

The Philippine aviation stands as a resilient and dynamic sector, having navigated several challenges through the years. In the Philippines, domestic travel has rebounded by the end of 2023, logging 5.45 million international arrivals and beating the 4.8 million government target. For 2024, the Department of Tourism (DOT) recalibrated its goal as it aims to attract 7.7 million foreign visitors by year-end.¹ Meanwhile, international travel recovery is anticipated to follow suit by 2026, with the Asia Pacific region projected to lead in traffic growth over the next two decades.²

Undeniably, the aviation landscape in the country is at its critical juncture, with recent developments shaping the trajectory of the industry. In response to the increasing demand for air travel, the government has laid the groundwork for airport rehabilitation and congestion alleviation. The privatisation of the Ninoy Aquino International Airport (NAIA) is underway, with a private consortium slated to assume operations by September 2024.³ Additionally, the management service agreement between the Civil Aviation Authority of the Philippines (CAAP) and the International Civil Aviation Organisation (ICAO) signifies a commitment to enhancing operational standards and safety protocols.⁴

Amidst these significant strides, challenges persist, as evidenced by the shutdown of Philippine airspace on 1 January 2023.⁵ Infrastructure development, safety concerns, regulatory framework, and the need for competent human capital, among others, are all critical aspects demanding collective focus to sustain progress in the sector. Acknowledging the Philippine aviation industry as a significant driver of trade, investment, and commerce, overcoming current hurdles will require strong interventions from all players in the sector. Equally important is the alignment of Philippine aviation policies with global standards and practices.

To address these challenges and move Philippine aviation forward, the ECCP Aviation Committee recommends **upgrading airport infrastructure** to accommodate the growing demand for connectivity to revamp the tourism and aviation industries, which had substantial setbacks from the pandemic lockdowns. While the Chamber supports the privatisation of airport rehabilitation projects, the ECCP Aviation Committee underlines the need to set a clear framework for privatised airport regulation. The Committee likewise continues to advocate for strengthened digitalisation efforts with the aim of improving the whole passenger experience. Moreover, **upgrading Philippine aviation safety systems and operations**, including cybersecurity measures, is imperative to mitigate risks and enhance resilience against evolving threats.

A comprehensive legislative overhaul is essential to bolstering safety measures within the aviation sector. **Enacting laws to restructure the Civil Aviation Authority of the Philippines (CAAP) into a regulatory body**, alongside establishing the **Philippine Airports Authority** and creating the **Philippine Transportation Safety Board**, will modernise governance frameworks and enhance regulatory oversight in the industry. In addition, **ratifying the Montreal Protocol 2014** is crucial to tackling the growing issue of unruly passengers, ensuring a safe and secure travel environment for all. **Combating illegal charters and grey or illegal maintenance practices** through robust regulatory enforcement will also safeguard the integrity and safety of the aviation ecosystem.

¹ [What's On The Horizon: Department Of Tourism, Philippines, 2023](#)

² [Aviation leaders optimistic, 2023](#)

³ [SMC-SAP & Company Consortium wins NAIA PPP Project, 2024](#)

⁴ [CAAP taps intl body on aviation safety, 2023](#)

⁵ [UPS failure caused glitch at CAAP's Air Traffic Management Center, says DOTr, 2023](#)

Encouraging investments is essential for driving sustainable growth within Philippine aviation. For this reason, **strengthening the competitiveness of the sector through incentives and addressing pay disparities among industry players** will not only attract top talent but also stimulate investment inflows. There is a need to continue enhancing training and skill development programs as well as aligning them with international standards and emerging technologies to ensure that Filipino aviation professionals remain competitive in the global aviation market. With the passage of the CREATE to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) bill on final reading in the House of Representatives⁶, the ECCP Aviation Committee is hopeful that the proposed amendments will not only enhance investor incentives but also clarify the future of tax breaks for aviation locators. Additionally, facilitating Philippine aircraft finance by **ratifying the Cape Town Agreement (CTA)** will streamline financing and leasing processes, providing avenues for fleet modernisation. By fostering an environment conducive to investment, the aviation industry can harness its full potential for expansion and development.

In relation to the foregoing, addressing the aviation industry's carbon footprint is paramount in the global goal of climate change mitigation. As such, the ECCP Aviation Committee advocates for enhanced enforcement and implementation framework of the Paris Climate Agreement in order for the industry players to achieve net-zero carbon emissions by 2050. In order to achieve this commitment, **the government should develop a comprehensive support program for adopting sustainable aviation fuel (SAF)**. While the Chamber supports the government's plan to push the adoption of SAF in the Philippines by 2027⁷, we remain steadfast in promoting certification standards that ensure SAF eligibility under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Through encouraging CORSIA eligibility certification for SAF, governments and aviation stakeholders can incentivise investment in sustainable fuel production while facilitating compliance with international emission reduction targets.

Indeed, the Philippine aviation industry stands at a pivotal moment, poised for transformation and growth, yet it also faces significant challenges. With strategic investments, regulatory reforms, and enhancing safety measures, the local industry can unlock its full potential as a regional aviation hub.

⁶ [House Bill No. 9794, 2024](#)

⁷ [DOE affirms commitment to sustainable aviation fuel for the aviation transport decarbonization, 2023](#)