

TOURISM ADVOCACY PAPER 2022



ABOUT ECCP

The **European Chamber of Commerce of the Philippines** (ECCP) is a service-oriented organization whose main goal is to foster close economic ties and business relations between the Philippines and Europe. The ECCP does this through offering a wide range of consultancy services and by fostering connections between companies, organizations, and individuals with existing or potential business ties to Europe and the Philippines. It is also at the forefront of pro-business, pro-growth advocacy in the Philippines, representing European business interests for increased market access and trade facilitation, at the highest level of Philippine political discussions.

The ECCP views itself as the stepping stone for Europeans into the Philippine market and for Filipinos into the European market.



TOURISM ADVOCACY PAPER 2022



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Positions expressed in the advocacy papers are the result of the activities of the Sector Committees working under the ECCP.

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We would also like to acknowledge the support of our committee members.

METHODOLOGY

The 2022 edition of the ECCP Advocacy Papers features issues and recommendations developed after extensive discussions among members of the ECCP sector committees, consultations and meetings with representatives from the Philippine Government, and other stakeholders. Information gathered from organizing events that cover relevant topics, participating in numerous hearings and committee meetings in both chambers of the Philippine Congress, as well as in private sector consultations held by several government agencies were also taken into consideration upon writing.

Further, the recommendations provided in each paper were primarily based on the discussions during the quarterly sector committee meetings. The ECCP Advocacy Team carefully examined each issue and advocacy recommendation in close collaboration with the sector committee leaders and members to make sure they were in line with European business interests and priorities. Once the Advocacy Team had finalized the first draft of each sector paper, it was then disseminated to the Committee members and other important stakeholders for consultation. This allowed for the collection of input that would later be used to create the final draft of the papers.

The assessment of the status of each recommendation included in 2021 Advocacy Papers were examined under the following criteria:

Completed/Substantial Progress: Recommended action has either been completed or there has been significant progress towards the realization of the recommendation.

Some Progress: Movement towards realizing the recommendation has been made, but substantial work still needs to be done to fully achieve and complete the proposed measure.

No Progress/Retrogression: Minimal progress or no movement towards attaining the recommended reforms were done, or the status of the issue has worsened and has evolved to an even bigger bottleneck for European businesses.

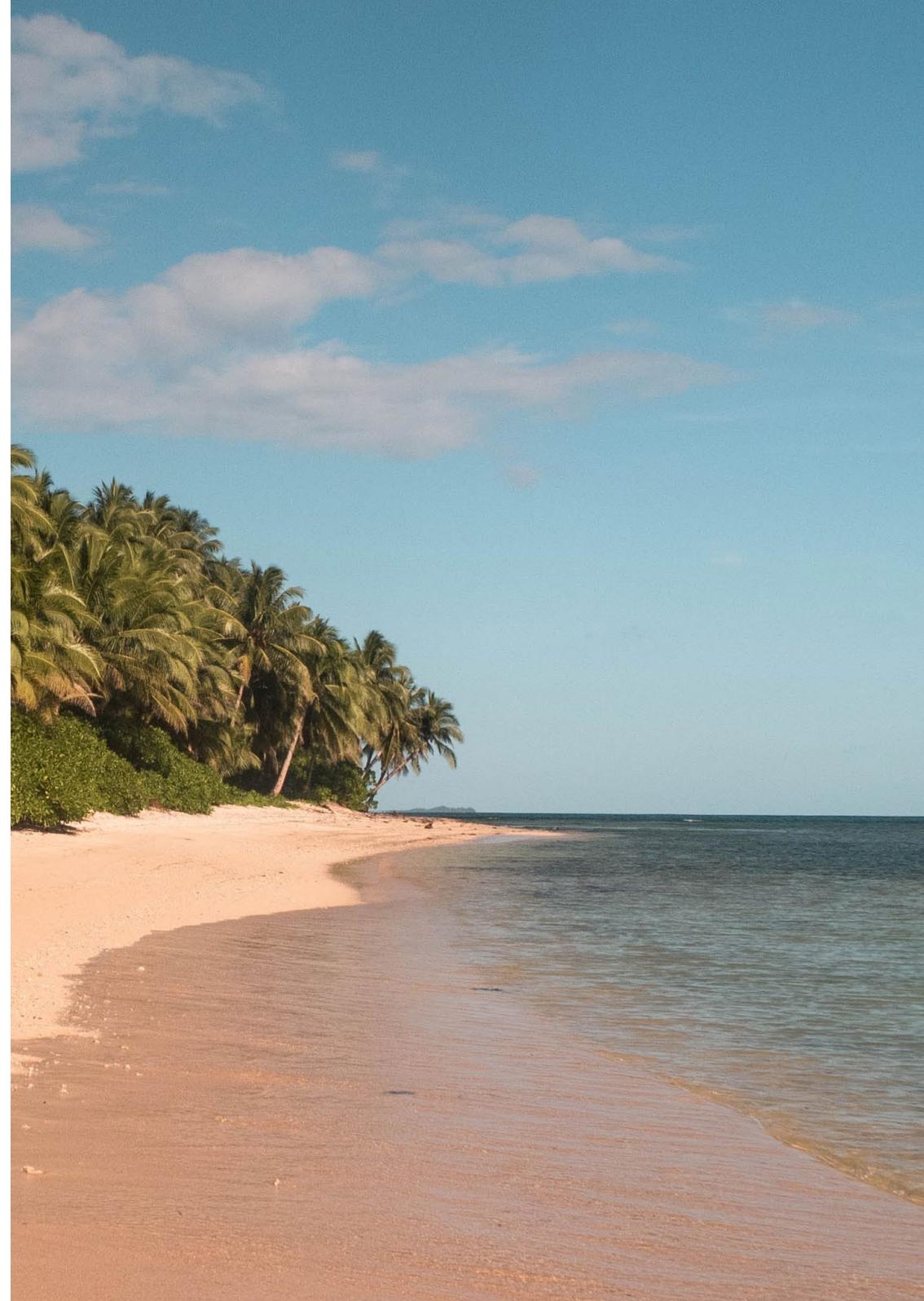
MESSAGE FROM THE ECCP PRESIDENT

I am pleased to present the latest set of the European Chamber of Commerce of the Philippines' (ECCP) Advocacy Papers. This features an overview of the country's current business landscape and industry-specific challenges identified by the Chamber's sector committees. More importantly, the papers put forward constructive policy recommendations for strengthening European-Philippine economic relations and promoting sustainability.

We have witnessed uncertainties and concerns arising from the Russia-Ukraine crisis, inflationary pressures, and disruptions in the global supply chain, among others. Nevertheless, we have seen significant progress such as the easing of COVID-19 restrictions, increased mobility for businesses and consumers, as well as solid headways in boosting business confidence and the country's position as a competitive destination for trade and investments. We are optimistic that we will see positive outcomes from the passage of game-changing economic reforms such as the amendments to the Public Services Act, the Retail Trade Liberalization Act, and the Foreign Investment Act. These will undoubtedly usher in foreign direct investments and create more jobs for Filipinos. Furthermore, for the year 2022, multilateral agencies have expressed optimism for the Philippines with an estimated 6.0% and 6.5% growth rate by the World Bank and the Asian Development Bank, respectively.

The ECCP seeks to continue to maximize the opportunities brought about by these recent socioeconomic developments. This year's set of ECCP Advocacy Papers is our contribution to addressing some of the remaining challenges to realize the potential of the European-Philippine economic ties as well as advance sustainable development. Lastly, I would like to extend my sincerest thanks to our Committee leaders, member companies, and the ECCP team who supported the completion of this publication. The ECCP is committed to working with the European-Philippine stakeholders in navigating this new era of progress, possibilities, and partnerships.

Mr. Lars Wittig
ECCP President



WHERE ARE WE NOW?

THE PHILIPPINES

The Philippines prides itself in its dynamic and robust economy, transforming into one of the region's top economic performers and attracting companies to invest and expand their operations. In the last decade, the country was able to sustain an average annual growth of 6.4% between 2010-2019 from an average of 4.5% between 2000-2009.¹ However, the onset of the unprecedented COVID-19 pandemic has resulted in a drastic decline of economic activity around the world. The Philippines has not been spared from the economic effects of the pandemic. The country's growth collapsed, with a negative growth rate of 9.6% in terms of Growth Domestic Product (GDP), in 2020 (Table 1). Among its neighboring countries in the Association of Southeast Asian Nations (ASEAN), the Philippines was ranked 10th in terms of Gross Domestic Product (GDP) growth rate (Table 1). Ranked last, the Philippines appears to be the Southeast Asian economy most affected by the pandemic in 2020.

