



NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

STATE OF COMPETITIVENESS

Arangkada Philippines: Fourth Anniversary Forum
March 3, 2015 | Rizal Ballroom, Makati Shangri-La

GUILLERMO M. LUZ
NCC Private Sector Co-Chairman

2014 GLOBAL COMPETITIVENESS REPORT CARD



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

*Ranking based on the 2015 Doing Business Report

**Ranking based on the 2014 Doing Business Report

***Reverse ranking (1 as worst) – Fragile States Index

BEFORE AND AFTER ARANGKADA



REPORT	BEFORE Arangkada	AFTER Arangkada	CHANGE
IFC – Ease of Doing Business Report	148/183	95/189	↑ 53
WEF -Global Competitiveness Index	85/139	52/144	↑ 33
TI- Corruption Perception Index	134/178	85/175	↑ 49
HF-Economic Freedom Index	115/179	89/178	↑ 26
WEF-Global Information Technology Report	86/138	78/148	↑ 8
WEF- Travel and Tourism Report	94/139	82/140	↑ 12
WEF- Global Enabling Trade Index	92/125	64/138	↑ 28
IMD -World Competitiveness Report	41/59	42/60	↓ 1
WIPO- Global Innovation Index	91/125	100/143	↓ 9
WB- Logistics Performance Index	44/155	57/160	↓ 13
FFP- Fragile States Index	50/177	52/178	↓ 2
WEF- Global Gender Gap Report	9/139	9/142	0

HIGHLIGHTS:



Philippines recognized as the most improved economy in 4 major competitiveness reports.

REPORT	PERFORMANCE 3 or 4 years
IFC- Ease of Doing Business	↑ 53
WEF -Global Competitiveness Report	↑ 33
TI - Corruption Perception Index	↑ 49
HF - Economic Freedom Index	↑ 39

2014 GLOBAL COMPETITIVENESS REPORTS

PHILIPPINES AND ASEAN



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

Rankings are based on latest reports released

IMPACT : INCLUSIVE GROWTH



	2011	2014	Remarks
FDI	USD 2.0 B	USD 5.7 B	As of 11/2015
Exports	USD 48.3 B	USD 61.8 B	How will AEC affect this ?
GDP	3.7%	6.1%	Five year average is 6.3%. Target is 7% – 8 %
Unemployment Underemployment	7.0% 18.8%	6.8% 18.4%	Target is 6.8 -7.2%. Average since 1994 is 8.9%.
Poverty Incidence	26.5%	24.9 %	Target is 16.6%
Sources: National Statistical Coordination Board - http://www.nscb.gov.ph/ Philippine Statistics Authority - http://web0.psa.gov.ph The World Bank - http://www.worldbank.org/en/country/philippines/publication/philippines-accelerating-public-investment-to-sustain-growth-that-benefits-the-poor Philippines in Numbers (PSA) http://web0.psa.gov.ph/sites/default/files/2014%20PIF.pdf Unemployment: http://www.indexmundi.com/g/g.aspx?c=rp&v=74 Pursuit of Inclusive Growth (NEDA) http://www.neda.gov.ph/wp-content/uploads/2013/09/CHAPTER-1.pdf *Available data as of 2013			



