

NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

YEAR-END PRESS CONFERENCE

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GUILLERMO M. LUZ

Co-Chairman, Private Sector




GLOBAL COMPETITIVENESS REPORT CARD

| REPORT | 2014 RANK | 2013 RANK | CHANGE | ASEAN RANK | TOP 1/3 | PERFORMANCE 3 or 4 years |
|----------------------------------------------|-----------|-----------|--------|------------|---------|-----------------------------|
| 1. IFC- Ease of Doing Business | 95/189 | 108/189 | ↑ 13 | 5 of 10 | 63 | ↑ 53 |
| 2. WEF -Global Competitiveness Report | 52/144 | 59/148 | ↑ 7 | 5 of 9 | 48 | ↑ 33 |
| 3. IMD -World Competitiveness Report | 42/60 | 38/60 | ↓ 4 | 5 of 5 | 20 | ↓ 1 |
| 4. TI - Corruption Perception Index | 85/175 | 94/177 | ↑ 9 | 3 of 9 | 58 | ↑ 49 |
| 5. HF - Economic Freedom Index | 89/178 | 97/177 | ↑ 8 | 5 of 9 | 59 | ↑ 26 |
| 6. WEF- Global Information Technology Report | 78/148 | 86/144 | ↑ 8 | 6 of 10 | 49 | ↑ 8 |
| 7. WEF - Travel and Tourism Report | n/a | 82/140 | ↑ 12 | 7 of 8 | 46 | ↑ 12 |
| 8. WIPO - Global Innovation Index | 100/143 | 90/142 | ↓ 10 | 6 of 8 | 47 | ↓ 9 |
| 9. WB - Logistics Performance Index | 57/160 | n/a | ↓ 5 | 6 of 9 | 53 | ↓ 5 |
| 10. FFP - Fragile States Index* | 52/178 | 59/178 | ↓ 7 | 8 of 10 | 118 | ↓ 2 |
| 11. WEF - Global Enabling Trade Index | 64/138 | n/a | ↑ 8 | 6 of 10 | 46 | ↑ 28 |
| 12. WEF - Global Gender Gap Report | 9/142 | 5/136 | ↓ 4 | 1 of 9 | -- | 0 |