Table 1. ASEAN GDP Year-on-Year Growth Rates, 2020 and 2021 (% per year)

Country	2020	2020 ranking	2021	2021 ranking
Brunei Darussalam	1.1	3rd	-1.5	9th
Cambodia	-3.1	6th	3	5th
Indonesia	-2.1	5th	3.7	3rd
Lao People's Dem. Rep.	-0.5	4th	2.3	7th
Malaysia	-5.6	8th	3.1	4th
Myanmar	3.3	1st	-18.4	10th
Philippines	-9.6	10th	5.6	2nd
Singapore	-5.4	7th	7.6	1st
Thailand	-6.1	9th	1.6	8th
Vietnam	2.9	2nd	2.6	6th

Asian Development Bank. Asian Development Outlook 2022²

Nonetheless, in 2021, the Philippines ranked second among the ASEAN countries in terms of growth rates. Growth was buoyed by robust private domestic demand, including a dramatic increase in investment in the second quarter of 2021 and a steady rise in household final consumption expenditure³.

Furthermore, for the year 2022, multilateral agencies have expressed optimism for the Philippines with an estimated 6.0% and 6.5% growth rate by the World Bank and the Asian Development Bank, respectively. A strong rebound in domestic demand with the easing of COVID-19 mobility restrictions in the country will support robust growth for the Philippine economy in 2022 amidst the Russia-Ukraine conflict, inflationary pressures and disruptions in global supply chains.

The growth projection for 2023 is at 5.8% and 6.3% by the World Bank and ADB, respectively. This is attributed to monetary policy tightening and accelerating inflation affecting domestic demand.

Additionally, the annual preliminary figures show that the country's employment rate rose from 89.7% in 2020 to 92.2% in 2021, with the services sector accounting for 58.1% share, followed by the agriculture sector with 22%, and the industry sector with 19.9%⁴. As of writing, the country's unemployment rate decreased to 5.2 percent in July 2022 from 7.2 percent in the same period last year.⁵

On the other hand, inflationary pressures have been widely felt. As of writing, inflation in the Philippines heated up to 6.9 percent in September 2022 from 6.3 percent in July, according to the Philippine Statistics Authority. This was mainly driven by faster rate of increases in prices of foodstuff as well as electricity and housing.⁶

In terms of the country's Foreign Direct Investments (FDI), the BSP officially recorded USD 10.518 billion net inflows for 2021. Majority of the equity capital placement came from Singapore (USD 526.69 million), Japan (USD 257 million), USA (USD 73.60 million), Germany (USD 29.20 million), and Hong Kong (USD 23.45 million)⁷. In the same year, top European FDI sources are include Germany (USD 32.94 million), United Kingdom (USD 15.77 million), Sweden (USD 6.24 million), France (USD 4.43 million) and Spain (USD 4.34 million). More recently, total FDI net inflows from January to June 2022 reached USD 4.64 billion, an increase of 3% over the same period last year. Specifically, the top source country is **Singapore** with USD 526.69), followed by **Japan** (USD 257), **USA** (USD 73.60), **Germany** (USD 29.20), and **Hong Kong** (USD 23.45).



	Jan-June 2022	Jan-June 2021	2021	2020
Globally	USD 4.64 billion (+3.07% year-on-year increase)	USD 4.50 billion	USD 12.41 billion	USD 6.82 billion
Europe (both EU and non-EU states)	USD 62.54 million (+53% year-on-year increase)	USD 40.87 million	USD 48.08 million	USD 326.47 million

¹ World Bank. (07 April 2021). Philippines: Overview. Retrieved from <https://www.worldbank.org/en/country/philippines/overview>
² Asian Development Bank (April 2022). Asian Development Outlook 2022. Retrieved from <https://data.adb.org/dataset/asian-development-outlook-ado-2022-statistical-appendix-tables>
³ World Bank (June 2022). Philippines economic update 2022 edition. Retrieved from <https://documents1.worldbank.org/curated/en/099325006072264961/pdf/P177408091735101c0b25405cf39f312c86.pdf>.

⁴ Philippines Statistics Authority. Percent distribution of employed persons by major industry group July 2020 and July 2021. Retrieved from <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/tab1>
⁵ National Economic and Development Authority (September 2022). Ph Records Lowest Unemployment Rate Since Covid-19 Onset—Neda. Retrieved from <https://neda.gov.ph/ph-records-lowest-unemployment-rate-since-covid-19-onset-neda/#:~:text=As%20reported%20by%20the%20Philippine,Labor%20Force%20Survey%20since%202005.>
⁶ <https://psa.gov.ph/press-releases/id/168188>
⁷ Bangko Sentral ng Pilipinas. Net foreign direct investment flows (BPM6), by country. Retrieved from https://www.bsp.gov.ph/Statistics/External/tab10_fdc.aspx.
 TOURISM

The total external trade of the country in terms of goods was recorded at USD 192.532 billion in the year 2021, representing a growth of 24.2% compared to the USD 155.02 billion recorded during 2020, but most importantly an augmentation of 10 billion compared to the 2019, pre-pandemic data. Among the major trading partners are the People's Republic of China, Japan, and the USA⁸. The European Union (EU) followed as the fourth largest trading partner, accounting for 7.9% of the country's total trade in 2021⁹. Meanwhile, as for the Philippines' bilateral trade with the EU member countries, Germany ranked as the top trading partner, with a total of trade of USD 4.985 billion. Likewise, in 2020, Germany ranked as the highest trading partner with a total trade of USD 4.343 billion.¹⁰

Furthermore, in the 2022 World Competitiveness Ranking compiled by the Institute for Management Development (IMD), the Philippines ranked 48th out of 63 countries, climbing four spots from the previous ranking. Specifically, the report notes that the country moved up in two of the factors: Economic Performance rose 4 places to 53rd; Infrastructure climbed 2 spots to 57th. Meanwhile, the Philippines' ranking for government Efficiency slipped three more spots to 48th, and public finance fell six places to 51st.

Nevertheless, we have seen significant progress such as the easing of COVID-19 restrictions, increased mobility for businesses and consumers, as well as solid headways in boosting business confidence and the country's position as a competitive destination for trade and investments. We are optimistic that we will see positive outcomes from the passage of game-changing economic reforms such as the amendments to the Public Services Act, the Retail Trade Liberalization Act, and the Foreign Investment Act. These will undoubtedly usher in foreign direct investments and create more jobs for Filipinos.

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8 Philippines Statistics Authority. Highlights of the 2021 annual final international merchandise trade statistics of the philippines . Retrieved from <https://psa.gov.ph/content/highlights-2021-annual-final-international-merchandise-trade-statistics-philippines>, table 1 and 5.

9 European commission. Countries and Regions: The Philippines. Retrieved from https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/philippines_en.

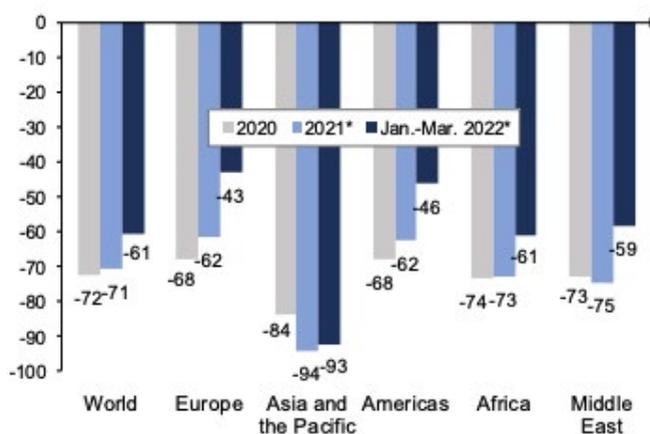
10 Department of trade and Industry of the Philippines. Philippines merchandise total trade, historical trend. Retrieved from <http://www.tradelinephilippines.dti.gov.ph:8080/total-trade>.

INTRODUCTION

Following the rapid increase of COVID-19 cases in 2020, almost all countries, including the Philippines, have been forced to close their borders and impose strict quarantine measures in order to prevent the further spread of the virus. Demand for travel and tourism-related activities unexpectedly halted, which resulted in the tourism sector being severely affected with significant income losses and vast unemployment rates in its industries. Individuals have begun to get their vaccinations against the virus with the rollout of COVID immunization programs from late 2020, while the number of cases and COVID-related hospitalization have decreased in the past months. This has ultimately led to travel restrictions easing up, making the path towards recovery of the tourism industry beginning to look a lot more promising.

