rank	2012 Rank	2011 Rank	Change	ASEAN	Next Report	Source	Target
WEF Global Competitiveness Index	59/148	65/144	75/142	Up 6	6 of 10	Sep-14	WEF	49
IFC Ease of Doing Business	108/189*	138/185	136/183	Up 30	6 of 10	Oct-14	IFC	63
IMD World Competitiveness Report	38/60	43/59	41/59	Up 5	4 of 5	May-14	IMD	20
TI Corruption Perception Index	-	105/179	129/183	Up 24	5 of 10	Dec-13	Transparency International	60
Economic Freedom Index	97/177	107/179	115/179	Up 10	5 of 7	Jan-14	Heritage Foundation	59
Global Information Technology Report	86/144	86/142	86/138	no change	6 of 7	Apr-14	WEF	47
Travel and Tourism Report	82/140	n/a	94/139	Up 12	7 of 8	Mar-15	WEF	46
Global Innovation Index	90/142	95/141	91/125	Up 5	7 of 9	Jul-14	WIPO	47
Logistics Performance Index	-	52/155	44/155	Down 8	4 of 9	13-Nov	World Bank	51
Failed States Index*	59/178	56/177	51/177	Up 3	7 of 10	Jun-14	Fund for Peace	118

Global Competitiveness Performance

Report	Change 2013 vs 2012	Change over 3 years
World Economic Forum Global Competitiveness Index	+ 6	+ 26
IFC/WB Ease of Doing Business Report	+ 30*	+ 28
IMD World Competitiveness Report	+5	+3
Transparency International Corruption Perceptions Index	Not available until December 2013	+24
Economic Freedom Index	+10	+18
Global IT Report (WEF)	0	0
Travel and Tourism Report (WEF)	+12	+12
Global Innovation Index	+5	+17

Global Competitiveness Index Philippines VS ASEAN

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

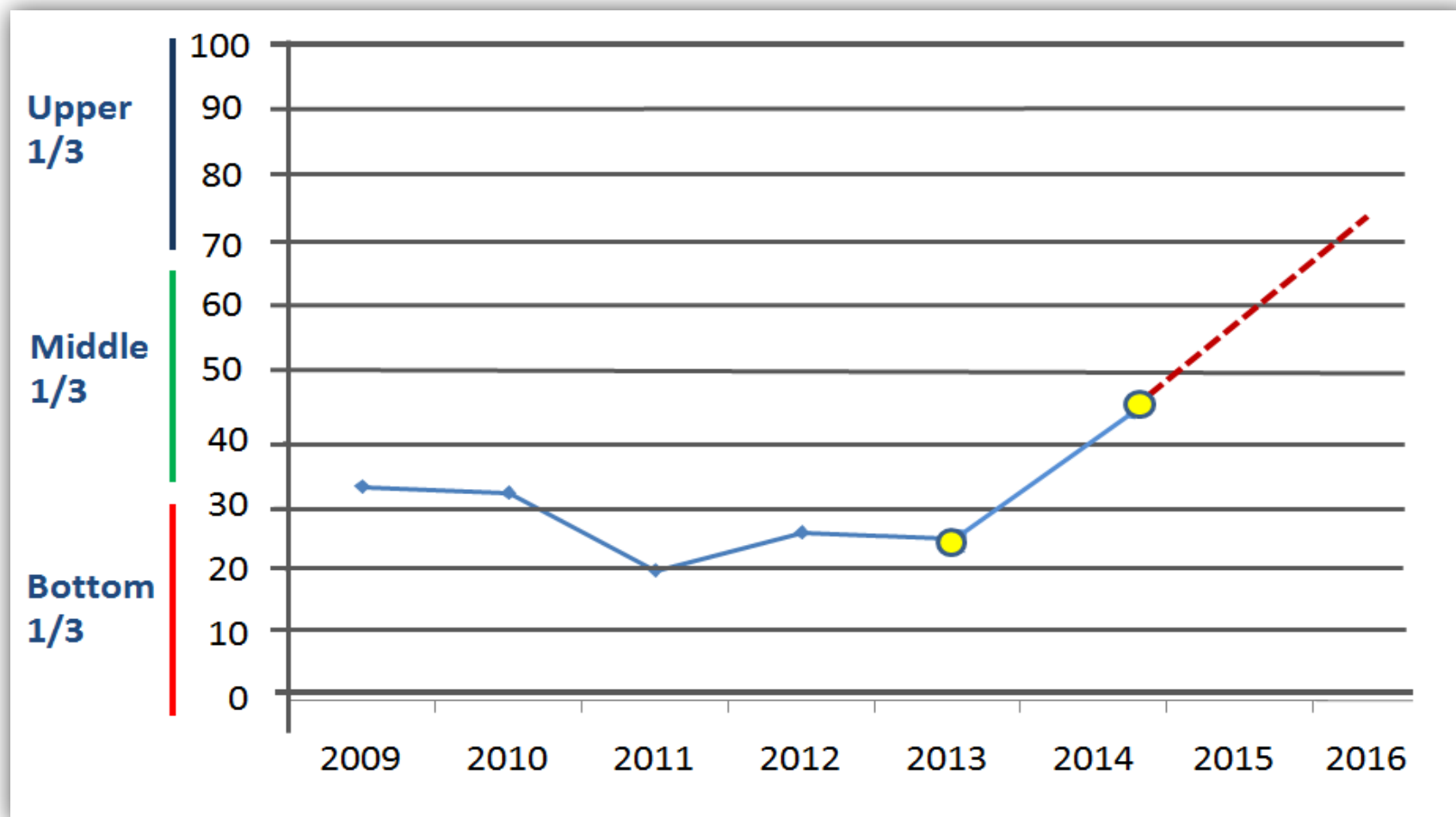
(*) – New Economies added for 2013 report