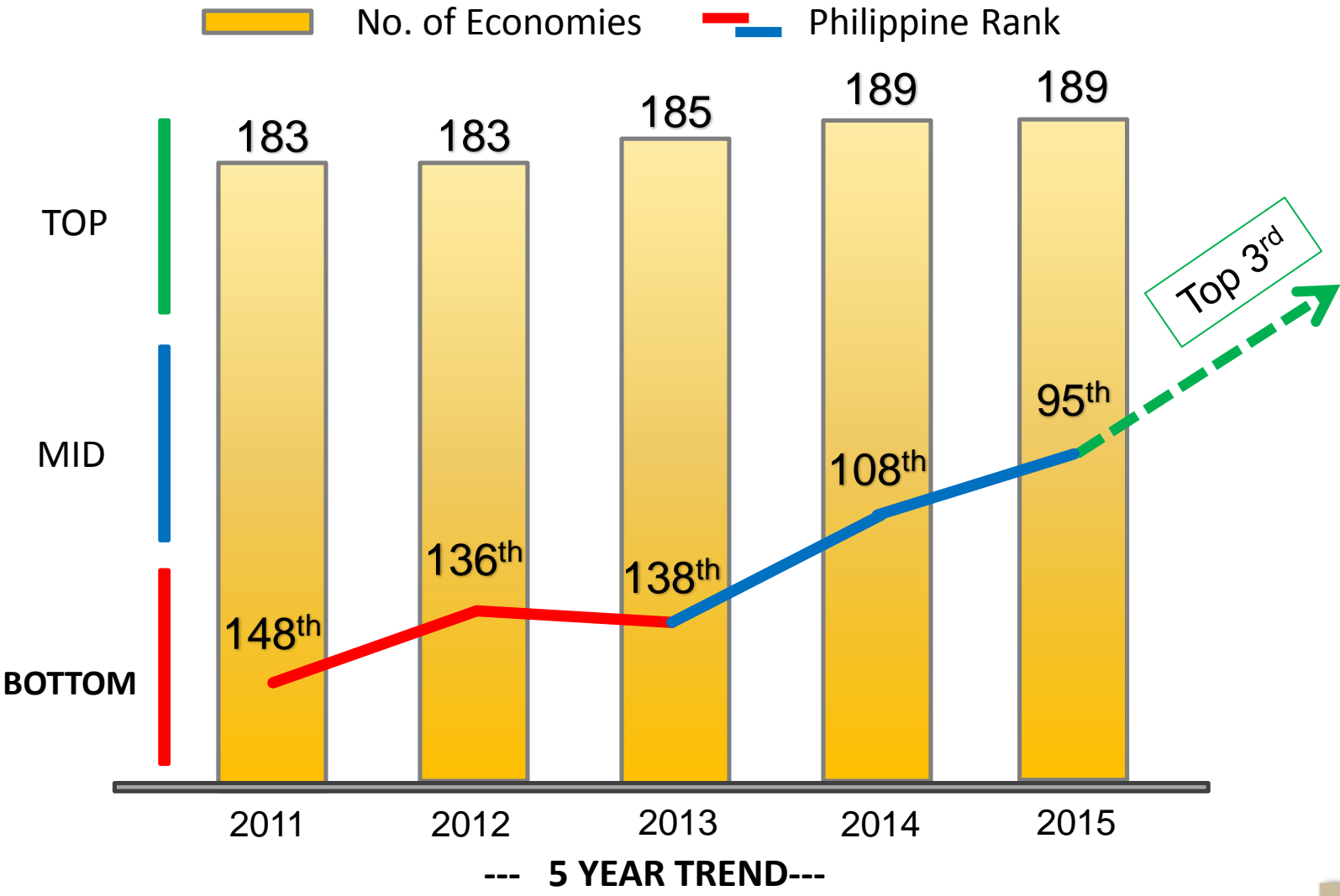


GLOBAL COMPETITIVENESS REPORTS: PH VS ASEAN

| REPORT |  | | Singapore | Brunei | Malaysia | Thailand | Indonesia | Vietnam | Lao PDR | Cambodia | Myanmar |
|---------------------------------------------|-----------------------------------------------------------------------------------|-----|-----------|--------|----------|----------|-----------|---------|---------|----------|---------|
| 1. IFC – Ease of Doing Business Report | 5 of 10 | 95 | 1 | 101 | 18 | 26 | 114 | 78 | 148 | 135 | 177 |
| 2. WEF -Global Competitiveness Index | 5 of 9 | 52 | 2 | - | 20 | 31 | 34 | 68 | 93 | 95 | 134 |
| 3. IMD -World Competitiveness Report | 5 of 5 | 42 | 3 | - | 12 | 29 | 37 | - | - | - | - |
| 4. TI- Corruption Perception Index | 3 of 9 | 85 | 7 | - | 50 | 85 | 107 | 119 | 145 | 156 | 156 |
| 5. HF-Economic Freedom Index | 4 of 9 | 89 | 2 | - | 37 | 72 | 100 | 147 | 144 | 108 | 162 |
| 6. WEF-Global Information Technology Report | 6 of 10 | 78 | 2 | 45 | 30 | 67 | 64 | 84 | 109 | 108 | 146 |
| 7. WEF- Travel and Tourism Report | 7 of 8 | 82 | 10 | 72 | 34 | 43 | 70 | 80 | - | 106 | - |
| 8. WIPO- Global Innovation Index | 6 of 8 | 100 | 7 | - | 33 | 48 | 87 | 71 | - | 106 | 140 |
| 9. WB- Logistics Performance Index | 6 of 9 | 57 | 5 | - | 29 | 35 | 53 | 48 | 131 | 83 | 145 |
| 10. FFP- Fragile States Index | 8 of 10 | 52 | 158 | 123 | 117 | 80 | 82 | 98 | 56 | 40 | 24 |
| 11. WEF- Global Enabling Trade Index | 5 of 9 | 64 | 1 | - | 25 | 57 | 58 | 72 | 98 | 93 | 121 |
| 12. WEF- Global Gender Gap Report | 1 of 9 | 9 | 59 | 98 | 107 | 61 | 97 | 76 | 60 | 108 | - |



DOING BUSINESS: PHILIPPINE RANKINGS (2011-2015)