Based on preliminary figures released by the World Tourism Organization (UNWTO), there was an increase in global tourism by 4% in the previous year—415 million versus 400 million. However, compared to the pre-pandemic year of 2019, foreign tourist arrivals (overnight visitors) were still found to be 71% lower. In January-March 2022, international tourism was able to recover vigorously from the negative effects of the COVID-19 pandemic on the industry as borders started to open. There were around three times as many foreign tourist arrivals that came into countries compared to the same period in 2021, with Europe leading the resurgence. If the COVID-19 situation continues to improve and the inflow of tourism revenues is sustained, tourism professionals see 2022 to be the year wherein this sector bounces back—with the prospect of achieving 55% to 70% of 2019 levels by the end of the year. Furthermore, 48% of tourism experts see better prospects that numbers will go back to their pre-pandemic levels by 2023.¹

International Tourist Arrivals (% change over 2019)



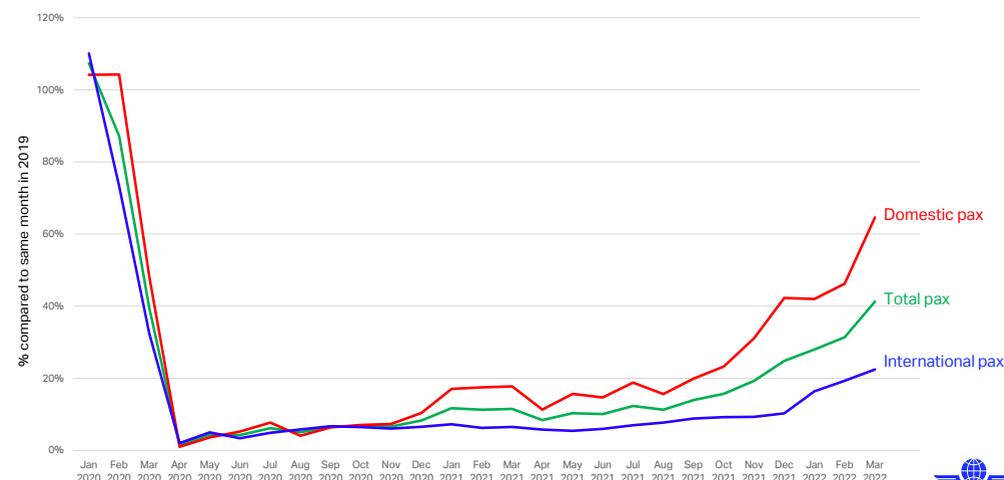
Source: UNWTO

* Provisional data

Source: World Tourism Organization

When put in the Philippine context, 98% of international tourist arrivals come from air transport which is why the tourism industry is deeply correlated with the aviation sector. As the country is an archipelago, it is crucial for local communities to make use of domestic aviation connectivity in order to ensure smooth multi-destination trips for domestic and international tourists.² In light of this, albeit still below pre-pandemic levels, the number of domestic and international travelers in the Philippines has been rising since mid-2021. Due to the Department of Tourism (DOT)'s proposal of accepting fully-vaccinated foreign

travelers and Filipino nationals from visa-free countries for leisure purposes and its approval by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-MEID) for implementation starting 10 February 2022, there was an evident increase in the industry's income.³ This is regarded as one of the significant developments that helped reinvigorate travel and tourism in the Philippines.



Source (Passenger): IATA DSS



Source: International Air Transport Association

According to data gathered by the DOT, there was a recorded 814,144 inbound tourist arrivals in the Philippines from 10 February to 30 June of this year, with 489,900 foreign tourists and 324,244 Filipinos arriving. A significant majority of the foreign arrivals during this period came from the United States at 161,863, which was followed by South Korea and Australia with 57,549 and 34,899 arrivals, respectively.⁴

RANK	BY NATIONALITY	Total	Total	Total	Total	Total	Total	Total	% Share
		Feb. 10-28, 2022	Mar. 1-31, 2022	Apr. 1-30, 2022	May 1-31, 2022	Jun. 1-30, 2022	Feb. 10-Jun. 30, 2022	Feb. 10-Jun. 30, 2022	
	GRAND TOTAL	47,715	117,190	186,574	206,393	254,312	814,144	100.00%	
	TOTAL FILIPINO (BALIKBAYAN)	21,409	47,511	73,059	81,459	100,806	324,244	39.83%	
	TOTAL FOREIGN TOURIST	26,306	69,639	115,515	124,934	153,506	489,900	60.17%	
1	AMERICAN	10,176	26,045	36,188	40,657	48,797	161,863	19.88%	
2	SOUTH KOREAN	1,779	4,629	10,206	15,624	25,111	57,549	7.07%	
3	AUSTRALIAN	1,587	4,432	9,937	8,869	10,074	34,899	4.29%	
4	CANADIAN	2,469	5,343	8,851	9,200	7,702	33,565	4.12%	
5	BRITISH	1,952	5,426	7,491	7,202	7,205	29,276	3.60%	
6	JAPANESE	824	2,310	5,838	5,203	6,775	20,950	2.57%	
7	VIETNAMESE	1,193	2,889	3,457	3,046	3,118	13,703	1.68%	
8	SINGAPOREAN	291	1,354	2,758	3,640	4,682	12,725	1.56%	
9	GERMAN	870	2,404	3,066	2,686	2,548	11,574	1.42%	
10	MALAYSIAN	487	1,142	2,243	2,693	3,597	10,162	1.25%	

Source: Department of Tourism

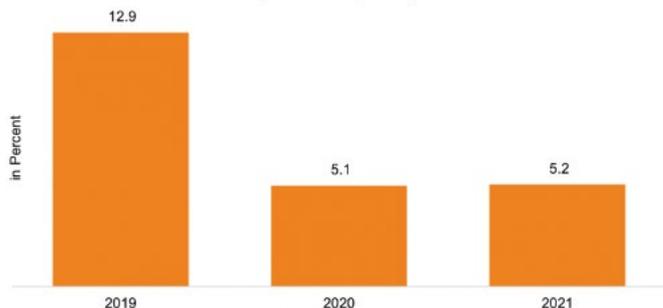
In terms of international ranking, the Philippines ranked 75th out of 117 economies in the 2021 World Economic Forum's (WEF) Travel & Tourism Development Index (TTDI). The country ranks behind its neighboring nations in East and Southeast Asia with an overall TTDI score of 3.73 out of 7—it trails only Cambodia (79th overall), Mongolia (84th), and Laos (93rd).⁵ As stated by the World Travel and Tourism Council, the Philippine economy was heavily supported by the increased contribution of the tourism

¹ World Tourism Organization. (2022). UNWTO World Tourism Barometer: May 2022. Retrieved from https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2022-06/UNWTO_Barom22_02_May_excerpt.pdf?VersionId=5c909abJcFcyU...4zmziL3YBzi7A
² Safe Travel Alliance. Presentation on 'Revenge Tourism' and Philippine Airports at the Joint Foreign Chambers Philippine Airport Webinar Series Webinar.

³ Department of Tourism. (2022). DOT: PH to accept fully-vaxxed tourists from visa-free countries starting Feb. 10. Retrieved from https://beta.tourism.gov.ph/news_and_updates/dot-ph-to-accept-fully-vaxxed-tourists-from-visa-free-countries-starting-feb-10/
⁴ Department of Tourism. (2022). February 10 to June 30, 2022 Actual Tourist Arrivals. Retrieved from <http://www.tourism.gov.ph/files/07-2022/07-21-2022/Foreign%20Tourist%20Arrivals%20February%20-%20June%202022.pdf>
⁵ Desiderio, L. (2022, May 25). Philippines ranks 75th in Travel and Tourism Index. Retrieved from <https://www.philstar.com/headlines/2022/05/25/2183577/philippines-ranks-75th-travel-and-tourism-index>

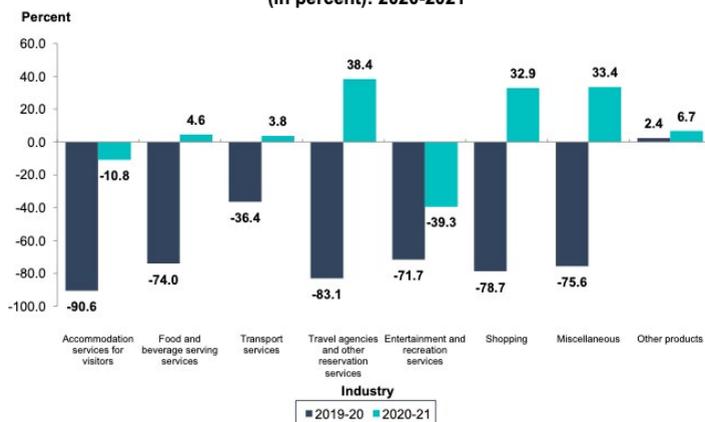
industry which allowed it to rank as the world's fourth fastest-growing economy last year.⁶ As found in the data gathered by the Philippines Statistics Authority (PSA), the contribution of Tourism Direct Gross Value Added (TDGVA) to the Philippine economy in 2021, as measured by the Gross Domestic Product (GDP), is estimated at 5.2%.⁷ The TDGVA in 2020 amounted to PHP 917.2 billion and went up to PHP 1 trillion the year after. With this, there was a 9.2% increase in the contribution of the country's Tourism Direct Gross Value Added (TDGVA) to the Philippine economy in the same year compared to the data gathered from 2020.⁸

Figure 1. Percent Share of Tourism to GDP 2019-2021 (at current prices)



According to the PSA, the fastest growing industries were those classified under travel agencies and other reservation services which accounted for 38.4% of the total TDGVA. Also considered as thriving industries were those under shopping and miscellaneous, equating to 33.4% and 32.9% respectively. Entertainment and recreation services, as well as accommodation services for visitors saw a decline, having their numbers going into the negatives at -39.3% and -10.8% respectively.⁹

