



Senate Economic
Planning Office

Competitiveness *At a Glance*

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Ø The Philippines' overall global competitiveness improved this year from #52 in 2004 to #49 in 2005. This compares the country with 60 countries across the globe based on four broad categories: economic performance, government efficiency, business efficiency and infrastructure.

Ø By population, the country ranked 21st among 30 countries with a population of more than 20 million. By income, the Philippines ranked 16th among 24 countries with a GDP/capita of less than US\$10,000.

Table 1. Results of the 2005 World Competitiveness Report

Current Rank (2005)	Country	Score	Previous Rank (2004)	Current Rank (2005)	Country	Score	Previous Rank (2004)
1	USA	100.000	1	31	Mainland China	63.219	24
2	Hong Kong	93.073	6	32	Catalonia	62.164	27
3	Singapore	89.679	2	33	Ile-de-France	61.700	32
4	Iceland	85.349	5	34	Rhone-Alps	61.448	37
5	Canada	82.648	3	35	Scotland	61.314	36
6	Finland	82.627	8	36	Czech Republic	60.131	43
7	Denmark	82.545	7	37	Hungary	59.867	42
8	Switzerland	82.534	14	38	Spain	59.430	31
9	Australia	81.975	4	39	India	59.053	34
10	Luxembourg	80.311	9	40	Slovak Republic	58.621	40
11	Taiwan	78.319	12	41	Lombardy	54.156	46
12	Ireland	77.846	10	42	Maharashtra	53.494	38
13	Netherlands	77.400	15	43	Sao Paulo	53.308	47
14	Sweden	76.261	11	44	Jordan	52.684	48
15	Norway	76.157	17	45	Portugal	52.426	39
16	New Zealand	75.459	18	46	South Africa	51.950	49
17	Austria	74.328	13	47	Colombia	51.407	41
18	Bavaria	74.101	20	48	Turkey	51.293	55
19	Chile	72.184	26	49	Philippines	51.103	52
20	Zhejiang	69.721	19	50	Greece	50.332	44
21	Japan	68.652	23	51	Brazil	49.856	53
22	United Kingdom	68.518	22	52	Slovenia	49.304	45
23	Germany	67.842	21	53	Italy	45.819	51
24	Belgium	67.456	25	54	Russia	43.591	50
25	Israel	67.304	33	55	Romania	41.784	54
26	Estonia	66.710	28	56	Mexico	41.483	56
27	Thailand	66.012	29	57	Poland	39.016	57
28	Malaysia	65.844	16	58	Argentina	37.826	59
29	Korea	64.239	35	59	Indonesia	33.811	58
30	France	64.203	30	60	Valenzuela	30.282	60

Source: World Competitiveness Report, 2005

Table 2. Philippine Ranking out of 60 Countries Surveyed

Indicator	2003	2004	2005
Economic Performance	43	37	41
Government Efficiency	38	42	47
Business Efficiency	48	49	38
Infrastructure	56	59	55

Source: World Competitiveness Report, 2005

Ø In terms of business efficiency, the country's ranking rose to #38 from #49 in 2004. This is attributed to the quality of domestic labor market which got the highest rating among all rated countries. Unfortunately, the country also ranked among the bottom 10 in terms of labor productivity.

Ø Similarly, the Philippines' ranking for infrastructure improved, from #59 in 2004 to #55 this year, due to substantial investments in the telecommunications

sector and the quality of high-technology exports. However, the country placed last among all countries in terms of basic infrastructure and total health expenditures. The country also fared poorly in terms of total expenditures on education, research and development, and fixed telephone line density.

Ø In terms of economic performance, the Philippines fell to #41 this year from #37 in 2004. Low prices and increasing job growth were the only bright spots as the country ranked in the bottom 10 in terms of domestic economy performance and international trade and investments.

Ø The Philippines' competitiveness in terms of government efficiency also fell this year to #47 from #42 last year. The country fared poorly in terms of public finance, institutional frameworks, and business legislation. The country was ranked high in terms of fiscal policy only because of low tax levels as it is seen to encourage private investments.

Table 3. RP 2005 Ranking vs. Asian Countries

	Overall Competitiveness	Economic Performance	Government Efficiency	Business Efficiency	Infrastructure
Taiwan	11	18	19	6	18
Thailand	27	7	14	28	47
Malaysia	28	8	26	25	34
Korea	29	43	31	30	23
China	31	3	21	50	42
India	39	12	39	23	54
Philippines	49	41	47	38	55
Indonesia	59	60	53	59	60

Source: *World Competitiveness Report, 2005*

Ø Compared with other Asian countries included in the survey, the Philippines ranked second to the last in terms of overall competitiveness, government efficiency and infrastructure.

Table 4. Comparative Infrastructure Statistics of the Philippines and its Neighbors, 2003

	Electricity Access ¹	Water Supply Access ¹	Sanitation Access ¹	Telephone Access ¹	Internet Access ¹	Road Network ²	Percentage Paved Road	Rail Network ²
Malaysia	97	93	-	62	34.4	20	76	0.49
Thailand	84	93	98	50	11.1	12	97	0.79
Philippines	79	86	83	31	4.4	68	22	0.16
China	99	76	39	41	6.3	19	91	0.64
Indonesia	55	78	55	13	3.8	20	58	0.25
Vietnam	81	49	25	9	4.3	29	25	0.97
Cambodia	17	44	22	4	0.2	22	4	0.42
Lao PDR	41	58	30	3	0.3	14	15	-
Myanmar	5	72	64	1	0.1	-	-	-

Notes: ¹Access refers to percent of population. Telephone access includes both fixed lines and mobile phone subscriptions.

²Road and rail network refer to kilometers existing roads/rails per 100 sq. km.

Source: *Connecting East Asia: A New Framework for Infrastructure, ADB-JBIC-WB*

Ø Overall access to infrastructure in Malaysia, Thailand, Philippines and China is generally higher than their less wealthy neighbors (in terms of per capita income).

Ø In terms of electricity access, the Philippines ranks below China, Malaysia, Thailand, and Vietnam.

Ø Access to telecommunications in the country remains low due to the low fixed telephone line density. Internet access is also lower than in Malaysia, Thailand, and China.

Ø The country's access to improved water and sanitation is high compared with most countries in the region except Thailand and Malaysia.

Ø In terms of roads, the country has the highest road network (kilometers per 1,000 people). However, in terms of paved roads per land area, the country ranks among one of the poorest in the region. The country's rail network is also one of the lowest.