



NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

COMPETING IN THE GLOBAL ARENA

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BACOLOD CITY June 23, 2015





Competitiveness is the ability to be consistently the customer's first choice.



WHAT DO WE COMPETE FOR?









**FOREIGN
DIRECT
INVESTMENT**

ANALYSIS OF AGGREGATE FLOWS

ASSAF RAZIN AND EFRAIN SADKA

TRADE and EXPORTS





GENERAL ROMULO
MANILA

Customer Service



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OL FOR WAN
JUAN FOR ALL





It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.

(Warren Buffett)

izquotes.com



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UNIQUELY
Singapore

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amazing
THAILAND

Always Amazes You

It's more fun in the
Philippines



About NCC



The National Competitiveness Council was born out of the collective desire of the **government** and the **business sector** to jointly address competitiveness.



About NCC



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



- 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



Doing Business

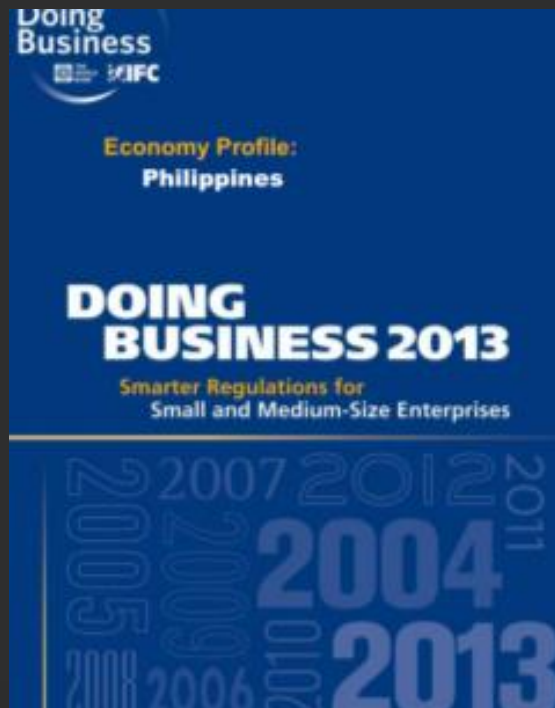
Philippines Target for 2015 per Indicator

STARTING A BUSINESS BENCHMARK: MALAYSIA

Economy		Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)	RANK
1	Singapore	3	3	0.6	-	3
* 2	Malaysia	3	6	7.6	-	16
3	Lao PDR	6	92	6.7	-	85
4	Thailand	4	28	6.7	0.0	91
5	Vietnam	10	34	7.7	-	109
6	Brunei Darussalam	15	101	9.9	-	137
7	Philippines	15	35	18.7	4.6	170
8	Indonesia	10	48	20.5	38.5	175
9	Cambodia	11	104	150.6	27.5	184
10	Myanmar	11	72	176.7	7,016.0	189

- Global competitiveness reports


*International Finance
Corporation-World Bank
Doing Business Report*



*World Economic Forum
Global Competitiveness
Index*



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
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	-



