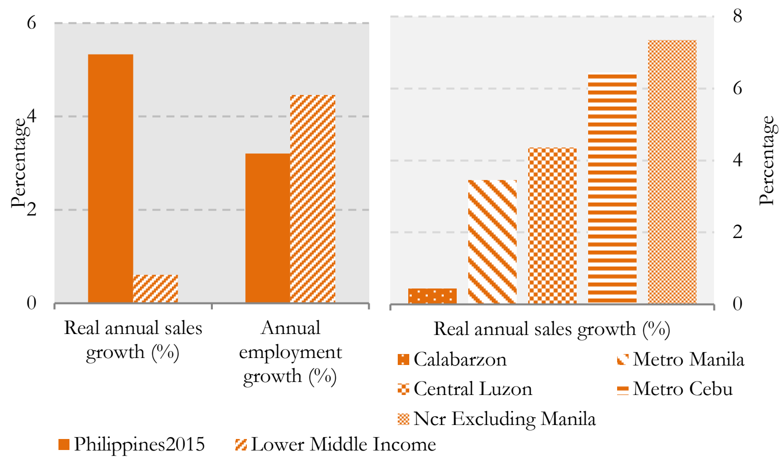
The World Bank Group conducted face-to-face interviews with top managers and business owners of 1,335 enterprises in the Philippines from November 2014 through May 2016. The Enterprise Survey (ES) sample is representative of the Philippine's formal private sector. The ES covers several aspects of business environment along with measures of firm performance. Below are the main highlights from the survey.

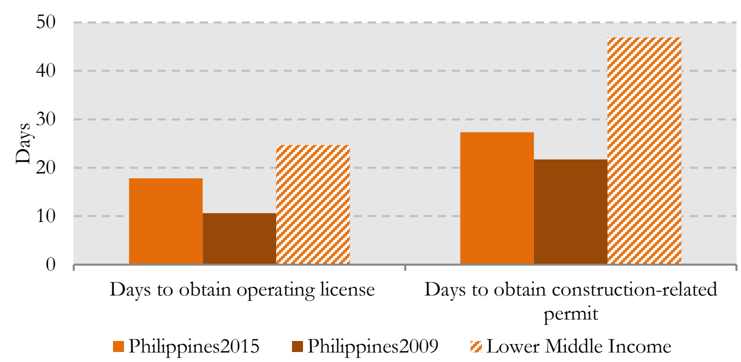
The private sector in the Philippines experienced moderate growth in both sales and employment

Between 2012 and 2014, real annual sales grew by 5.3% in the Philippines' private sector. This outperforms the negligible growth in annual sales in lower middle income economies (0.6%). All five regions covered by the ES within the Philippines experienced positive annual sales growth but Calabarzon underperformed all other regions. Sales in Calabarzon grew by 0.4% annually compared to 3% in Metro Manila, 4% in Central Luzon, 6% in Metro Cebu, and 7% in NCR excluding Manila. Employment growth in the Philippines was 3.2% which is below the 4.5% average for lower middle income economies.



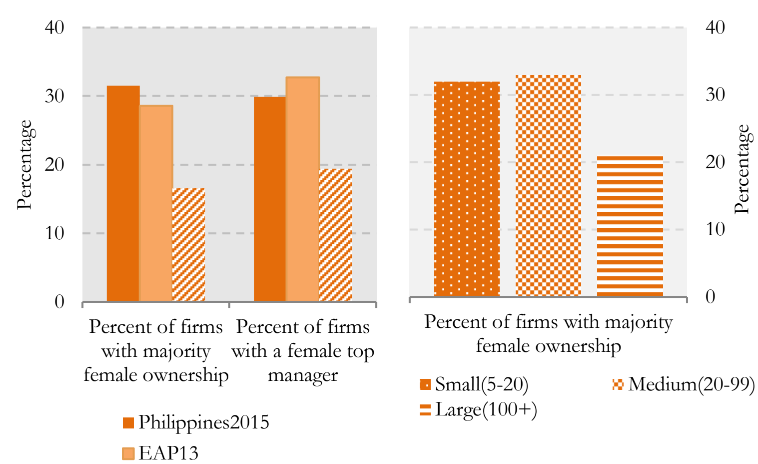
Since 2009, the time needed to obtain an operating license or a construction-related permit has increased

Permits and licenses are usually required for business to operate, build a new structure, and to import directly, among other activities. In comparison to 2009, it is taking longer to obtain licenses and permits in the Philippines. Obtaining an operating license takes approximately 18 days in 2015 compared to 11 days in 2009; however, this is faster than the average wait time of 25 days in lower middle income countries. Additionally, obtaining a construction-related permit takes about 27 days in 2015 compared to 22 days in 2009, but this is again better than the average for lower middle income economies where the wait is approximately 47 days.



