



NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

Quality in a Globally Competitive Economy.

Shared Goals, Shared Responsibilities

26th National Quality Forum

October 24, 2014 - Isabella Ballroom Makati Shangri-la Hotel.

MR. GUILLERMO M. LUZ
Private Sector Co-Chairman



WORLD
ECONOMIC
FORUM

COMMITTED TO
IMPROVING THE STATE
OF THE WORLD



THE WORLD BANK

GLOBAL COMPETITIVENESS

Doing
Business

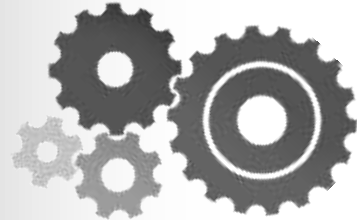


FFP



TRANSPARENCY
INTERNATIONAL

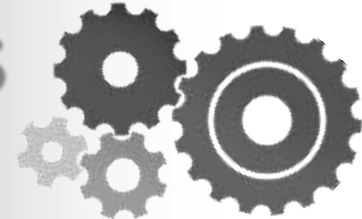
GLOBAL COMPETITIVENESS REPORT CARD



REPORT	2014 RANK	2013 RANK	2012 RANK	CHANGE	TOP 1/3
1. WEF -Global Competitiveness Index	52/144	59/148	65/144	↑ 7	48
2. IFC -Ease of Doing Business		108/189	138/185	↑ 30	63
3. IMD -World Competitiveness Report	42/60	38/60	43/59	↓ 4	20
4. TI- Corruption Perception Index		94/177	105/176	↑ 11	60
5. HF-Economic Freedom Index	89/178	97/177	107/179	↑ 8	59
6. WEF-Global Information Technology Report	78/148	86/144	86/142	↑ 8	49
7. WEF- Travel and Tourism Report		82/140	n/a	↑ 12	46
8. WIPO- Global Innovation Index	100/143	90/142	95/141	↓ 10	47
9. WB- Logistics Performance Index	57/160	n/a	52/155	↓ 5	53
10. FFP- Fragile States Index	52/178	59/178	56/177	↓ 7	118
11. WEF- Global Enabling Trade Index	64/138	n/a	72/132	↑ 8	46
12. WEF- Global Gender Gap Report		5/136	8/135	↑ 3	--

GLOBAL COMPETITIVENESS REPORTS

Philippines vs ASEAN



REPORT		Philippines	Singapore	Brunei	Malaysia	Thailand	Indonesia	Vietnam	Laos	Cambodia	Myanmar
1. WEF -Global Competitiveness Index	5 of 9	52	2	-	20	31	34	68	93	95	134
2. IFC -Ease of Doing Business	6 of 10	108	1	59	6	18	120	99	159	137	182
3. IMD -World Competitiveness Report	5 of 5	42	3	-	12	29	37	-	-	-	-
4. TI- Corruption Perception Index	4 of 10	94	5	38	53	102	114	116	140	160	157
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	5 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	5	58	88	102	65	95	73	60	104	-

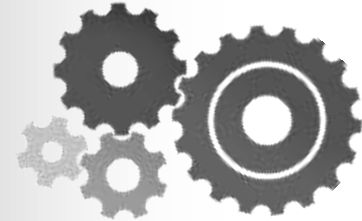












WEF- GLOBAL COMPETITIVENESS REPORT (2014 RESULTS)

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WEF-GLOBAL COMPETITIVENESS REPORT

