

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



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(PROVINCIAL / MUNICIPAL)

## Research Gap

No literature yet to support  
indicators of **preparedness of  
Philippine tourism enterprises**  
for the impacts of trade  
liberalization brought about by  
**RCEP & CPTPP**

Accommodations

Adventure &  
Recreation

Attractions

Events &  
Conferences

Food &  
Beverage

Souvenirs &  
Handicrafts

Travel &  
Transportation





# REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (RCEP)

- Trade agreement between Association of Southeast Asian Nations (ASEAN) Member States (AMS) with PRC, Japan, Korea, Australia, and New Zealand
- Largest regional trade agreement (RTA) that would account for 28 percent of global output, 28 percent of global trade, and 29 percent of global population



# COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

- Succeeded the US-backed Trans-Pacific Partnership (TPP)
- Includes Brunei Darussalam, Malaysia, Singapore, and Vietnam, together with Australia, Canada, Japan, Mexico, New Zealand, and Peru
- Philippines has formally expressed interest in joining the Trans-Pacific Partnership





# BACKGROUND OF THE STUDY

RCEP and CPTPP both came forward as the LARGEST among various trade agreements which demarcate economic trade rules and commitments amongst members globally

**Positive outcome:** presumed to expedite a strengthened global alliance in elevating economic growth while alleviating poverty

**Negative outcome:** threats such as increased inequality, stiffer competition for local industries, among others

## Research Gap

No literature yet to support indicators of preparedness of Philippine tourism enterprises for the impacts of trade liberalization brought about by RCEP & CPTPP

### Post-COVID Scenario:

- This study looks at the tourism industry in the Philippines given its significance as the country's top economic pillar heavily affected by the coronavirus
- Analyzing the readiness of enterprises to liberalization
- Findings of the study is useful to industry practitioners, government, and academicians in understanding where the tourism industry stands amid these developments in the local and international economic environment







## **HOW CAN TOURISM ENTERPRISES PREPARE THEMSELVES FOR THE IMPACTS OF TRADE LIBERALIZATION BROUGHT ABOUT BY RCEP AND CPTPP?**

Boracay Island, Aklan

**01**

**What are the opportunities that trade liberalization, through RCEP and CPTPP, bring to the Philippine tourism industry?**

**02**

**What are the threats that trade liberalization, through RCEP and CPTPP, bring to the Philippine tourism industry?**

**03**

**What are specific areas of concern that tourism enterprises should gear themselves for in the light of the impacts of trade liberalization?**





# Research Objectives

01

To identify and review the anticipated impacts of trade liberalization, specifically RCEP and CPTPP, on the Philippine tourism industry particularly on trade in tourism services;

02


To assess whether tourism stakeholders are ready and capable of exploiting opportunities and mitigating threats brought about by trade liberalization;

03

To recommend strategies for tourism enterprises on harnessing the opportunities brought about by trade liberalization;

04

To provide analytical information for policymakers on the kind of assistance that tourism enterprises would need to exploit the opportunities and counter the threats brought about by trade liberalization



**To assess the readiness of Philippine tourism enterprises to exploit opportunities and mitigate threats brought about by trade liberalization.**