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WORLD ECONOMIC FORUM: GLOBAL COMPETITIVENESS REPORT



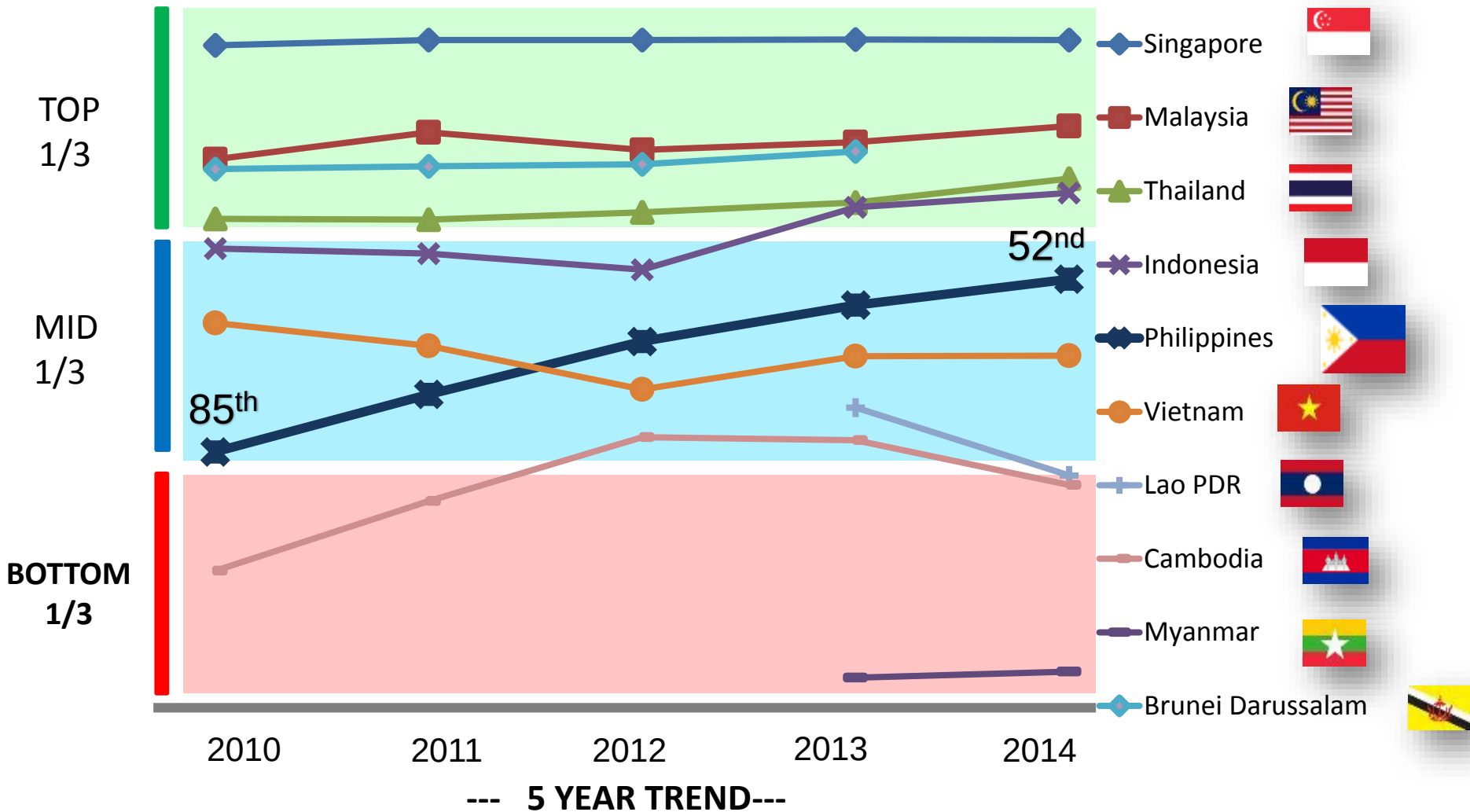
WEF-GLOBAL COMPETITIVENESS REPORT Philippines and ASEAN (2010-2014)



Country/Economy		2014 (of 144)	2013 (of 148)	2012 (of 144)	2011 (of 142)	2010 (of 139)	Change 2013-2014	Change in 4 Years 2010-2014
	Singapore	2	2	2	2	3	0	1
	Malaysia	20	24	25	21	26	4	6
	Thailand	31	37	38	39	38	6	7
	Indonesia	34	38	50	46	44	4	10
	Philippines	52	59	65	75	85	7	33
	Vietnam	68	70	75	65	59	2	-9
	Lao PDR	93	81	n/a	n/a	n/a	-12	n/a
	Cambodia	95	88	85	97	109	-7	14
	Myanmar	134	139	n/a	n/a	n/a	5	n/a
	Brunei Darussalam	n/a	26	28	28	28	n/a	n/a

WEF-GLOBAL COMPETITIVENESS REPORT

Philippines and ASEAN (2010-2014)



WEF-GLOBAL COMPETITIVENESS REPORT

PHILIPPINE RANKING (2010-2014)