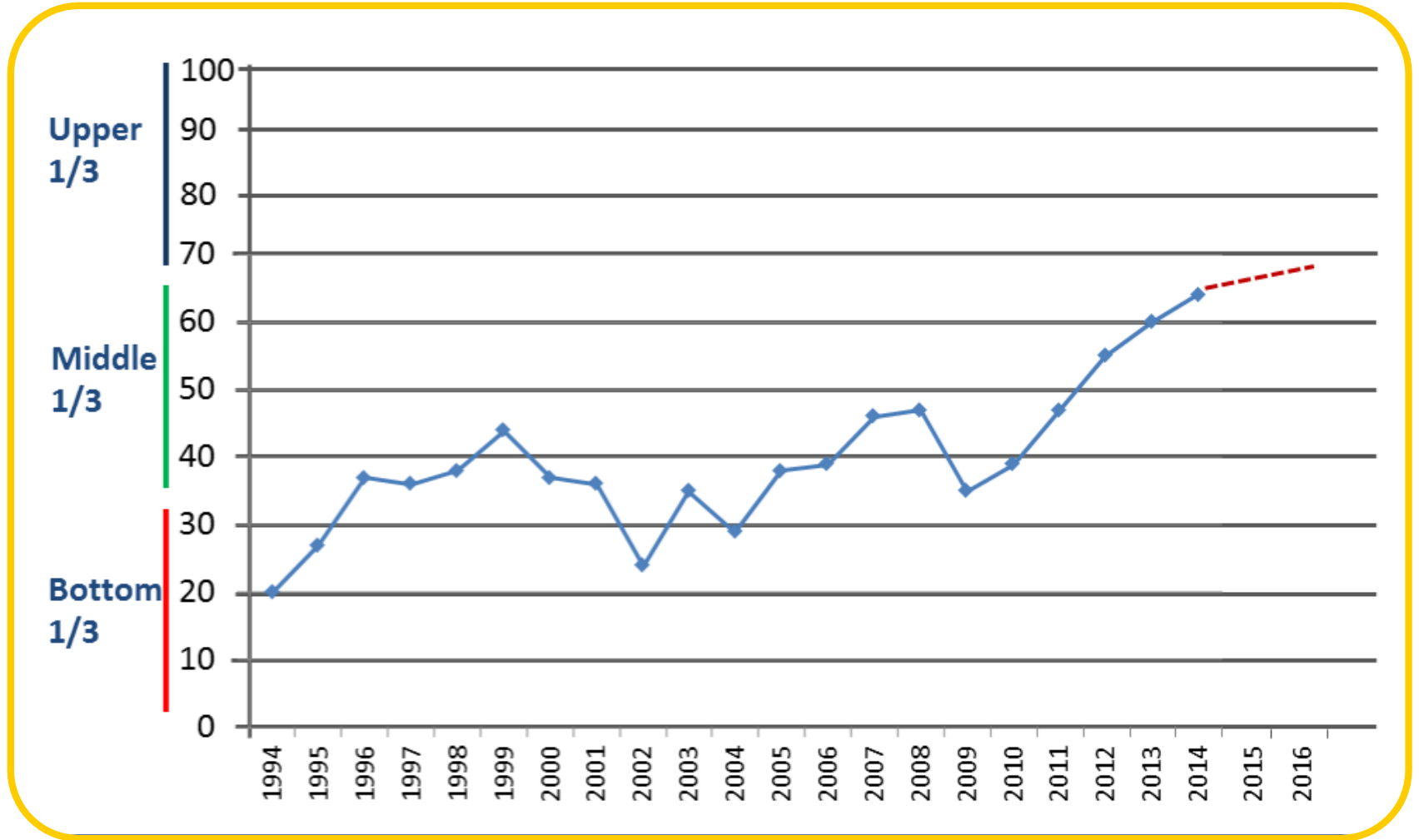
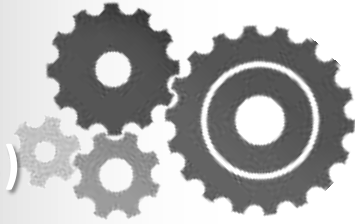
Philippines vs ASEAN (2010-2014)



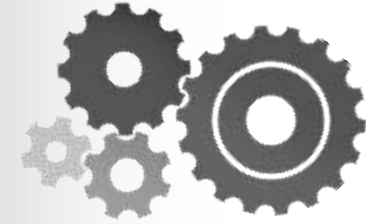
Country/Economy	2014 (out of 144)	Change 2013-2014	2013 (out of 148)	2012 (out of 144)	2011 (out of 142)	2010 (Out of 139)	Change in 4 Years 2010-2014
 Singapore	2	0	2	2	2	3	1
 Malaysia	20	4	24	25	21	26	6
 Thailand	31	6	37	38	39	38	7
 Indonesia	34	4	38	50	46	44	10
 Philippines	52	7	59	65	75	85	33
 Vietnam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

WEF-GLOBAL COMPETITIVENESS

REPORT Philippines (Percentile Rank : 1994-2014)



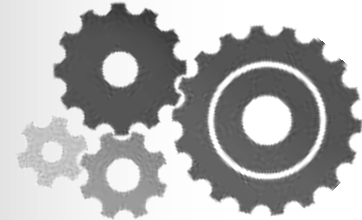
WEF-GLOBAL COMPETITIVENESS REPORT Philippines(2010-2014)



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

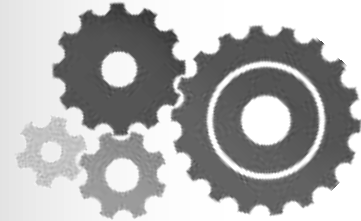
WEF-GLOBAL COMPETITIVENESS REPORT

Philippines (2010-2014)

