



PINOY CITIES ON THE RISE: Philippine Cities Competitiveness Ranking Project 2003 Executive Summary

The Asian Institute of Management Policy Center in Collaboration with the Konrad Adenauer Foundation, The Asia Foundation, German Development Cooperation, and the International Labour Organization has completed the Philippine Cities Competitiveness Ranking Project 2003 (PCCRP). The primary objective of this study is to rank the economic competitiveness of the different urban centers of the Philippines and measure how effective these cities are in providing an environment that is conducive for business and industry. Moreover, the city competitiveness indicators attempt to quantify the ability cities to promote a better standard of living for its residents.

The policy objective for conducting the study is to encourage local government leaders to understand that with the decentralization espoused by the Local Government Code, their roles must shift from being mere providers of public goods and services to becoming economic and development managers. The study also analyzes the best practices in overall economic management by local government units.

The study bases its methodology to that utilized by the Swiss-based International Institute for Management Development in their World Competitiveness Yearbook (WCY), which is an annual ranking of the competitiveness of 59 nations. The AIM-Policy Center has been the Philippine partner for the WCY since 1995. Moreover, the PCCRP is designed to have a similar impact as the Clean and Green Project of the Philippine government that promotes environmental awareness and healthy competition among local governments.

The 2003 edition of the study covered 50 cities nationwide which included 23 cities in Luzon, 11 cities in the Visayas, and 16 cities in Mindanao. The cities were categorized into metropolitan cities (cities comprising Metro Manila, Metro Cebu and Metro Davao), mid-sized cities (non-metro cities that had populations greater than 200,000 inhabitants) and small cities (cities with populations of less than 200,000).

The study uses both ranking and scoring methods that rate the Philippine cities vis-à-vis the following seven major drivers of competitiveness: cost of doing business, dynamism of local economy, linkages and accessibility, quality of human resources and training, infrastructure, responsiveness of local government to business needs, and quality of life. Each category is comprised of city statistics culled from official publications of various government agencies and survey data gathered from executive surveys administered to small and medium enterprises. These indicators were validated by the AIM Policy Center and the following educational partners: Angeles University, Saint Louis University, De La Salle Lipa, Ateneo de Naga University, University of San Agustin, University of San Carlos, Xavier University, Ateneo de Zamboanga University, Mindanao State University (Marawi), and Ateneo de Davao University. Scores for each of the 70 indicators were converted into a ten-point scale based on national and global benchmarks.

The overall average competitiveness scores and rankings of the 50 cities are as follow:

METRO CITIES			MID-SIZED CITIES			SMALL CITIES					
RANK	CITY	SCORE	RANK	CITY	SCORE	RANK	CITY	SCORE	RANK	CITY	SCORE
1	Marikina	6.58	1	Bacolod	6.62	1	Koronadal	6.17	14	Roxas	5.49
2	Pasig	6.36	2	San Fernando, Pampanga	6.24	2	San Fernando, La Union	6.09	15	Malaybalay	5.47
3	Davao	6.34	3	Cagayan de Oro	6.18	3	Tagaytay	6.05	15	Cavite	5.47
4	Makati	6.30	4	Batangas	6.14	4	Legaspi	5.93	17	Puerto Princesa	5.41
5	Las Pinas	6.11	5	General Santos	6.05	5	Sta. Rosa	5.82	18	Dumaguete	5.35
5	Cebu	6.11	5	Iloilo	6.05	6	Dagupan	5.80	19	Pagadian	5.31
7	Mandaluyong	6.09	7	Baguio	5.87	7	Tacloban	5.73	20	Ozamis	5.29
8	Muntinlupa	6.03	8	Angeles	5.73	8	Surigao	5.70	21	Cadiz	5.27
9	Quezon City	6.00	9	Lipa	5.71	8	Ormoc	5.70	22	Oroquieta	5.22
10	Mandaue	5.71	10	Iligan	5.44	10	San Carlos	5.67	23	Cotabato	5.07
11	Manila	5.63	11	Zamboanga	5.32	11	Naga	5.66	24	Tagum	4.89
12	Lapu-Lapu	5.49	12	Butuan	5.30	12	Dipolog	5.61	25	Marawi	4.80
			13	Tarlac	4.98	13	Olongapo	5.51			

Insights on overall scores and rankings point to the importance of available resources for the local government units, local leadership and the interplay of the following factors: presence of a strong supporting environment (e.g., responsive local government with business-friendly policies and regulations, support services), human capital, accessibility and linkages, presence of good infrastructure, quality of life, and proximity to surrounding local and/or international growth formations.