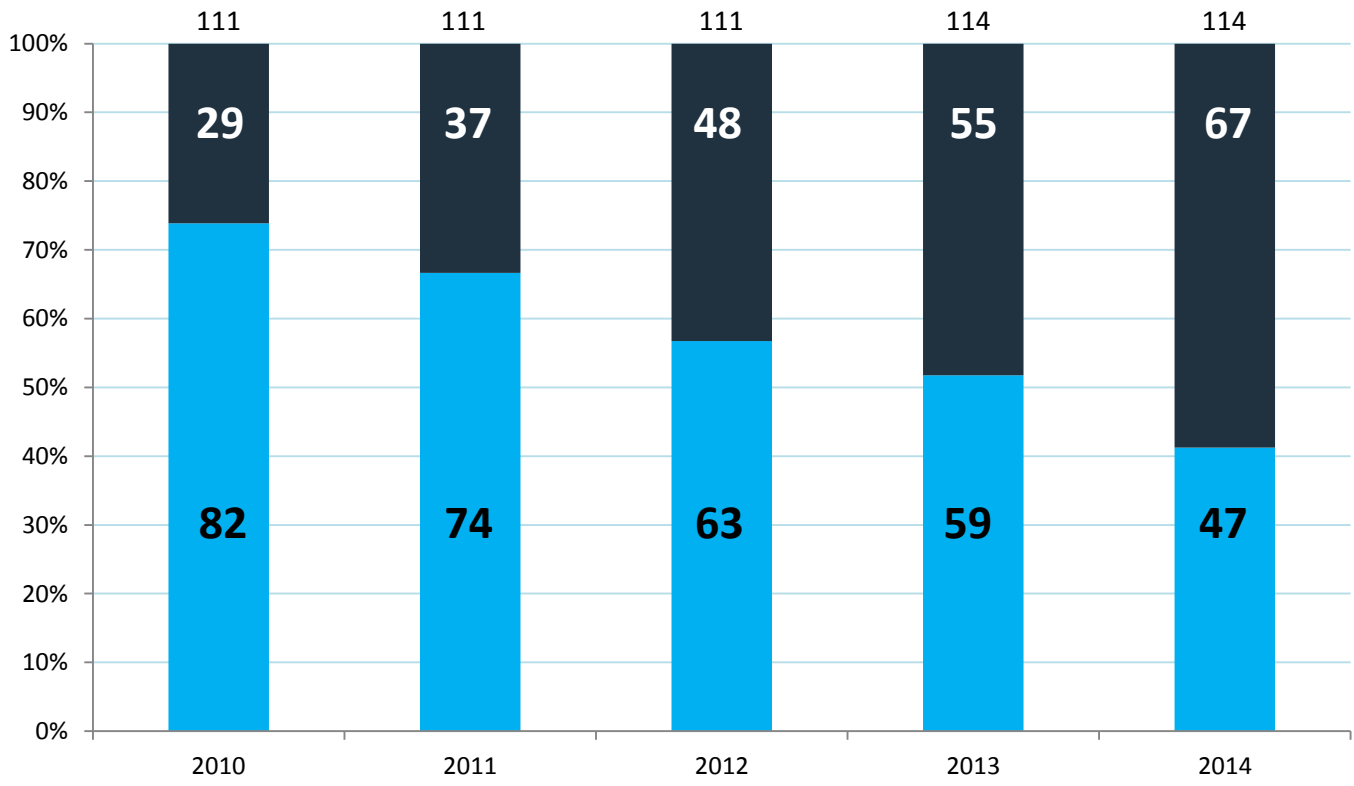


INDICATORS	(2014) OF 144	(2013) OF 148	(2012) OF 144	(2011) OF 142	(2010) OF 139	CHANGE 2013-2014	CHANGE 2010-2014
OVER-ALL RANKING	52	59	65	75	85	7	33
1st pillar: Institutions	67	79	94	117	125	12	58
2nd pillar: Infrastructure	91	96	98	105	104	5	13
3rd pillar: Macroeconomic environment	26	40	36	54	68	14	42
4th pillar: Health and primary education	92	96	98	92	90	4	-2
5th pillar: Higher education and training	64	67	64	71	73	3	9
6th pillar: Goods market efficiency	70	82	86	88	97	12	27
7th pillar: Labor market efficiency	91	100	103	113	111	9	20
8th pillar: Financial market development	49	48	58	71	75	-1	26
9th pillar: Technological readiness	69	77	79	83	95	8	26
10th pillar: Market size	35	33	35	36	37	-2	2
11th pillar: Business sophistication	46	49	49	57	60	3	14
12th pillar: Innovation	52	69	94	108	111	17	59

2014 HIGHLIGHTS: INDICATORS ABOVE THE MEDIAN OF WORLD RANKINGS



Out of 114 indicators, the Philippines now has 67 indicators ranked at the upper half of world rankings.