12 PILLARS	2012-2013 CHANGE	CHANGE OVER 3 YEARS
1st pillar: Institutions	+15	+38
2nd pillar: Infrastructure	+2	+9
3rd pillar: Macroeconomic environment	-4	+14
4th pillar: Health and primary education	+2	-4
5th pillar: Higher education and training	-3	+4
6th pillar: Goods market efficiency	+4	+6
7th pillar: Labor market efficiency	+3	+ 13
8th pillar: Financial market development	+10	+23
9th pillar: Technological readiness	+2	+ 6
10th pillar: Market size	+2	+ 3
11th pillar: Business sophistication	-	+ 8
12th pillar: Innovation	+25	+ 39

Percentile Rank

Philippines	2009	2010	2011	2012	2013	2014
Rank	141	144	134	136	138	108
No. of Economies	183	183	183	183	185	189
Percentile rank	33	32	27	26	25	43

Based on Percentile Rank



2013 EODB PHILIPPINE REPORT OVERVIEW

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



2014 WORLD RANKING OF ASEAN COUNTRIES PER INDICATOR

Country		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

2014 Top 10 Most Improved in Terms of Rankings

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

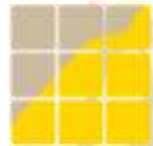


2012-2014 Most Improved Economies

Economy		2012	2013	CHANGE	2014	CHANGE	CHANGE OVER 3 YEARS
1	Kosovo	126	98	28	86	12	40
2	Ukraine	152	137	15	112	25	40
3	Burundi	172	159	13	140	19	32
4	Poland	74	55	19	45	10	29
5	Philippines	136	138	-2	108	30	28
6	Russian Federation	118	112	6	92	20	26
7	Brunei Darussalam	83	79	4	59	20	24
8	Uzbekistan	168	154	14	146	8	22
9	Costa Rica	122	110	12	102	8	20
10	Guatemala	98	93	5	79	14	19

JULY 2012

NCC crafts
Gameplan for
Competitiveness



1

DECEMBER 2012

Videoconferences
with IFC Washington



3

JANUARY 2013

Meeting with PH
Embassy in
Washington



5

MARCH 2013

Target validation
workshops

6

MAY 2013

President Aquino
signs Administrative
Order No. 38
creating inter-
agency Ease of
Doing Business Task
Force



8



JULY 2013
OCTOBER 2013

Task Force
meetings

10



**SEPTEMBER
2012**

Economic
Development
Cluster approves
Gameplan

2

DECEMBER 2012
FEBRUARY 2013

Public-Private
Dialogues



4

MAY 2013

Work teams
commit to
implement targets
at Ease of Doing
Business Summit

7

JUNE 2013

Reform
inventory
submitted
to IFC

9

**OCTOBER
2013**

Release of
2014 Doing
Business
Report

11

APPROVED

TIMELINE

Regional Competitiveness

Potential benefits of creating many competitive regions:

