

NATIONAL  
COMPETITIVENESS  
COUNCIL | PHILIPPINES

# Impact of Education on Competitiveness



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Private Sector, Co-Chairman  
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# INVESTMENTS



# TRADE





PEOPLE



**JOBS**

Google images

# TOURISTS







UNIQUELY  
*Singapore*

[www.visitsingapore.com](http://www.visitsingapore.com)





amazing  
THAILAND  
*Always Amazes You*

IMAGE



Island Hopping. More fun in the  
**Philippines**

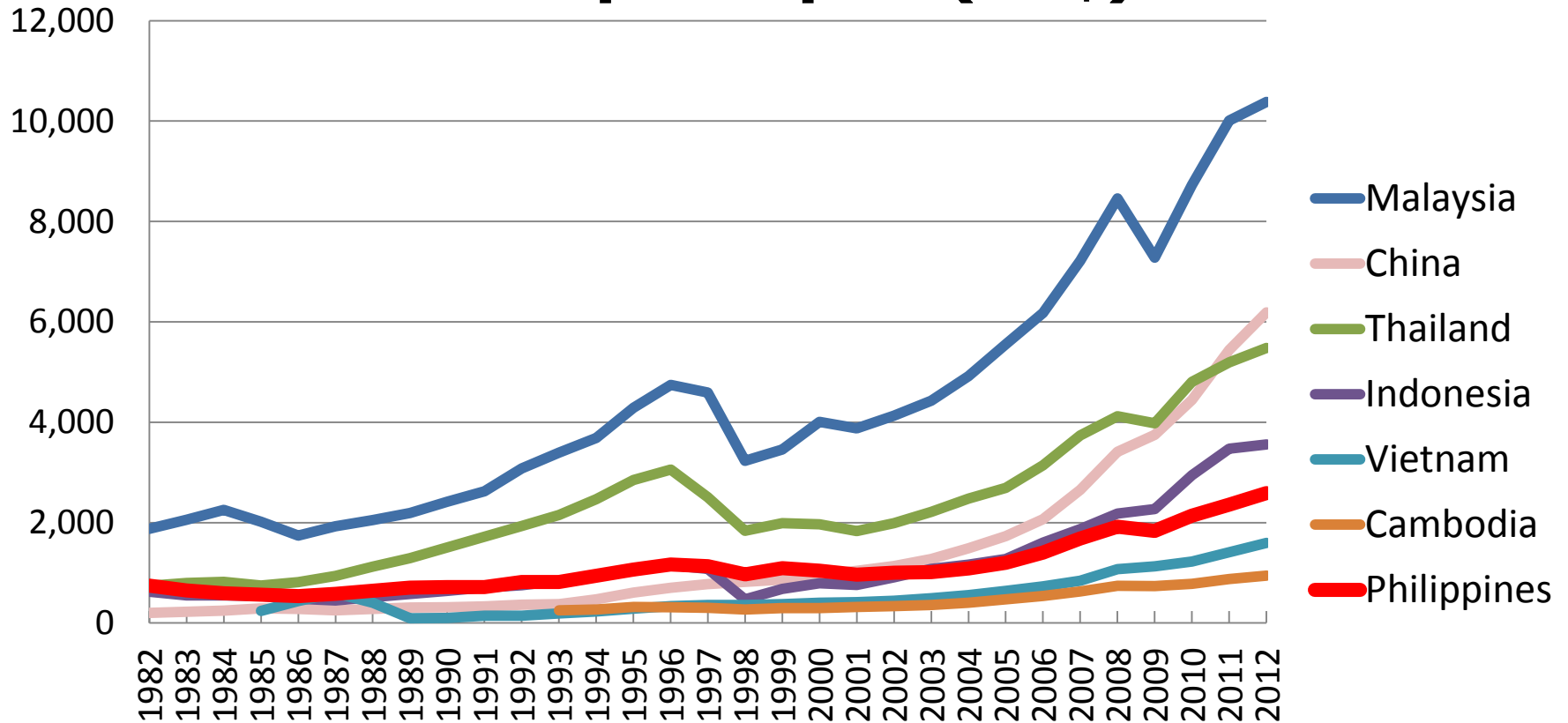


# GLOBAL COMPETITIVENESS REPORT CARD

| REPORT                                  | 2014 RANK | 2013 RANK | 2012 RANK | CHANGE | ASEAN RANK | NEXT RELEASE | SOURCE                          | TARGET |
|---|-----------|-----------|-----------|--------|------------|--------------|---------------------------------|--------|
| 1. WEF Global Competitiveness Index     |           | 59/148    | 65/144    | ↑ 6    | 6 of 10    | Sep-14       | WEF                             | 49     |
| 2. IFC Ease of Doing Business           |           | 108/189   | 138/185   | ↑ 30   | 6 of 10    | Oct-14       | International Finance Corp      | 63     |
| 3. IMD World Competitiveness Report     | 42/60     | 38/60     | 43/59     | ↓ 4    | 5 of 5     | May-15       | Int'l Institute for Mgt Dev't   | 20     |
| 4. TI Corruption Perception Index       |           | 94/177    | 105/176   | ↑ 11   | 4 of 10    | Dec-14       | Transparency International      | 60     |
| 5. Economic Freedom Index               | 89/178    | 97/177    | 107/179   | ↑ 8    | 5 of 9     | Jan-15       | Heritage Foundation             | 59     |
| 6. Global Information Technology Report | 78/148    | 86/144    | 86/142    | ↑ 8    | 6 of 10    | Apr 15       | WEF                             | 49     |
| 7. Travel and Tourism Report            |           | 82/140    | n/a       | ↑ 12   | 7 of 8     | Mar-15       | WEF                             | 46     |
| 8. Global Innovation Index              | 100/143   | 90/142    | 95/141    | ↓ 10   | 7 of 9     | Jul-15       | World Intellectual Property Org | 47     |
| 9. Logistics Performance Index          | 57/160    | n/a       | 52/155    | ↓ 5    | 6 of 9     | Mar-16       | World Bank                      | 53     |
| 10. Fragile States Index                | 52/178    | 59/178    | 56/177    | ↓ 7    | 8 of 10    | Jun-15       | Fund for Peace                  | 118    |
| 11. Global Enabling Trade Index         | 64/138    | n/a       | 72/132    | ↑ 8    | 6 of 10    | Mar-15       | WEF                             | 46     |
| 12. Global Gender Gap Report            |           | 5/136     | 8/135     | ↑ 3    | 1 of 9     | Oct-14       | WEF                             | --     |

# WHY DOES IT MATTER?

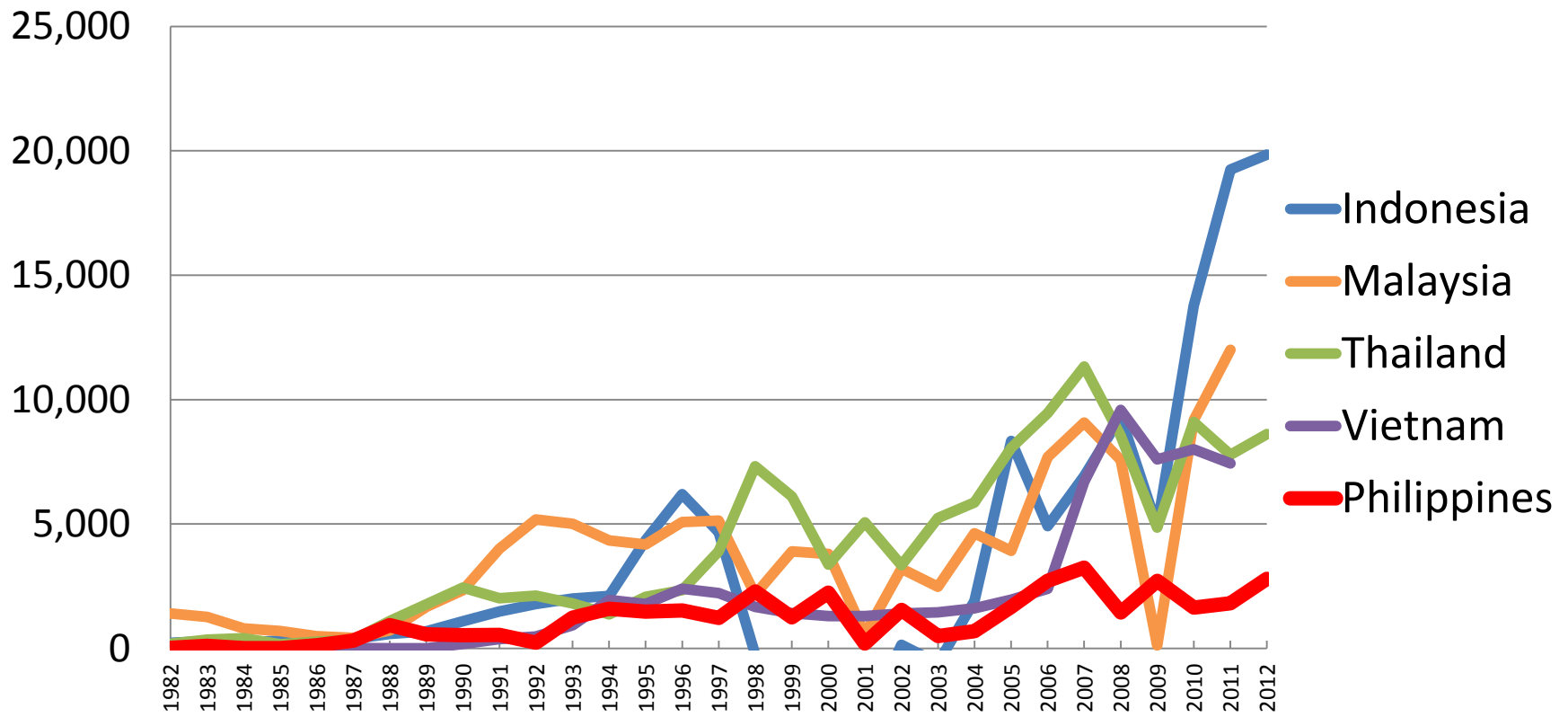
## GDP per capita (US\$)



