

GLOBAL COMPETITIVENESS: PHILIPPINES IMPROVES TO 41ST

By [Richmond Mercurio](#) (The Philippine Star) | Updated June 1, 2017 - 2:00am



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MANILA, Philippines - Strong economic performance has propelled the Philippines to a notch higher or to 41st spot in this year's World Competitiveness Yearbook (WCY) rankings of the International Institute of Management Development (IMD).

The higher ranking placed the country at 11th place among 14 Asia-Pacific economies, one notch better than last year's 12th place.

"This year, the Philippines saw an impressive rise in the ranking for Economic Performance, climbing to 26th place from 38th last year," the AIM RSN Policy Center for Competitiveness, IMD's Philippine partner institute, said in a report.

The 2017 WCY ranked 63 economies based on 342 criteria clustered under four broad categories – economic performance, government efficiency, business efficiency and infrastructure.

The improvement for the economic performance category was driven mainly by a jump from 31st to 12th in the domestic economy sub-factor, led mainly by robust gross domestic product (GDP) growth, as well as improvement in the employment sub-factor from 19th to 4th.

The Philippines ranked 3rd in both real GDP growth and resilience of economy, but placed near bottom of the rankings in GDP per capita.

"However, economic performance largely depends on the production and capacity of the national economy determined by the other factors of competitiveness not only in a given year but also in previous years. This year, the country faltered in government and business efficiency, factors that are essential for sustainable value creation and long-term competitiveness," the AIM RSN Policy Center for Competitiveness said in a report.

"Laggard improvement in Infrastructure also weighed on the country's overall ranking," it added.

For the government efficiency category, the Philippines dropped one place from 36th last year to 37th in 2017 as the country, despite performing well in the criteria for central bank policy, continues to lag behind in terms of start-up procedures and other criteria covering ease of doing business.

The rankings for business efficiency likewise saw the Philippines slip from 24th in 2016 to 28th this year. Drops were registered in the sub-factors for productivity and efficiency, labor market, management practices, and attitudes and values.

For the infrastructure category, the country was able to jump one notch in rankings but is still considered poor at 54th.