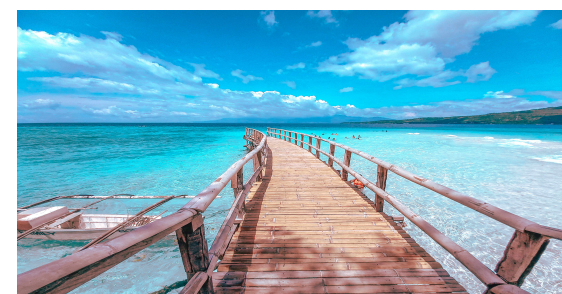
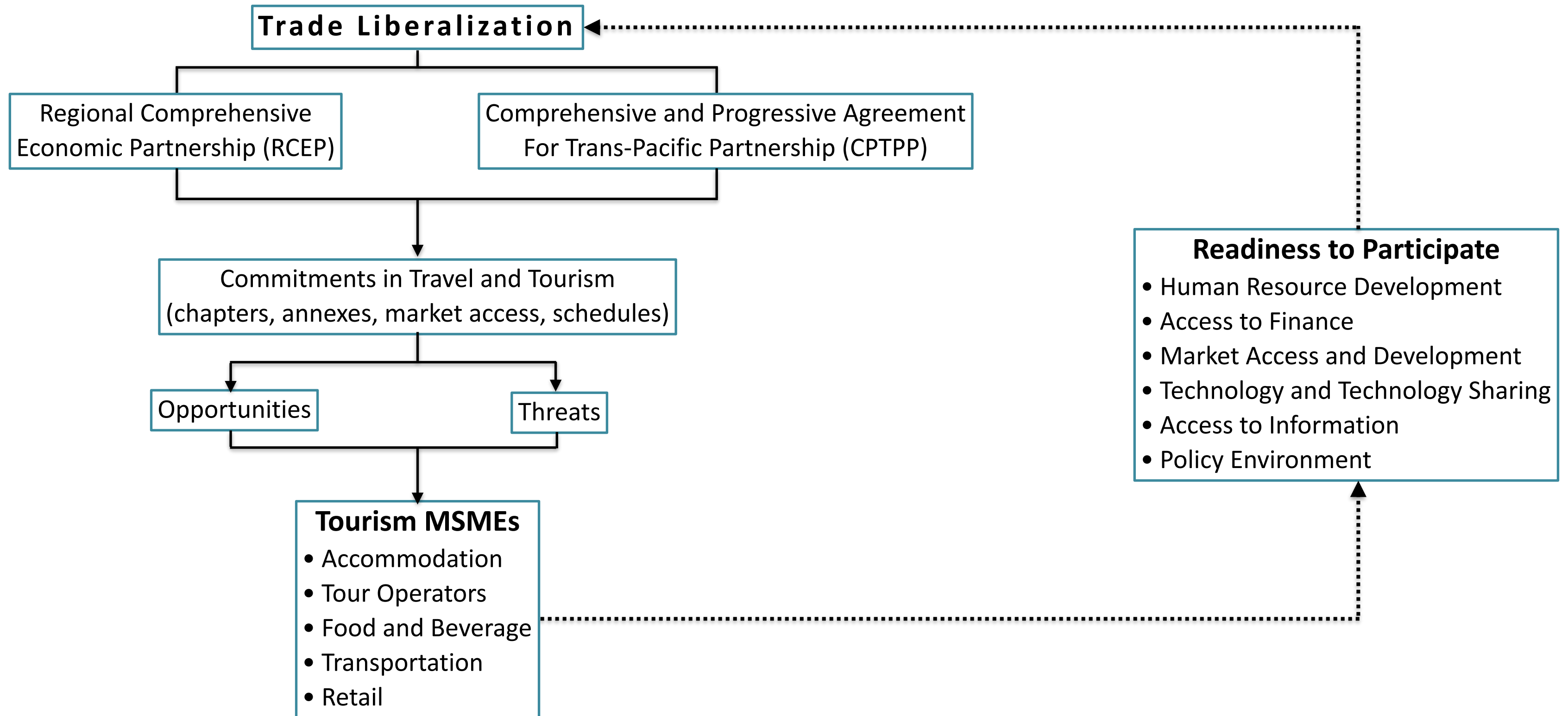
# Scope & Limitation

The document review has only examined relevant documents in RCEP and CPTPP that touch on the elements of the tourism industry with the goal of analyzing both the opportunities and limitations of the established commitments under both trade agreements

With the goal of examining the readiness of the tourism industry and its stakeholders, key informant interviews (KIIs) with policymakers and members of the government were conducted while a focused group discussion (FGD) was organized with private tourism stakeholders (i.e., accommodation, tour operators, food and beverage, transportation, and retail).