Source: World Bank

# WHY DOES IT MATTER?

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













# IMPACT: INCLUSIVE GROWTH











- Higher FDI (new investments of 3-4% of GDP), from US\$1.7 billion in 2010
- Double export growth to US\$120 billion by 2016 with new products and services to account for 30% of exports
- GDP Growth of 7-8% per year
- Job Growth / Lower Unemployment
- Lower Poverty Incidence : 26.5% in 2009 to 16.6% by 2015
- Growing C socioeconomic class(currently 8.6%); shrinking DE class (currently 91%)

Sources: NSCB (Breakdown: 2010 Baseline- US\$ 51.39 (goods) US\$ 12.27 (services) , 2016 Target- US\$ 91.5 B (goods) & US\$ 28.9 B (services), Chapter 3 Phil Development Plan (Competitive Industry Sector ), NEDA Targets; Phil. Labor and Employment Plan 2011-2016

# MEDIAN AGE (as of 2010) ASEAN COUNTRIES

|  | ASEAN             | Median Age | Male | Female |
|--|-------------------|------------|------|--------|
|    | Lao PDR           | 19.5       | 19.2 | 19.8   |
|    | Cambodia          | 22.5       | 21.8 | 23.2   |
|    | Philippines       | 22.7       | 22.2 | 23.2   |
|    | Malaysia          | 25.1       | 24.5 | 25.8   |
|    | Myanmar           | 26.5       | 26   | 27.1   |
|    | Vietnam           | 27.4       | 26.4 | 28.5   |
|    | Indonesia         | 27.9       | 27.4 | 28.4   |
|  | Brunei Darussalam | 28.1       | 28   | 28.2   |
|  | Thailand          | 33.7       | 32.9 | 34.7   |
|  | Singapore         | 39.6       | 39.1 | 40     |

# ASEAN 0-14 YEARS OLD (% of Total Population)

|   | <b>ASEAN</b>      | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|---|-------------------|-------------|-------------|-------------|
|    | Singapore         | 17.342      | 16.92       | 16.475      |
|    | Thailand          | 19.332      | 18.862      | 18.466      |
|    | Vietnam           | 23.491      | 23.118      | 22.872      |
|    | Myanmar           | 26.071      | 25.676      | 25.278      |
|    | Brunei Darussalam | 26.593      | 26.165      | 25.755      |
|    | Malaysia          | 27.683      | 27.169      | 26.653      |
|    | Indonesia         | 29.829      | 29.594      | 29.273      |
|  | Cambodia          | 31.836      | 31.448      | 31.233      |
|  | Philippines       | 35.284      | 34.908      | 34.533      |
|  | Lao PDR           | 36.77       | 36.164      | 35.605      |

Source: data.worldbank.org















# Global Competitiveness Report

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# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINES VS ASEAN

| COUNTRIES  |                      | 2013<br>Out of 148 | CHANGE<br>2012-2013 | 2012<br>Out of 144 | 2011<br>Out of 142 | CHANGE<br>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

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINE RANKINGS



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

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINES VS ASEAN

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

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINES VS ASEAN

### 5<sup>th</sup> Pillar ASEAN

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

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINE RANKINGS



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

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINES VS ASEAN



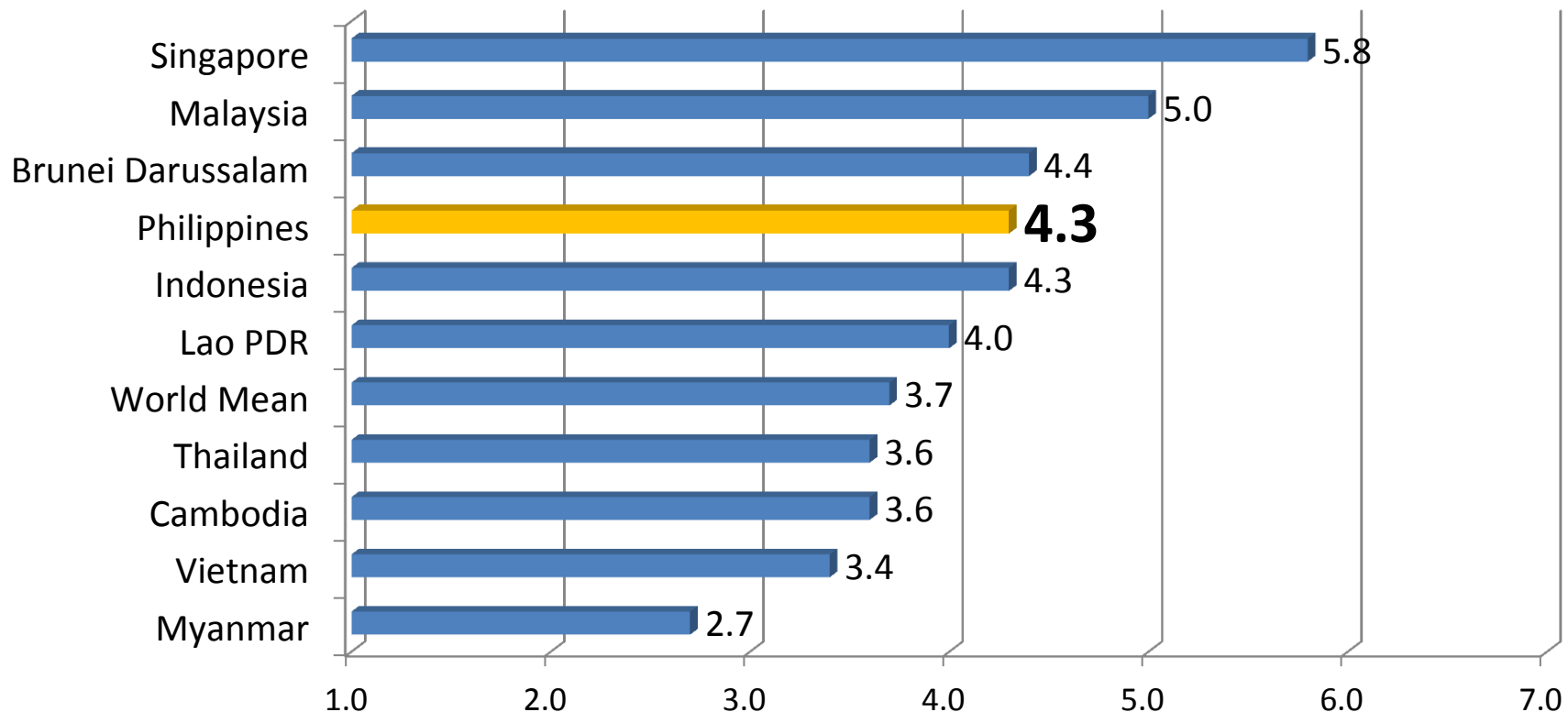
### 12<sup>th</sup> Pillar ASEAN

|   | Singapore | Thailand | Indonesia | Malaysia | Brunei | Laos | Philippines<br>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     |



How well does the educational system in your country meet the needs of a competitive economy?