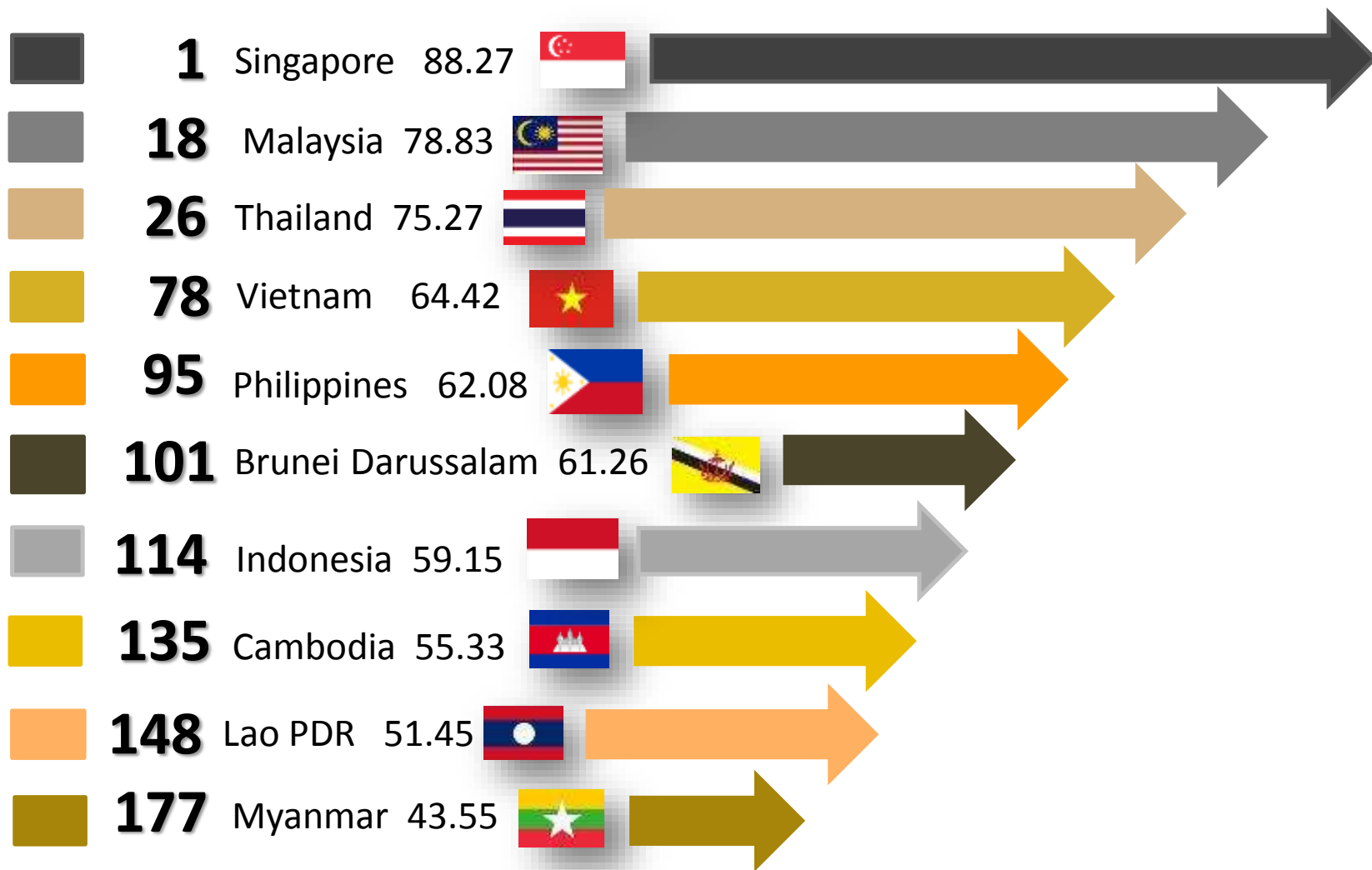


DOING BUSINESS: PHILIPPINES VS ASEAN

| ASEAN | 2015 (189) | 2014 (189) | Change 2014-2015 | Performance 2011-2015 |
|--------------------|---------------|---------------|---------------------|--------------------------|
| Singapore | 1 | 1 | - | - |
| Malaysia | 18 | 6 | -12 | 3 |
| Thailand | 26 | 18 | -8 | -7 |
| Vietnam | 78 | 99 | 21 | 0 |
| Philippines | 95 | 108 | 13 | 53 |
| Brunei Darussalam | 101 | 59 | -42 | 11 |
| Indonesia | 114 | 120 | 6 | 7 |
| Cambodia | 135 | 137 | 2 | 12 |
| Lao PDR | 148 | 159 | 11 | 23 |
| Myanmar | 177 | 182 | 5 | 5 |



2015 DISTANCE TO FRONTIER: ASEAN



Frontier: 100%



DOING BUSINESS: PHILIPPINES (2014-2015)

| INDICATORS | 2015 (189) | 2014 (189) | Change 2014-2015 | Performance 2011-2015 |
|-----------------------------------------|---------------|---------------|---------------------|--------------------------|
| OVER-ALL RANKING | 95 | 108 | ↑ 13 | ↑ 53 |
| 1. Starting a business | 161 | 170 | ↑ 9 | ↓ 5 |
| 2. Dealing with construction permits | 124 | 99 | ↓ 25 | ↑ 32 |
| 3. Getting electricity | 16 | 33 | ↑ 17 | ↑ 37 |
| 4. Registering Property | 108 | 121 | ↑ 13 | ↓ 6 |
| 5. Getting Credit | 104 | 86 | ↓ 18 | ↑ 24 |
| 6. Protecting Investors | 154 | 128 | ↓ 26 | ↓ 22 |
| 7. Paying Taxes | 127 | 131 | ↑ 4 | ↓ 3 |
| 8. Trading across borders | 65 | 42 | ↓ 23 | ↓ 4 |
| 9. Enforcing contracts | 124 | 114 | ↓ 10 | ↓ 6 |
| 10. Resolving Insolvency | 50 | 100 | ↑ 50 | ↑ 103 |



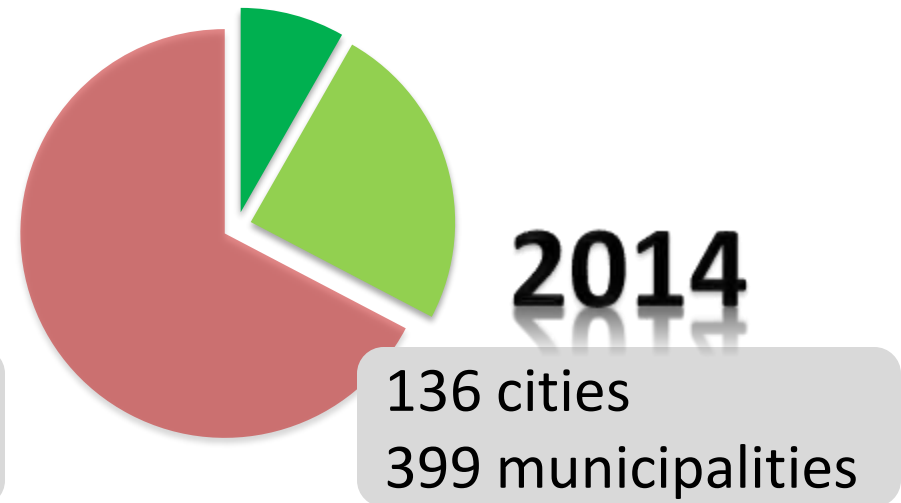
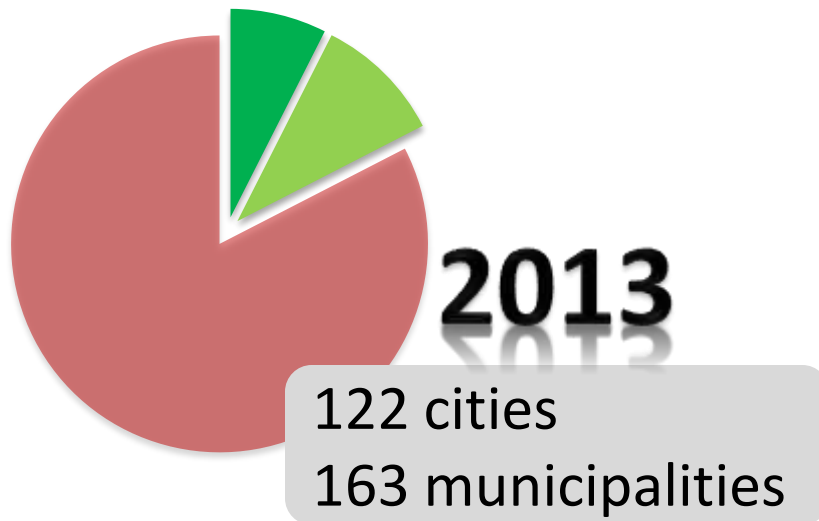
- Aggregate and individual governance indicators for 215 economies over the period 1996–2013