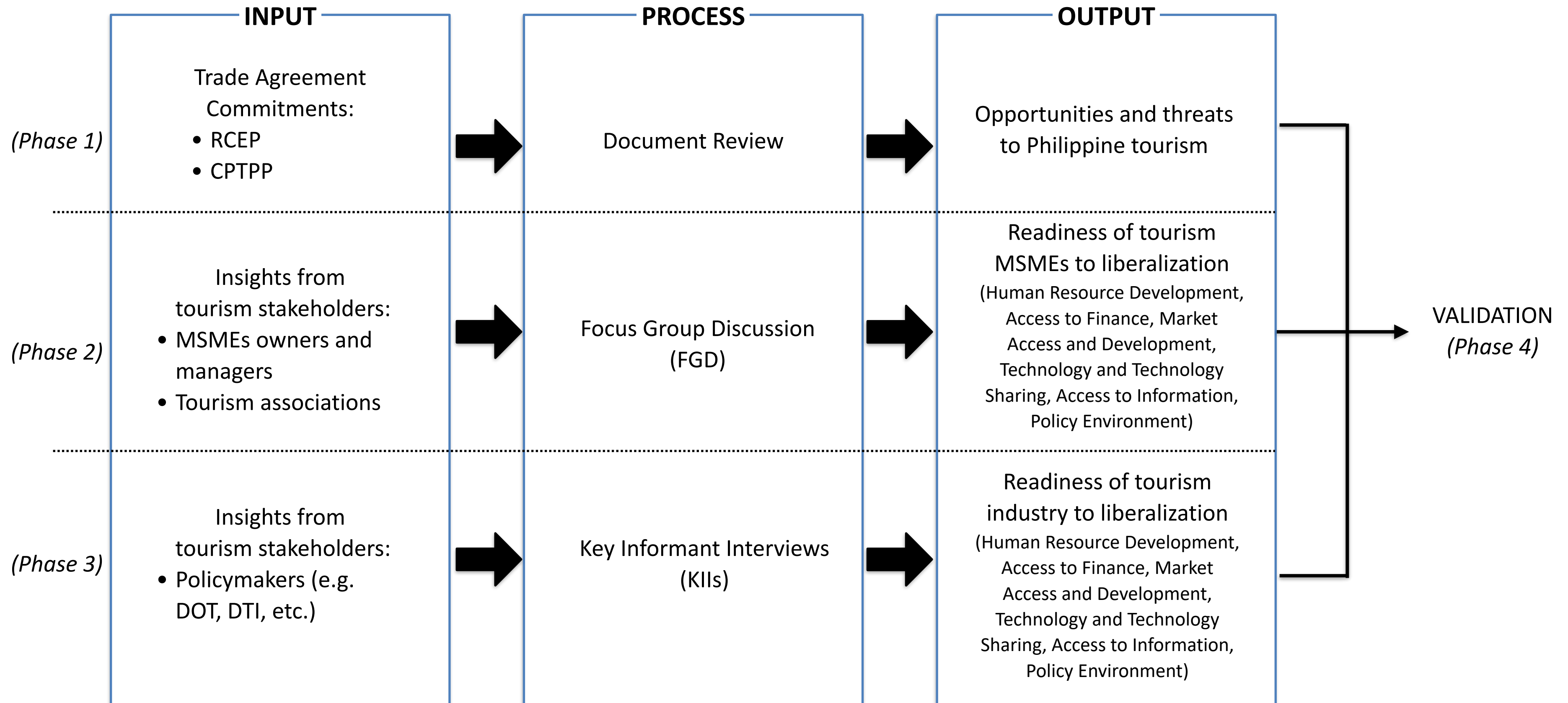


# Framework of the Study





# Methodology





# RESULTS & DISCUSSION



# Phase 1. SWOT Analysis



## STRENGTHS

- Economic Position
- Product Offerings
- Human Resource

- Tourism Promotions
- International Perception
- Risk Factors

## WEAKNESSES



## OPPORTUNITIES

- Tourism Growth Opportunity
- Sustainable Entrepreneurship
- Enterprise Innovation & Resilience
- Tourism Development