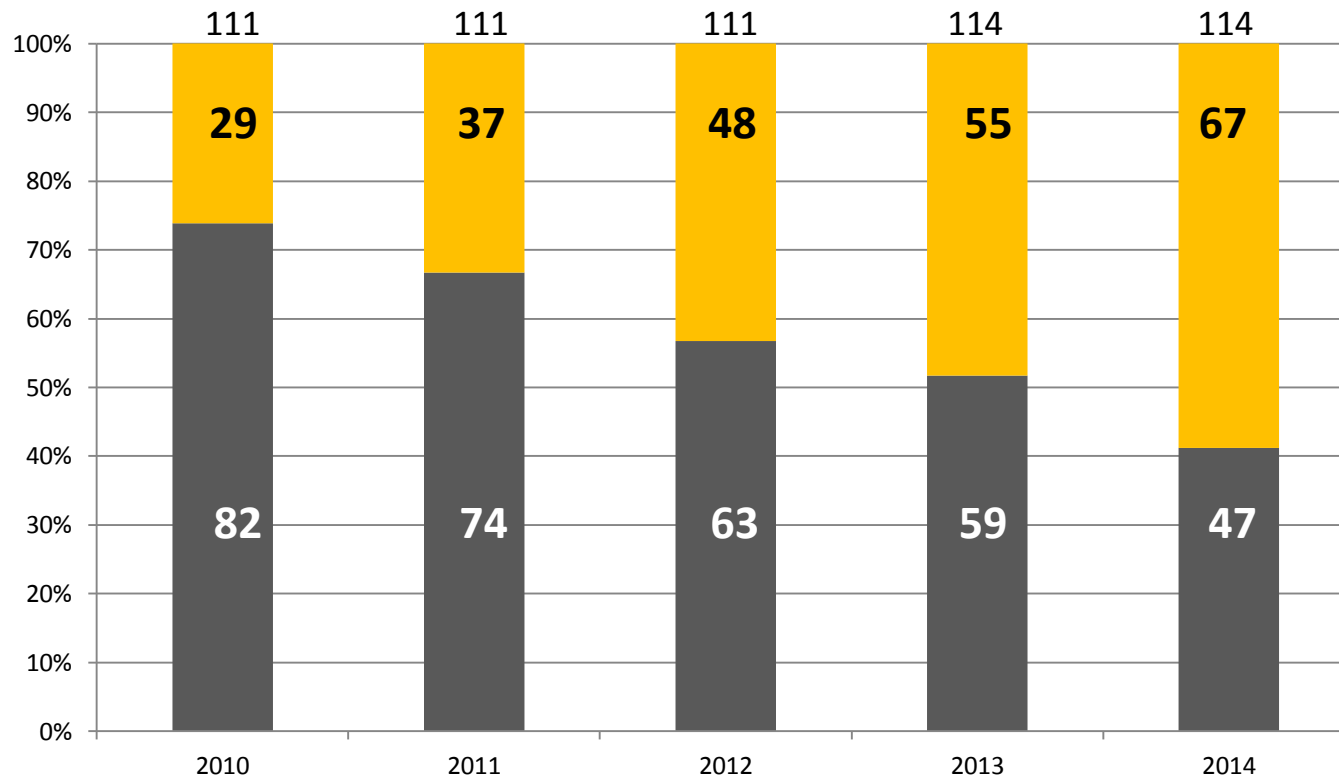


INDICATORS		2014	2013	2012	2011	2010
RED	Bottom 20%	(115 th – 144 th)	(119 th – 148 th)	(115 th – 144 th)	(113 th – 142 nd)	(111 th – 139 th)
		5	7	8	21	25
PURPLE	Ranked 21 - 40%	(86 th – 114 th)	(88 th – 118 th)	(86 th – 114 th)	(85 th – 112 th)	(83 rd – 110 th)
		29	33	45	36	37
GREEN	Ranked 41 – 50%	(72 nd – 85 th)	(72 rd – 87 th)	(72 nd – 85 th)	(71 st – 84 th)	(69 th – 82 nd)
		13	19	10	17	20
BLACK	Ranked 49% or higher	(1 st – 71 st)	(1 st – 71 st)	(1 st – 71 st)	(1 st – 70 th)	(1 st – 68 th)
		67	55	48	37	29
TOTAL		114	114	111	111	111

WEF-GLOBAL COMPETITIVENESS REPORT Philippines (2010-2014)

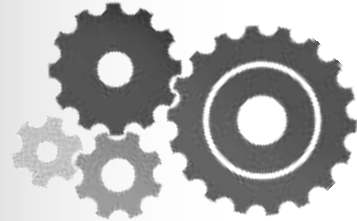


Out of 114 indicators, the Philippines now has 67 indicators ranked 71st or higher (at the upper half of world rankings).