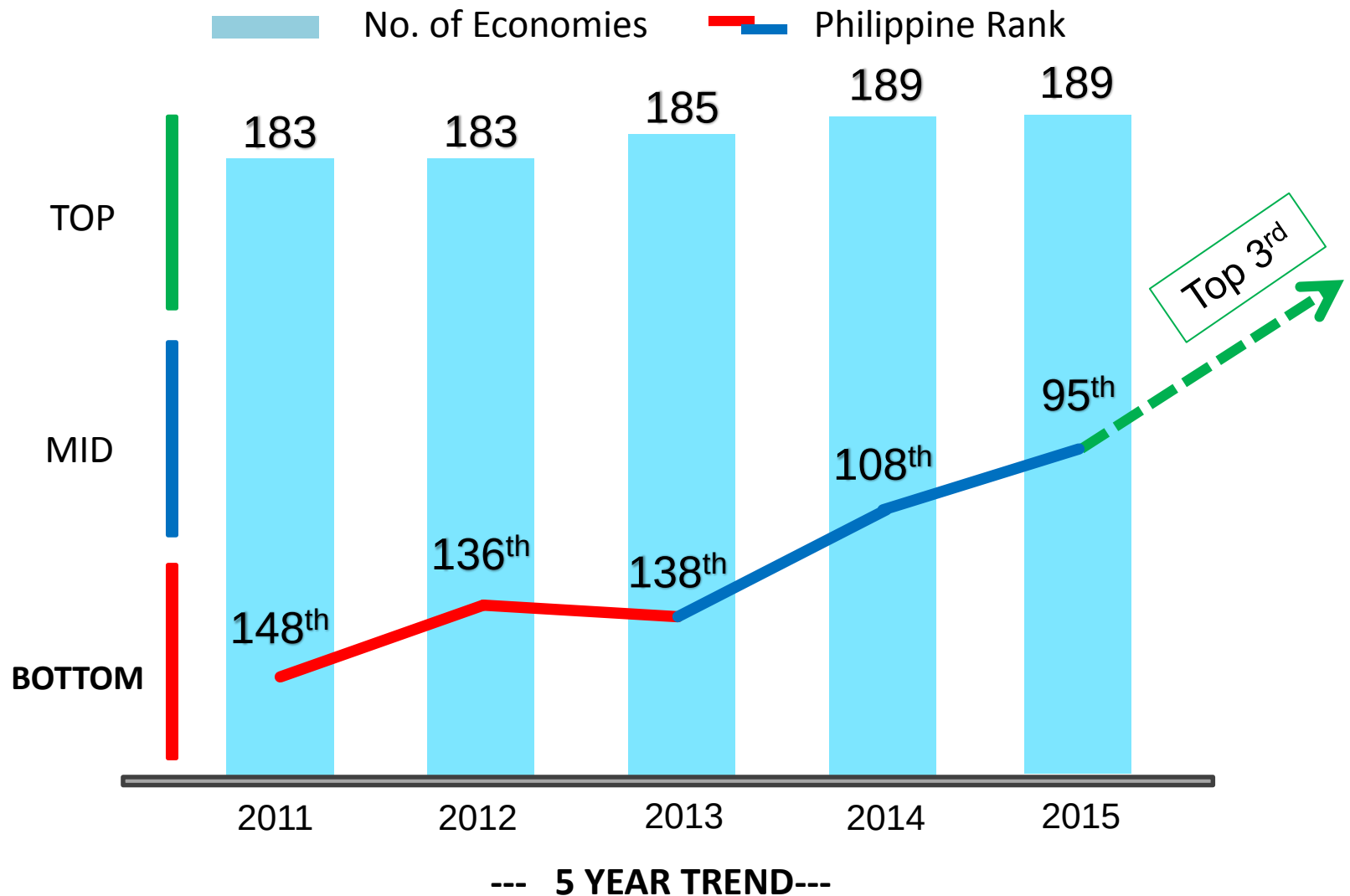
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EASE OF DOING BUSINESS GAMEPLAN FOR COMPETITIVENESS



DOING BUSINESS RANKINGS PHILIPPINES (2011-2015)



Source: Published DB reports (2011-2015)

DOING BUSINESS RANKINGS

PHILIPPINES AND ASEAN 2014-2015



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



EASE OF 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 w/ 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

Source: Published DB reports (2011-2015)

WHO SETS THE FRONTIER?