Doing Business

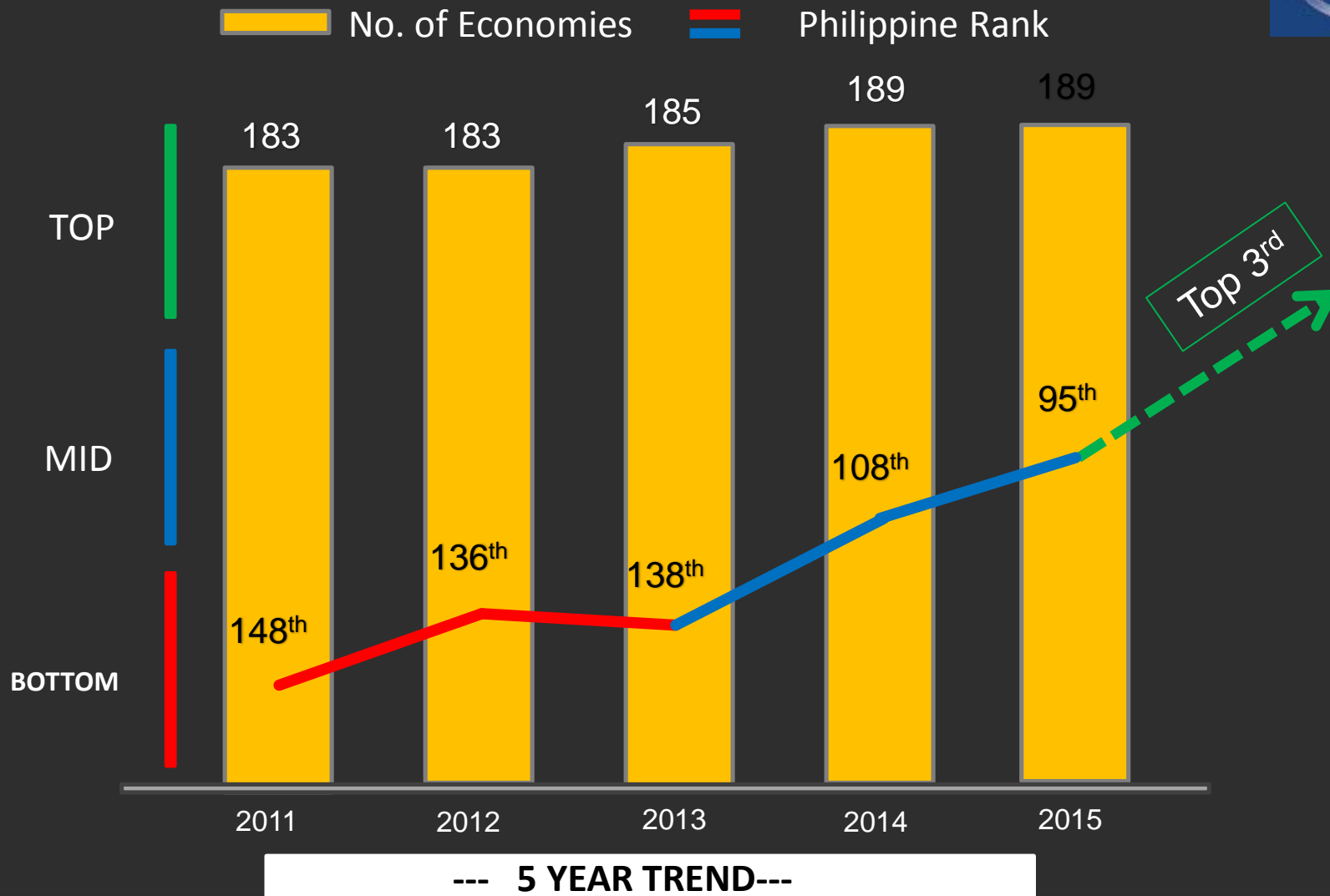
Philippines (2009-2014)

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

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

Ease of Doing Business



Source: Published DB reports (2011-2015)

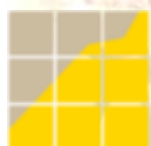


Ease of Doing Business Timeline

COOUNCIL PHILIPPINES

JULY 2012

NCC crafts Gameplan for Competitiveness



DECEMBER 2012

Videoconferences with IFC Washington



JANUARY 2013

Meeting with PH Embassy in Washington



MARCH 2013

Target validation workshops

MAY 2013

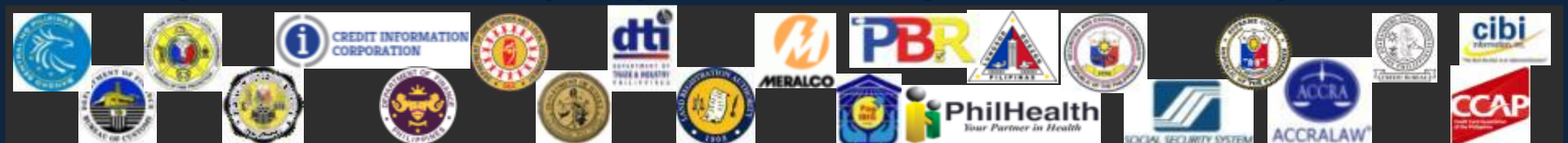
President Aquino signs Administrative Order No. 38 creating inter-agency Ease of Doing Business Task Force