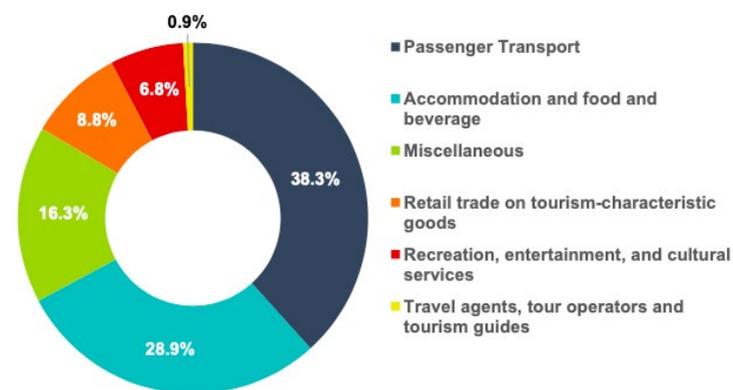
FIGURE 6. Tourism Direct Gross Value Added (TDGVA) by Industry, Growth Rates (in percent): 2020-2021



Source: Philippine Statistics Authority

In 2021, employment in the tourism industry was able to contribute to 11.1% of the total employment in the Philippines. The industry's number of people employed went up by 4.6% compared to the year prior— from 4.69 million to 4.90 million employed individuals. Among the tourism-related industries, passenger transport accounted for the major share at 38.3%. Following this were accommodation and food and beverage, as well as miscellaneous, at 28.9% and 16.3% respectively. Compared to data gathered from the previous year, there were positive developments in all categories except for accommodation and food and beverage. Recreation, entertainment, and cultural services were seen to have the biggest increase with 45.3% and were then followed by retail trade on tourism-characteristic goods with 20.3%.¹⁰

FIGURE 7. Employment in Tourism Industries, Percent Distribution: 2021



Source: Philippine Statistics Authority

Relative to this, between 2020 and 2021, domestic tourism increased by 26%, which has been a key element in the industry's recovery, according to the Safe Travel Alliance.¹¹ The major component that makes this revamp possible, in addition to the continuous vaccination programs and the relaxation of border restrictions, is the return of connectivity, particularly air transport. The prevalence of the revenge tourism phenomenon or the "rush to end isolation brought by the pandemic by traveling for sanity" that is one of the impacts of COVID-19 on travel behavior is another aspect contributing to this.¹²



6 Adel, R. (2022, April 21). Tourism sector contributed to Philippines' 4th fastest growing economy rank in 2021 -report. Retrieved from <https://www.philstar.com/business/2022/04/21/2175615/tourism-sector-contributed-philippines-4th-fastest-growing-economy-rank-2021-report>

7 Philippine Statistics Authority. (2022). Share of Tourism to GDP is 5.2 Percent in 2021. Retrieved from <https://psa.gov.ph/content/share-tourism-gdp-52-percent-2021#:~:text=Share%20of%20Tourism%20to%20GDP,in%202021%20%7C%20Philippine%20Statistics%20Authority>

8 Philippine Statistics Authority. (2022). Philippine Tourism Satellite Accounts (PTSA) 2021. Retrieved from https://psa.gov.ph/system/files/3_PTSA-Publication_a013June2022_ONS-signed.pdf

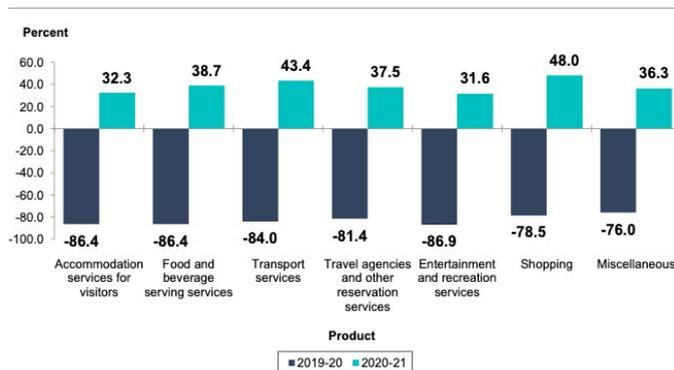
9 Ibid.

10 Ibid.

11 Safe Travel Alliance. Presentation on 'Revenge Tourism' and Philippine Airports at the Joint Foreign Chambers Philippine Airport Webinar Series Webinar.

12 Ibid.

FIGURE 2. Domestic Tourism Expenditure by Product, Growth Rates (in percent): 2020-2021



Furthermore, internal tourism expenditure, including domestic and international travel expenses, increased by 16.3% to USD 810.12 billion in 2021, according to the PSA. The amount spent on domestic tourism—which includes any purchases made by citizens of other countries while traveling domestically or abroad—went up 38.7% annually and reached PHP 782.5 billion compared to PHP 564.24 billion in 2020. Meanwhile, the amount spent by non-resident tourists inside the Philippines, known as inbound tourism, fell by 79.2% to PHP 27.62 billion in 2021.¹³

There were only 26.98 million domestic trips in 2020 when the world felt the biggest impact of the COVID-19 pandemic. However, domestic travel figures have gone up by 38.16% with 37.28 million trips¹⁴ in the following year based on the Philippine Tourism Satellite Accounts (PTSA) report. Despite this boost, there is still a long way to go for the industry when compared to its pre-pandemic levels, as the DOT recorded 122 million domestic trips in 2019 alone.¹⁵

In terms of the outlook on local and international travel, the DOT predicts that the domestic travel market will rebound by 2024 at the latest, or at the earliest by 2022, when demand will be 90% of what it was in 2019. By the end of 2022, travel receipts are anticipated to reach their level from 2021 and even surpass it, with the DOT forecasting that between 2 million and 5 million overseas visitors will arrive in the Philippines by year-end. Attaining herd immunity and restoring travelers' confidence in the Philippines, according to the Tourism Congress of the Philippines (TCP), will be the key factors to bringing the travel figures back to the pre-pandemic level. The forecast is in line with the Bureau of Immigration's prediction of a rise in passenger arrivals of 10,000–15,000 per day.¹⁶ Although hotel occupancy in 2021 only reached around 50% which is far from its pre-pandemic level of 71% in 2019, the industry is believed to be on the road to recovery as quarantine measures have eased up and there has been a continued increase in domestic bookings and international arrivals. If this trend continues, the hotel industry can go back to its pre-pandemic levels by as early as 2023.¹⁷

Tourism Secretary Christina Frasco has laid out plans and priorities for the Department of Tourism and other tourism-related activities. Some of the priorities that Frasco believes can stimulate the further growth of the Philippine economy are as follows:

- Providing support and *social protection* to those in the tourism field because many who work in the industry have suffered from the losses and since left—this can push those who have left to come back and entice others to join the industry;¹⁸
- Focusing on lesser-known tourist destination as there are many other regions, especially those in the north, that do not receive as much promotion yet have a lot of potential;¹⁹
- Getting investments from public and private sectors for tourism infrastructure developments since more roads, seaports, airports, etc. can produce convenient connections for domestic and international tourists;²⁰
- Giving attention to *food tourism* as she mentions this can shine light on the local cuisine varying in every region and allow tourists to have a *multi-sensory* experience;²¹ as well as
- Pushing for shared tourism governance as it helps create a more inclusive environment which has shown to be effective in Cebu's tourism sector²²

RECENT REFORMS AND INDUSTRY DEVELOPMENTS

- Under Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-MEID) Resolution No. 168 dated 26 May 2022, boosted Filipinos and foreigners who will enter the Philippines beginning May 30 are no longer required to present a negative reverse transcription-polymerase chain reaction (RT-PCR) test upon arrival in the Philippines. This is under the conditions that the fully-vaccinated individuals are 18 years old and above, and have at least one booster shot against COVID-19. Also exempted from the pre-departure RT-PCR requirement are those aged 12 to 17 who have received two COVID-19 vaccine shots, as well as those aged below 12 who are accompanied by fully vaccinated or boosted parents or guardians.²³
- Starting 1 April 2022, foreign travelers may visit the Philippines without an entry exemption document (EED) as permitted by the IATF-MEID Resolution No. 165, on the conditions that they comply with the applicable visa requirements and immigration entry and departure formalities.²⁴
- The Philippine government suspended the classification system listing countries under green, yellow, and red categories, as stated in IATF-MEID Resolution No. 159. The system was previously used to classify countries, territories, and jurisdictions based on COVID-19 risk levels. In the same resolution, fully-vaccinated foreign travelers and Filipino nationals will no longer be required to observe mandatory facility-based quarantine starting 1 February 2022, provided that a negative RT-PCR result is presented. Self-monitoring for any signs or symptoms for seven days with the first day being the date of arrival and report to the local government unit of destination upon the manifestation of symptoms, if any, are still needed.²⁵ The (IATF-MEID) also approved the

¹³ Pilar, M. (17 June 2022). Tourism share to economy higher in 2021, still far from pre-COVID level. Retrieved from: <https://www.cnnphilippines.com/news/2022/6/16/tourism-share-GDP-2021.html>

¹⁴ Department of Tourism. (29 June 2022). DOT reports increase in domestic tourism in 2021. Retrieved from: https://beta.tourism.gov.ph/news_and_updates/dot-reports-increase-in-domestic-tourism-in-2021/

¹⁵ CNN Philippines. (29 June 2022). Domestic tourism in PH increased in 2021 - DOT. Retrieved from: <https://www.cnnphilippines.com/news/2022/6/29/Domestic-tourism-in-PH-increased-in-2021.html>

¹⁶ Caynila, K. A., Luna, K. T., & Milla, S. A. (2022). The Philippines Tourism Sector Amid The Pandemic: Developments and Prospects. Bangko Sentral ng Pilipinas. Retrieved from https://www.bsp.gov.ph/Media_And_Research/Publications/EN22-02.pdf

¹⁷ Malaya. (5 May 2022). Hotels see full recovery by '23. Retrieved from: https://malaya.com.ph/news_business/hotels-see-full-recovery-by-23/

¹⁸ CNN Philippines. (1 June 2022). Protection of tourism frontliners, boosting potential of lesser-known sites among plans of next DOT chief. Retrieved from: <https://www.cnnphilippines.com/news/2022/6/1/Christina-Frasco-plans-Department-of-Tourism.html>

¹⁹ Ibid.