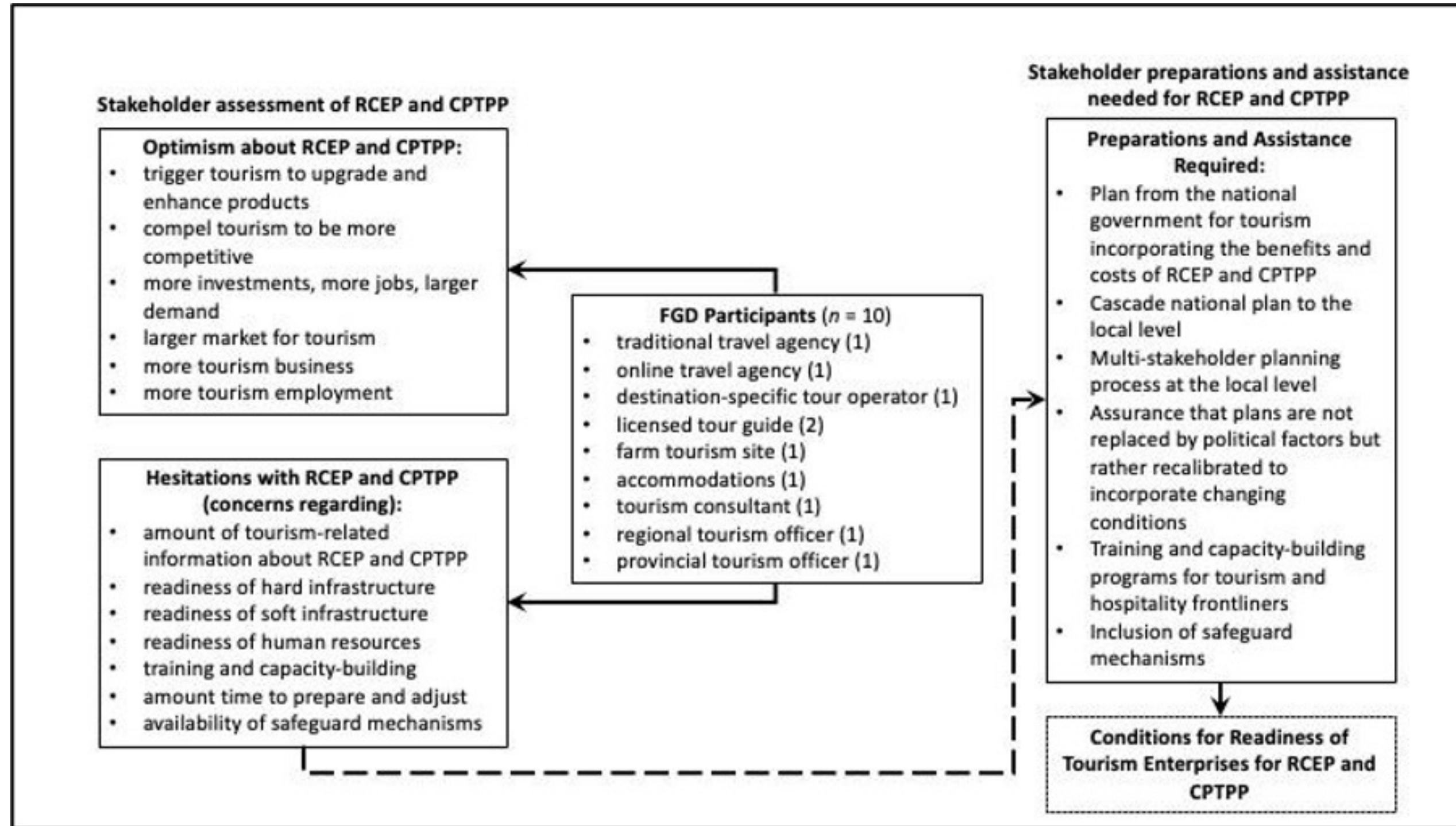
- Cross-Border Transaction
- Consumption Abroad
- Commercial Presence
- Movement of People