- diversification of investment and job opportunities
- creation of new wealth
- growing middle class in different parts of the country
- overall attractiveness of the Philippines as an investment site

Regional Competitiveness

- 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

Each committee -

- Tracks local competitiveness indicators
- Formulates programs to improve competitiveness
- Engages in investment promotion activities to attract investors and create new jobs

Regional Competitiveness

- Convened all committees in several dialogues in 2012 to construct a **framework for local economic development and competitiveness**



Regional Competitiveness

- Identified a **set of indicators** for the framework and validated the indicators at the city and municipal levels with the support of ***USAID-INVEST***
- **Framework to help local government units**
 - Assess business environment
 - Design reforms
 - Map out how to make cities and municipalities more competitive vis-à-vis ASEAN cities

Is it more fun...



...and more **COMPETITIVE**
in **Tagaytay** City ?

Regional Competitiveness

Overall Competitiveness – Top 10 Cities

Rank	Region	Province	LGU	Score
1	Northern Mindanao	Misamis Oriental	Cagayan de Oro City	72.09
2	Western Visayas	Iloilo City	Iloilo City	68.23
3	Central Luzon	Pampanga	San Fernando City	67.89
4	CARAGA	Agusan del Norte	Butuan City	63.07
5	Western Visayas	Negros Occ.	Bacolod City	61.62
6	SOCCSKSARGEN	South Cotabato	Koronadal	61.27
7	Ilocos Region	La Union	San Fernando	61.17
8	Central Luzon	Zambales	Olongapo City	60.63
9	Bicol Region	Camarines Sur	Naga	60.53
10	NCR		Marikina	59.73

Regional Competitiveness

Overall Competitiveness – Top 10 Municipalities

Rank	Region	Province	LGU	Score
1	CARAGA	Agusan del Sur	San Francisco	54.86
2	Central Luzon	Pampanga	Guagua	54.18
3	CALABARZON	Cavite	Carmona	53.18
4	BICOL Region	Camarines Norte	Daet	51.45
5	CALABARZON	Cavite	General Trias	51.22
6	Central Luzon	Nueva Ecija	Guimba	50.46
7	Central Luzon	Pampanga	Mexico	50.18
8	SOCCSKSARGEN	South Cotabato	Surallah	49.82
9	CALABARZON	Rizal	Taytay	49.19
10	CARAGA	Agusan del Sur	Prosperidad	48.92

Regional Competitiveness

Economic Dynamism – Top 10 Cities

Rank	Region	Province	LGU	Score
1	NCR		Quezon	26.51
2	SOCCSKSARGEN	South Cotabato	Koronadal	25.25
3	NCR		Marikina	24.07
4	CALABARZON	Rizal	Antipolo	23.64
5	CARAGA	Agusan del Norte	Butuan	23.48
6	SOCCSKSARGEN	South Cotabato	General Santos	23.37
7	N. Mindanao	Misamis Oriental	Cagayan De Oro	23.01
8	Western Visayas	Iloilo	Iloilo	22.13
9	Central Luzon	Zambales	Olongapo	22.03
10	SOCCSKSARGEN	Cotabato	Kidapawan	21.92

Regional Competitiveness

Economic Dynamism – Top 10 Municipalities

Rank	Region	Province	LGU	Score
1	Ilocos Region	Pangasinan	Calasiao	24.81
2	Ilocos Region	Ilocos Norte	San Nicolas	24.59
3	CALABARZON	Laguna	Sta. Cruz	23.29
4	CALABARZON	Rizal	Taytay	23.05
5	CALABARZON	Cavite	General Trias	22.46
6	CARAGA	Agusan del Sur	San Francisco	22.44
7	Ilocos Region	Pangasinan	Tayug	22.29
8	CALABARZON	Cavite	Carmona	22.12
9	SOCCSKSARGEN	South Cotabato	Surallah	21.85
10	SOCCSKSARGEN	Sultan Kudarat	Isulan	21.66