²⁰ Fernandez, D. (1 June 2022). Frasco says 'heavy investment' in tourism infrastructure will spur economy. Retrieved from: <https://newsinfo.inquirer.net/1607422/frasco-eyes-heavy-investment-in-tourism-infrastructure-to-spur-economy>

²¹ Villanueva, R.E. (5 June 2022). Food Tourism Should Be Prioritized, Says Incoming Tourism Chief. Retrieved from: <https://www.onenews.ph/articles/food-tourism-should-be-prioritized-says-incoming-tourism-chief>

²² Villanueva, R.E. (28 June 2022). Frasco to push for shared tourism governance. Retrieved from: <https://www.philstar.com/headlines/2022/06/28/2191338/frasco-push-shared-tourism-governance>

²³ Inter-Agency Task Force for the Management of Emerging Infectious Diseases. (2022). Resolution No. 168 Series of 2022. Retrieved from <https://www.officialgazette.gov.ph/downloads/2022/05may/20220526-IATF-Resolution-168-RRD.pdf>

²⁴ Inter-Agency Task Force for the Management of Emerging Infectious Diseases. (2022). Resolution No. 165 Series of 2022. Retrieved from <https://www.officialgazette.gov.ph/downloads/2022/03mar/20220324-AMENDED-IATF-RESO-165-RRD.pdf>

²⁵ Inter-Agency Task Force for the Management of Emerging Infectious Diseases. (2022). Resolution No. 159 Series of 2022. Retrieved from <https://www.officialgazette.gov.ph/downloads/2022/01jan/20220127-RESO-159-RRD.pdf>

proposal of the DOT to accept fully-vaccinated leisure tourists from visa-free countries starting 10 February 2022.²⁶

- In terms of local travel, the IATF-MEID issued Resolution No. 124-B, which allows the use of vaccination cards as an alternative to RT-PCR testing for interzonal travel.²⁷ Following this, the Task Force adopted Resolution No. 125, which states that the use of vaccination cards instead of RT-PCR testing is at the discretion of the destination's local government unit (LGU).²⁸ This is in response to local governments' concerns about the potential of fake vaccination cards. In a more recent development, IATF-MEID Guidelines on the Nationwide Implementation of Alert Level System dated 27 February 2022 issues that testing shall only be optional for groups not part of the Priority Groups A1 (healthworkers), A2 (senior citizens), and A3 (persons with comorbidities).²⁹
- In September 2021, the government deployed the OneHealthPass, an online portal where inbound passengers to the Philippines would submit their health status. OneHealthPass would facilitate streamlining documentary requirements for arriving foreign passengers, so they don't have to fill out several health documents upon arrival at the airport and when they arrive at their destination's local government.³⁰ On 19 January 2022, the Anti-Red Tape Authority (ARTA) and other key agencies signed a Joint Memorandum Circular (JMC) that intends to streamline the processes and regulations related to local travel. JMC No. 1, Series of 2022, commonly known as the Streamlining of Requirements and Processes for Local Travel, intends to improve contact tracing during the pandemic.³¹
- The DOT is currently engaged in the Formulation of the National Tourism Development Plan (NTDP) 2022 - 2028, which seeks to build from the foundations of the Reformulated National Tourism Development Plan (RNTDP) 2021 - 2022 and strengthen the sector's strategic direction towards its post-pandemic recovery.³² The NTDP 2022 - 2028 was turned over by the previous administration to the new Tourism Secretary Christina Frasco.³³
- In June 2020, the Board of Investments (BOI) has granted investment incentives for tourism and tourism-related sectors that are upgrading and modernizing their facilities in order to ensure their clients' health, safety, and welfare in light of the COVID-19 pandemic. This is following the proposal of the then DOT Secretary Bernadette Romulo-Puyat.³⁴
- On aviation infrastructure development, the Department of Transportation (DOTr) completed a total of 246 airport projects from 2016 to 2022 under the Duterte administration. The projects, done through the DOTr and the Civil Aviation Authority of the Philippines (CAAP), include the Mactan-Cebu International Airport (MCIA), Bohol-Panglao International Airport (BPIA), New Clark International Airport (CIA), and the Bicol International Airport (BIA).³⁵

26 Department of Tourism. (2022). DOT: PH to accept fully-vaxed tourists from visa-free countries starting Feb. 10. Retrieved from https://beta.tourism.gov.ph/news_and_updates/dot-ph-to-accept-fully-vaxed-tourists-from-visa-free-countries-starting-feb-10/

27 Inter-Agency Task Force for the Management of Emerging Infectious Diseases. (2021). Resolution No. 124-B Series of 2021. Retrieved from <https://www.officialgazette.gov.ph/downloads/2021/07jul/20210702-IATF-RESO-124B-RRD.pdf>

28 Inter-Agency Task Force for the Management of Emerging Infectious Diseases. (2021). Resolution No. 125 Series of 2021. Retrieved from <https://www.officialgazette.gov.ph/downloads/2021/07jul/20210708-IATF-Resolution-125-RRD.pdf>

29 Official Gazette. (2022). Guidelines on the Nationwide Implementation of Alert Level System. Retrieved from <https://www.officialgazette.gov.ph/downloads/2022/02feb/20220227-IATF-GUIDELINES-RRD.pdf>

30 Panti, L. (2021, August 27). Gov't to use OneHealthPass to streamline requirements for travelers amid pandemic. Retrieved from <https://www.gmanetwork.com/news/topstories/nation/801136/gov-t-to-use-onehealthpass-to-streamline-requirements-for-travelers-amid-pandemic/story/>

31 Anti-Red Tape Authority. (2022). ARTA Launches Issuance to Make Processing of Local Travel Documents Easier, Faster. Retrieved from <https://arta.gov.ph/press-releases/arta-launches-issuance-to-make-processing-of-local-travel-documents-easier-faster/>

32 Department of Tourism. Presentation of Director Warner Andrada at the ECCP Tourism Committee Meeting on 4 April 2022.

33 Dela Cruz, R. C. (2022, May 30). DOT ready for 'smooth turnover' to new tourism chief. Retrieved from <https://www.pna.gov.ph/articles/1175480>

34 Department of Trade and Industry. (2020). DOT and BOI finalized incentives to tourism firms' COVID-19-proofing investments. Retrieved from <https://www.dti.gov.ph/archives/news-archives/covid-19-proofing-investments/>

35 Abadilla, E. V. (2022, May 2). DOTr completes 246 airport projects. Retrieved from <https://mb.com.ph/2022/05/02/dotr-completes-246-airport-projects/>

- On legislation:

- On 1 June 2022, the Senate and the House of Representatives ratified the bicameral conference committee report on the disagreeing provisions of Senate Bill No. 1077 and House Bill No. 9030, creating the Philippine Transportation Safety Board (PTSB). The proposed PTSB bill seeks the creation of a non-regulatory and independent agency attached to the Office of the President to be the primary agency responsible for the conduct of impartial investigation on transportation-related accidents and incidents.³⁶ However, the measure has been vetoed last 30 July by President Ferdinand 'Bong Bong' Marcos, Jr. as it "is likely to create functional duplication, confusion as to authority, ineffectiveness, and deficiency in the performance of the responsibilities."³⁷³⁸ The ECCP, together with the Joint Foreign Chambers of the Philippines (JFC), Safe Travel Alliance, and IATA, issued a public statement expressing their disappointment over the veto and committing to ensure its refiling in the next Congress.
- In the 18th Congress, Senate Bill No. (SBN) 1490 and House Bill No. (HBN) 7976 aim to establish the Philippine Airports Authority, which shall be an independent agency focused on the development of Philippine airports and provide a unified approach to the operations and maintenance of domestic and international airports. All operational responsibilities and duties of the Civil Aviation Authority of the Philippines would be transferred to the Philippine Airports Authority under the proposed measures.³⁹ SBN-1490, filed by Senator Grace Poe, has been pending in committee since 5 May 2020. Meanwhile, HBN-7976, filed by Representative Eric Olivarez, has been approved at the committee level.⁴⁰