Indicator	Philippines DTF Points	Who sets the Frontier?		Frontier DTF Points
1. Starting a Business	67.23		New Zealand	99.96
2. Dealing With Construction Permits	66.08		Hong Kong	95.53
3. Getting Electricity	90.59		Korea	100.00
4. Registering Property	62.81		Georgia	99.88
5. Getting Credit	40.00		New Zealand	100.00
6. Protecting Minority Investors	41.67		New Zealand	81.67
7. Paying Taxes	66.46		UAE	99.44
8. Trading Across Borders	77.23		Singapore	96.47
9. Enforcing Contracts	52.02		Singapore	89.54
10. Resolving Insolvency	56.74		Finland	93.85

Source: Doing Business Database



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MEASURING LOCAL COMPETITIVENESS



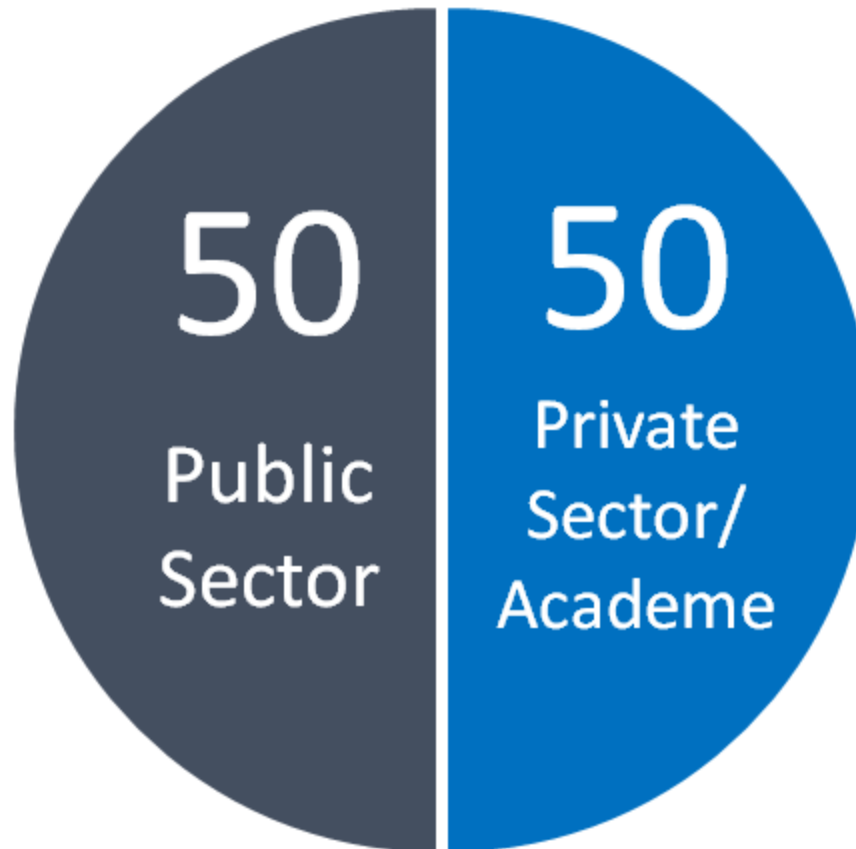


16 Regional Competitiveness Committees (RCCs) + Autonomous Region of Muslim Mindanao

- NCR
- CAR
- Region I (Ilocos)
- Region II (Cagayan)
- Region III (Central Luzon)
- Region IVA (CALABARZON)
- Region IVB (MIMAROPA)
- Region V (Bicol)
- Region VI (Western Visayas)
- Region VII (Central Visayas)
- Region VIII (Eastern Visayas)
- Region IX (Zamboanga)
- Region X (Northern Mindanao)
- Region XI (Davao)
- Region XII (SOCCSKSARGEN)
- Region XIII CARAGA



Regional Competitiveness Committees (RCCs)



CITIES AND MUNICIPALITIES COMPETITIVENESS INDEX



Regional Competitiveness Committees (RCCs)