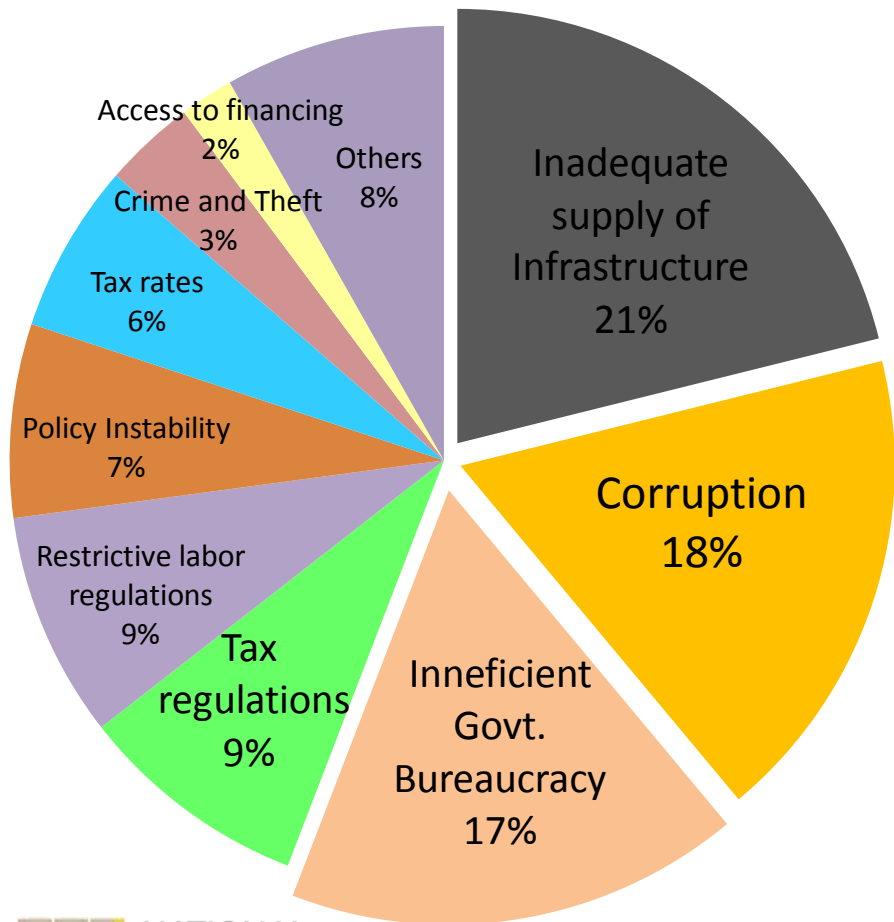


WEF-GLOBAL COMPETITIVENESS REPORT

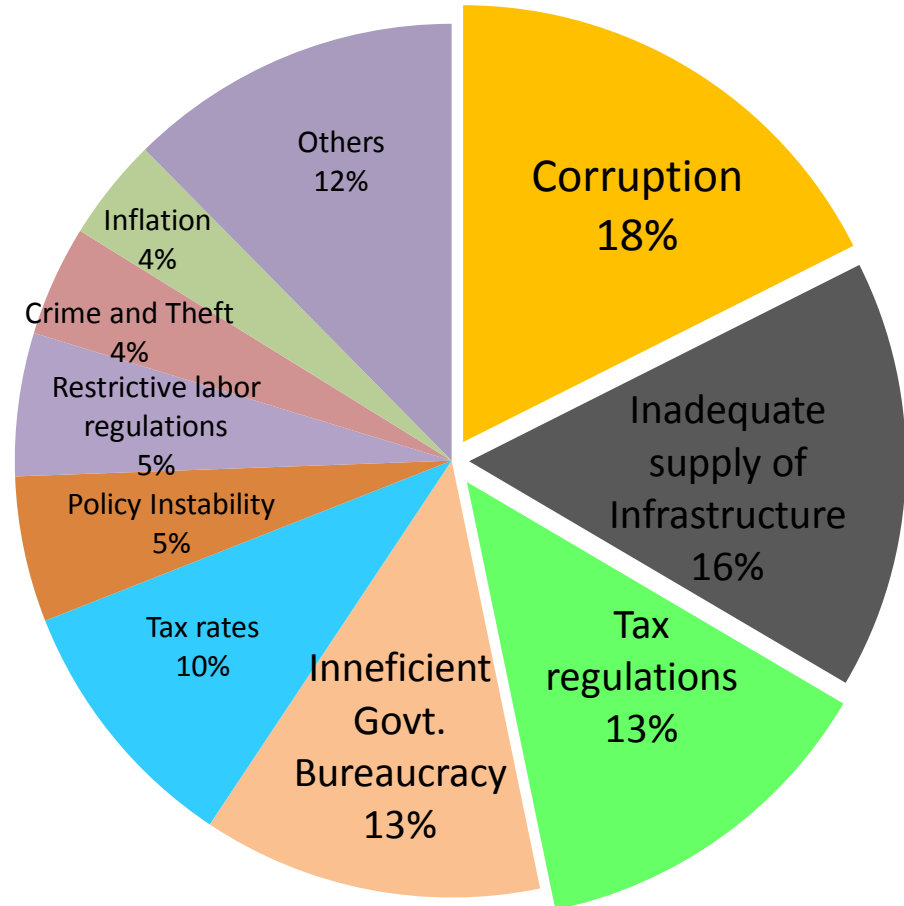
MOST PROBLEMATIC FACTORS IN DOING BUSINESS




2013



2014

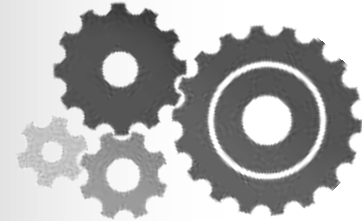




WEF- GLOBAL INFORMATION TECHNOLOGY REPORT (2014 RESULTS)

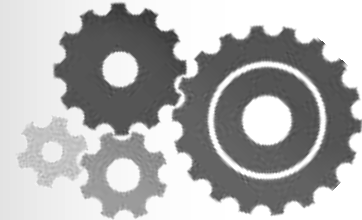
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WEF- GLOBAL INFORMATION TECHNOLOGY REPORT PHILIPPINES VS ASEAN (2011-2014)