36 Senate of the Philippines. (2022). Senate Bill No. 1077 - National Transportation Safety Board Act. Retrieved from http://legacy.senate.gov.ph/lis/bill_res.aspx?congress=18&q=SBN-1077

37 Antonio, R. (2022, July 30). Marcos vetoes bills on tax exemption for poll workers' allowances, creation of transportation safety board. Retrieved from <https://mb.com.ph/2022/07/30/marcos-vetoes-bills-on-tax-exemption-for-poll-workers-allowances-creation-of-transportation-safety-board/?amp>

38 A copy of the veto Message of the President for House Bill No. 9030/Senate Bill No. 1077 can be viewed at <https://drive.google.com/file/d/18amb0VttcBHZFEyFIRnai-xbeTiqRhB/view?usp=sharing>

39 Senate of the Philippines. (2022). Senate Bill No. 1490 - Philippine Airports Authority Act. Retrieved from <http://legacy.senate.gov.ph/lisdata/32680295491.pdf>

40 Arangkada Philippines. (2022). Policy Tracker. Retrieved from <https://docs.google.com/viewerng/viewer?url=http://www.investphilippines.info/arangkada/wp-content/uploads/2022/06/Legislative-Priorities-May-2022-.pdf>

ADVOCACY RECOMMENDATIONS

1. Improvement of International and Domestic Connectivity

Upgrade airports and other tourism-related infrastructure

Airports, and the air transport industry in general, have played a vital role in the economic growth of cities and regions by providing access to local markets. As a country's gateway to the world, the air transport sector facilitates the mobility of goods, investments, people, and innovation, which are the primary drivers of economic progress. Apart from the benefits of employment generation, airports also serve to stimulate growth in other industries such as tourism.

Many countries, including Singapore and Hong Kong, have worked and invested over the years to make their country the premier international gateway in the Asian region, realizing the economic gains this would bring. The Philippines has made significant progress, with the Clark International Airport and Mactan-Cebu International Airport recently earning international health accreditation for safe travel.^{41,42} Nonetheless, the country has yet to further improve its competitiveness vis-à-vis its ASEAN neighbors as the Ninoy Aquino International Airport (NAIA) has been frequently ranked relatively dismal. More recently, in May 2022, NAIA was tagged as the “worst business class airport in the world” in an international study.⁴³

The lack of connecting facilities between the four separate terminals, the relatively restricted number of destinations served, and the limited volume of passengers that it can accommodate are some of NAIA's recognized key challenges. Overcapacity, which causes delayed flights and unpleasant passenger experiences, is essentially undermining the country's global reputation as a tourist and investment destination. According to Asia Sentinel, prior to the onset of the COVID-19 pandemic, the airport was catering to 46 million people when it was originally only designed to cater to 25 to 35 million people per year.⁴⁴ Furthermore, the Philippines received 4.4 out of 10 in passenger facilitation, which is below the Asia-Pacific region's overall average of 4.7, as reported by the International Air Transport Association (IATA) in the 2018 Air Transport Regulatory Competitiveness Index.

In order to fully utilize the enormous potential for domestic and international tourism in the country, upgrading and modernizing airport infrastructure and networks are required. An urgent need to improve the air transport system must be implemented to accommodate the growing demand for connectivity to revamp the tourism and aviation industries, which had major setbacks from the pandemic lockdowns. In this context, the ECCP Tourism Committee urges the new government leaders to prioritize modernizing NAIA after the cancelation of the NAIA rehabilitation public-private partnership (PPP) of the previous administration.⁴⁵ We continue to advocate for strengthened PPPs in the rollout of key infrastructure projects such as airports, especially big-ticket ones, since this initiative will provide access to the pool of funds, expertise, and innovation of the private sector. This will also aid in increasing the number of flights and destinations in the aviation industry, promoting inbound and outbound travel to and from the Philippines.

Moreover, the Committee also reiterates that apart from airports, other infrastructure facilitating tourism services should be upgraded. As an archipelago, the Philippines requires air, land, and marine transport systems to facilitate mobility. Road networks are also relied on to convey passengers as well as freight. Ports, together with airports, trains, and roadways, are equally critical for connecting

the major islands of Luzon, Visayas, and Mindanao, promoting domestic tourism and making it easier for travelers to explore many of the countries' tourist destinations. With this in mind, there should be improved mechanisms in place to support the transportation of travelers from the airport to their respective destinations in the country, especially within Metro Manila. The Department of Tourism should also closely coordinate with the Department of Health and other concerned agencies in establishing and improving health facilities in various tourist spots in the country, particularly in far-flung areas. This will facilitate ease of travel in the Philippines and further promote tourist arrivals. Essentially, building a modern, efficient infrastructure is critical to attracting more tourists to the Philippines.

Streamline travel requirements to further attract tourists to the Philippines

With the increasing COVID-19 vaccination rates across the world, more and more countries including the Philippines have re-opened their borders while ensuring the safety of both their citizens and travelers. To further encourage tourists to come to the Philippines, we continue to advocate streamlining travel regulations, provided that the guidelines are still sufficient to verify the individual's health status. With this in mind, the ECCP supports the recent move of the government to ease pandemic restrictions and simplify travel requirements for boosted and fully-vaccinated individuals stated in the IATF-MEID Resolutions No. 159 and 168. The Chamber's Tourism Committee also welcome the temporary suspension of the classification system listing countries under green, yellow, and red categories based on COVID-19 risk levels as more countries, especially in America and Europe, pose favorable outcomes of their respective national vaccination campaigns. We also support the non-requirement of entry exemption document (EED) for foreign travelers under IATF-MEID Resolution No. 165, as well as the launch of the OneHealthPass to streamline requirements for travelers amidst the global health crisis.

However, more streamlining efforts should be done particularly for non-pandemic-related documents other than the minimum requirements for travelers to enter the country. These include but are not limited to the following:

- Documentary proof of relationship to the principal Philippine national for arriving Former Filipinos and foreigners (spouse and/or children of a Filipino or a former Filipino national traveling with them) with Balikbayan privilege eligible to enter PH without a visa under Republic Act No. 9174⁴⁶;
- Sworn statement for overstaying/updating Visa Extension Lane of stay for non-visa required tourists admitted initially for thirty (30) days and is requesting for an initial extension⁴⁷; and
- Other applicable visa requirements and immigration entry and departure formalities

This will facilitate the ease of travel to the Philippines, thereby further promoting international tourism. Considering that competition for tourists is likely to be fierce once the borders completely reopen, a considerably shorter simpler list of travel requirements will help the country compete as a tourist destination.

2. Promote Domestic Tourism

Align national and local pandemic safety guidelines

After two years of strict mobility restrictions, revenge tourism among Filipinos has been fueling the revamp of the tourism and aviation industries as there is a rush to travel to nearby destinations for short breaks. While international tourism is starting to gain traction, the revenge travel phenomenon

41 Abadilla, E. V. (2020, November 17). Clark Airport gets global health accreditation. Retrieved from <https://mb.com.ph/2020/11/17/clark-airport-gets-global-health-accreditation/>

42 Newman, M. (2021, January 30). Mactan-Cebu airport gets international health accreditation for safe travel. Retrieved from <https://mb.com.ph/2021/01/30/mactan-cebu-airport-gets-international-health-accreditation-for-safe-travel/>

43 Luna, F. (2022, May 27). NAIA tagged as worst business class airport in the world in int'l study. Retrieved from <https://www.philstar.com/business/2022/05/27/2184085/naia-tagged-worst-business-class-airport-world-intl-study>

44 Asia Sentinel. (2021). Manila's Airport Fiasco. Retrieved from <https://www.asiasentinel.com/p/manilas-airport-fiasco>

45 Cigaral, I. N. (2022, March 28). Philippine airport projects face lingering pandemic risks. Retrieved from <https://www.philstar.com/business/2022/03/28/2170729/philippine-airport-projects-face-lingering-pandemic-risks>

46 Philippine Airlines. (n.d.). Arriving in the Philippines. Retrieved from <https://www.philippineairlines.com/en/ph/home/covid-19/arrivingintheph>

47 Bureau of Immigration. (n.d.) Retrieved from <https://immigration.gov.ph/visa-requirements/non-immigrant-visa/temporary-visitor-visa/visa-waiver>

results in the reliance of the Philippine tourism industry on the domestic level.⁴⁸ As such, the promotion of domestic tourism, as a driver for the industry rebound, should be aided by policies that are stable and clear enough for Filipinos to be encouraged to travel domestically.