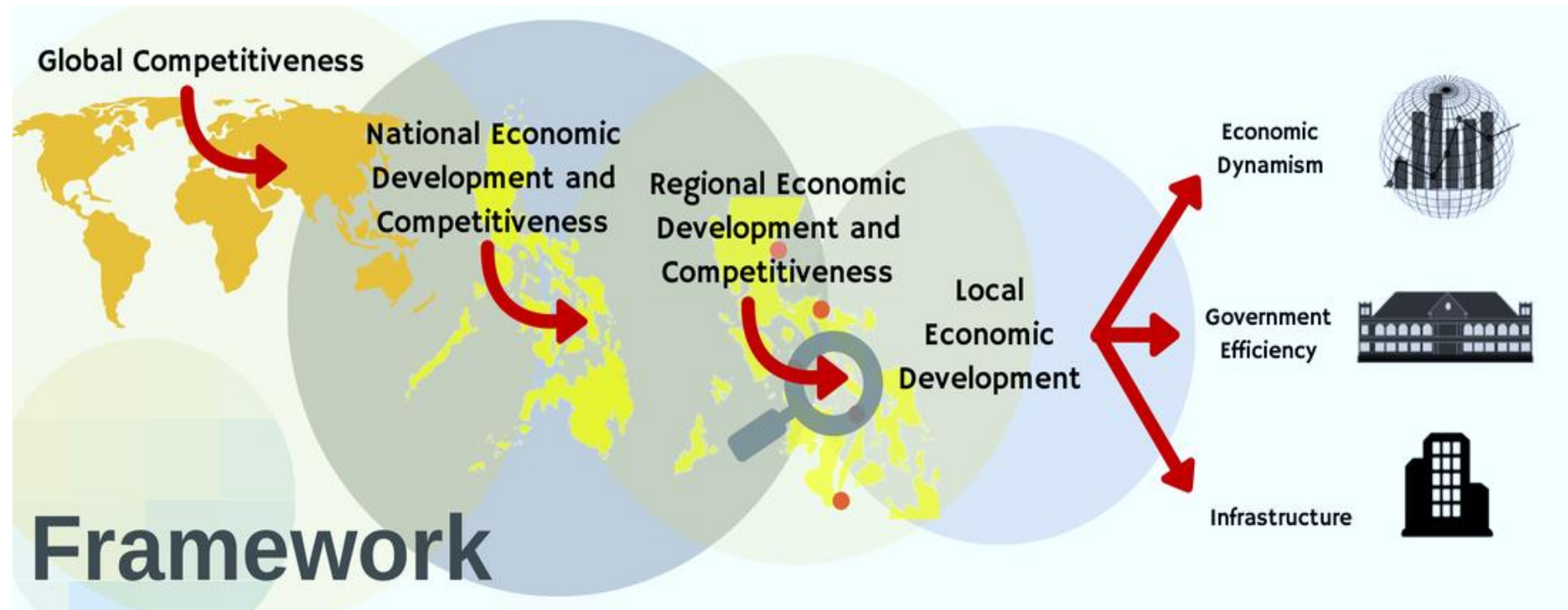
As building block of overall competitiveness

**Cities and
Municipalities
Competitiveness
Index**

**Technical Capacity
Building Programs**

**Benchmarking of
Best Practices**

CITIES AND MUNICIPALITIES COMPETITIVENESS INDEX



TOP CITIES AND MUNICIPALITIES: ECONOMIC DYNAMISM - 2014



CITIES

- 1** Parañaque
- 2** Makati
- 3** Manila
4. Naga (Camarines Sur)
5. General Santos
6. Mandaluyong
7. Valenzuela
8. Caloocan
9. Cagayan de Oro
10. Cebu
11. Davao
12. Muntinlupa
13. Butuan
14. El Salvador (Misamis Oriental)
15. Bacolod

MUNICIPALITIES

- 1** Tanza (Cavite)
- 2** General Trias (Cavite)
- 3** San Pedro (Laguna)
4. Carmona (Cavite)
5. Taytay (Rizal)
6. Polomolok (South Cotabato)
7. Sta. Maria (Bulacan)
8. Cuyapo (Nueva Ecija)
9. Pinamalayan (Oriental Mindoro)
10. Puerto Galera (Oriental Mindoro)
11. Kalibo (Aklan)
12. Isulan (Sultan Kudarat)
13. Rodriguez (Rizal)
14. San Mateo (Rizal)
15. Lubao (Pampanga)

TOP CITIES AND MUNICIPALITIES: GOVERNMENT EFFICIENCY - 2014



CITIES

- 1** Naga (Camarines Sur)
- 2** Iloilo
- 3** Angeles (Pampanga)
4. Makati
5. Cagayan de Oro
6. Tagbilaran
7. San Fernando (Pampanga)
8. La Carlota (Negros Occidental)
9. Baguio
10. Laoag
11. Balanga (Bataan)
12. Mati (Davao Oriental)
13. Davao
14. Vigan
15. Pasay

MUNICIPALITIES

- 1** Kalibo (Aklan)
- 2** Tupi (South Cotabato)
- 3** San Mateo (Isabela)
4. Molave (Zamboanga del Sur)
5. Nabunturan (Compostela Valley)
6. Midsayap (North Cotabato)
7. San Luis (Aurora)
8. Odiongan (Romblon)
9. Carmona (Cavite)
10. Sablayan (Occidental Mindoro)
11. Tigaon (Camarines Sur)
12. Roxas (Isabela)
13. Surallah (South Cotabato)
14. Agoo (La Union)
15. T'boli (South Cotabato)