JULY 2013

OCTOBER 2013

Task Force meetings



SEPTEMBER 2012

Economic Development Cluster approves Gameplan



**DECEMBER 2012
FEBRUARY 2013**

Public-Private Dialogues



MAY 2013

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



JUNE 2013

Reform inventory submitted to IFC



OCTOBER 2013

Release of 2014 Doing Business Report

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



How to Measure Competitiveness

- Balanced Scorecards for government agencies and local governments



Balanced Scorecards

- A management tool for tracking performance
- Translates statements of governance and vision to actionable strategies and commitments leading to the realization of breakthrough results
- Balanced Scorecard method applied to selected **national agencies** and **local governments**

Source: Institute for Solidarity in Asia



Balanced Scorecards

- The **Performance Governance System (PGS)** is the Philippine adaptation of the Balanced Scorecard model.
 - Allows governments agencies to be assessed objectively
 - Fosters transparency and accountability
 - Controls corruption through the participation of multi-sectoral stakeholders through the Multi-Sectoral Governance Coalition

Balanced Scorecards

- **Public Governance Forum** to showcase good governance reforms implemented by national government agencies and local government units
- Forum conducted 2X a year to create trend for **Islands of Good Governance** by 2015 when the Philippines hosts APEC



Example:

Department of Public Works and Highways



- Secretary Singson reported on the paving and upgrading of national roads, construction of permanent bridges, implementation of major flood control projects on major river basins, and other significant gains in its good governance and anti-corruption reforms under the “Daang Matuwid” policy agenda of the Aquino Administration.

Example:

Department of Public Works and Highways



- Received the highest Performance Report Rating among all Millennium Challenge Corporation partner-agencies which presented during the recently held Public Governance Forum
- According to Institute of Solidarity in Asia, the DPWH has demonstrated continued determination to institutionalize good governance and deliver breakthrough results.

How to Measure Competitiveness

- Cities and Municipalities Competitiveness Index





What makes a country competitive?



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Benefits of Creating 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 country as an investment site



We asked...

- How competitive are our cities and municipalities?
- How easy is it to start a business in a city?
- What is the cost of doing business in a municipality?



We found out...

- Difficult to gather data at city and municipality level
- Sustainability of data collection affected by funding
- Time lag in national data surveys



We proposed...

The creation of Regional Competitiveness
Committees (RCCs)



Regional Competitiveness Committees

Each committee -

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



Overview

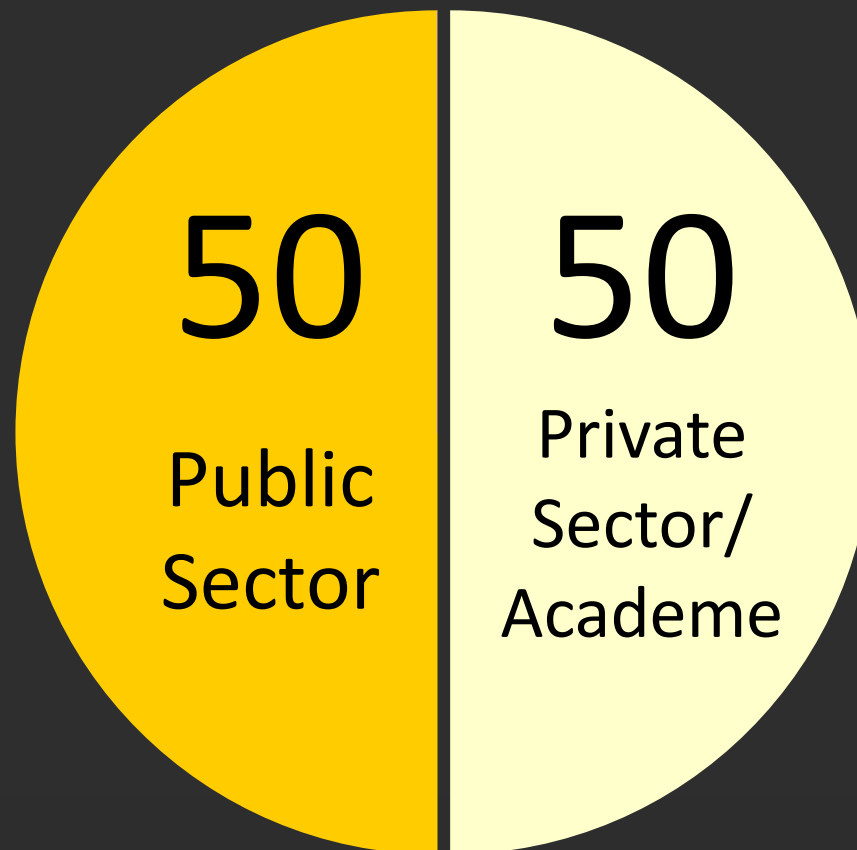
15 Regional Competitiveness Committees (RCCs) + National Capital Region