### Quality of the Educational System







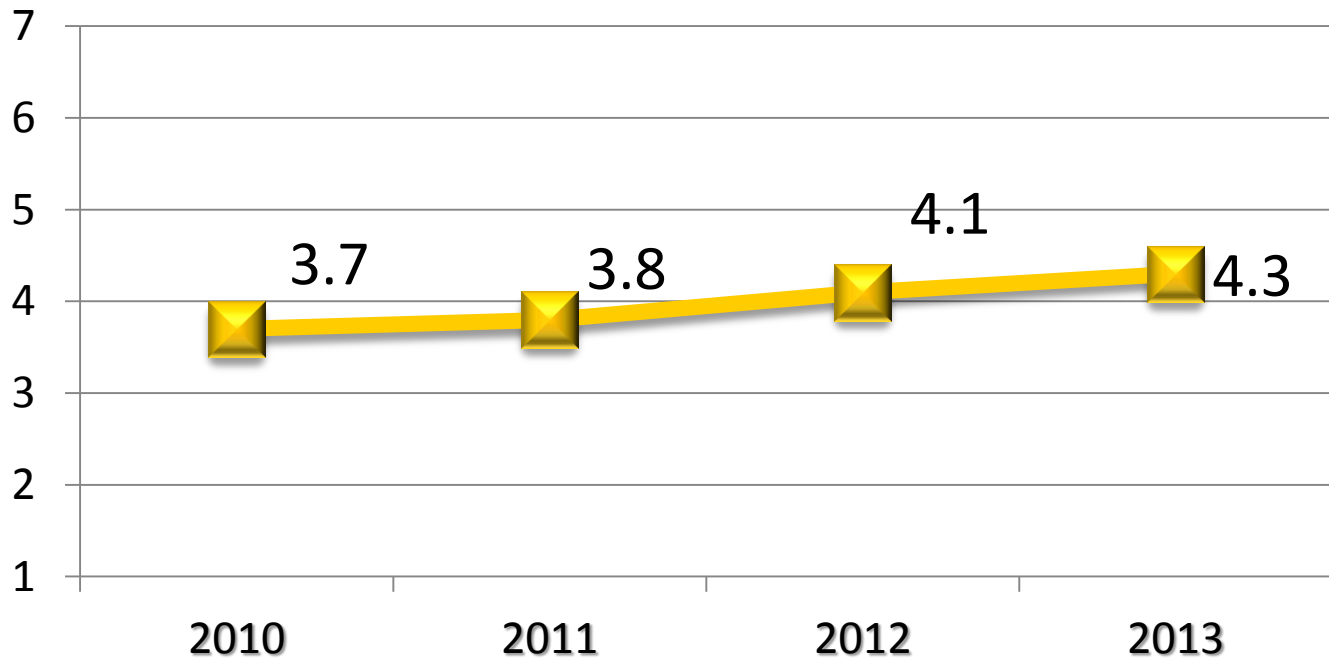
How well does the educational system in your country meet the needs of a competitive economy?

### Quality of the educational system

7 = extremely well

🌐 Global Mean: 3.7

1 = not well at all



Source: World Economic Forum, Executive Opinion Survey



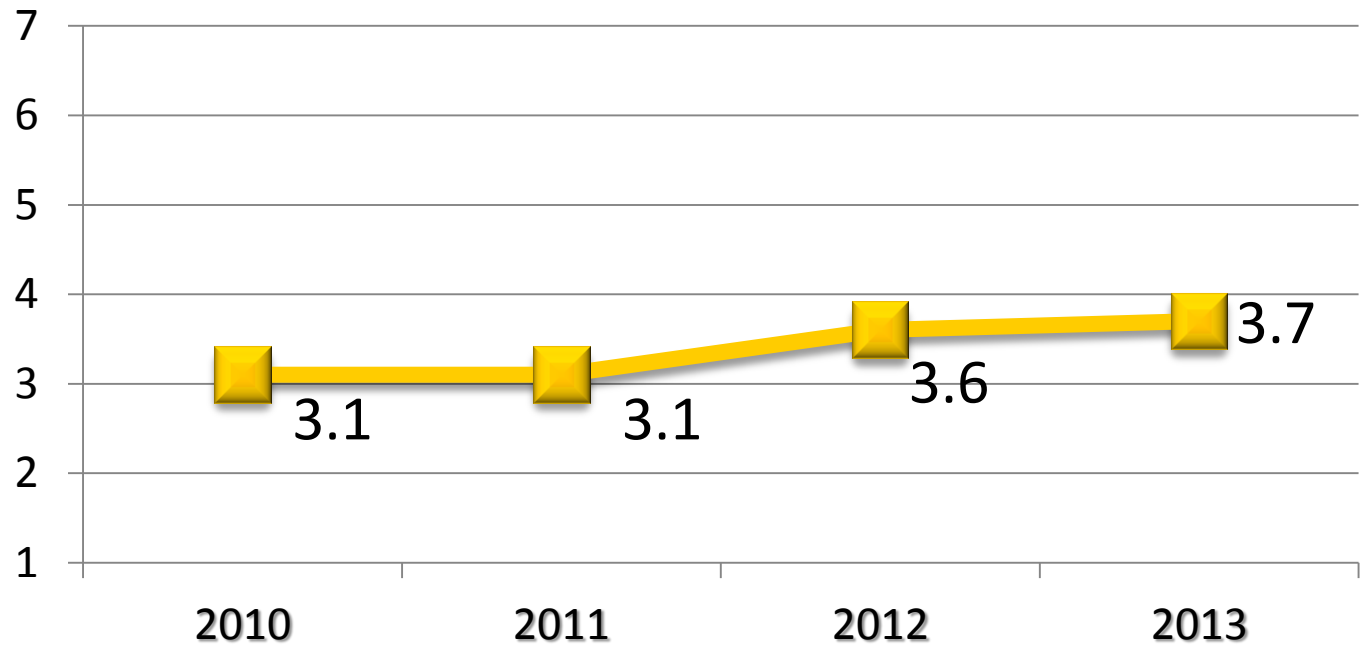
In your country, how would you assess the quality of math and science education in schools?

### Quality of math and science education

7 = excellent  
(best in the world)

🌐 Global Mean: 4

1 = extremely poor  
(worst in the world)



Source: World Economic Forum, Executive Opinion Survey



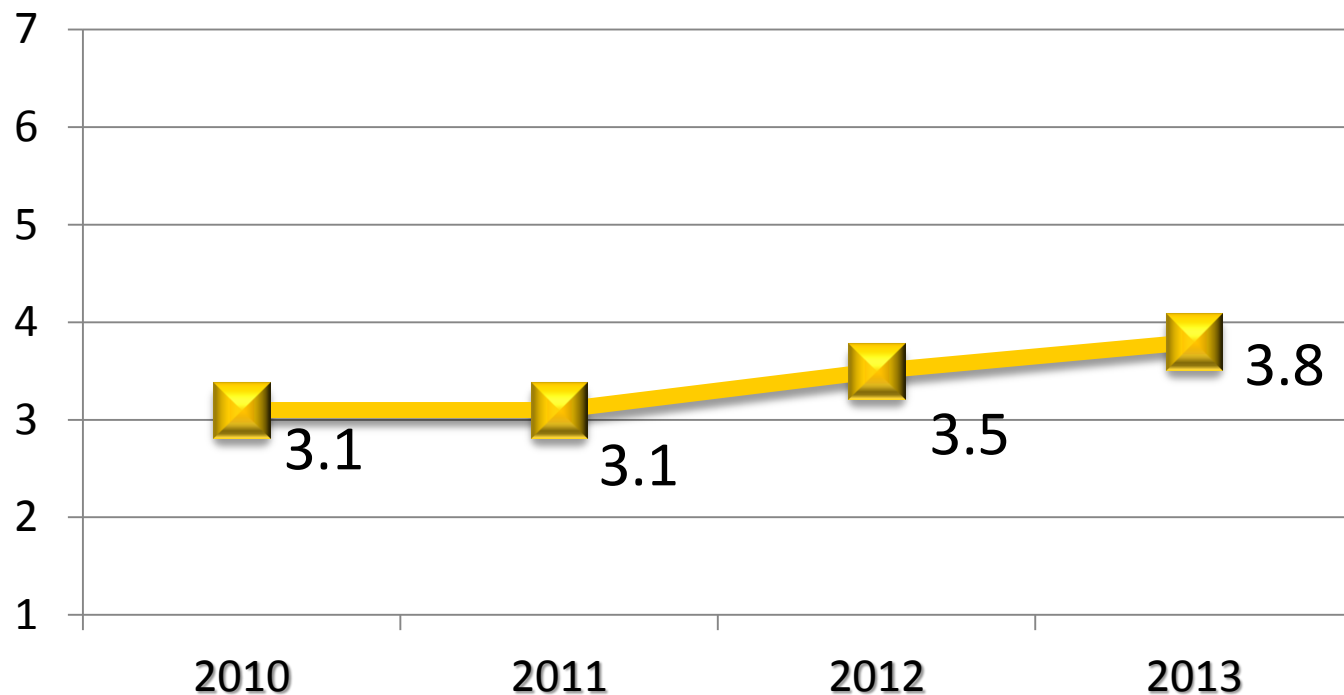
In your country, how would you assess the quality of primary schools?