Economy	2014	2013	2012	2011	Change 2011-2012	Change 2012-2013	Change 2013-2014	Change over 3 years
Singapore	2	2	2	2	0	0	0	0
Malaysia	30	30	29	28	-1	-1	0	-2
Brunei	45	57	54	57	3	-3	12	12
Indonesia	64	76	80	53	-27	4	12	-11
Thailand	67	74	77	59	-18	3	7	-8
Philippines	78	86	86	86	0	0	8	8
Vietnam	84	84	83	55	-28	-1	0	-29
Cambodia	108	106	108	111	3	2	-2	3
Lao PDR	109	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Myanmar	146	n/a	n/a	n/a	n/a	n/a	n/a	n/a

WEF-GLOBAL INFORMATION TECHNOLOGY REPORT PHILIPPINES (2011-2014)

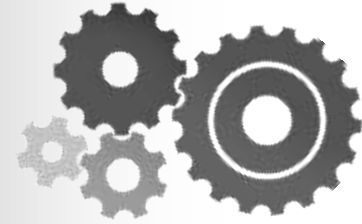












Pillars	2014	2013	2012	Change 2013-2014	Change over 2 years
1st Pillar : Political and regulatory environment	87	98	107	11	20
2nd Pillar : Business and innovation environment	92	100	107	8	15
3rd Pillar : Infrastructure and digital content	89	84	80	-5	-9
4th Pillar : Affordability	75	82	72	7	-3
5th Pillar : Skills	69	73	77	4	8
6th Pillar : Individual usage	91	95	95	4	4
7th Pillar : Business usage	43	47	63	4	20
8th Pillar : Government usage	67	67	79	0	12
9th Pillar : Economic Impacts	48	56	77	8	29
10th Pillar : Social impacts	76	76	88	0	12

WIPO-GLOBAL INNOVATION INDEX (2014 RESULTS)

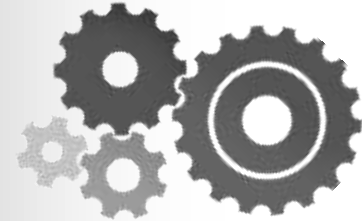


WIPO-GLOBAL INNOVATION INDEX PHILIPPINES VS ASEAN



Country	2014 Out of 143	Change 2013-2014	2013 Out of 142	2012 Out of 141	2011 Out of 125
 SINGAPORE	7	1	8	3	3
 MALAYSIA	33	-1	32	32	31
 THAILAND	48	9	57	57	48
 VIETNAM	71	5	76	76	51
 INDONESIA	87	-2	85	100	99
 BRUNEI DARUSSALAM	88	-14	74	53	75
 PHILIPPINES	100	-10	90	95	91
 CAMBODIA	106	4	110	129	111
 LAOS	-	-	-	138	-
 MYANMAR	140	-	-	-	-

WIPO-GLOBAL INNOVATION INDEX PHILIPPINE RANKINGS (2013-2014)



Pillars	2014 Rank (out of 143)	2013 Rank (out of 142)	2013-2014 CHANGE
<i>Innovation Input Sub-Index</i>	110	108	-2
1 Institutions	108	128	20
2 Human capital & research	121	116	-5
3 Infrastructure	94	78	-16
4 Market sophistication	93	95	2
5 Business sophistication	113	96	-17
<i>Innovation Output Sub-Index</i>	84	77	-7
6 Knowledge & technology outputs (formerly Scientific outputs)	68	61	-7
7 Creative outputs	98	91	-7
<i>Innovation Efficiency Ratio</i>	35	24	-11

QUALITY MATTERS

A National Quality Infrastructure for the Philippines:
An Assessment of the NQI Institutions

PTB Physikalisch
Technische
Bundesanstalt
Braunschweig und Berlin

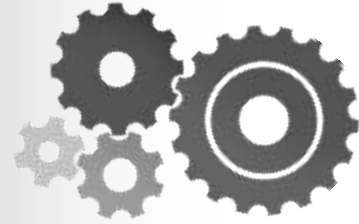


Philippine
MSTQ
Incorporated



EU-Philippines Trade Related
Technical Assistance Project –
Phase 2

National Quality Infrastructure



- *Manufacturers*
- *Consumers*
- *Academe*
- *SMEs*
- *Research*
- *National Authorities*
- *Laboratories, inspection and certification bodies*

**Standards
and Technical
Regulations**

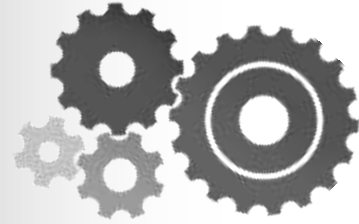
**Testing
and
Certification**

Metrology

Accreditation

Interconnected Institutions and Interconnected Activities

Why do we need NQI?



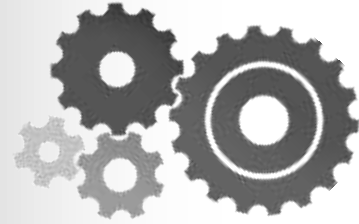
I N D U S T R Y

- NQI facilitates ease of doing business in both domestic and foreign markets.
- Adherence to voluntary standards will generate technical solutions and innovations to ensure a product's competitiveness and credibility in the marketplace.
- NQI will provide access to best practices and levels the playing field for SMEs.

C O N S U M E R S

- It enables and upholds consumer rights and increase the variety and quality of product availability and choices.