Regional Competitiveness

Government Efficiency – Top 10 Cities

Rank	Region	Province	LGU	Score
1	Western Visayas	Iloilo	Iloilo	22.89
2	Western Visayas	Negros Occidental	Bacolod	21.98
3	N. Mindanao	Misamis Oriental	Cagayan De Oro	20.77
4	Western Visayas	Negros Occidental	Sagay	20.69
5	Bicol Region	Camarines Sur	Naga	20.10
6	Bicol Region	Albay	Ligao	20.08
7	Bicol Region	Camarines Sur	Iriga	19.88
8	Bicol Region	Albay	Tabaco	19.81
9	Bicol Region	Albay	Legazpi	19.77
10	Western Visayas	Negros Occidental	Talisay	19.54

Regional Competitiveness

Government Efficiency – Top 10 Municipalities

Rank	Region	Province	LGU	Score
1	CAR	Apayao	Kabugao	19.52
2	Western Visayas	Capiz	Pontevedra	19.48
3	Western Visayas	Guimaras	Nueva Valencia	17.84
4	CAR	Benguet	Itogon	17.65
5	Central Luzon	Aurora	Maria Aurora	17.52
6	CARAGA	Surigao del Norte	Claver	17.52
7	Cagayan Valley	Isabela	Roxas	17.27
8	Western Visayas	Iloilo	Dumangas	17.25
9	CARAGA	Surigao del Sur	Cantilan	17.15
10	Eastern Visayas	Northern Samar	Catarman	17.05

Regional Competitiveness

Infrastructure – Top 10 Cities

Rank	Region	Province	LGU	Score
1	Bicol Region	Camarines Sur	Naga	29.54
2	Central Luzon	Pampanga	San Fernando	28.58
3	N. Mindanao	Misamis Oriental	Cagayan De Oro	28.30
4	NCR		Quezon	26.84
5	Bicol Region	Albay	Legazpi	25.17
6	NCR		Caloocan	24.88
7	Ilocos Region	La Union	San Fernando	24.85
8	Central Luzon	Tarlac	Tarlac	24.10
9	Bicol Region	Sorsogon	Sorsogon	23.35
10	Western Visayas	Iloilo	Iloilo	23.21

Regional Competitiveness

Infrastructure – Top 10 Municipalities

Rank	Region	Province	LGU	Score
1	Bicol Region	Camarines Norte	Daet	23.19
2	Central Luzon	Pampanga	Mexico	21.65
3	Bicol Region	Catanduanes	Virac	21.41
4	Central Luzon	Pampanga	Guagua	21.13
5	N. Mindanao	Bukidnon	Manolo Fortich	20.75
6	N. Mindanao	Camiguin	Mambajao	20.18
7	CALABARZON	Laguna	San Pedro	19.13
8	CALABARZON	Quezon	Candelaria	18.87
9	Western Visayas	Antique	San Jose II	18.64
10	N. Mindanao	Bukidnon	Maramag	18.46

Regional Competitiveness

Overall Competitiveness - Cities in Region 4A

Rank	Province	LGU	Score
18	Rizal	Antipolo	55.906
19	Quezon	Lucena	55.811
21	Laguna	Santa Rosa	54.830
24	Batangas	Lipa	54.242
34	Batangas	Batangas	50.637
53	Cavite	Bacoar	45.969

Regional Competitiveness

Overall Competitiveness - Municipalities in Region 4A

Rank	Province	LGU	Score
3	Cavite	Carmona	53.182
5	Cavite	General Trias	51.117
9	Rizal	Taytay	49.190
16	Rizal	San Mateo	47.158
17	Cavite	Rosario	47.139
22	Laguna	Sta. Cruz I	45.456
31	Laguna	San Pedro	43.434
37	Quezon	Gumaca	42.093
39	Quezon	Candelaria	41.988

Regional Competitiveness

Overall Competitiveness - Municipalities in Region 4A

Rank	Province	LGU	Score
46	Rizal	Cainta	39.541
58	Batangas	Sto. Tomas I	37.236
62	Quezon	Pagbilao	36.317
73	Batangas	Calaca	33.430
104	Batangas	Nasugbu	29.125
117	Laguna	Los Banos	25.064

Regional Competitiveness

Economic Dynamism – Cities in Region 4A

Rank	Province	LGU	Score
4	Rizal	Antipolo	23.643
11	Batangas	Lipa	21.571
12	Laguna	Santa Rosa	21.072
14	Quezon	Lucena	20.646
25	Cavite	Bacoor	17.871
54	Batangas	Batangas	13.487