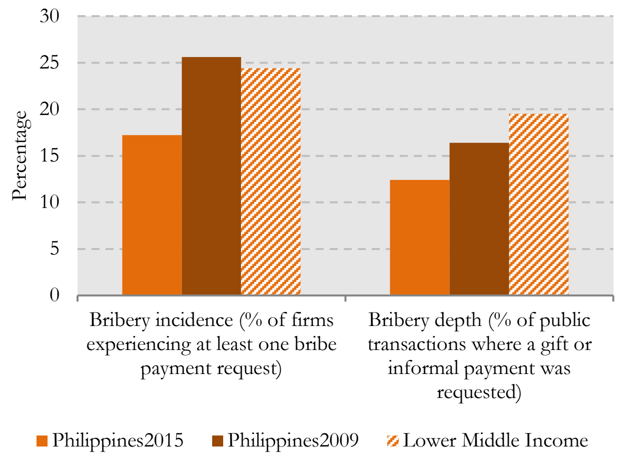
In the Philippines, women are better represented in firm ownership than in comparator economies

The percentage of firms with majority female ownership in the Philippines is 32%, that is double the average in lower middle income economies (16%), and higher than the rate in the East Asia and Pacific (EAP) region (29%). Further, while the percentage of firms with a female top manager in the Philippines is comparable to the regional average (30% and 33% respectively), the Philippines outperform the average for lower middle income economies (19%). However, large firms are less likely to have majority female owners (21%), compared to 33% and 32% for medium and small firms respectively.



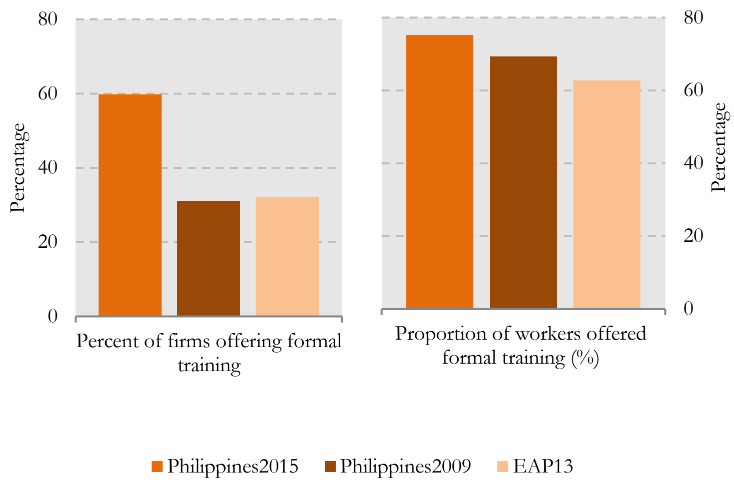
Firms in the Philippines experience less corruption than firms in lower middle income economies

In lower middle income economies, 24% of firms experience at least one bribe payment request across six transactions involving access to utilities, permits, licenses, and taxes (bribery incidence). In the Philippines, bribery incidence is lower (17% of firms) and it declined substantially from 2009 (when it was 26%). The Philippines also fare better compared to 2009 and to the average for lower middle income economies in bribery depth: 12% of public transactions are reported to be accompanied with a request of a gift or informal payment, compared to 16% in 2009 and the average of 19% of transactions for lower middle income economies.



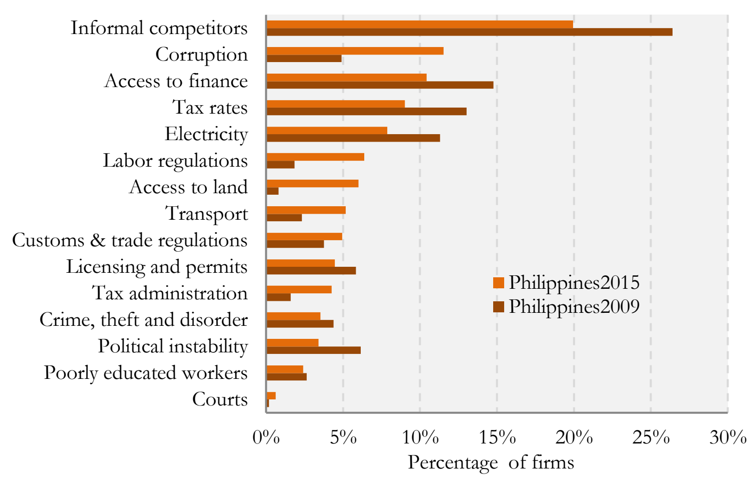
Firms offering formal training in the Philippines have surpassed the regional average

The Philippines perform exceptionally well in two measures that highlight firms' investment in the skills and capabilities of their workers. Firms in the Philippines are more likely to offer formal training to their workforce compared to 2009 and to the average for the EAP region. The percentage of firms offering formal training has almost doubled from 2009 (60% compared to 31%) and outperforms the EAP region average (32%). Not only are more firms offering training but more workers are also receiving training. The proportion of workers receiving formal training has increased from 69% in 2009 to 75% in 2015 and is well above the average for the EAP region (63%).



Informal competitors are the biggest obstacle to private firms' operations

The ES asks business owners and top managers to name the biggest obstacle that they face in their everyday operations. Informal competitors were identified most frequently as the top obstacle in the Philippines in both 2015 and 2009, by 20% and 26% of firms respectively. In 2015, corruption was the second most frequently cited top obstacle in the Philippines (12% of firms) and access to finance and tax rates ranked 3rd and 4th, with 10% and 9% of businesses respectively. In 2009, access to finance was ranked 2nd (cited as the top obstacle by 15% of firms), while tax rates and electricity ranked 3rd and 4th, cited by 13% and 11% of firms respectively.



The Enterprise Analysis Unit is a joint World Bank and IFC team of economists, survey experts specialized in private sector development. Surveys implemented by the team reveal what businesses and firms experience across the world by interviewing representative samples of the formal, non-agricultural, non-extractive, private sector with 5 employees or more. The resulting globally comparable firm-level data is used to construct business environment indicators and measure firm performance. The findings and recommendations help policy makers identify, prioritize, and implement policy reforms that support efficient private economic activity.

For more information on the survey visit http://www.enterprisesurveys.org