### Quality of Primary Education

7 = excellent  
(best in the world)

🌐 Global Mean: 3.9

1 = extremely poor  
(worst in the world)



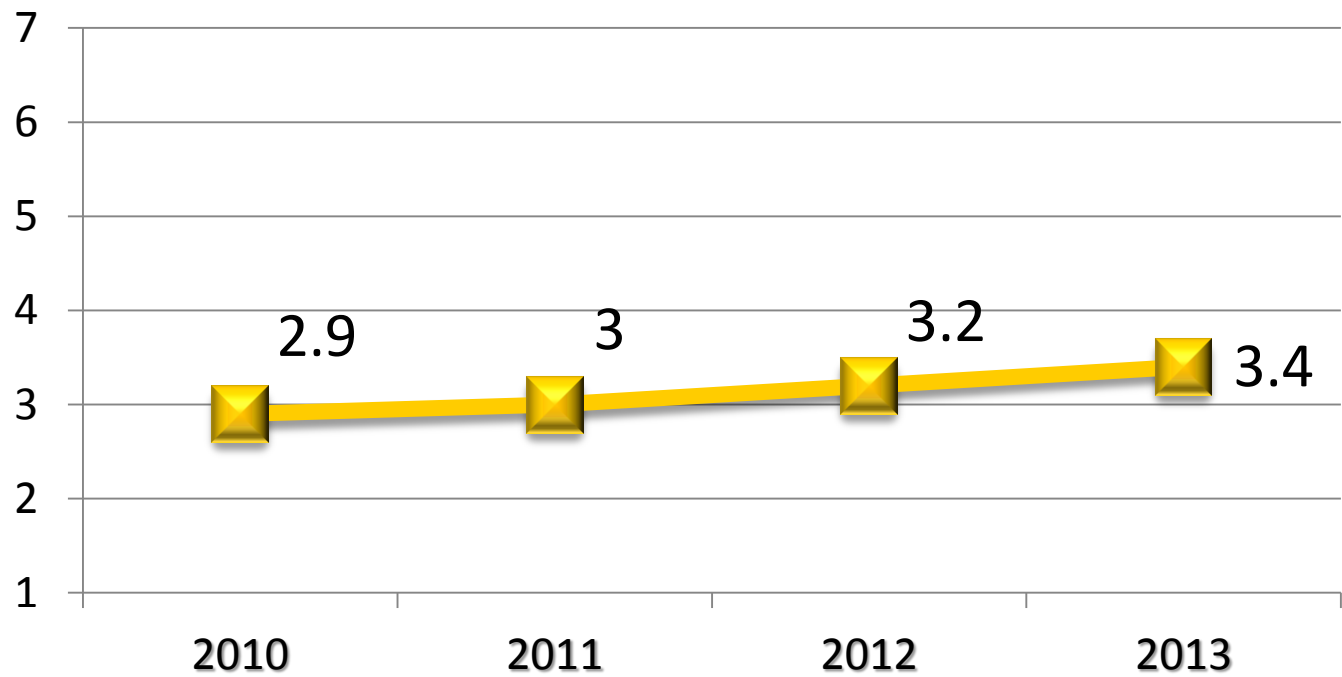
 In your country, how would you assess the quality of scientific research institutions?

### Quality of scientific research institutions

7 = extremely good  
(best in the world)

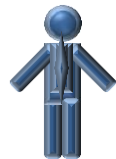
 Global Mean: 3.8

1 = extremely poor  
(worst in the world)



# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINE INDICATOR SCORES



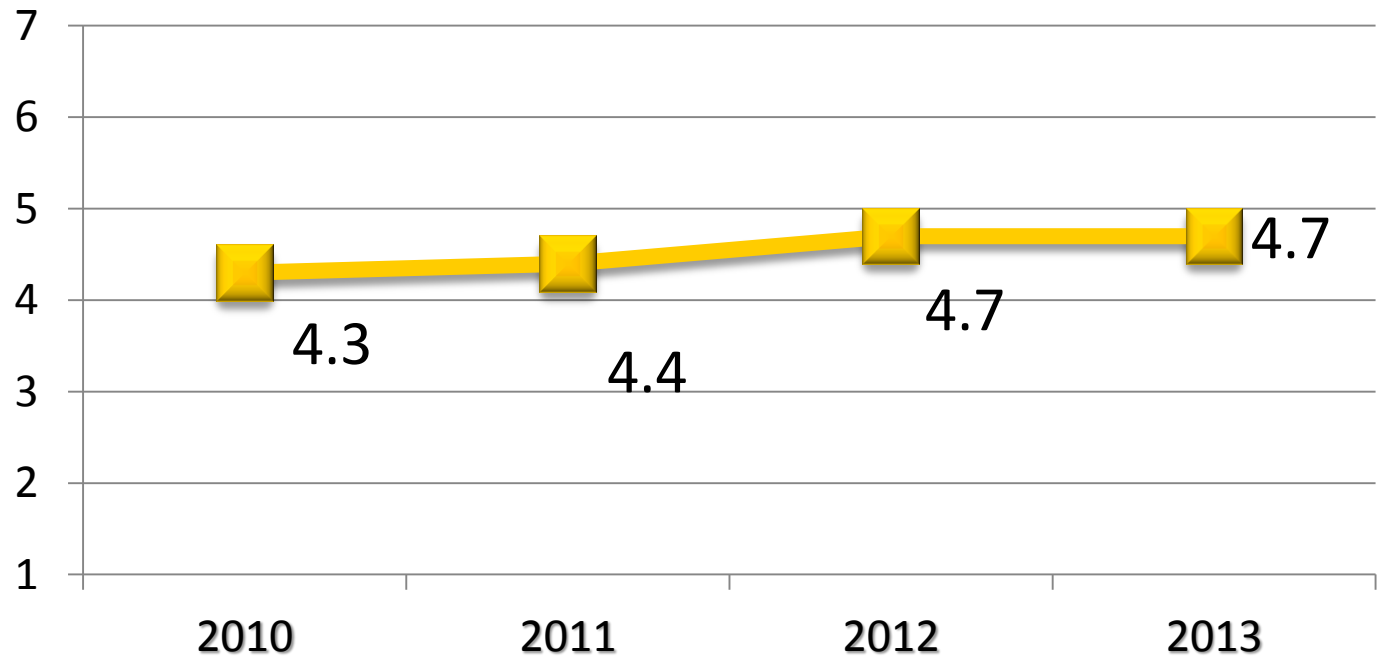
In your country, how would you assess the quality of business schools?