| DIMENSIONS OF GOVERNANCE: Philippines | Percentile Rank | |
|----------------------------------------------|------------------------|-------------|
| | 2013 | 2012 |
| Voice and Accountability | 47.9 | 46.9 |
| Political Stability and Absence of Violence | 16.6 | 14.2 |
| Government Effectiveness | 56.9 | 57.9 |
| Regulatory Quality | 51.7 | 51.7 |
| Rule of Law | 41.7 | 36.5 |
| Control of Corruption | 43.5 | 33.5 |



CITIES & MUNICIPALITIES COMPETITIVENESS INDEX

- Annual ranking of Philippine cities and municipalities based on economic dynamism, government efficiency, and infrastructure



*Out of 1,634 local government units in the Philippines



CITIES & MUNICIPALITIES COMPETITIVENESS INDEX

TOP CITIES

- 1** Makati
- 2** Cagayan de Oro
- 3** Naga (Camarines Sur)
4. Davao
5. Marikina
6. Iloilo
7. Cebu
8. Manila
9. Valenzuela
10. Parañaque

TOP MUNICIPALITIES

- 1** Daet (Camarines Norte)
- 2** General Trias (Cavite)
- 3** Kalibo (Aklan)
4. Carmona (Cavite)
5. Nabunturan (Compostela Valley)
6. Lubao (Pampanga)
7. Isulan (Sultan Kudarat)
8. Polomolok (South Cotabato)
9. Manolo Fortich (Bukidnon)
10. Taytay (Rizal)



LIVEABLE CITIES DESIGN CHALLENGE

- Planning and design competition to get city planners across the Philippines to better plan their respective cities and municipalities for a climate-defined future
- Two Categories
 - Government Center
 - APEC Meeting Venue
- Three Phases
 - March 2014 – Pacific Cities Sustainability Initiative Forum
 - July to September 2014 – Mentoring, Planning, and Design
 - October 2014 – Judging



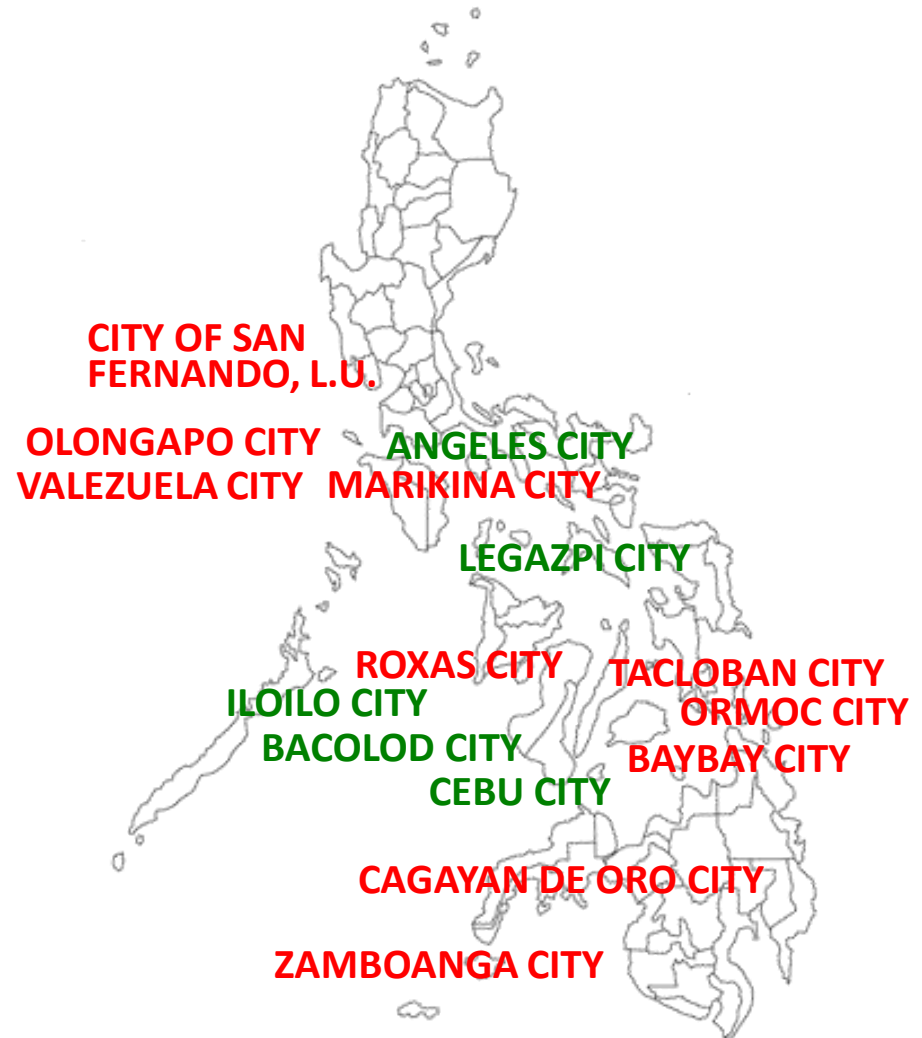
LIVEABLE CITIES DESIGN CHALLENGE



PARTICIPATING CITIES:

