Setting Up the Tourism Satellite Account: A Tool for Tourism Policy and Planning for the Philippines

UNWTO Special Workshop on Tourism Statistics
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Outline of Presentation

✓ Introduction
✓ Development of Philippine Tourism Satellite Account
✓ Institutional Arrangement
✓ Data Support
✓ Use of PTSA for Policy and Planning
✓ Challenges and Future Directions
✓ Lessons Learned
Tourism is a vital engine of growth for the Philippine economy

- Foreign exchange from tourism grew at 12% per annum
- Inbound visitors expanded by 9% in 2013
- Total revenue from tourism posted 5% CAGR in the past 5 Years
- Employment in tourism recorded a 5% CAGR from 2009-2013
- Investments in accommodation facilities continued to grow, with more than 15,000 rooms to open by 2016
Tourism is a vital engine of growth for the Philippine economy

- Domestic visitors in 2011 surpassed the 2016 target, prompting a change of target to 56.1 million
- Increase travel movement stimulated creation of new tourism products and destinations
- Some 1,035.4 km of tourism roads were funded as of 2013
- Upgrading of international and domestic airports in priority tourism areas to cope with increase demand for travel and tourism
Development of TSA

1988: Study on the contribution of tourism using I/O approach

1996: WTTC satellite account on tourism

1997: Committee on TSA

1999: TSA conceptual framework

2005: Approval of the Tourism Classification System

DEPARTMENT OF TOURISM

The Impact of Tourism in the Philippine Economy
A Research Funded by the NSCB 1989

The Philippine Tourism Satellite Account Framework 1999

Final Report
2005 Household Survey on Domestic Visitors

First Household Survey on Domestic Visitor
Development of TSA

- 2007: Publish the Manual on Local Tourism Statistics
- 2009: Adoption of TSA methodology
- 2010: PTSA methodology refined with IRTS 2008

Bridge TSA table was made in accordance with updated 2009 PSIC
Development of TSA

Sharing the Philippines Experience
2001: Joint UN ESCAP/WTO Workshop, Thailand
2002: First International Workshop on Tourism and TSA, Spain
2006: International Workshop on Tourism Statistics, Spain
2008: Technical Workshop on Tourism Statistics and TSA, Philippines
2009: 5th UNWTO International Conference on Tourism Statistics, Indonesia

Engaging in TSA Development
2003: UNWTO Sub-Regional Workshop on Tourism Statistics and TSA, Philippines
2007: Worldwide consultation on IRTS Revision and TSA RMF

Expert Group on Tourism Statistics, USA
Tourism Expenditure products are consistent with TSA Framework and 2005 Philippine Tourism Statistical Classification System

- Accommodation
- Food and beverage serving
- Transport
- Travel agency and other reservation
- Entertainment and recreation
- Country specific tourism characteristic goods
- Miscellaneous
## Development of TSA

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<th>TSA Tables</th>
<th>PTSA</th>
<th>Sources/ Status</th>
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Development of TSA

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<td>Share of Domestic Tourism Expenditure to the sum of HFCE</td>
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<td>Share of Inbound Tourism Expenditure to Total Exports</td>
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<td>Share of Tourism Industry Employment to Total National Employment</td>
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Tourism and the Economy

Tourism Direct Gross Value Added

- Average Share to GDP: 5.9%
- Annual Growth: 8.9%

Tourism Industry Employment

- Annual Average Growth: 4.1%

Inbound Tourism Expenditure

- Share to total exports in 2013: 5.9%

Domestic Tourism Expenditure

- Share to HFCE in 2013: 13.2%

Source: PSA
Institutional Arrangement

Inter-Agency Committee on Tourism Statistics

Chair: Philippine Statistics Authority
Co-Chair: Department of Tourism
Members: Department of Interior and Local Government

Bangko Sentral ng Pilipinas (Central Bank)
National Economic and Development Authority
Bureau of Immigration
Private Sector Association
Civil Society Organization

Asian Institute of Tourism
University of the Philippines

DEPARTMENT OF TOURISM
Data Support

- Tourism consumption expenditure
  - Arrival Cards
  - Visitor Sample Survey
  - MICE Survey
  - Household Survey on Domestic Visitors
  - Regional Travelers Survey

- Production accounts/domestic supply
  - Input/Output Table
  - National Accounts

- Tourism employment
  - Labor Force Survey
  - Census of Philippine Business and Industry
  - Quarterly Survey of Philippine Business and Industry
# Uses of TSA

## General
- Measure the economic impact of tourism to the economy
- Evaluate the efficiency and effectiveness of tourism policies and governance
- Strengthen institutional linkages
- Monitor and track growth in tourism

## Specific
- Formulation of the following
  - Medium Term Philippine Development Plan
  - National Tourism Development Plan
  - Local Tourism Development Plan
  - Land Use Plan
- Allocation of national and local budgets
- Rationale for convergence programs
  - Tourism Road Infrastructure Program (TRIP)
  - One Step Program
  - Priority areas for technical assistance
    - Tourism planning
    - Training
    - Promotion
- Review and updating of policies on travel facilitation, visa relaxation, incentives
- Stimulating opportunities for investments in destination development, capacity expansion and human resources development
Challenges and Moving Forward

- Supply and Use Table of SNA
  - 2000 I/O table as benchmark may no longer reflective of current tourism performance
- Classification of tourism consumption statistics and the burden of respondent
  - HSDV is a rider to the LFS which does not reflect an appropriate sample for tourism household survey
- Cooperation among statistics agency and other government departments
  - Fast turn-over of technical staff involve in the SNA and satellite account which lead to unfrequent release of TSA results
  - Delay in surveys and data collection

Future Directions:
- Compilation of Quarterly TSA
- Completion of TSA Tables 8 and 9
- Updating of Philippine Tourism Statistical Classification System based on 2009 PSIC
- Development of tourism I/O table
- Conduct of destination surveys
- Continuing capacity development
Lessons Learned

- Strengthen the system of tourism statistics
  - Identify and establish core organizational units for STS and TSA
- Establish institutional arrangement
  - Set up Committee/TWG
  - Establish strong linkage with data producers
  - Seek commitment and leadership from the top
- Provide capacity development
  - Train staff and personnel involve in tourism statistics and TSA
  - Benchmark and adopt best practices
  - Advocate the use of TSA
- Disseminate TSA results on regular basis
Thank you!

Please email your questions at rcanizal@tourism.gov.ph
or visit www.itsmorefuninthephilippines.com