On 11 November 2021, Former President Rodrigo Duterte signed Executive Order No. 151 approving the nationwide implementation of the alert level system for COVID-19 response. Alert levels are based on the virus transmission rate, hospital bed utilization rate, and intensive care utilization (ICU) rate of a city or municipality. The system replaces the previous quarantine classification system, which included enhanced community quarantine (ECQ), modified ECQ (MECQ), general community quarantine (GCQ), and modified GCQ (MGCQ). The new approach is laxer in terms of age mobility restrictions and offers perks to individuals who are fully vaccinated.⁴⁹ The challenge, however, still lies in the varying safety protocols in place per locality despite having the same alert levels. For instance, in June 2022, the Department of Interior and Local Government (DILG) overruled the executive order signed by Cebu Province Governor that makes it optional for asymptomatic individuals to wear face masks outdoors.⁵⁰ This issue created confusion among constituents.

To this end, the ECCP maintains that there should be an alignment between the safety protocols of the national government and local government units (LGUs), including mandates related to the wearing of masks. The Chamber strongly recommends for the government to adopt more stable and uniform travel policies and requirements, especially for areas classified by the IATF as “low-risk” to establish a sense of predictability in the sector to encourage more people to travel within the country. Such a move will prevent confusion among residents and travelers for that matter.

Extend COVID-19-related support to micro-, small and medium-sized enterprises (MSMEs) in the tourism industry and expand assistance programs to vulnerable groups in the sector through uninterrupted processing of loan applications under the Bayanihan 2 Act

According to the Department of Tourism, the Reformulated National Tourism Development Plan focuses on job and income recovery and preparing the industry for the aftermath of the pandemic. The Plan’s strategic direction includes MSME upgrading anchored in the department’s Transforming Communities towards Resilient, Inclusive and Sustainable Tourism (TouRIST) Program.⁵¹ Moreover, the Department of Labor and Employment has authorized over 400,000 tourist industry workers’ applications for one-time P5,000 compensation under the COVID-19 Adjustment Measures Program (CAMP). Beneficiaries as of 11 April 2021 included 370,434 workers from 14,301 tourist enterprises, groups, and associations around the country, as well as 13,123 workers who applied individually.⁵²

In 2020, the DOT and Small Business Corporation (SB Corp.) signed a memorandum of agreement to finalize the Coronavirus Aid, Relief, and Economic Security (CARES) for Tourism Rehabilitation and Vitalization of Enterprises and Livelihood (TRAVEL) program. This seeks to provide loan assistance to MSMEs from the tourism industry.⁵³ The Bayanihan 2 Act provided SBCorp PHP 7.93 billion in lending capital for MSMEs, PHP 4 billion of which was set aside for travel and tourism-related loans. As reported by SB Corp., an attached agency of the Department of Trade and Industry (DTI), the MSME pandemic loan funds have been fully utilized as of the end of 2021.⁵⁴

However, the travel and tourism sector has lagged behind multi-sectoral MSMEs in obtaining

government loan assistance due to the impact of the previously extended lockdown to the tourism sector. SBCorp has granted only PHP 278 million in tourism loans, although PHP 524 million has already been in the pipeline for processing as of February 2022.⁵⁵ Against this backdrop, the Chamber urges for the expansion of support provisions to the MSMEs in the tourism industry and fully utilize the financial assistance given to various organizations. Job recovery-focused assistance should also be extended to the industry’s highly vulnerable sectors such as boat operators, souvenir shops, and other *pasalubong* workers. The government should also develop mechanisms to effectively identify sectors or workers that are taking part in the promotions of the hospitality industry to expand recovery-focused assistance programs for tourism workers.

By the same token, the ECCP and its Tourism Committee back the crafting of the Updated Tourism Response and Recovery Plan to mitigate the impacts of COVID-19 on the tourism industry. Nevertheless, a long-term and sustainable risk mitigation and crisis readiness plan for the sector should be formulated to minimize possible industry-related economic shocks caused by other imminent local and international calamities aside from public health emergencies. This response plan should be able to put emphasis on sustained business operations, capacitated workforce, and protected vulnerable groups. In order to efficiently craft this framework, close coordination with local government units (LGUs) is imperative to identify and address regional-specific issues related to tourism and not only focus on the tourism climate in Metro Manila.

Enhance training programs to level up the tourism workforce

Sustainable tourism can be achieved through improved upskilling programs of the government for laborers in the industry. In 2021, the DOT has trained over 30,000 tourism professionals, exceeding its targets for that year. The trainings, which were held in collaboration with the DOT regional offices, also featured the Department’s advocacy projects, such as Barrier Free Tourism and TOURISM WoRCS (Tourism Integrates, Supports, and Minds Women’s Rights and Child Safety).⁵⁶ On June 25 of the same year, the Memorandum of Understanding (MOU) of the first Philippine Skills Framework (PSF) Initiative has been signed, a component of the country’s inclusive innovation plan aimed at equipping the Filipino workforce with skill mastery and lifelong learning. The PSF will be implemented in the priority sectors, including tourism.⁵⁷

Underscoring its importance in advancing and meeting the continuously evolving needs of the tourism sector, the Committee urges the DOT to design a roadmap for training, up-skilling, and re-skilling programs, with the aim of accommodating potential demand for tourism employment as the Philippines opens up to travelers. In developing the blueprint, the DOT can collaborate with the DOLE and the academe as well as the assistance of the Technical Education and Skills Development Authority (TESDA). Such a move will also highlight the top-class Filipino brand of hospitality.

Fast-track the inoculation of booster shots for tourism frontliners

Accelerating the pace of vaccination is one of the crucial measures to rebuild trust in travel and restart tourism. The ECCP applauds the inclusion of tourism frontliners in the A1 and A4 vaccination priority groups, as well as the government’s expressed commitment to protecting the workers in the tourism industry. Aside from ensuring the safety of our frontliners, their inoculation would boost tourists’ confidence to travel to the Philippines. As of February 2022, the DOT reported that a total of 317,892 active tourism workers have already been fully vaccinated against COVID-19, which translates to 92.51% of the Department’s target of vaccinating 349,534 tourism frontliners.⁵⁸ Meanwhile, the

48 Cueto, F. E. (2022, July 1). Revenge tourism to benefit admin. Retrieved from <https://www.manilatimes.net/2022/07/01/business/top-business/revenge-tourism-to-benefit-admin/1849333>

49 Official Gazette. (2021). Executive No. 151 - Approving the Nationwide Implementation of the Alert Level System for COVI-19 Response. Retrieved from <https://mirror.officialgazette.gov.ph/downloads/2021/11nov/20211111-EO-151-RRD.pdf>

50 CNN Philippines. (2022, June 10). Govt rejects Cebu’s lifting of mask mandate outdoors, warns of arrests. Retrieved from <https://www.cnnphilippines.com/news/2022/6/10/Cebu-Province-mask-mandate-outdoor-DILG.html>

51 Department of Tourism. Presentation of Director Warner Andrada at the ECCP Tourism Committee Meeting on 4 April 2022.

52 Department of Labor and Employment. (2021). Nearly 400k tourism workers get DOLE aid. Retrieved from <https://www.dole.gov.ph/news/nearly-400k-tourism-workers-get-dole-aid/>

53 Philippine News Agency. (2020, October 13). DOT, SB Corp. ink loan program to aid pandemic-hit MSMEs. Retrieved from <https://www.pna.gov.ph/articles/1118326>

54 Philippine Star. (2022, March 11). ‘MSME pandemic loan funds fully utilized as of end-2021’. Retrieved from <https://www.philstar.com/headlines/2022/03/11/2166464/msme-pandemic-loan-funds-fully-utilized-end-2021>

55 Philippine Star. (2022, March 11). ‘MSME pandemic loan funds fully utilized as of end-2021’. Retrieved from <https://www.philstar.com/headlines/2022/03/11/2166464/msme-pandemic-loan-funds-fully-utilized-end-2021>

56 Department of Tourism. (2022). DOT trains over 30,000 tourism professionals amid pandemic. Retrieved from https://beta.tourism.gov.ph/news_and_updates/dot-trains-over-30000-tourism-professionals-amid-pandemic/

57 Department of Trade and Industry. (2021). Gov’t agencies, private sector join forces to upskill PH workers through Philippine Skills Framework. Retrieved from <https://www.dti.gov.ph/archives/news-archives/philippine-skills-framework/>

58 Zafra, J. (2022, February 10). DOT: 92% of workers in PH tourism sector fully vaccinated vs COVID-19. Retrieved from <https://>

administration of booster shots for the tourism industry workers started in January of the same year.⁵⁹ It is consequently crucial for the government to expedite the booster vaccination of our tourism frontliners in order to continue bolstering the tourism sector's recovery.