City Government/Evacuation Center

APEC Meeting Venue



LIVEABLE CITIES DESIGN CHALLENGE

WINNERS

Government Evacuation Center



Cagayan de Oro City

APEC Meeting Venue



Iloilo City

More information at www.liveablecities.ph

PERFORMANCE GOVERNANCE SYSTEM

- Local adaptation of the Balanced Scorecard system developed by the Institute for Solidarity in Asia
- A management tool for tracking performance
- Translates statements of governance and vision to actionable strategies and commitments leading to the realization of breakthrough results



PERFORMANCE GOVERNANCE SYSTEM

institutionalized



proficient



compliant



initiated

LINKING STRATEGY TO KEY MANAGEMENT PROCESS

Scorecard Infrastructure Linked to Individual Performance, Performance-Based Rewards and Incentives, Third-Party Performance Audit

INTEGRATING STRATEGY INTO KEY MANAGEMENT PROCESSES

Scorecard Reports and Performance Analysis, Operations and Strategy Reviews by an Office of Strategy Management with the MSGC, Refresh with the MSGC, Third-Party Performance Audit

ALIGNMENT OF ORGANIZATION AND RESOURCES

Strategy-Driven Budget, Second-Level Scorecards, **Multi-Sector Governance Council**, Strategic Communication Plan

STRATEGY FORMULATION

Charter Statement (Values-Mission-Vision), Strategic Change Agenda, Strategy Map, Governance Scorecard, Portfolio of Strategic Initiatives



Partners in the PGS Pathway

| National Government Agency | | Stage |
|----------------------------|------------------------------------------------|-------------------|
| 1 | ARMED FORCES OF THE PHILIPPINES | INITIATED |
| 2 | BOARD OF INVESTMENTS | INITIATED |
| 3 | BUREAU OF INTERNAL REVENUE | COMPLIANT |
| 4 | CIVIL SERVICE COMMISSION | INSTITUTIONALIZED |
| 5 | DEPARTMENT OF EDUCATION | INITIATED |
| 6 | DEPARTMENT OF HEALTH | COMPLIANT |
| 7 | DEPARTMENT OF NATIONAL DEFENSE | INITIATED |
| 8 | DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS | COMPLIANT |
| 9 | DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT | COMPLIANT |
| 10 | DEPARTMENT OF TRADE AND INDUSTRY | PROFICIENT |
| 11 | DEPARTMENT OF TRANSPORTATION AND COMMUNICATION | INITIATED |
| 12 | DEVELOPMENT BANK OF THE PHILIPPINES | COMPLIANT |
| 13 | GOVERNANCE COMMISSION FOR GOCCS | INITIATED |
| 14 | LEAGUE OF CITIES OF THE PHILIPPINES | INITIATED |
| 15 | NATIONAL DEVELOPMENT COMPANY | COMPLIANT |
| 16 | NATIONAL ELECTRIFICATION ADMINISTRATION | INSTITUTIONALIZED |
| 17 | NATIONAL POLICE COMMISSION | INITIATED |
| 18 | PHILIPPINE AIR FORCE | INITIATED |
| 19 | PHILIPPINE ARMY | INSTITUTIONALIZED |
| 20 | PHILIPPINE HEART CENTER | COMPLIANT |
| 21 | PHILIPPINE INTERNATIONAL TRADING CENTER | INITIATED |
| 22 | PHILIPPINE MILITARY ACADEMY | PROFICIENT |
| 23 | PHILIPPINE NATIONAL POLICE | PROFICIENT |
| 24 | PHILIPPINE NAVY | INSTITUTIONALIZED |
| 25 | PHILIPPINE VETERANS AFFAIRS OFFICE | INITIATED |

Partners in the PGS Pathway

| LOCAL GOVERNMENT UNIT | | STAGE |
|-----------------------|-----------------------------------|-------------------|
| 1 | San Fernando City, Pampanga | INSTITUTIONALIZED |
| 2 | San Fernando City, La Union | PROFICIENT |
| 3 | Masbate City, Masbate | PROFICIENT |
| 4 | Balanga City, Bataan | PROFICIENT |
| 5 | Talisay City, Negros Occidental | COMPLIANT |
| 6 | Mandaue City, Cebu | COMPLIANT |
| 7 | Dipolog City, Zamboanga del Norte | COMPLIANT |
| 8 | Bataan Province | COMPLIANT |
| 9 | Butuan City, Agusan del Norte | COMPLIANT |
| 10 | Legazpi City, Albay | COMPLIANT |

CANDIDATES FOR ISLANDS OF GOOD GOVERNANCE

NATIONAL GOVERNMENT AGENCIES

1. Armed Forces of the Philippines
2. Bureau of Internal Revenue
3. Civil Service Commission
4. Department of Education
5. Department of Health
6. Department of Social Welfare and Development
7. Department of Trade and Industry
8. Governance Commission for GOCCs
9. National Electrification Administration
10. Philippine Army
11. Philippine Heart Center
12. Philippine National Police
13. Philippine Navy