### Quality of management schools

7 = excellent  
(best in the world)

Global Mean: 4.2

1 = extremely poor  
(worst in the world)



Source: World Economic Forum, Executive Opinion Survey



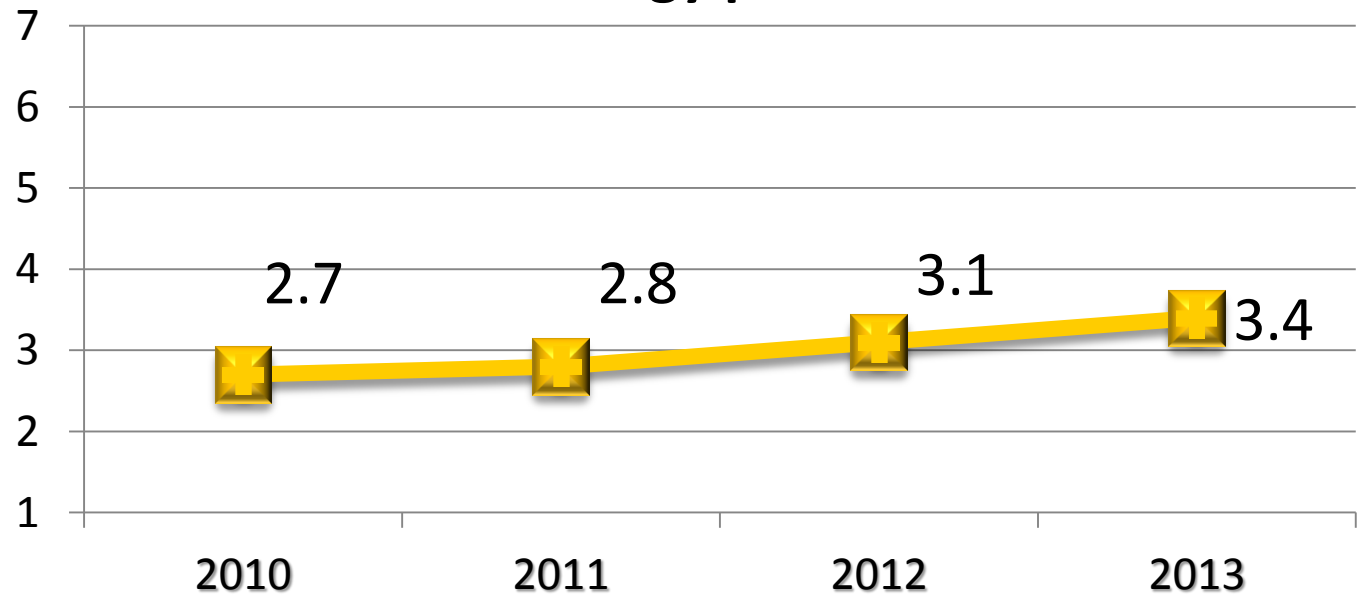
In your country, to what extent do government purchasing decisions foster innovation?

### Government procurement of advanced technology products

7 = to a great extent

Global Mean: 3.5

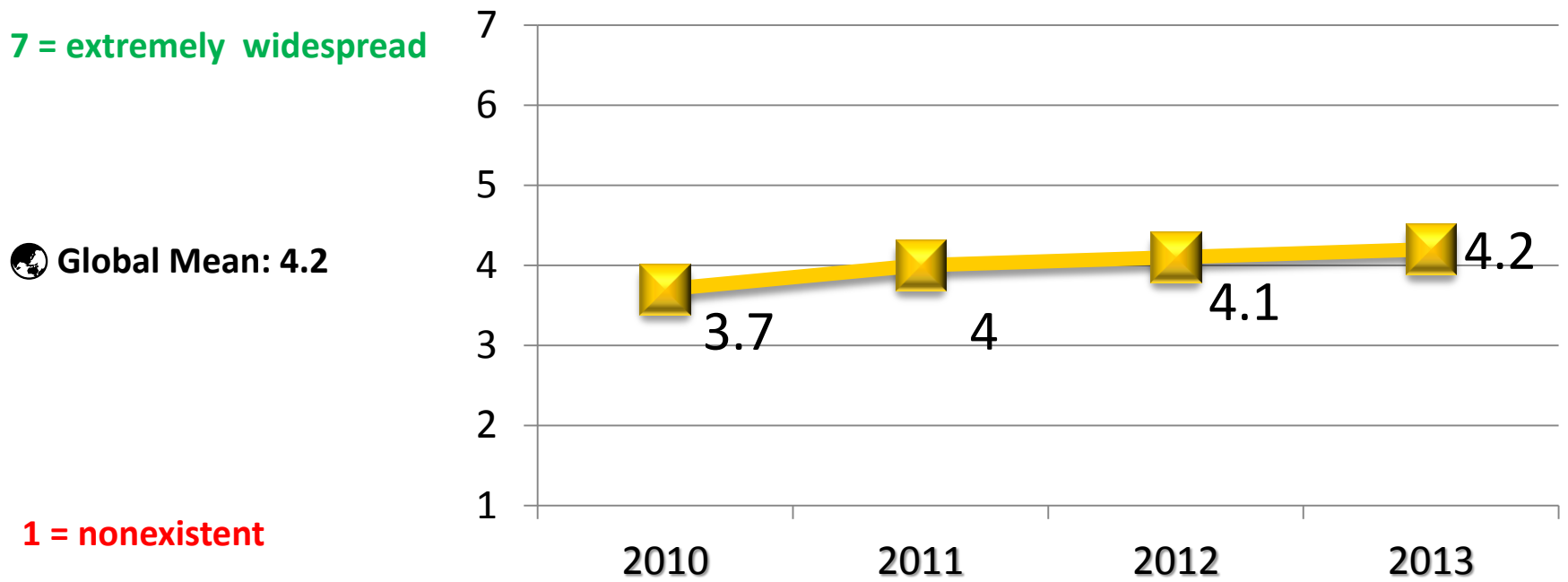
1 = not at all





### In your country, how widespread is Internet access in schools?


#### Internet access in schools



Source: World Economic Forum, Executive Opinion Survey

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINE INDICATOR SCORES

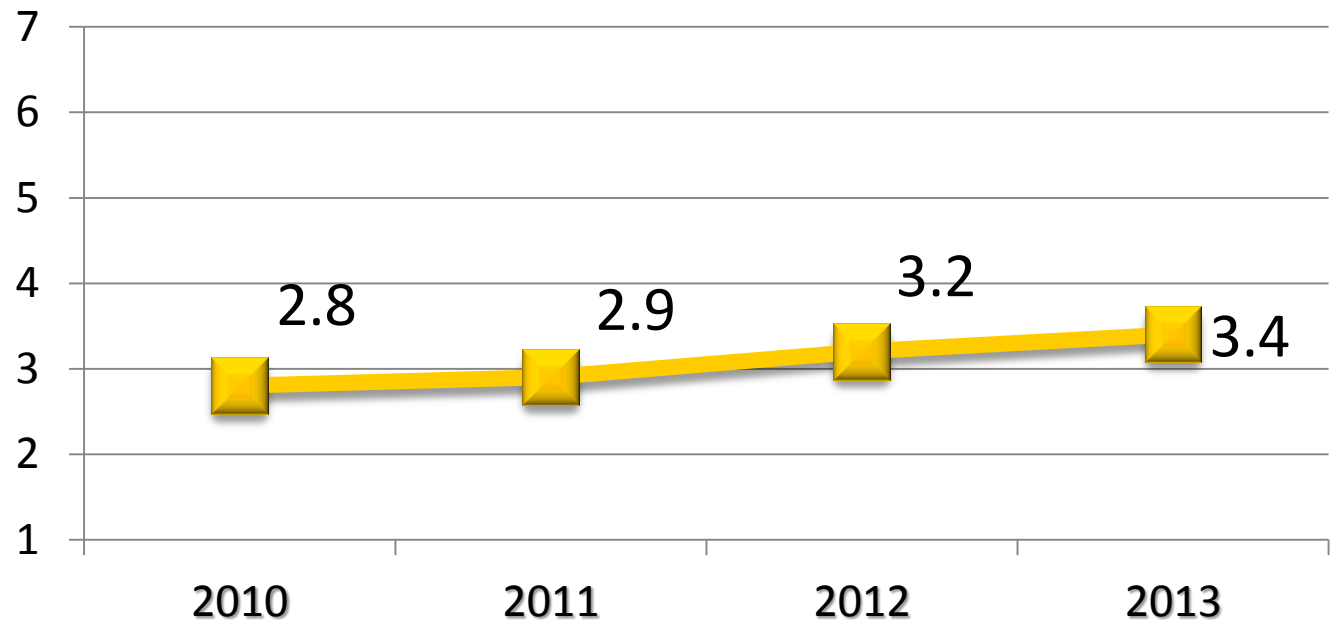
 In your country, to what extent do companies spend on research and development?