3. Enact laws to strengthen the Civil Aviation Authority of the Philippines (CAAP), including through the ratification of the Montreal Protocol 2014 to tackle the growing issue of unruly passengers

At the onset of the pandemic, a number of governments and associations have reported an increase in the issue of disruptive and unruly passengers. Data from IATA show that there is a rate of 1 incident for every 1,340 flights in the first 7 months of 2021 versus 1 incident for every 1,561 for the 17-month period from 1 January 2020 to 31 July 2021. This is driven by the deliberate non-compliance of some travelers with the safety measures set by airlines to contain the spread of the coronavirus.⁶⁰

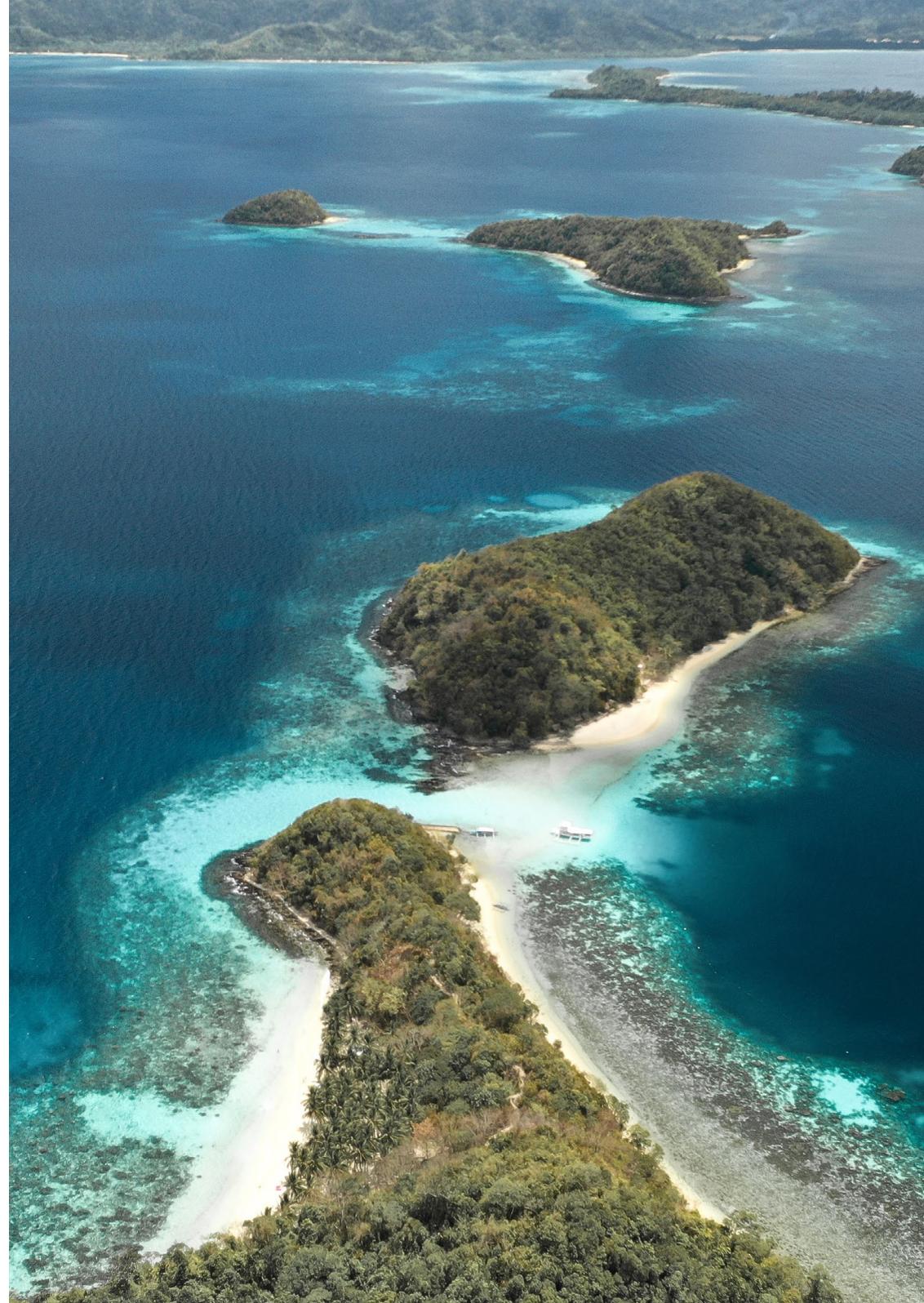
To this end, the ECCP strongly believes that the enactment of laws and regulations aimed at strengthening good governance and ensuring orderliness is of high importance. One of these measures is the ratification of the Montreal Protocol 2014 which aims to enhance the states' ability to control the degree and frequency of disorderly behavior on board airplanes by implementing the protocol on how unruly passengers should be dealt with. A special penal code should be crafted by the Philippine government for the harmonization of laws among contracting states vital for efficient compliance with the Protocol following its ratification.

Furthermore, the Chamber supports the move in the Philippine Congress, and will continue to work with policymakers in this 19th Congress, to establish an independent agency focused on the development of Philippine airports through the Philippine Airports Authority (or Corporation) with the aim of providing a unified approach to the operations and maintenance of domestic and international airports. The airport authority or corporation will be an independent body that will manage the existing functions of the CAAP of planning, developing, and maintaining all airports, as well as regulating privatized airports. The privatization of CAAP and having the Philippine Airport Corporation/Authority (PAA) will also promote modernization in the aviation and tourism industries.

In relation to the foregoing, the Chamber backs the enactment of the CAAP amendments to streamline its existing functions as operator and investigator, allowing the agency to focus on its role as a safety regulator. Turning CAAP into a purely regulatory body is necessary because currently, CAAP serves as the inspector and the implementer of the safety and security of airports and aerospace, affecting the credibility of its functions. We believe that such a move will further strengthen CAAP and result in a more efficient airport industry.

As the Philippine economy and transportation sector expand at a rapid pace, a national transportation safety board independent of the Department of Transportation becomes more crucial than ever. With this, the ECCP and its partners at the Joint Foreign Chambers have been supporting the creation of a Philippine Transportation Safety Board, which will be able to prevent and minimize catastrophic transportation accidents that have claimed the lives of far too many Filipinos and will improve the overall transportation safety for the Philippines. Following the recent veto of the PTSB bill by the Office of the President, the Chamber remains committed to working with the government, its partners, and other stakeholders to continue pushing for the creation of a non-regulatory and independent agency primarily responsible for the conduct of impartial investigation on transportation-related accidents and incidents.

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ASSESSMENT OF 2021 RECOMMENDATIONS

ISSUE	RECOMMENDATION	COMPLETED / SUBSTANTIAL PROGRESS	SOME PROGRESS	NO PROGRESS / RETROGRESSION
Improvement of International and Domestic Connectivity	Upgrade airport infrastructure		On aviation infrastructure development, the Department of Transportation (DOTr) completed a total of 246 airport projects from 2016 to 2022 under the Duterte administration. The projects, done through the DOTr and the Civil Aviation Authority of the Philippines (CAAP), include the Mactan-Cebu International Airport (MCIA), Bohol-Panglao International Airport (BPIA), New Clark International Airport (CIA) and the Bicol International Airport (BIA).	The new government leaders are urged to prioritize modernizing NAIA after the cancelation of the NAIA rehabilitation public-private partnership (PPP) of the previous administration.
	Streamline travel requirements and adhere to international COVID-19 safety protocol for international travel	<p>Under IATF-MEID Resolution No. 168, boosted Filipinos and foreigners who will enter the Philippines beginning 30 May 2022 are no longer required to present an RT-PCR test upon arrival in the Philippines.</p> <p>Starting 1 April 2022, foreign travelers may visit the Philippines without an entry exemption document (EED) as permitted by the IATF-MEID Resolution No. 165, on the conditions that they comply with the applicable visa requirements and immigration entry and departure formalities. The (IATF-MEID) also approved the proposal of the DOT to accept fully-vaccinated leisure tourists from visa-free countries starting 10 February 2022.</p>		
Promote domestic tourism	Enact uniform policies/protocols for areas classified as “low-risk”		On 11 November 2021, Former President Rodrigo Duterte signed Executive Order No. 151 approving the nationwide implementation of the alert level system for COVID-19 response. Alert levels are based on the virus transmission rate, hospital bed utilization rate, and intensive care utilization (ICU) rate of a city or municipality. The new approach is more lax in terms of age mobility restrictions and offers perks to individuals who are fully vaccinated.	
	Fast-track the vaccination of tourism frontliners	As of February 2022, the DOT reported a total of 317,892 active tourism workers have already been fully vaccinated against COVID-19, which translates to 92.51% of the Department’s target of vaccinating 349,534 tourism frontliners.		

ISSUE	RECOMMENDATION	COMPLETED / SUBSTANTIAL PROGRESS	SOME PROGRESS	NO PROGRESS / RETROGRESSION
Develop a roadmap for safe re-opening of borders that takes into account testing and vaccination protocols and aims to remove quarantine requirements for travelers		Under IATF-MEID Resolution No. 159, fully-vaccinated foreign travelers and Filipino nationals will no longer be required to observe mandatory facility-based quarantine starting 1 February 2022.		
Enact laws to strengthen the Civil Aviation Authority of the Philippines (CAAP), including through the ratification of the Montreal Protocol 2014 to tackle the growing issue of unruly passengers in light of the COVID-19 pandemic, and create a National Transportation Safety Board				Last July 30, President Ferdinand Marcos Jr. vetoed the bill creating a Philippine Transportation Safety Board (PTSB). The measure would have established a non-regulatory and independent agency attached to the Office of the President to be the primary agency responsible for the conduct of impartial investigation on transportation-related accidents and incidents.



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