



MBC EXECUTIVE OUTLOOK SURVEY SECOND SEMESTER 2012

Business Scorecard of Government Performance

HIGHLIGHTS

- Thirty-six out of 53 government agencies and offices received positive net satisfaction scores from senior business executives surveyed by the Makati Business Club from 19 June to 23 July 2012 for the MBC Executive Outlook Survey Second Semester 2012.
- The Bangko Sentral ng Pilipinas, Department of Finance, Department of Tourism, Department of Budget and Management, and Securities and Exchange Commission received the highest net satisfaction scores.
- The Bangko Sentral ng Pilipinas, Department of Tourism, Department of Budget and Management, Department of Labor and Employment, Senate, Department of Public Works and Highways, Department of Science and Technology, Department of Agrarian Reform, and House of Representatives posted their best-ever net performance ratings in the two decades that MBC has been conducting the survey.
- The Department of Tourism, Ombudsman, Department of Labor and Employment, Senate, and Armed Forces of the Philippines enjoyed the biggest jumps in terms of ranking of net satisfaction scores.
- Close to 71% of survey respondents said they are not satisfied with government efforts in fighting smuggling.
- Survey respondents represent 14.7% of MBC member companies and business associations (excluding foreign embassies and agencies).

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In the second year of President Benigno Aquino III's administration, 36 out of 53 government agencies and offices, led by the Bangko Sentral ng Pilipinas, Department of Finance, Department of Tourism, Department of Budget and Management, and Securities and Exchange Commission, received positive net satisfaction scores from senior business executives surveyed by the Makati Business Club from 19 June to 23 July 2012. In comparison, only 25 out of 45 government agencies, offices, and services got positive net performance ratings in MBC's Second Semester Executive Outlook Survey (EOS) in 2011.

On the other hand, the government offices and services that received the lowest net satisfaction scores in the Second Semester 2012 EOS are the appeals and lower court system, traffic management, the Supreme Court, garbage collection, and the Philippine National Police.

RECORD PERFORMANCES

The net satisfaction scores of nine government agencies and offices are at their highest levels since MBC started conducting this annual survey rating government agencies in January 1993: Bangko Sentral ng Pilipinas, 94.6%; Department of Tourism, 81.8%; Department of Budget and Management, 70.9%; Department of Labor and Employment, 56.3%; the Senate, 49.1%; Department of Public Works and Highways, 30.8%; Department of Science and Technology, 27.3%; and the Department of Agrarian Reform and House of Representatives with 0% each.

Likewise, the net satisfaction scores on the performance of the Office of the Vice President and Office of the President rose to record highs of 58.2% and 49.1%, respectively. These offices were added to the survey series in January 2006.

RISE AND FALL IN RANKINGS

The following government agencies and offices enjoyed the biggest jumps in *ranking* of net satisfaction scores from 2011: the Department of Tourism moved up to no. 2 from no. 32; the Ombudsman went up to no. 18 from no. 44; the Department of Labor and Employment rose to no. 10 from no. 23; the Senate improved to no. 14 from no. 21; and the Armed Forces of the Philippines ascended to no. 25 from no. 30.

Meanwhile, the following government agencies and offices suffered the sharpest drops in ranking of net satisfaction scores in the second year of the Aquino administration: the Commission on Human Rights went down to no. 35 from no. 15; the Supreme Court slid to no. 51 from no. 34; the Department of Justice sunk to no. 26 from no. 9; the Department of Transportation and Communications declined to no. 44 from no. 27; and the Department of Environment and Natural Resources descended to no. 46 from no. 30.

Table 1
MBC EXECUTIVE OUTLOOK SURVEY SECOND SEMESTER 2012
How businessmen rated the performance of government offices, agencies and services in the period July 2011 to June 2012
(In percent of respondents)