LOCAL GOVERNMENT UNITS

1. Bataan Province
2. Balanga City, Bataan
3. Dipolog City, Zamboanga del Norte
4. Talisay City, Negros Occidental
5. San Fernando City, La Union
6. San Fernando City, Pampanga
7. Masbate City, Masbate
8. Legazpi City, Albay
9. Mandaue City, Cebu
10. Butuan City, Agusan del Norte



ROADSHOWS

- 46 roadshows from 2012-2014 in 15 regions with any of the following topics:
 - Philippine Competitiveness
 - Ease of Doing Business
 - Cities and Municipalities Competitiveness Index
 - Results of SWS Enterprise Survey on Corruption
 - WWF Climate Change and Business Risk Assessment
 - Microsoft CityNext
 - Disaster Preparedness and Management
 - ISO 18091:2014
 - Best Practices in BPLS



- Designed to bring together key policy makers, as well as business and NGO leaders, to discuss, inform, take action, and participate in government programs



- Topics:
 - Private Sector Participation in the Budget Process
 - K-12 and the Private Sector
 - Addressing Labor-Market Mismatch for Global Competitiveness
 - Battling Corruption
 - Annual Enterprise Survey on Corruption
 - Ease of Doing Business
 - Managing Climate Change
 - Getting Ready for the ASEAN Economic Community 2015
 - National Quality Infrastructure



ANNUAL ENTERPRISE SURVEY ON CORRUPTION

- Measures the perception and experience of corruption in the bureaucracy in selected areas where there is a high concentration of business activity
- Based on face-to-face interviews of 950 businessmen:
 - Metro Manila (350)
 - Cagayan de Oro/Iligan (100)
 - Metro Cebu (100)
 - Angeles (100)
 - Iloilo City (100)
 - Metro Davao (100)
 - CALABA (100)



2013 ENTERPRISE SURVEY ON CORRUPTION

- Conducted in partnership with the Social Weather Stations, The Asia Foundation, Australian AID, Integrity Initiative, Makati Business Club, and Management Association of the Philippines



**INTEGRITY
INITIATIVE**



*Ratings of sincerity of 24 government institutions in fighting corruption: **Status in 2013***

- **1 Excellent (+70 and above):** Office of the President
- **4 Very Goods (+50 to +69):** DTI, DOH, SSS, DSWD
- **4 Goods (+30 to +49):** DepEd, DOLE, Supreme Court, DOJ
- **5 Moderates (+10 to +29):** city govt, Ombudsman, COA, DILG, Sandiganbayan
- **6 Neutrals (+9 to -9):** trial courts, DBM, DOTC, Comelec, DENR, Senate
- **4 Pooors (-10 to -29):** BIR, DPWH, PNP, House of Reps
- **1 Bad (-30 to -29):** LTO
- **1 Very Bad (-50 to -69):** BOC

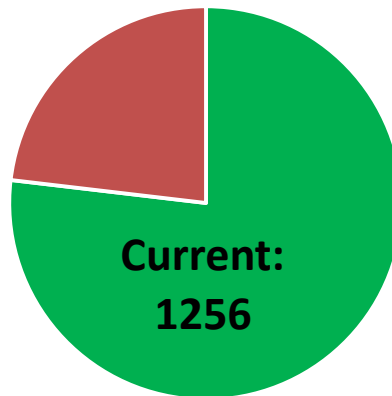
BUSINESS PERMITS & LICENSING SYSTEM

| BPLS STANDARDS | | CURRENT | REVISED |
|--------------------|-----------------|------------------------------|-------------------------------------------------------------------|
| No. of Days | New Application | 5 to 10 days | 1 to 1 ½ days |
| | Renewal | 5 days | 1 day |
| No. of Steps | | 5 steps | 3 steps |
| No. of Forms | | Unified | Unified (print and electronic) |
| No. of Signatories | | 2 (Mayor and Treasurer/BPLO) | 2 (Mayor and Treasurer/BPLO with alternate approving signatories) |



BPLS CUSTOMER EXPERIENCE SURVEY

- To assess the experience of businessmen and determine their satisfaction level in renewing their mayor's permit in their respective local government units
- Conducted every January-February to validate the reforms reported by LGUs
- As of November 2014, 1,256 out of 1,634 LGUs reported to have completed streamlining.



BPLS CUSTOMER EXPERIENCE SURVEY

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



2014 BPLS CUSTOMER EXPERIENCE SURVEY

NUMBER OF STEPS:

- **79%** of survey respondents reported that they were able to renew their Mayor's Permit in 5 steps or less
- 21% went through 6 or more steps

PROCESSING OF TIME:

93% within the standard of 5 days.

- 7% of the respondents reported that it took them more than 5 days.



2014 BPLS CUSTOMER EXPERIENCE SURVEY

NUMBER OF FORMS:

- **70%** used 1 form in renewing their Mayor's Permit.
- 12% used 2 forms
- 18% used 3 or more forms in renewal process.

NUMBER OF SIGNATORIES:

- **94%** said there were 5 or less signatures affixed to the permit.
- 6% shared that there were 6 or more signatures affixed in their Mayor's Permit.



2014 BPLS CUSTOMER EXPERIENCE SURVEY

YES

4%

NO

96%

A total of 1,789 or 96% of the respondents said that they did not take any form of facilitation fees in line with their renewal process of business permit while 4% or 67 of the respondents avail facilitation fees.