TOP CITIES AND MUNICIPALITIES: INFRASTRUCTURE - 2014



CITIES

- 1** Davao
- 2** Cagayan de Oro
- 3** Marikina
4. Makati
5. Cebu
6. Quezon City
7. Iloilo
8. Angeles (Pampanga)
9. Pasay
10. Manila
11. Valenzuela
12. Iriga (Camarines Sur)
13. Parañaque
14. Dasmariñas (Cavite)
15. Muntinlupa

MUNICIPALITIES

- 1** Daet (Camarines Norte)
- 2** Rodriguez (Rizal)
- 3** Paniqui (Tarlac)
4. Argao (Cebu)
5. Nabunturan (Compostela Valley)
6. Taytay (Rizal)
7. General Trias (Cavite)
8. Donsol (Sorsogon)
9. Manolo Fortich (Bukidnon)
10. Silang (Cavite)
11. Lala (Lanao del Norte)
12. Lubao (Pampanga)
13. San Jose (Antique)
14. Cuyapo (Nueva Ecija)
15. San Mateo (Rizal)

OVERALL COMPETITIVENESS 2014



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
11. Pasay
12. General Santos
13. Mandaluyong
14. Angeles (Pamapanga)
15. Baguio

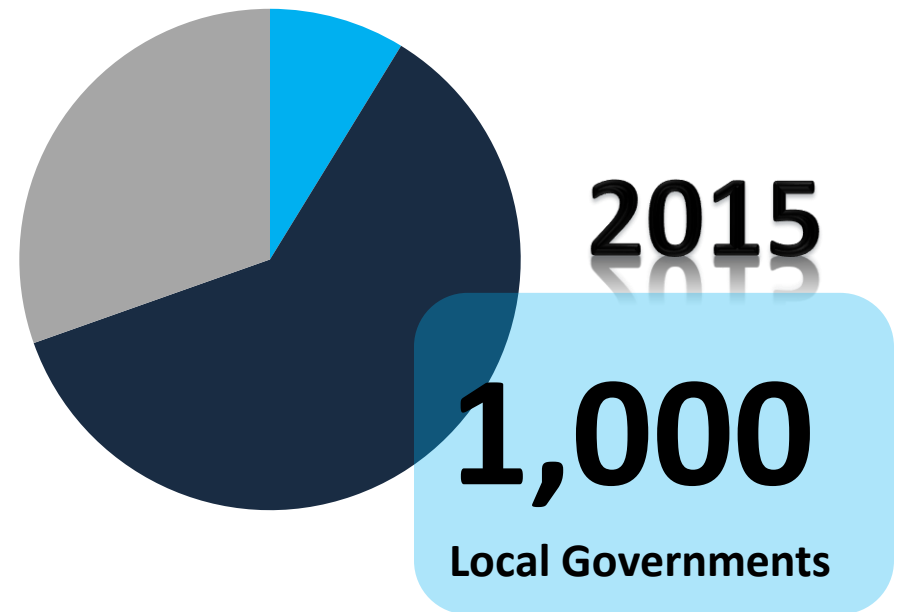
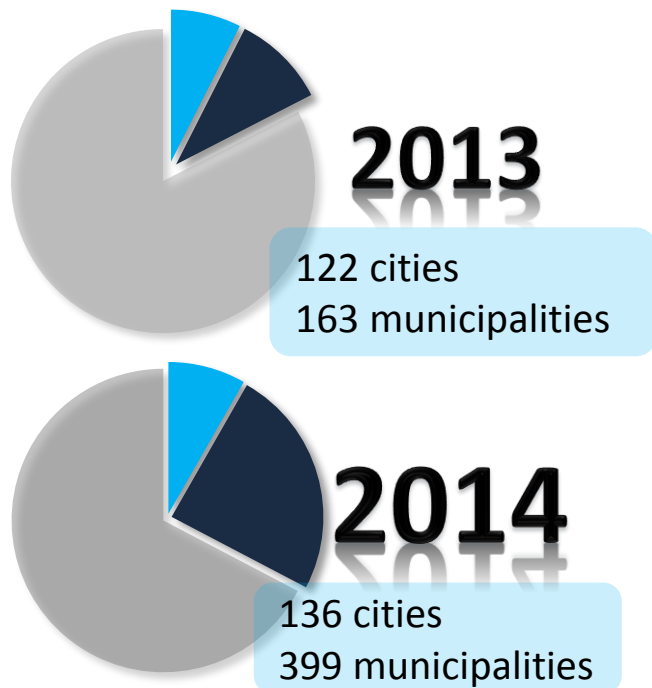
TOP MUNICIPALITIES