Why do we need NQI?



INDUSTRY ASSOCIATIONS

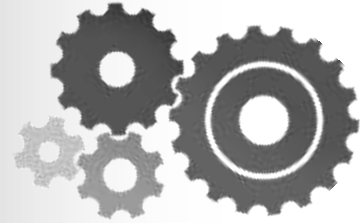
- It acts as a bridge between the public and private sector – providing access to and influence on the technical aspects of industrial policies through the application of voluntary standards.
- It provides access to good and best practices among stakeholders in the local and international arena.

REGULATORY AGENCIES

- Its helps economies conduct more effective and credible market surveillance activities.
- The harmonization of NQI practices will optimize the utilization of the national authorities resources.



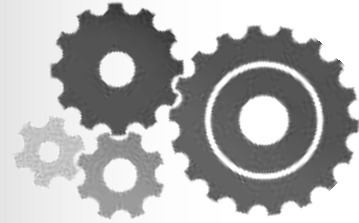
ASSESSMENT OF THE PHILIPPINE QUALITY INFRASTRUCTURE



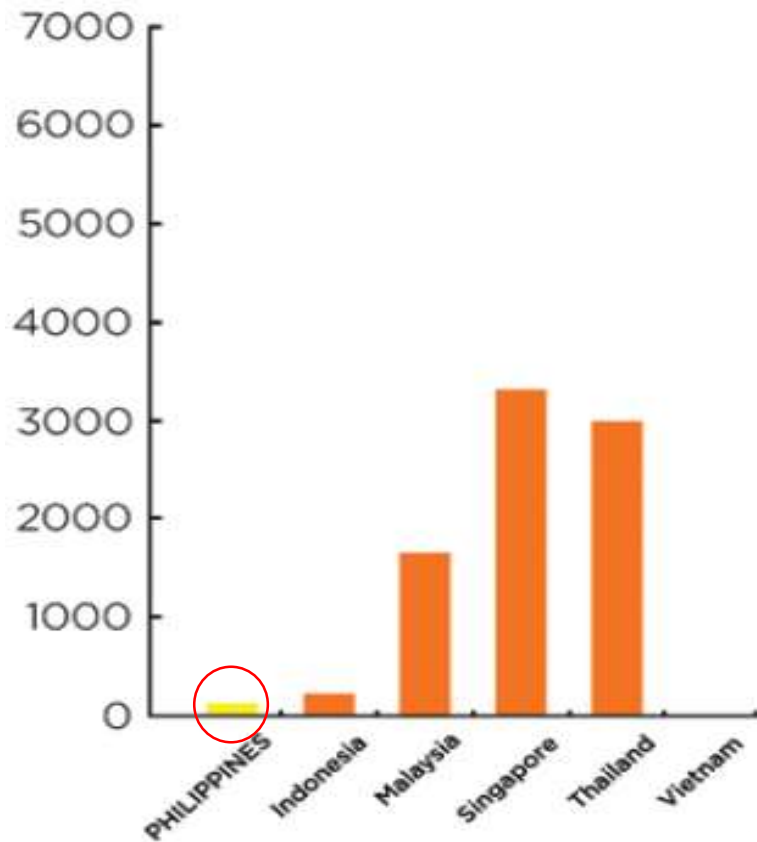
The study showed fragmentation of the NQI in the Philippines and highlighted the need for:

- Increased awareness of both public and private sector on the benefits of NQI.
- A national policy and strategy on NQI.
- Strengthened coordination between public and private sector to reinforce NQI.
- Increased capacity of NQI institutions to provide a variety of quality-oriented services for industries.

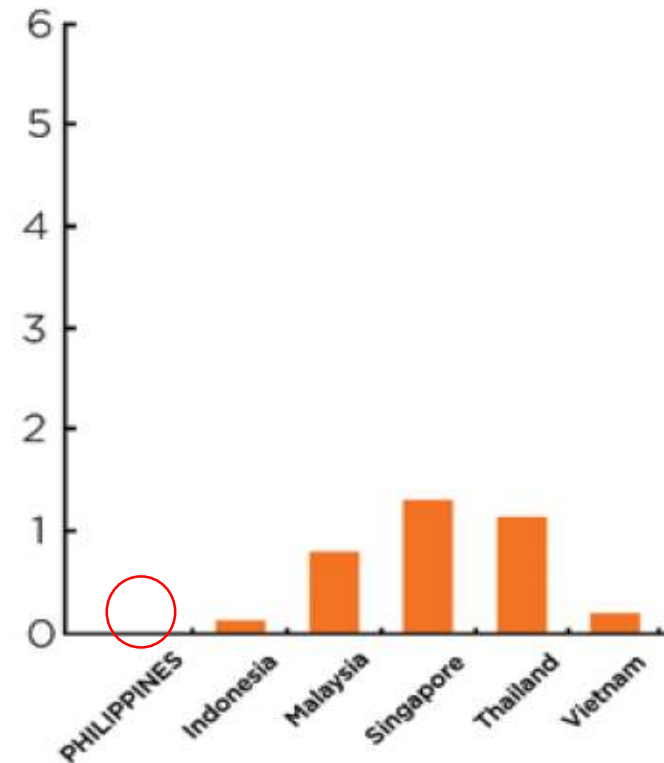
Findings: Metrology (PH vs ASEAN)



