Analysis of the Readiness of Philippine Tourism Enterprises for Trade Liberalization in Asia-Pacific

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Key findings

1. Low level of awareness about RCEP among tourism stakeholders
2. Limited opportunities to participate in liberalization activities
3. Challenges in relation to mutual recognition and standardization of skills and capacity development.

Conclusion of the Study

- **Pillars of Readiness:** Effective planning, capacity-building initiatives, and infrastructure development
- Strategies on how the Philippines can use its strength and mitigate its weaknesses to take advantage of the identified opportunities

Opportunities identified in the study

Growth opportunity in local tourist sites

- *community-based tourism*
- *properly identified tourism framework and value chain management.*
- *contribution to poverty alleviation*
- ***perceived potential of increase in tourism demand and tourist influx in the post-pandemic period.***

Sustainable entrepreneurship and economic growth

- *marketing local tourism products and services globally*
- *partnerships, collaborative actions and leadership*
- *LGU partnerships with government and non-government agencies and host communities*

Tourism development

- *involvement of stakeholders in identifying and evaluating indicators of sustainability for local destinations.*
- *shaping local residents' attitudes through tourism benefits to be generated*
- *tourism can be an advocate in helping locals value and incentivize local resources.*

Enterprises innovation and resilience

- *more resilient operations with the help of local government units and institutions.*
- *Encouraging local capacity, enabling self-organization and diversifying livelihoods*

RCEP Source Tourism Markets of the Philippines

- In 2019, the RCEP block accounted for 64% of the 8.26 million international tourist arrivals.
- Opportunity to expand Philippines' share in outbound travel of RCEP source markets.

Rank	Source Tourism Markets (RCEP)	Tourist Arrivals (2019)	Share to total
1	**Korea**	**1,989,322**	**24.08%**
2	**China**	**1,743,309**	**21.10%**
4	**Japan**	**682,788**	**8.27%**
6	**Australia**	**286,170**	**3.46%**
9	Singapore	158,595	1.92%
10	Malaysia	139,882	1.69%
15	Indonesia	70,819	0.86%
16	Vietnam	66,698	0.81%
17	Thailand	61,292	0.74%
22	New Zealand	37,872	0.46%
34	Myanmar	13,978	0.17%
42	Brunei	8,126	0.10%
48	Cambodia	5,988	0.07%
62	Laos	1,454	0.02%
	Sub-Total	5,266,293	63.75%
	Total	**8,260,913**	

Source: DOT

Growth Opportunities

1. **Spending power for travel and tourism flows** today and tomorrow (for both domestic and international tourism)
2. Investments and trade expansion across all sectors: **Business tourism (Bleisure)**
   - *Investment promotions and travel trade development activities conducted in the Philippines*
   - **Access to competitive input sources and technology** for product and service upgrading
3. **Cultural and tourism exchanges and cooperation** agreements in product development (e.g., educational tourism, maritime/cruise, gastronomy, cultural attractions, shopping), route development, generating high yields, data/information, marketing and promotions
   - *Consider effects of different demographic profiles of RCEP members on product and destination development*

Limitations

<u>Findings of the study</u>

- Related to the market access and national treatment(specifically in Modes 3 and 4) that affect the ability of tourism enterprises and workforce to expand their presence overseas and increase income opportunities.

- Outbound Philippine tourism (mode 2): majority of the RCEP members that have removed all forms of restrictions and/or limitations but issue on lack of harmonious policies regarding the entry requirements for the citizens still exists