### Company spending on R&D

7 = spend heavily

 Global Mean: 3.3

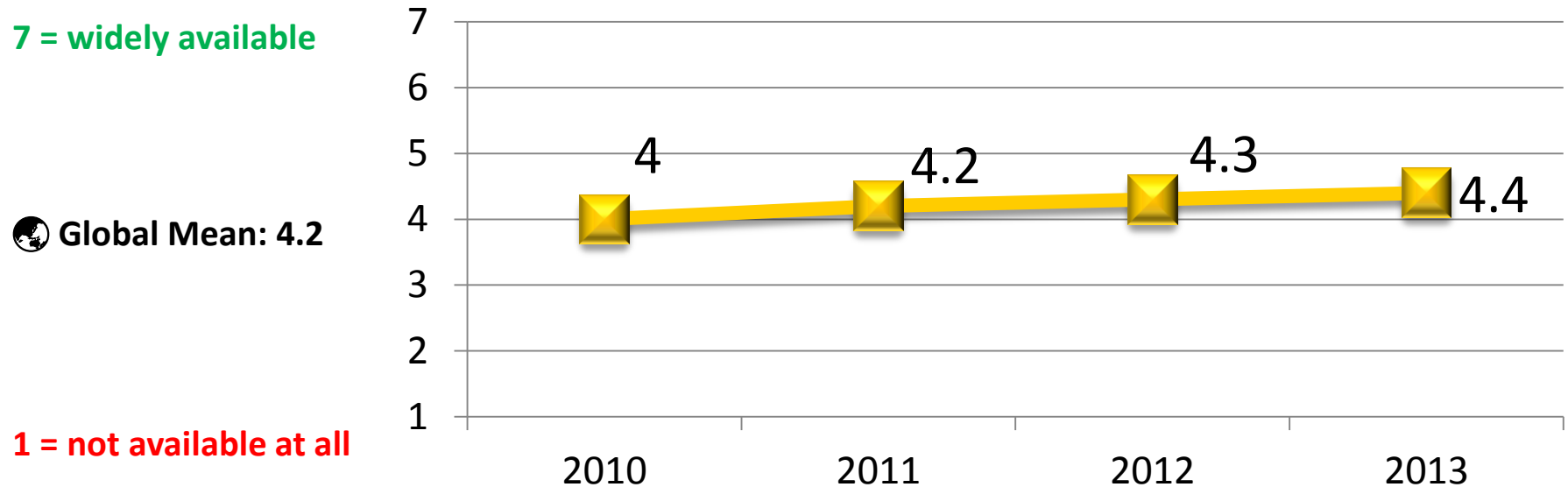
1 = do not spend





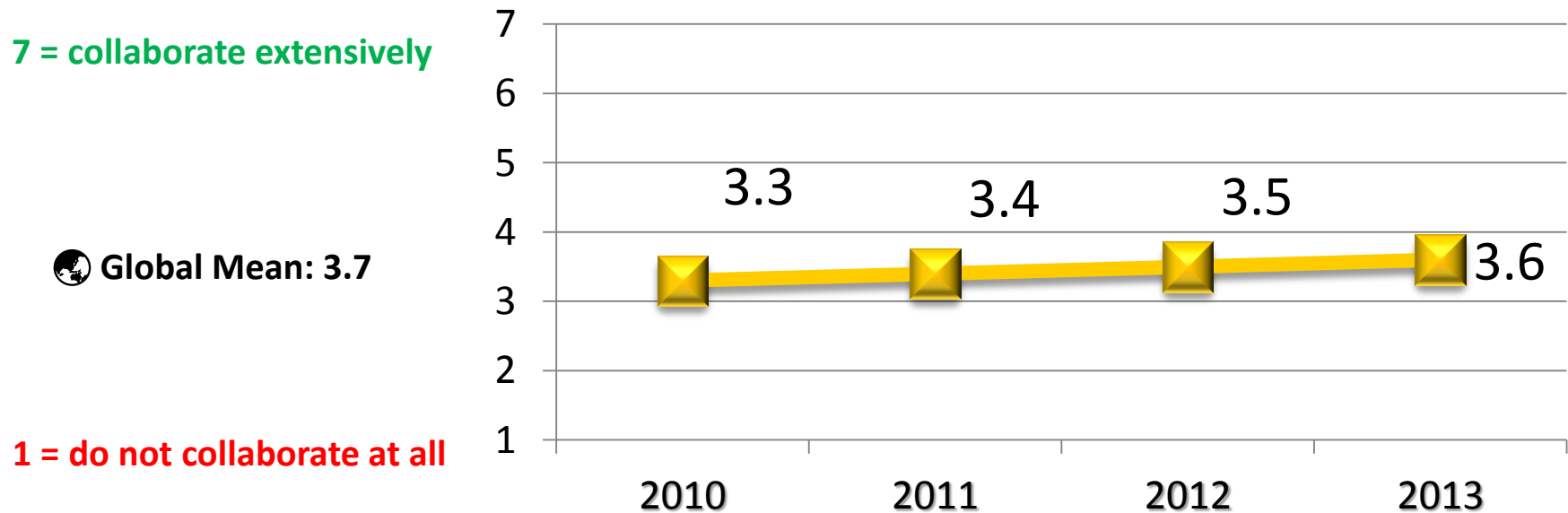
In your country, to what extent are high-quality, specialized training services available?

### Local availability of specialized research and training services



In your country, to what extent do business and universities collaborate on research and development?

### University-industry collaboration in R&D



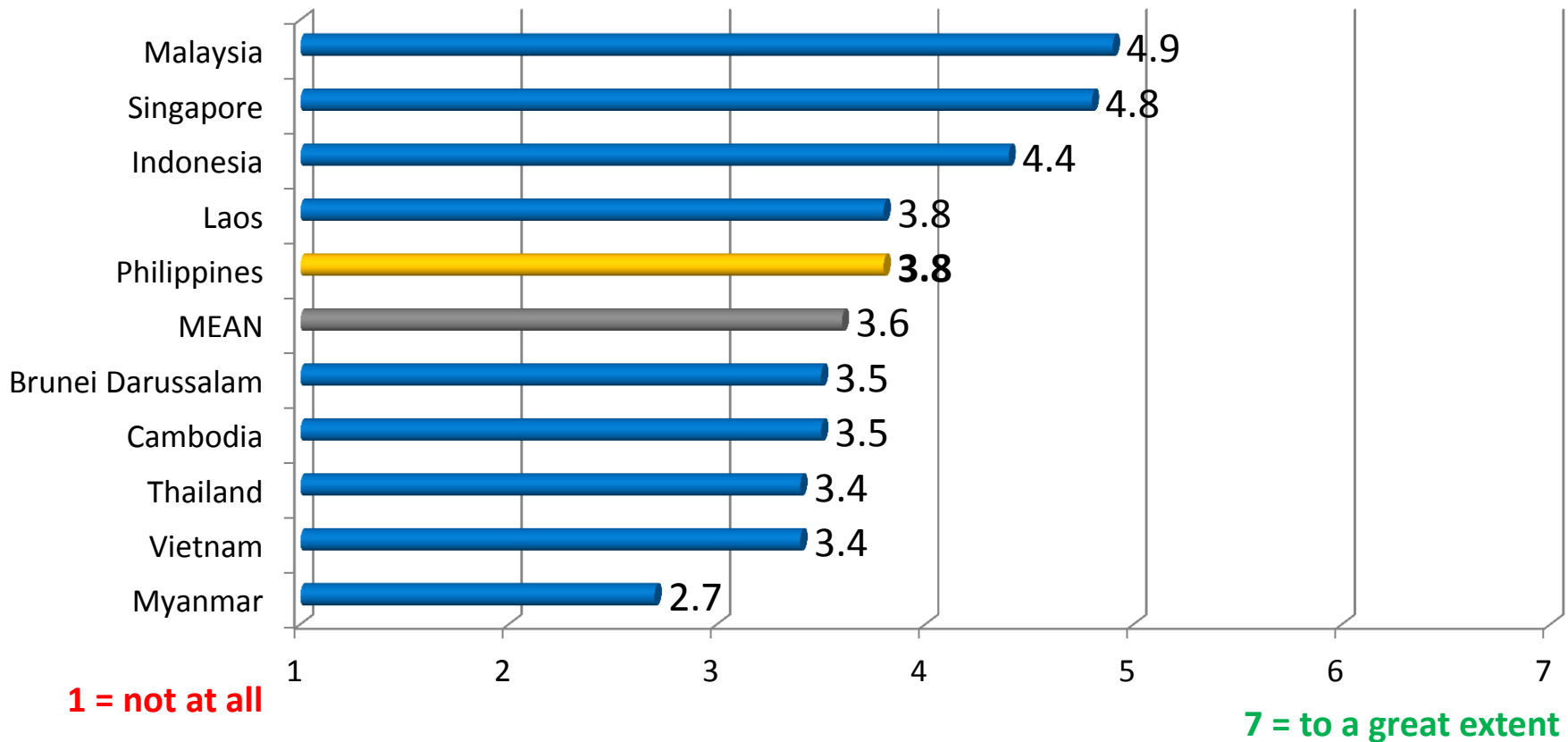
# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINE INDICATOR SCORES



In your country, to what extent do companies have the capacity to innovate?