| Rank | | | Government Agency | Net Score | | | Satisfied | Not Satisfied |
|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|---------------|
| July 2010 | July 2011 | July 2012 | | July 2010 | July 2011 | July 2012 | July 2012 | July 2012 |
| 1 | 1 | 1 | Bangko Sentral ng Pilipinas | 72.7 | 77.0 | 94.6 | 96.4 | 1.8 |
| 9 | 2 | 2 | Department of Finance | (5.5) | 67.6 | 81.8 | 90.9 | 9.1 |
| 2 | 32 | 2 | Department of Tourism | 36.4 | (13.5) | 81.8 | 89.1 | 7.3 |
| 19 | 7 | 4 | Department of Budget and Management | (43.7) | 44.6 | 70.9 | 83.6 | 12.7 |
| 10 | 8 | 5 | Securities and Exchange Commission | (7.3) | 40.5 | 69.1 | 81.8 | 12.7 |
| NA | NA | 6 | Philippine Economic Zone Authority | NA | NA | 67.3 | 81.8 | 14.5 |
| 11 | 3 | 7 | Department of Trade and Industry | (9.1) | 59.5 | 65.4 | 81.8 | 16.4 |
| 15 | 9 | 8 | Office of the Vice President | (25.5) | 37.8 | 58.2 | 76.4 | 18.2 |
| 18 | 6 | 9 | Department of Education | (40.0) | 45.9 | 56.4 | 78.2 | 21.8 |
| 6 | 23 | 10 | Department of Labor and Employment | 12.7 | 5.4 | 56.3 | 74.5 | 18.2 |
| 5 | 4 | 11 | Department of Foreign Affairs | 23.6 | 52.7 | 54.6 | 76.4 | 21.8 |
| NA | NA | 12 | Anti-Money Laundering Council | NA | NA | 54.5 | 72.7 | 18.2 |
| NA | NA | 13 | Board of Investments | NA | NA | 50.9 | 74.5 | 23.6 |
| 4 | 5 | 14 | Department of Health | (25.5) | 50.0 | 49.1 | 70.9 | 21.8 |
| 16 | 12 | 14 | Commission on Higher Education | (29.1) | 29.7 | 49.1 | 69.1 | 20.0 |
| 25 | 16 | 14 | Office of the President | (69.1) | 18.9 | 49.1 | 69.1 | 20.0 |
| 24 | 21 | 14 | Senate | (67.3) | 8.1 | 49.1 | 74.5 | 25.4 |
| 24 | 17 | 18 | Department of Agriculture | (67.3) | 14.9 | 47.3 | 69.1 | 21.8 |
| 28 | 44 | 18 | Ombudsman | (80.0) | (51.4) | 47.3 | 70.9 | 23.6 |
| NA | NA | 20 | Technical Education and Skills Development Authority | NA | NA | 43.6 | 63.6 | 20.0 |
| 29 | 17 | 21 | Bureau of Internal Revenue | (81.8) | 14.9 | 40.0 | 69.1 | 29.1 |
| 10 | 13 | 22 | National Economic and Development Authority | (7.3) | 27.0 | 38.1 | 65.4 | 27.3 |
| 6 | 11 | 22 | Department of Social Welfare and Development | 12.7 | 35.1 | 38.1 | 65.4 | 27.3 |
| 26 | 22 | 24 | Department of Energy | (70.9) | 6.8 | 36.4 | 67.3 | 30.9 |
| 7 | 30 | 25 | Armed Forces of the Philippines | 9.1 | (12.2) | 36.3 | 63.6 | 27.3 |
| 30 | 9 | 26 | Department of Justice | (83.6) | 37.8 | 30.9 | 63.6 | 32.7 |
| 25 | 20 | 27 | Department of Public Works and Highways | (69.1) | 10.8 | 30.8 | 65.4 | 34.6 |
| 14 | 14 | 28 | Department of National Defense | (23.7) | 24.3 | 29.1 | 60.0 | 30.9 |
| 10 | 19 | 29 | Department of Science and Technology | (7.3) | 12.2 | 27.3 | 60.0 | 32.7 |
| 13 | 26 | 30 | Civil Service Commission | (18.2) | 0.0 | 23.6 | 54.5 | 30.9 |
| 18 | 24 | 31 | Commission on Audit | (40.0) | 4.1 | 18.2 | 50.9 | 32.7 |
| 22 | 25 | 32 | National Competitiveness Council | (63.7) | 1.4 | 10.9 | 50.9 | 40.0 |
| NA | NA | 32 | Presidential Communications Group | NA | NA | 10.9 | 49.1 | 38.2 |
| NA | NA | 34 | Commission on Appointments | NA | NA | 9.1 | 49.1 | 40.0 |
| 3 | 15 | 35 | Commission on Human Rights | 32.7 | 20.3 | 3.6 | 45.4 | 41.8 |
| 8 | 27 | 36 | Housing & Urban Development Coordinating Council | 1.8 | (10.8) | 1.8 | 43.6 | 41.8 |
| 25 | 39 | 37 | Department of Agrarian Reform | (69.1) | (29.7) | 0.0 | 45.4 | 45.4 |
| 21 | 27 | 37 | Department of Interior and Local Government | (63.6) | (10.8) | 0.0 | 47.3 | 47.3 |
| 32 | 36 | 37 | House of Representatives | (92.8) | (23.0) | 0.0 | 49.1 | 49.1 |
| 20 | 43 | 40 | Sandiganbayan | (61.8) | (44.6) | (1.8) | 43.6 | 45.4 |
| 20 | 35 | 41 | Climate Change Commission | (61.8) | (21.6) | (5.4) | 40.0 | 45.4 |
| NA | NA | 42 | Legislative Executive Development Advisory Council | NA | NA | (5.4) | 38.2 | 43.6 |
| 17 | 36 | 43 | Metro Manila Development Authority | (34.6) | (23.0) | (9.1) | 43.6 | 52.7 |
| 23 | 27 | 44 | Department of Transportation and Communications | (65.4) | (10.8) | (12.7) | 41.8 | 54.5 |
| 6 | 32 | 45 | Commission on Elections | 12.7 | (13.5) | (16.3) | 36.4 | 52.7 |
| 27 | 30 | 46 | Department of Environment and Natural Resources | (74.6) | (12.2) | (18.1) | 36.4 | 54.5 |
| 31 | 40 | 47 | Bureau of Customs | (85.4) | (33.8) | (18.2) | 38.2 | 56.4 |
| NA | NA | 48 | Public-Private Partnership Center | NA | NA | (23.7) | 34.5 | 58.2 |
| 12 | 41 | 49 | Philippine National Police | (16.4) | (35.1) | (29.1) | 32.7 | 61.8 |
| 18 | 38 | 49 | Garbage Collection | (40.0) | (25.7) | (29.1) | 32.7 | 61.8 |
| 12 | 34 | 51 | Supreme Court | (16.4) | (20.3) | (41.8) | 27.3 | 69.1 |
| 21 | 45 | 52 | Traffic Management | (63.6) | (64.9) | (45.5) | 25.4 | 70.9 |
| 25 | 42 | 53 | Appeals and Lower Court System | (69.1) | (41.9) | (54.5) | 18.2 | 72.7 |