Regional Competitiveness

Economic Dynamism – Municipalities in Region 4A

Rank	Province	LGU	Score
3	Laguna	Sta. Cruz I	23.292
4	Rizal	Taytay	23.051
5	Cavite	General Trias	22.459
8	Cavite	Carmona	22.126
11	Rizal	San Mateo	19.999
14	Cavite	Rosario	18.796
22	Quezon	Candelaria	15.707
28	Rizal	Cainta	14.782
30	Quezon	Gumaca	14.671

Regional Competitiveness

Economic Dynamism – Municipalities in Region 4A

Rank	Province	LGU	Score
36	Batangas	Calaca	14.153
45	Laguna	San Pedro	12.895
51	Quezon	Pagbilao	12.062
52	Batangas	Sto. Tomas I	11.988
66	Laguna	Los Banos	10.878
86	Batangas	Nasugbu	9.361

Regional Competitiveness

Government Efficiency – Cities in Region 4A

Rank	Province	LGU	Score
36	Batangas	Batangas	17.233
80	Cavite	Bacoor	13.154
82	Rizal	Antipolo	12.904
84	Quezon	Lucena	12.488
88	Batangas	Lipa	12.363
89	Laguna	Santa Rosa	12.071

Regional Competitiveness

Government Efficiency – Municipalities in Region 4A

Rank	Province	LGU	Score
58	Cavite	Carmona	13.049
73	Quezon	Gumaca	11.926
78	Laguna	San Pedro	11.405
87	Batangas	Sto. Tomas I	11.010
91	Cavite	Rosario	10.885
94	Rizal	Cainta	10.656
96	Rizal	San Mateo	10.552
97	Cavite	General Trias	10.510
108	Rizal	Taytay	9.199

Regional Competitiveness

Government Efficiency – Municipalities in Region 4A

Rank	Province	LGU	Score
115	Batangas	Calaca	8.471
125	Quezon	Pagbilao	7.721
127	Laguna	Sta. Cruz I	7.451
128	Quezon	Candelaria	7.409
149	Batangas	Nasugbu	3.975
162	Laguna	Los Banos	1.915

Regional Competitiveness

Infrastructure – Cities in Region 4A

Rank	Province	LGU	Score
14	Quezon	Lucena	22.678
19	Laguna	Santa Rosa	21.687
27	Batangas	Lipa	20.308
33	Batangas	Batangas	19.918
41	Rizal	Antipolo	19.359
70	Cavite	Bacoor	14.944

Regional Competitiveness

Infrastructure – Municipalities in Region 4A

Rank	Province	LGU	Score
7	Laguna	San Pedro	19.134
8	Quezon	Candelaria	18.872
13	Cavite	General Trias	18.147
14	Cavite	Carmona	18.006
17	Cavite	Rosario	17.458
22	Rizal	Taytay	16.940
27	Rizal	San Mateo	16.608
28	Quezon	Pagbilao	16.533
33	Batangas	Nasugbu	15.788

Regional Competitiveness

Infrastructure – Municipalities in Region 4A

Rank	Province	LGU	Score
36	Quezon	Gumaca	15.497
41	Laguna	Sta. Cruz I	14.714
48	Batangas	Sto. Tomas I	14.238
51	Rizal	Cainta	14.104
68	Laguna	Los Banos	12.271
92	Batangas	Calaca	10.807

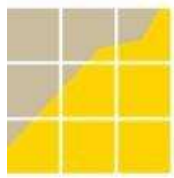


Summary

- Moving in the right direction but still have much work ahead of us
- Public-Private Collaboration works
- Biggest challenges – Institutionalization and the permanence / irreversibility of reform

Lessons Learned

1. Transparency leads to Competitiveness : Governance matters
2. Work-in-Progress is no longer good enough
3. Importance of Execution and Delivery
4. Teamwork is required : No More Silos
5. We must focus on Multiple Fronts (no single variable)
6. The Competition never sleeps
7. The bar always rises. We move up a weight class and meet larger, stronger competition
8. Speed-to-Reform should be our new mantra
9. Maintaining Momentum is important (gain speed)
10. Embedding and institutionalizing change / reform for the long run is important. This has become a key concern.



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