- 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 SOCCSKSARGEN
- CAR



Overview

Regional Competitiveness Committees (RCCs)



Regional Competitiveness

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



Cities and Municipalities Competitiveness Index

National Competitiveness Council | Philippines



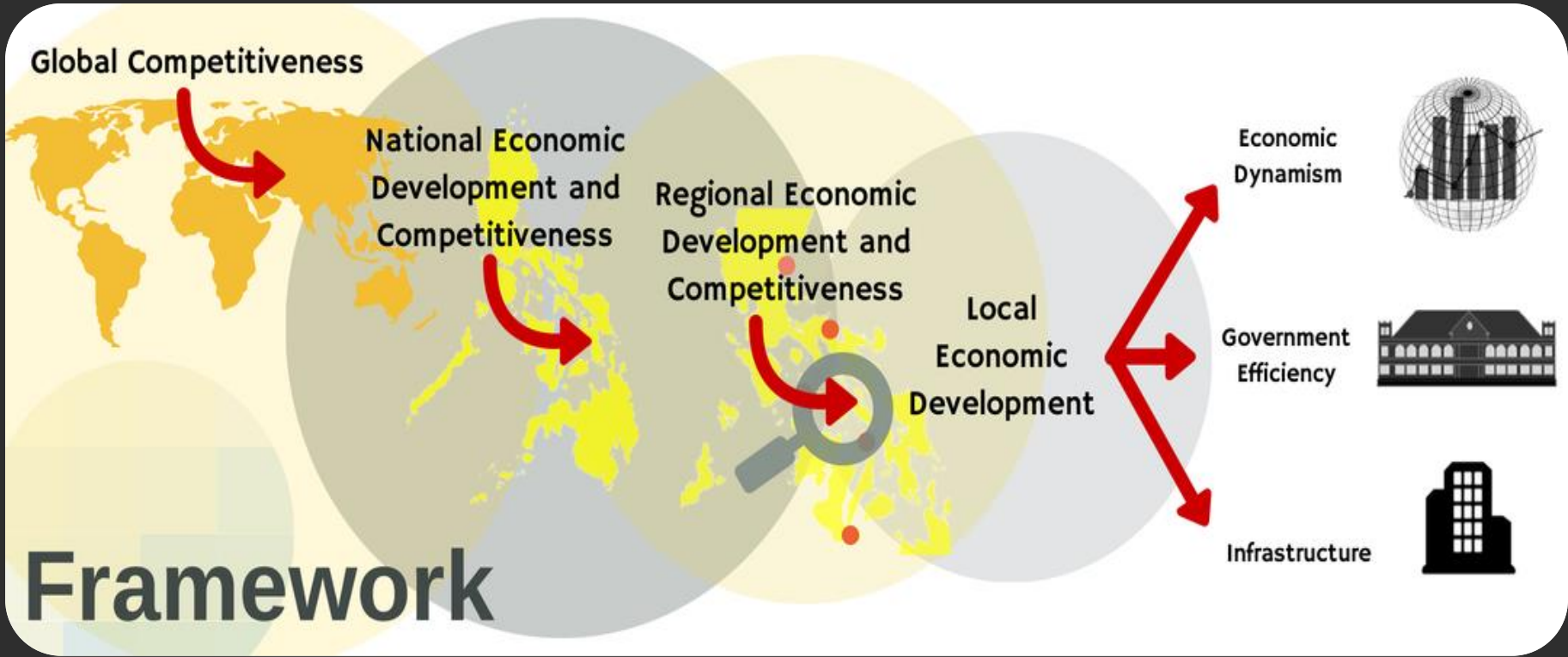
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Framework