### Capacity for innovation














# Global Innovation Index

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# GLOBAL INNOVATION INDEX

## PHILIPPINES VS ASEAN



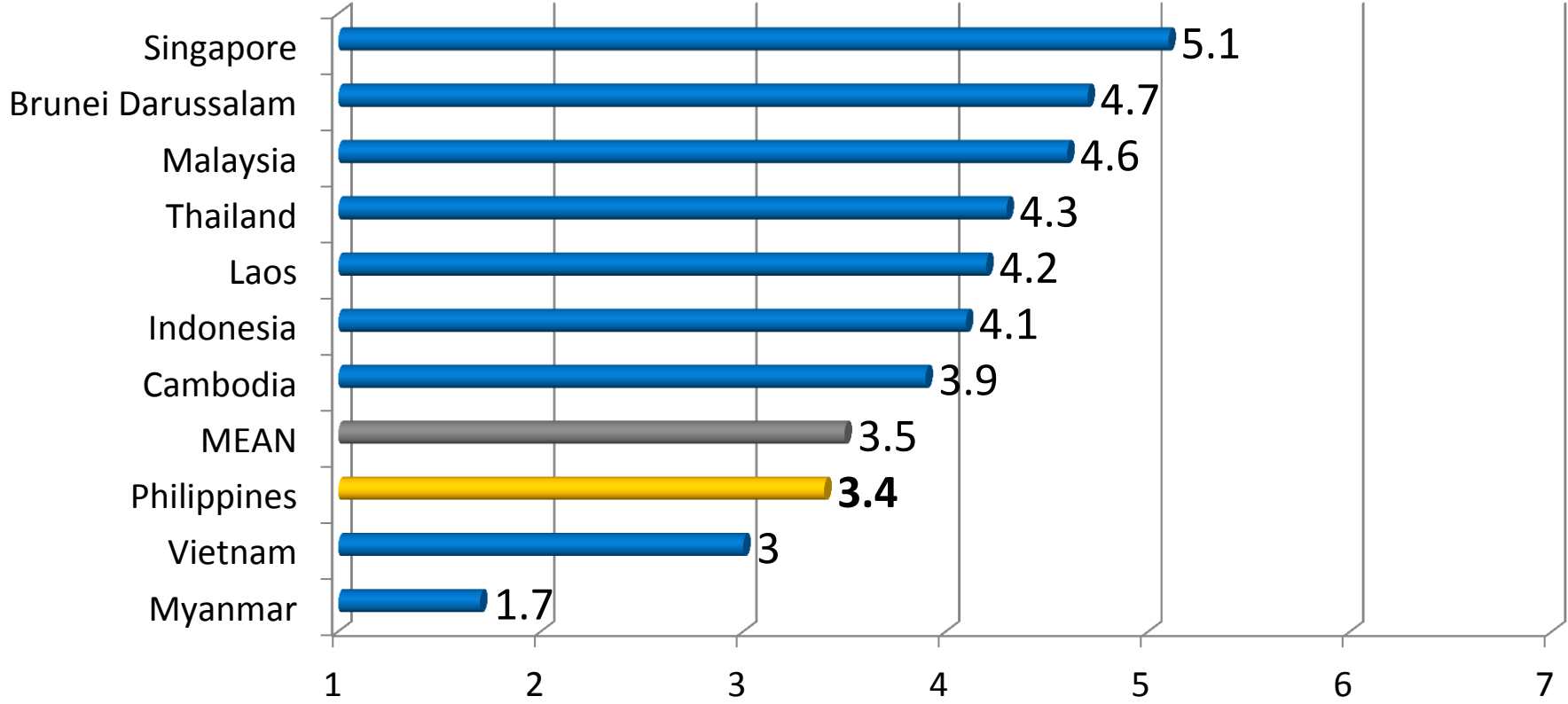
| <b>Country</b>   | <b>2014<br/>Out of 143</b> | <b>Change<br/>2013-2014</b> | <b>2013<br/>Out of 142</b> | <b>2012<br/>Out of 141</b> | <b>2011<br/>Out of 125</b> |
|--|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|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

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINE INDICATOR SCORES



### Does your country retain talented people?



1 = the best and brightest leave to pursue opportunities in other countries

7 = the best and brightest stay and pursue opportunities in the country

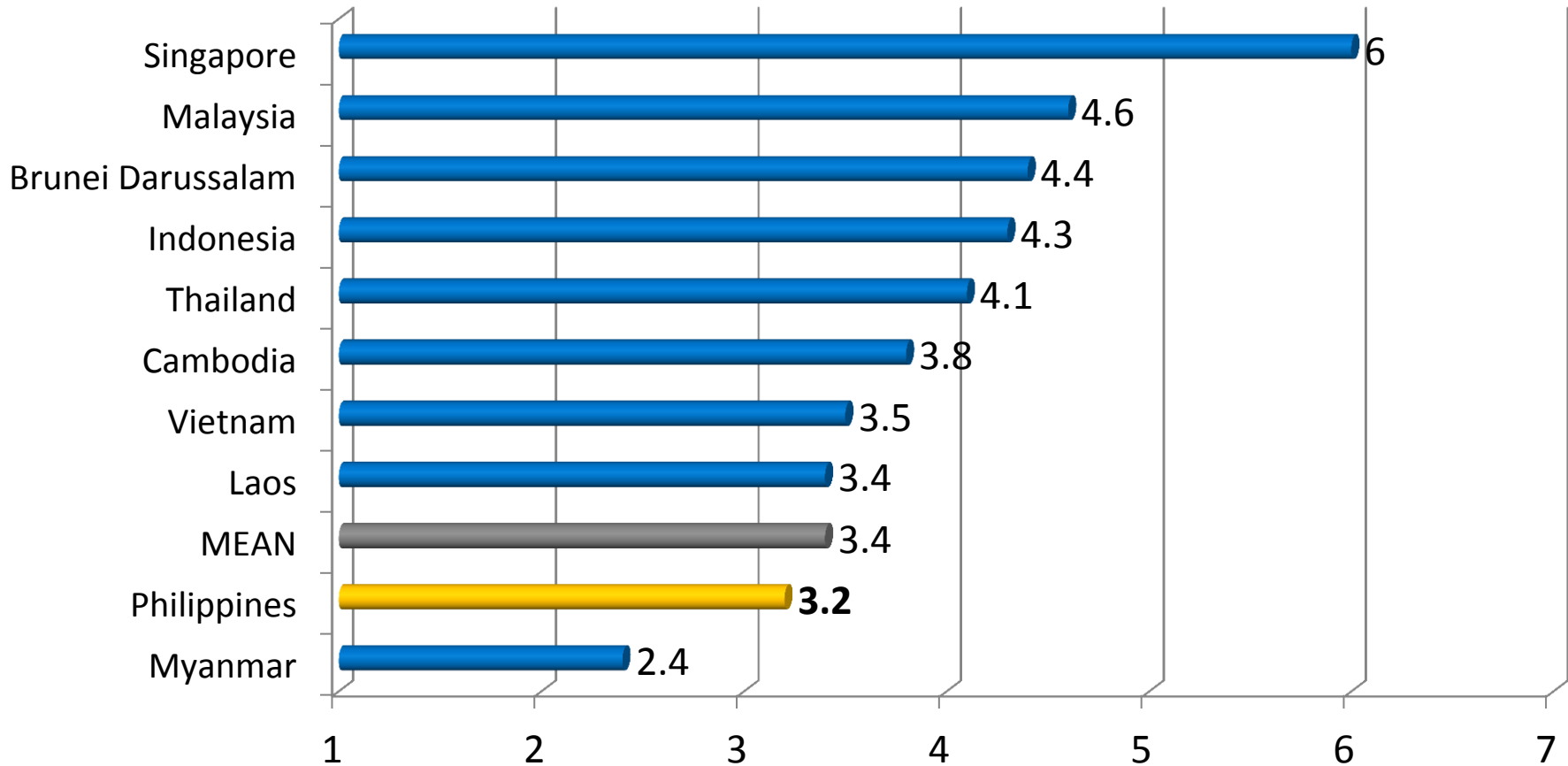
Source: World Economic Forum, Executive Opinion Survey