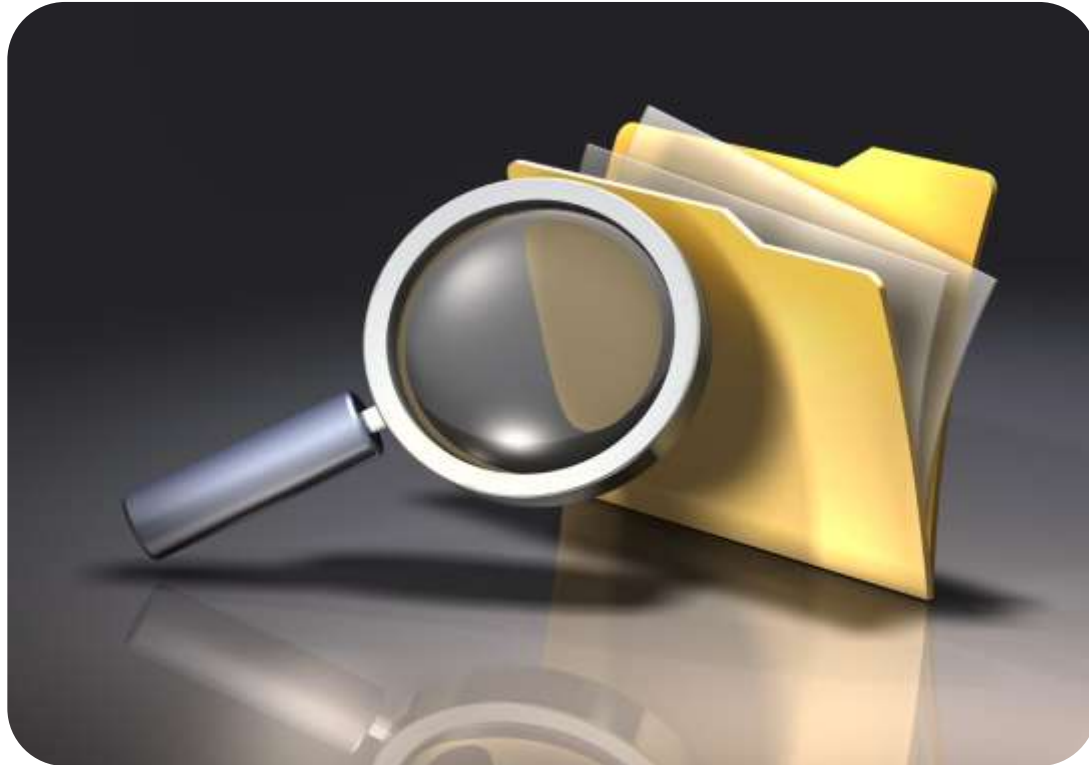
PROJECT REPEAL

- Repeal or eliminate laws to create the overall effect of lowering the cost of doing business
- Initial discussions with offices of interested legislators who can champion the project in Congress