Number of respondent companies represented: 55 or 14.7% of 375 member companies (excluding foreign embassies and offices)

Survey period: 19 June to 23 July 2012

Note: Totals may not add up to 100% due to rounding off or no response.

NA Not Available

Table 2
MBC EXECUTIVE OUTLOOK SURVEY SECOND SEMESTER 2012
Issues

(In percent of respondents)

| | | |
|-----------|---|-------------|
| A. | Are you satisfied with the government's anti-smuggling efforts? | |
| | Satisfied | 27.3 |
| | Not satisfied | 70.9 |
| | No response | 1.8 |
| B. | Are satisfied with the government's tax policies and administration? | |
| | Satisfied | 49.1 |
| | Not satisfied | 49.1 |
| | No response | 1.8 |
| C. | Do you agree with the result of the Corona impeachment trial? | |
| | Agree | 81.8 |
| | Disagree | 12.7 |
| | No response | 5.5 |

Number of respondent companies represented: 55 or 14.7% of 375 member companies (excluding foreign embassies and offices)

Survey period: 19 June to 23 July 2012

Note: Totals may not add up to 100% due to rounding off or no response.

MOST AND LEAST IMPROVED SCORES

The most improved government offices based on *actual net satisfaction scores* in 2012 compared to 2011 are the following (the figures represent the increase in *percentage points* of the net satisfaction scores): Ombudsman, up 98.7 percentage points; Department of Tourism, up 95.3; Department of Labor and Employment, up 50.9; Armed Forces of the Philippines, up 48.9; and the Sandiganbayan, up 42.8.

Meanwhile, the net satisfaction scores of the following government offices deteriorated the most compared to the previous year's levels (the figures represent the decrease in percentage points): the Supreme Court, down 21.5 percentage points; Commission on Human Rights, down 16.7; Appeals and Lower Court System, down 12.6; Department of Justice, down 6.9; and Department of Environment and Natural Resources, down 5.9.

Comparing this year's net satisfaction scores to those in 2010, the last year of the Arroyo administration, the following agencies showed the greatest improvements (the figures represent the increase in percentage points): the Ombudsman, up 127.3 percentage points; Bureau of Internal Revenue, up 121.8; the Office of the President, 118.2; the Senate, 116.4; Department of Agriculture, 114.6; and Department of Budget and Management, 114.6.

On the other hand, the net satisfaction scores of four key government institutions have fallen since 2010 (the figures represent the decrease in percentage points). The Commission on Human Rights, Commission on Elections, and Supreme Court suffered drops of 29.1, 29, and 25.4 percentage points, respectively.

OPINION ON ISSUES

The survey respondents were also asked to share their sentiments on two issues affecting business during the second year of President Aquino's term. The executives were asked, "*Are you satisfied with the government's anti-smuggling efforts?*" Close to 71% of respondents said they are not satisfied with the government's efforts to fight smuggling, while over 27% said they are satisfied with the current anti-smuggling campaign and the remaining 2% remained silent on the matter. The respondents were also asked to reply to the question, "*Are you satisfied with the government's tax policies and administration?*" The businessmen were equally divided, with 49% saying they are satisfied and the other 49% saying they are not satisfied. Meanwhile, 2% did not share their assessment on the issue.

Finally, survey respondents were asked, "*Do you agree with the result of the Corona impeachment trial?*" Close to 82% of the respondents said they agree with the result of the Corona impeachment trial, while another 13% said they disagree with the outcome of the process. More than 5% did not register their views on the Senate impeachment court's verdict on the former chief magistrate.

SURVEY BACKGROUND

The Second Semester 2012 MBC Executive Outlook Survey was administered via fax and online among MBC members from 19 June to 23 July 2012. Fifty-five senior business executives who participated in the survey represent 14.7% of the 375 MBC member companies and business associations (excluding foreign embassies and agencies). ■