## LIMITATIONS





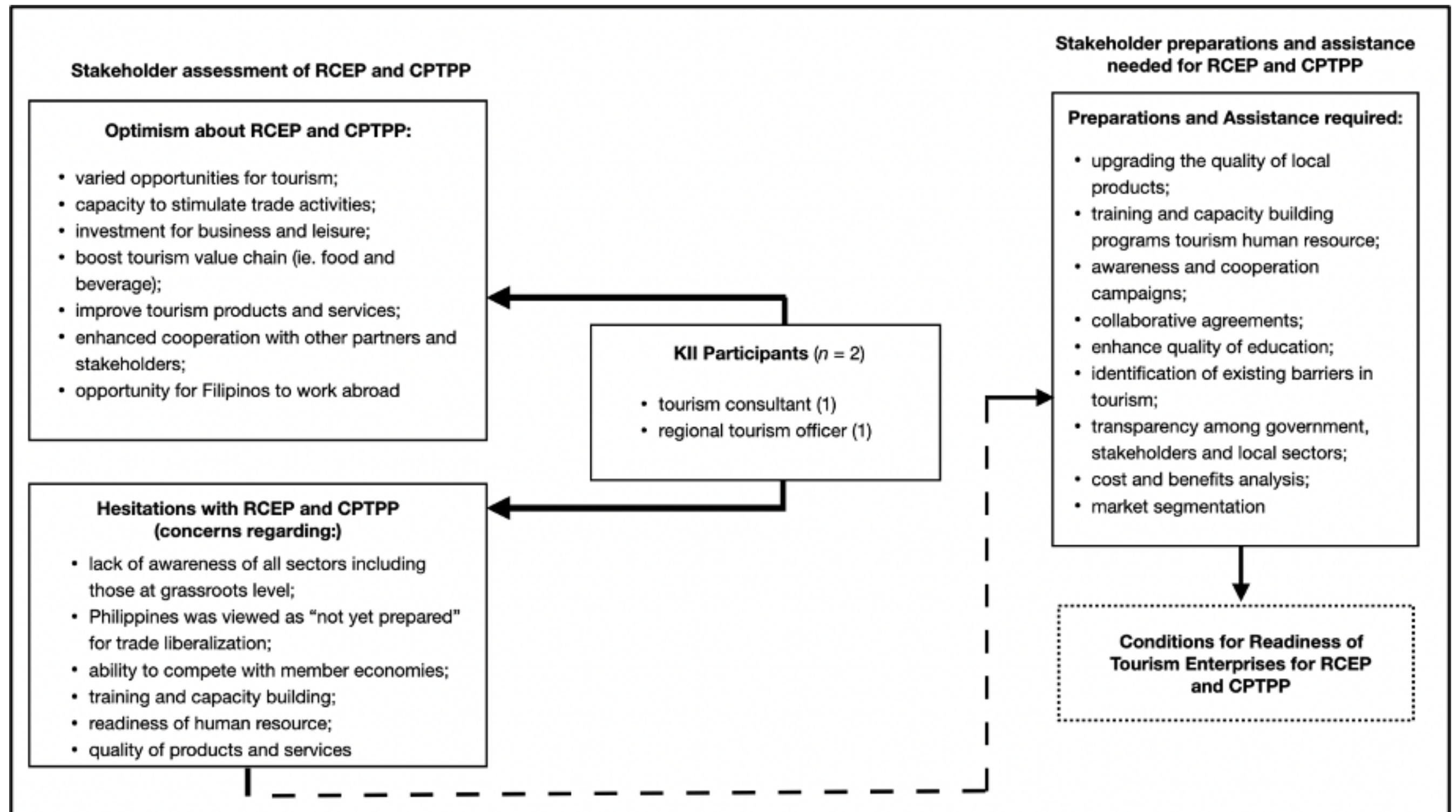
# Phase 2. FGD Outcome







## Phase 3. KII Outcome







## Phase 4. Validation

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RCEP and CPTPP laid a deck of opportunities in view of economic growth, sustainable entrepreneurship, innovation and resilience, and tourism development. Tourism stakeholders and experts viewed that more employment opportunities await when expanded to larger markets, investment opportunities and possible reengineering of products and recalibration of human resources' skillset towards unified form of Filipino-brand hospitality.

Economic Growth

Capacity Building

Innovation & Resilience

Proper Communication

Reinforcement



# Summary

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“ Effective planning strategies, as emphasized by the consulted stakeholders, prove to be a crucial aspect in ensuring the readiness of the industry upon the implementation of increased trade liberalization.

Precautionary measures in terms of the requirements and conditionalities for the entry of foreign entities need to be incorporated in the over-all implementation of the agreement.”

“ The enhancement and standardization of Filipino hospitality must be made.

Secondary and primary data emphasized the importance of investments on infrastructure in tourism destinations in the Philippines”

The common denominators center on infrastructure, planning, and capacity-building. These are areas that the national government can focus attention and resources on

## Conclusion

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# Recommendations

“ Communication campaigns may be prioritized to increase awareness about trade liberalization.

To facilitate the successful transition of the tourism industry from the pandemic situation, both national and local government actors must continue to ensure safe travels, sustainable operations, and more resilient stakeholders”

“ Capacity-building programs can encompass topics and areas such as sustainability, leadership, strategic business planning, marketing and advertising, management, managing service operations, logistics, foreign language, history, public speaking and communication, among others







# Thank you!

For any questions/comments, please feel free to reach out to us at [egutierrez@aim.edu](mailto:egutierrez@aim.edu), [jrivera@aim.edu](mailto:jrivera@aim.edu), and [mariejeldator@clsu.edu.ph](mailto:mariejeldator@clsu.edu.ph)