Lessons Learned

TRANSPARENCY LEADS TO COMPETITIVENESS



Governance Matters

WORK IN PROGRESS

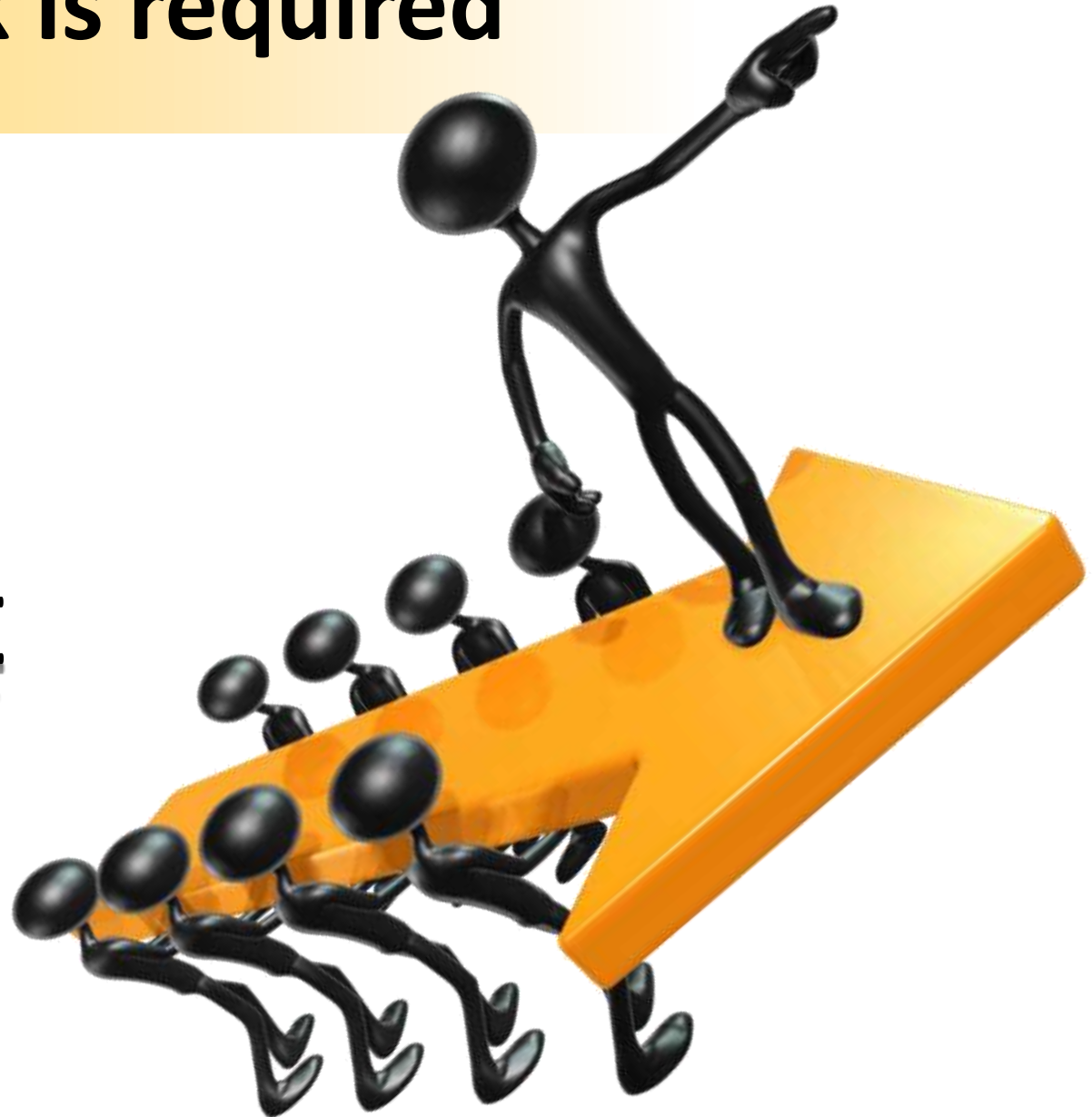
is not good enough



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

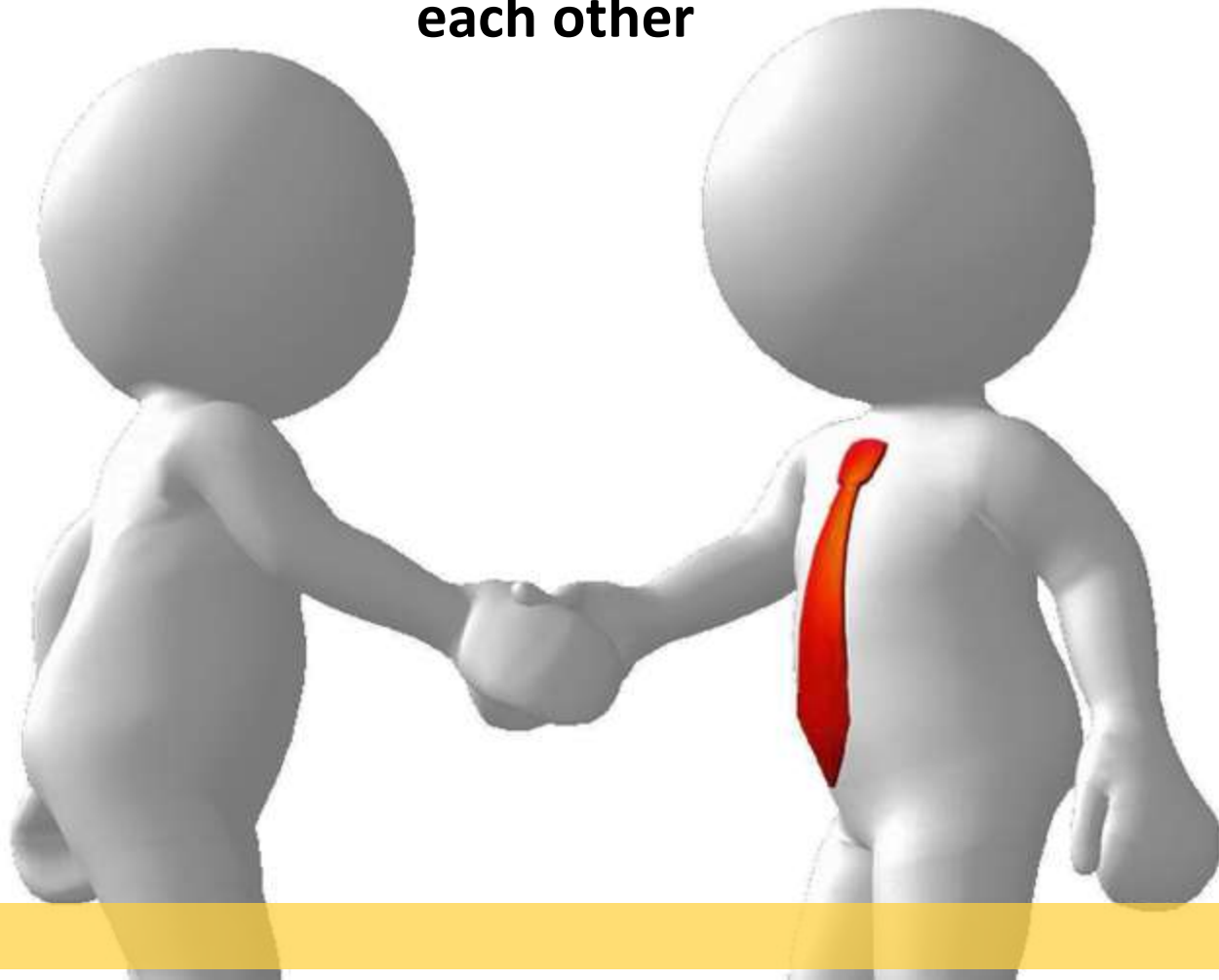


EMBED AND INSTITUTIONALIZE CHANGE



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each other**



Thank You





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