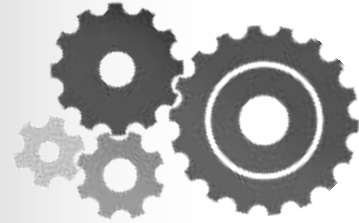
Budget of National Metrology Institutes
(in relation to GDP)



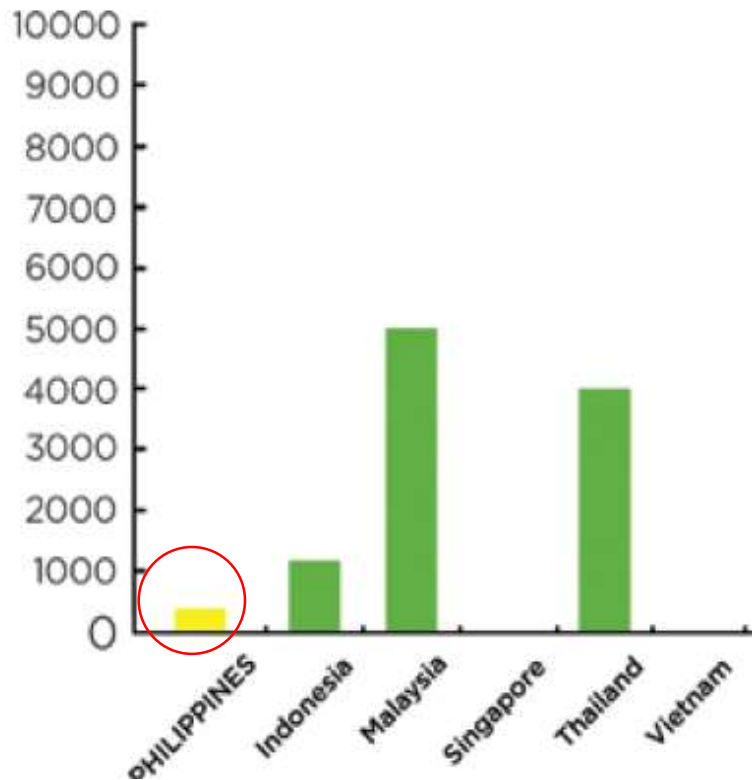
Calibration and Measurement Capabilities
registered internationally
(in relation to GDP)



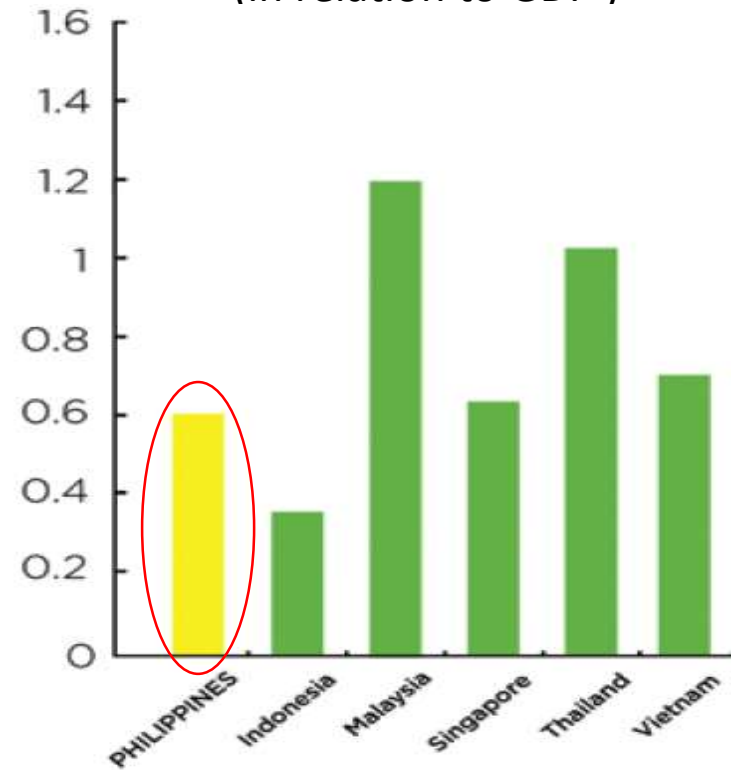
Findings: Standardization (PH vs ASEAN)



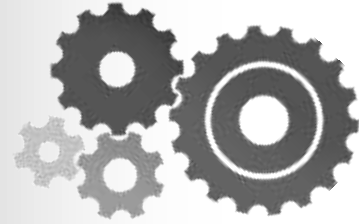
Budget of ASEAN National Standards Bodies in USD
(in relation to GDP)



