

Sulong Pilipinas: it is all about sustaining competitiveness

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A few days before President Duterte assumed office, the incoming economic managers met with business leaders in Davao City to unveil the 10-point agenda under what is called *Sulong Pilipinas*.

Much of the commitments have reassured the business community. But number 3 of *Sulong Pilipinas* is focused on promoting competitiveness, particularly ease of doing business, and we all know that the local government units play a significant role in this commitment.

For the first time in the last 40 years, our economy has grown to an average of 6.2 percent in the last six years, the highest since the 1970s, according to NEDA.

The country has reversed the image of 'the sick man of Asia' to one that has had the largest jumps in global competitiveness, according to the National Competitiveness Council:

- plus 49 in the Transparency International Corruption Perception Index;
- plus 45 in the World Bank – IFC Ease of Doing Business Report;
- plus 39 in the Heritage Foundation’s Economic Freedom Index; and
- plus 38 in the WEF Global Competitiveness Index.

Indeed, we have come a long way. We continue to build on these milestones, but we still have to go the extra mile, especially in the LGU front.

We need to create multiple economic hubs in areas with distinct market strengths and attributes.

As we all know, multiple hubs offer options for investors and provide economically viable alternatives to the usual urban, production and logistics centers—and if I may quote President Duterte—preferably out of Metro Manila and the usual economic centers, not only for decongestion, but also for redistribution of economic opportunities to the countryside.

Ito ang hinihintay na pagkakataon ng pamahalaang lokal para maging bukas sa namumuhunan at tagahikayat sa pagpasok ng investments.

Spreading markets—or one might say, giving a spatial dimension to investments—puts the opportunity on the shoulders of LGUs.

The challenge for LGUs is to make it easy for investors to come in and to stay, and to offer local communities as vibrant sites of economic activity.

We want to create as many competitive regions as possible. We want to diversify investments in geo-economic clusters—*para naman mapalago pa ang ekonomiya, mabuksan ang oportunidad sa labas ng Maynila, maitaas ang dami ng trabaho, maibsan ang kahirapan sa kanayunan, at mapalaganap ang makabuluhang kaunlaran para sa lahat.*

This is what *Sulong Pilipinas* is all about.

And this is also what the Cities and Municipalities Competitiveness Index is all about. LGUs have a role to play in *Sulong Pilipinas*.

NCC wants to imbue LGUs with the consciousness that it is good economics and good politics to be business-friendly and competitive.

We at the DILG, on the other hand, would like to reinforce your work in the NCC by incorporating the CMCI assessments into our Seal of Good Local Governance.

It is not only the consciousness of LGUs that we seek to change. It is also the standard of local governance, the norm of good politics, and the promise of good economics that will bring us to the fruits of *Sulong Pilipinas*.

And it can be done. *Hindi ito teorya o malaking pangarap lamang, dahil meron nang mga lokal na pamahalaang nagpamalas ng kakaibang galing at kakayahang maging bukas sa pangangailangan ng namumuhunan.*

Take the example of the City of Valenzuela who prides itself of having committed to speed and simplicity in business assistance, based on its presentation during the International Conference on Urban Development two days ago:

One, permits are completed here in 10-19 minutes now from 14-21 days in 2004.

Two, tax declarations are released within 15-30 minutes from 2 days in 2004.

Three, processing of building and construction permits has been reduced from 2 months to 1-2 days through automation.

Four, the city has introduced the first online police clearance application system through 'do it at home' approach, which can be processed in 10 minutes or less.

Five, payments are done through EPS or electronic payment systems.

Six, 13 Serbisyo Centers have been established in key barangays in the City providing business permits processing, real property tax assessments, land tax assessments, and local civil registry applications.

And because of all these, Valenzuela City tripled its income from 1.1 billion pesos in 2004 to 3.1 billion in 2015. The number of registered business also more than doubled from 6,695 in 2004 to 15,530 in 2015.

So what does this tell us? We mean business when we keep things simple for business. And they come. They stay for LGUs like Valenzuela City.

And they will also come and stay for other LGUs who have committed to take the same journey towards competitiveness.

We are here to celebrate the few of them who have demonstrated economic dynamism, government efficiency, and infrastructure support—all in support of making life easy for business to come and stay.

And this early, on behalf of the DILG, I wish to congratulate our LGUs who will be feted as the three top local government units

from among 3rd-6th class municipalities; 1st-2nd class municipalities; component cities; and highly urbanised cities.

May your example inspire you more to be business-friendly and we look forward at DILG to hearing more stories of great transformation from your end.

I also take this opportunity to thank and congratulate the National Competitiveness Council for taking leadership for the CMCI.

Finally, we call on other LGUs to follow the lead of this year's winners. Keep regulatory processes and permitting systems non-discretionary, automated and simple. Go for seamless one collection systems incorporating barangay fees and clearances.

Invest in technology-aided transactions. Make it simple for all—so business and inventors will come and stay.

Maraming salamat po at magandang umaga sa lahat.