# GLOBAL COMPETITIVENESS REPORT

## PHILIPPINE INDICATOR SCORES



### Does your country attract talented people from abroad?

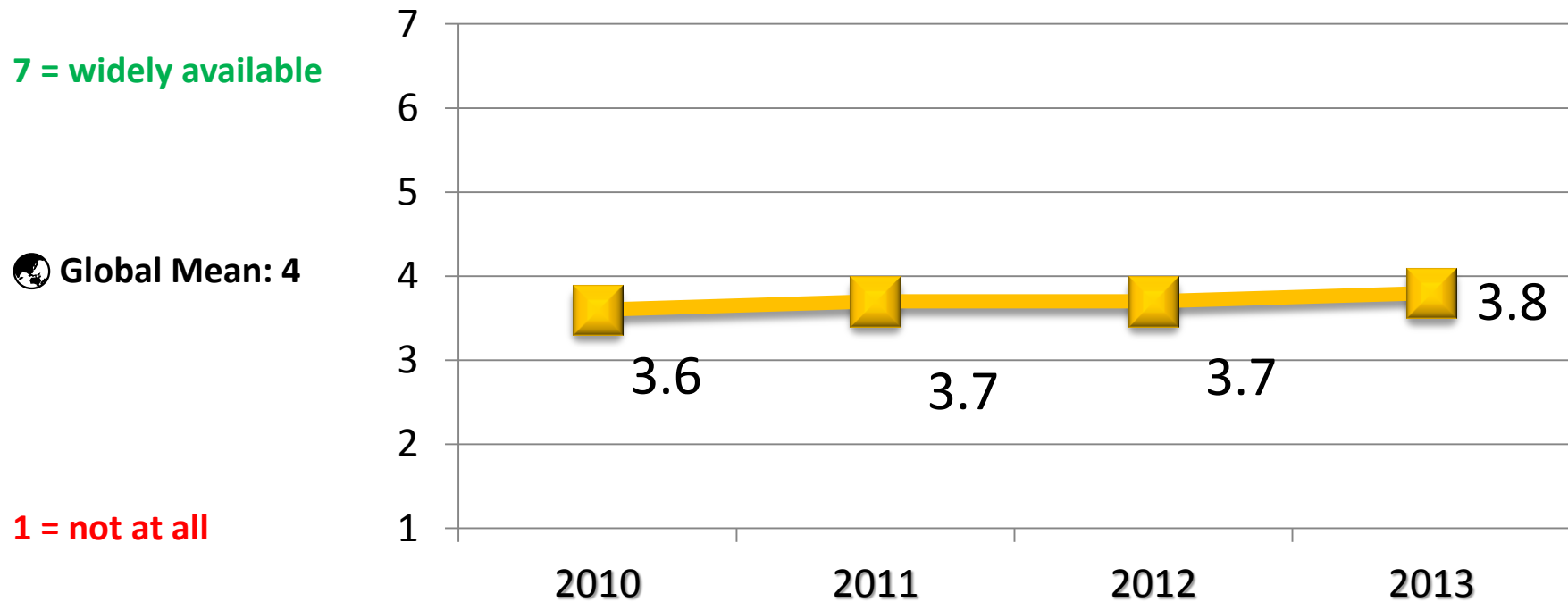


1 = not at all

7 = attracts the best and brightest from around the world

In your country, to what extent are scientists and engineers available?

### Availability of scientists and engineers









# **Selected Indicators**

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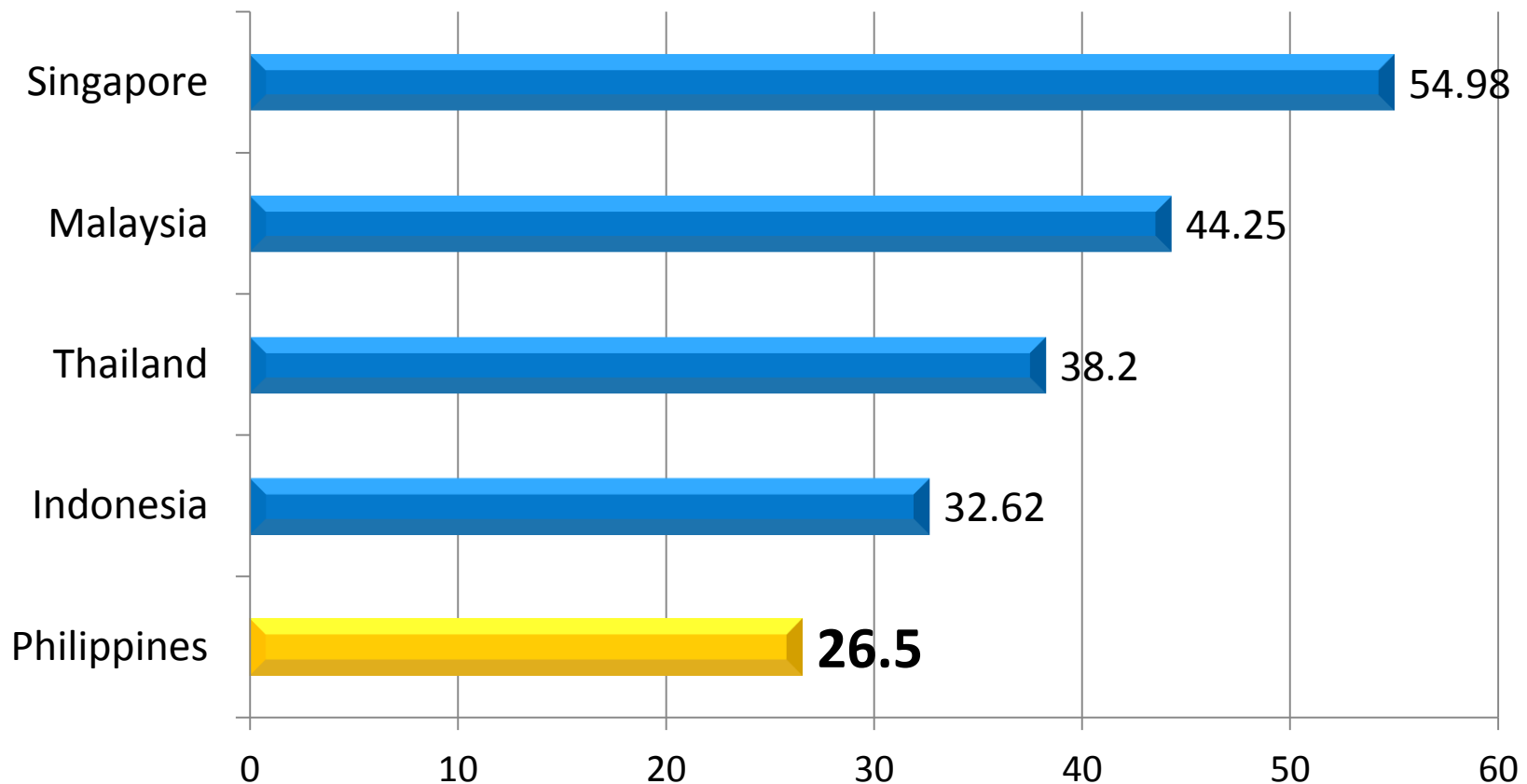
**How our universities rank**

- Out of 834 universities ranked in 2013, 29 were from ASEAN
- The highest-ranked entry from the Philippines was the University of the Philippines at No. 380
  - UP was No. 10 of the ten highest-ranked schools in ASEAN

|             | No. of Universities in the List | In Top 10 of ASEAN? |
|-------------|---------------------------------|---------------------|
| Singapore   | 2                               | 2 of 2              |
| Malaysia    | 7                               | 4 of 7              |
| Thailand    | 8                               | 2 of 8              |
| Indonesia   | 8                               | 1 of 8              |
| Philippines | 4                               | 1 of 4              |

| 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+    |

## Average score of the top 3 universities at the QS world university ranking | 2012



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.



- Out of 400 universities ranked in 2013, 3 were from ASEAN
  - 2 from Singapore
    - National University of Singapore (No. 26)
    - Nanyang Technological University (No. 76)
  - 1 from Thailand
    - King Mongkut's University of Technology, Thonburi (No. 301-350)
  - 0 from Philippines



# NATIONAL COMPETITIVENESS COUNCIL | PHILIPPINES



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