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11. Angono (Rizal)
12. Midsayap (North Cotabato)
13. Tupi (South Cotabato)
14. Paniqui (Tarlac)
15. Polangui (Albay)

CITIES AND MUNICIPALITIES COMPETITIVENESS INDEX



More local governments covered in 2015



Out of 1,634 local governments



CMCI2015 will rank local governments
in **different categories**



Highly Urbanized Cities
Component Cities
1st and 2nd class Municipalities
3rd to 6th class Municipalities
+ Most Competitive Provinces



LIVEABLE CITIES DESIGN CHALLENGE 2014

LIVEABLE CITIES DESIGN CHALLENGE: OVERVIEW



- City planning and design competition
- Plan cities for a climate-defined future
- Create fun, vibrant, and safe cities – one that people want to live in, work in, invest in, and visit



LIVEABLE CITIES DESIGN CHALLENGE: PARTICIPATING CITIES



City Government/Evacuation Center

APEC Meeting Venue



LIVEABLE CITIES DESIGN CHALLENGE: AWARDEES



Government Evacuation Center



Cagayan De Oro City

APEC Meeting Venue



Iloilo City

FINALISTS

- Valenzuela City
- Zamboanga City
- Roxas City

FINALISTS

- Cebu City
- Legazpi City



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BUSINESS PERMITS AND LICENSING SYSTEMS



BUSINESS PERMITS AND LICENSING SYSTEMS STANDARDS



STANDARDS	OLD STANDARDS		CURRENT STANDARDS		NEW STANDARDS	
	New	Renewal	New	Renewal	New	Renewal
STEPS	6 OR MORE	6 OR MORE	5	5	3	3 OR LESS
DAYS	10 OR MORE	10 OR MORE	5	5	1	1
SIGNATORIES	5 OR MORE	5 OR MORE	2	2	2	2
FORMS	3 OR MORE	3 OR MORE	1	1	1	1
DOCUMENTARY REQUIREMENTS	8 OR MORE	5 OR MORE	6	4	5	3

BUSINESS PERMITS AND LICENSING SYSTEMS: # OF STREAMLINED LOCAL GOVERNMENTS



YEAR	CITIES (144)	MUNICIPALITIES (1490)	TOTAL
2010	43	27	70
2011	85	283	368
2012	121	755	876
2013	137	999	1136
2014	137	1152	1286
2015 target	141	1375	1516

Out of 1,634 local governments



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BALANCED SCORECARDS



BALANCE SCORECARDS: NATIONAL GOVERNMENT AGENCIES IN THE GOVERNANCE PATHWAY



NATIONAL GOVERNMENT AGENCIES ON THE GOVERNANCE PATHWAY

INITIATED	COMPLIANT	PROFICIENT	INSTITUTIONALIZED
University of San Agustin	Armed Forces of the Philippines	Philippine Military Academy	National Electrification Administration
Philippine Air Force	Governance Commission on GOCCs	Accountancy Profession	Philippine Navy
National Police Commission	National Development Commission	Philippine National Police	Philippine Army
Philippine Heart Center	Development Bank of the Philippines	Department of Trade and Industry	Civil Service Commission
Board of Investments	Department of Social Welfare and Development		
Philippine Veterans Affairs Office	Bureau of Internal Revenue		
Department of Education*	Department of Health		
Department of Transportation and Communication*	Department of Public Works and Highways		

**Dormant*

BALANCE SCORECARDS: LOCAL GOVERNMENT UNITS ON THE GOVERNANCE PATHWAY



LOCAL GOVERNMENT UNITS ON THE GOVERNANCE PATHWAY

INITIATED	COMPLIANT	PROFICIENT	INSTITUTIONALIZED
	City of Dipolog	City of Balanga	City of Iloilo
	City of Mandaue	City of Masbate	City of San Fernando Pampanga
	City of Talisay	City of San Fernando La Union	
	City of Legazpi		
	City of Butuan		
	Province of Bataan		

ISLANDS OF GOOD GOVERNANCE



ISLANDS OF GOOD GOVERNANCE 2015 CALENDAR

MARCH

Proficiency audits

JULY-SEPTEMBER

Regional audits

MAY

Proficiency public revalidas

SEPTEMBER

Presentation of IGG case studies
at APEC Senior Leaders Meeting

12 JUNE

Formal application

OCTOBER

Presentation of audit findings
IGG public revalidas

WITHIN JUNE

Application evaluation

NOVEMBER 13

Awarding of IGG seals at final APEC
Senior Leaders Meeting

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.

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



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