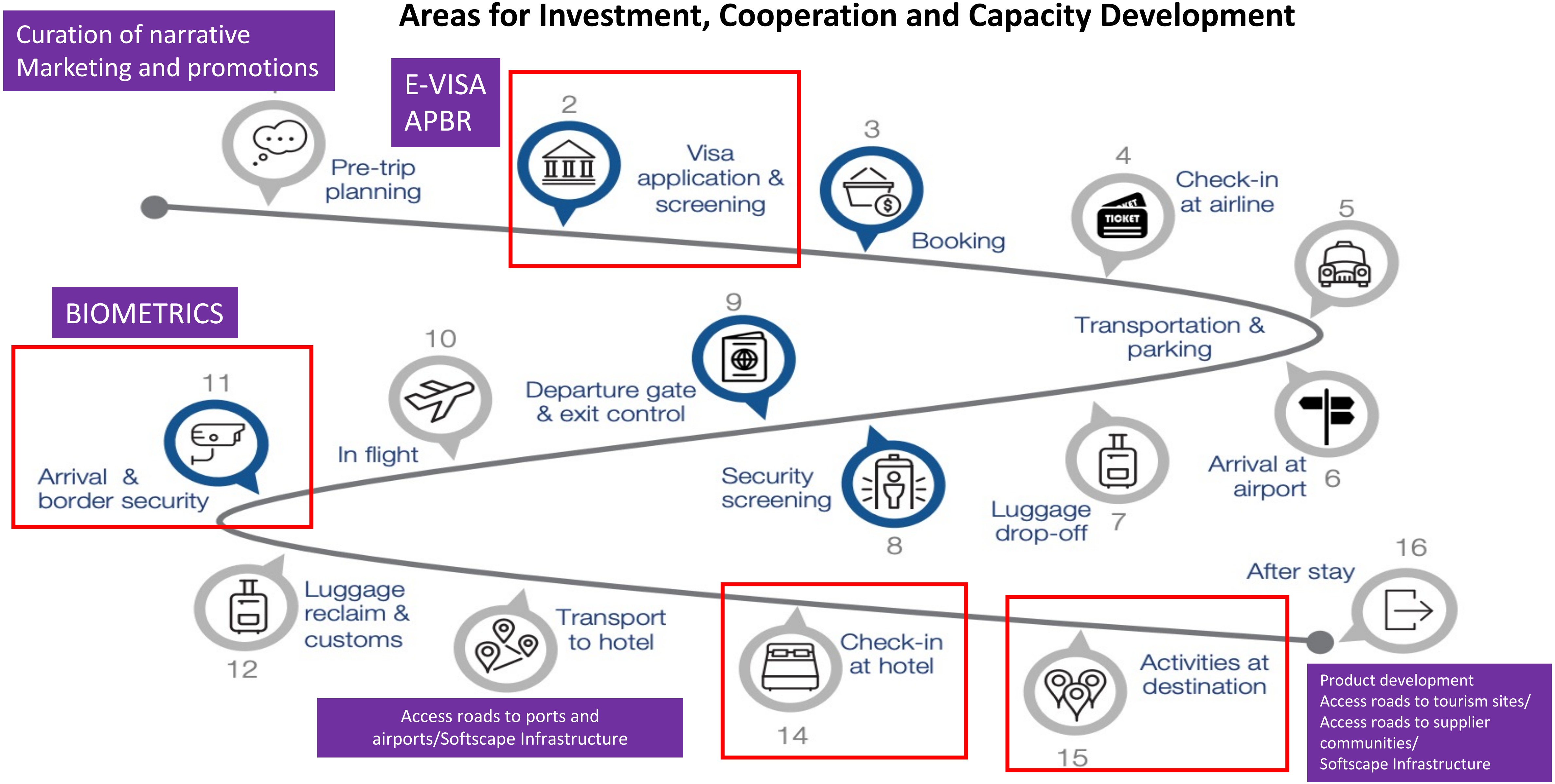
Comment: Majority of constraints to growth opportunities (or ability to utilize trade agreements) are linked to other international and national agreements, policies, regulations outside of the RCEP agreement

Capacity-Building Initiatives Identified in the Study

- Sustainability
- Leadership
- Strategic business planning,
- Marketing, and advertising
- Management
- Managing service operations
- Logistics
- Foreign language
- History
- Public speaking and communication

Pillars of Readiness (Effective Planning, Capacity-Building Initiatives, and Infrastructure Development) in the Context of Seamless Journey

Areas for Investment, Cooperation and Capacity Development



Source: World Economic Forum, The Known Traveller : Unlocking the potential of digital identity for secure and seamless travel

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