Economic Dynamism	Government Efficiency	Infrastructure
Size of the Local Economy (Registrations, Capital, Revenue, Permits)	Transparency score in local government performance management system	Existing Road Network
Growth of the Local Economy	Economic Governance Score in LGPMS	Distance of Center to Major Ports
Capacity to Generate Employment	Ratio of LGU collected tax to LGU revenues	Department of Tourism-Accredited Accommodations
Cost of Living	LGU Competition-Related Awards	Health Infrastructure
Cost of Doing Business	Business Registration Efficiency	Education Infrastructure
Financial Deepening	Investment Promotions	Availability of Basic Utilities
Presence of Business and Professional Organizations	Compliance to National Directives for LGUs	Annual Investment in Infrastructure
Productivity	Security	ICT Connectivity
	Health	No. of ATMs
	Schools	Public Transport Vehicles





Cities and Municipalities Competitiveness Index General Santos City, South Cotabato

	Score (0-100)	Rank (out of 136 Cities)
Overall Competitiveness	42.124	12
Economic Dynamism	13.555	5
Government Efficiency	17.824	30
Infrastructure	10.744	17



CITIES AND MUNICIPALITIES COMPETITIVENESS INDEX

2014 RESULTS



Top Cities and Municipalities: Economic Dynamism

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

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

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)



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



Cities and Municipalities Competitiveness Index

National Competitiveness Council | Philippines

Find your Local Government

HOME RANKINGS INFOGRAPHICS ABOUT THE INDEX ABOUT THE RCC DOWNLOAD GALLERY DIRECTORY

TOP 3 CITIES : GOVERNMENT EFFICIENCY



<http://www.competitive.org.ph/cmindex/>

- 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



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**TRANSPARENCY
LEADS TO
COMPETITIVENESS**



GOVERNANCE MATTERS!





**WORK IN
PROGRESS**
IS
**NOT GOOD
ENOUGH**





EXECUTION AND DELIVERY



LESSONS LEARNED

NO MORE SILOS!



TEAMWORK IS REQUIRED





FOCUS

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

A graphic showing the word 'MOMENTUM' in large, bold, black letters. Each letter is suspended by a thin black string from above, creating a sense of weight and tension. The background is a light gray gradient.

M O M E N T U M



<embed>

and

INSTITUTIONALIZE

change

</embed>



PUBLIC  **PRIVATE**

COLLABORATION

We learn from each other!



FILIPINO CULTURE OF EXCELLENCE

- Individual and national sense of discipline (**Filipino Time, do more with less mentality**)
- Positive attitude and constant innovativeness (**Kaya natin**)
- Treating crisis as opportunities and oneself as part of the solution and never part of the problem (**competitive spirit**)
- Quality as a daily lifestyle (**Di pwede ang pwede na**)
- Strong Sense of Patronage (**Buy Filipino goods/services**)
- Strong partnership and networking with stakeholders through program ownership, **get involved** (reforms/policy issues)



(Just in case you believe that great social problems and competitiveness agenda are beyond your scope, consider this story)

God said to me :

Your task is to build a better world...

I answered:

***How can I do that? The world is such a large,
vast place, so complicated now,
and I am so small and useless.***

There's nothing I can do.

But God in his great wisdom said:

Just build a better you.

-Anonymous

Competitiveness begins with you and Me

EACH ONE has a stake in giving his/her share of contribution.

If we don't do our part nor participate on this cause,
we don't have the right to complain.





THANK YOU!

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