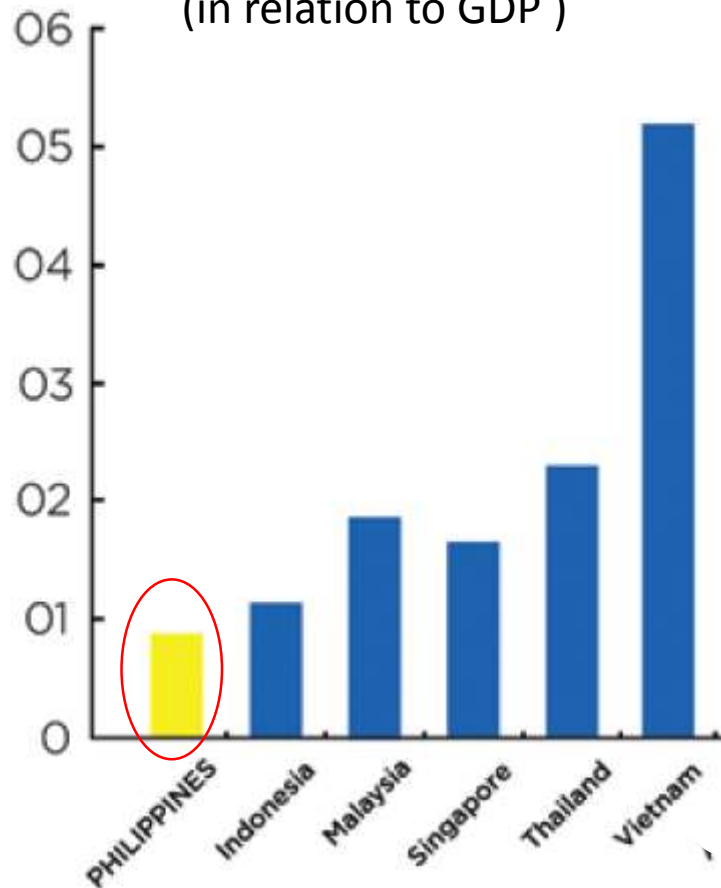
ASEAN NSBs Participation in ISO and IEC Technical Committees
(in relation to GDP)



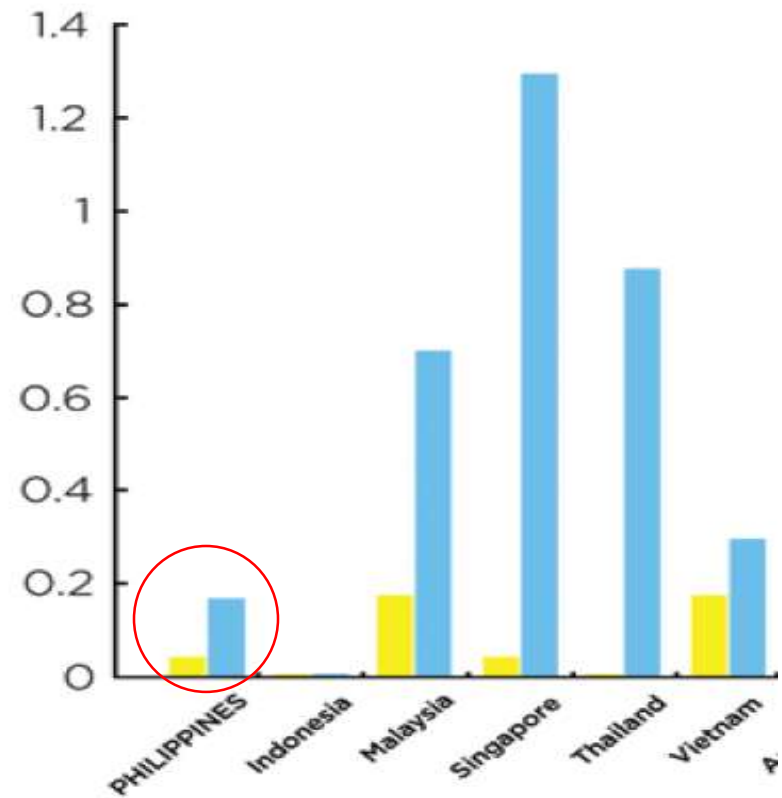
Findings: Accreditation (PH vs ASEAN)

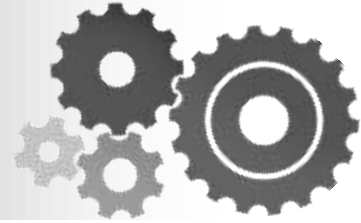


Total Accreditation Issued by ASEAN
National Accreditation Bodies
(in relation to GDP)



Lead & Technical Assessors in ASEAN
National Accreditation Bodies
(in relation to GDP)

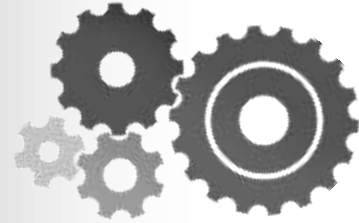




Next Steps for the National Quality Institutions.

- Upgrade government regulatory practices
- Strengthen metrology
- Scale up standardization
- Streamline accreditation

What has been done?



1 Created NCC Working Group on NQI



NCC Dialogue: National Quality Infrastructure (NQI): Key to Philippine Industries' Competitiveness

2

DRAFT NQI BILL

to be finalized and endorsed to the Senate and House of Representatives

Forum/workshop on NQI (October 28, 2014)

4