



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

**UNWTO Special Workshop on Tourism Statistics  
20 November 2014, Nara, Japan**



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# Outline of Presentation

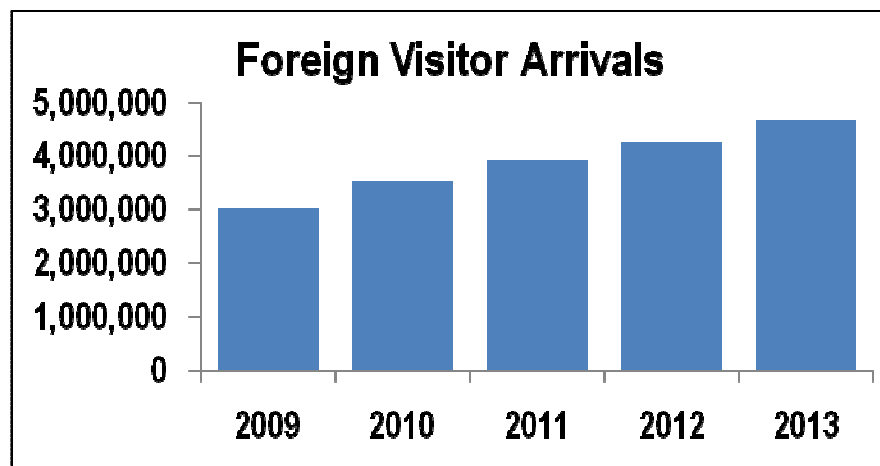
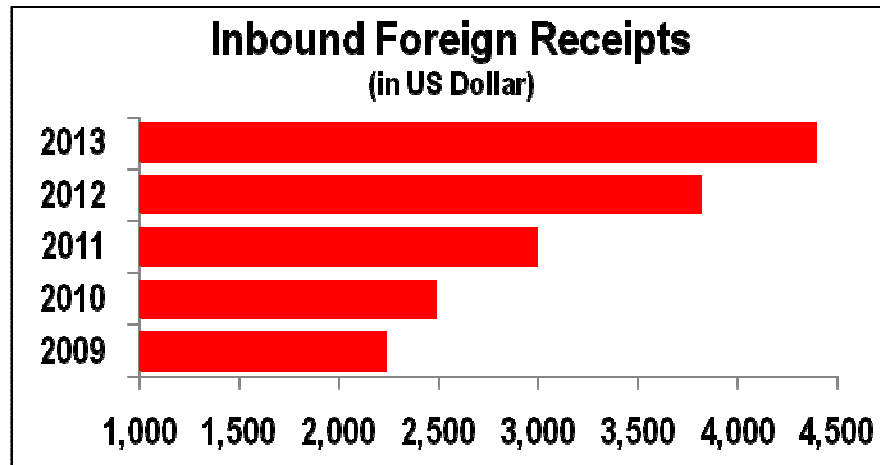
- ✓ Introduction
- ✓ Development of Philippine Tourism Satellite Account
- ✓ Institutional Arrangement
- ✓ Data Support
- ✓ Use of PTSA for Policy and Planning
- ✓ Challenges and Future Directions
- ✓ Lessons Learned



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# Introduction



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



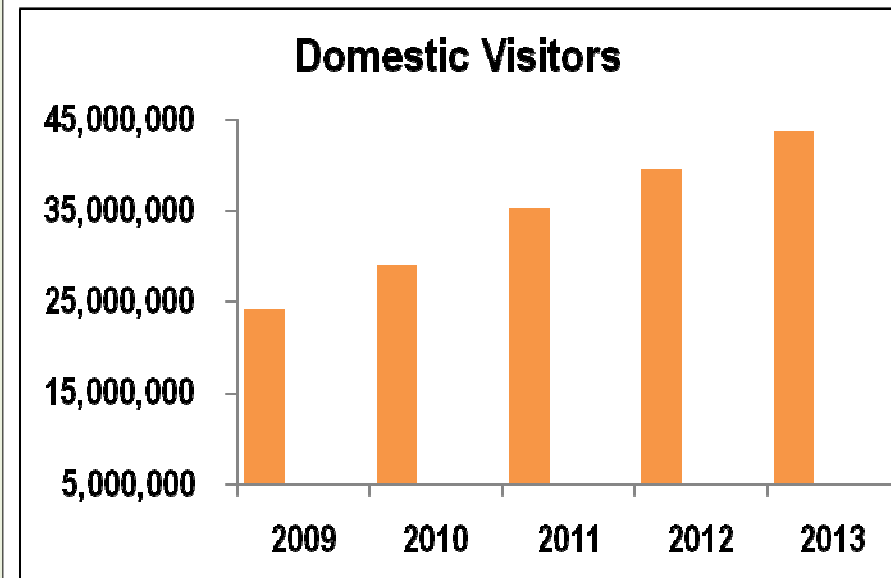
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# Introduction

Tourism is a vital engine of growth for the Philippine economy

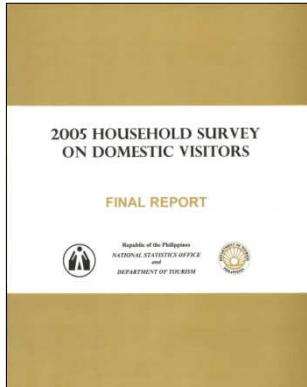
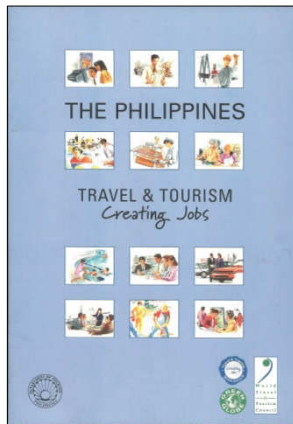
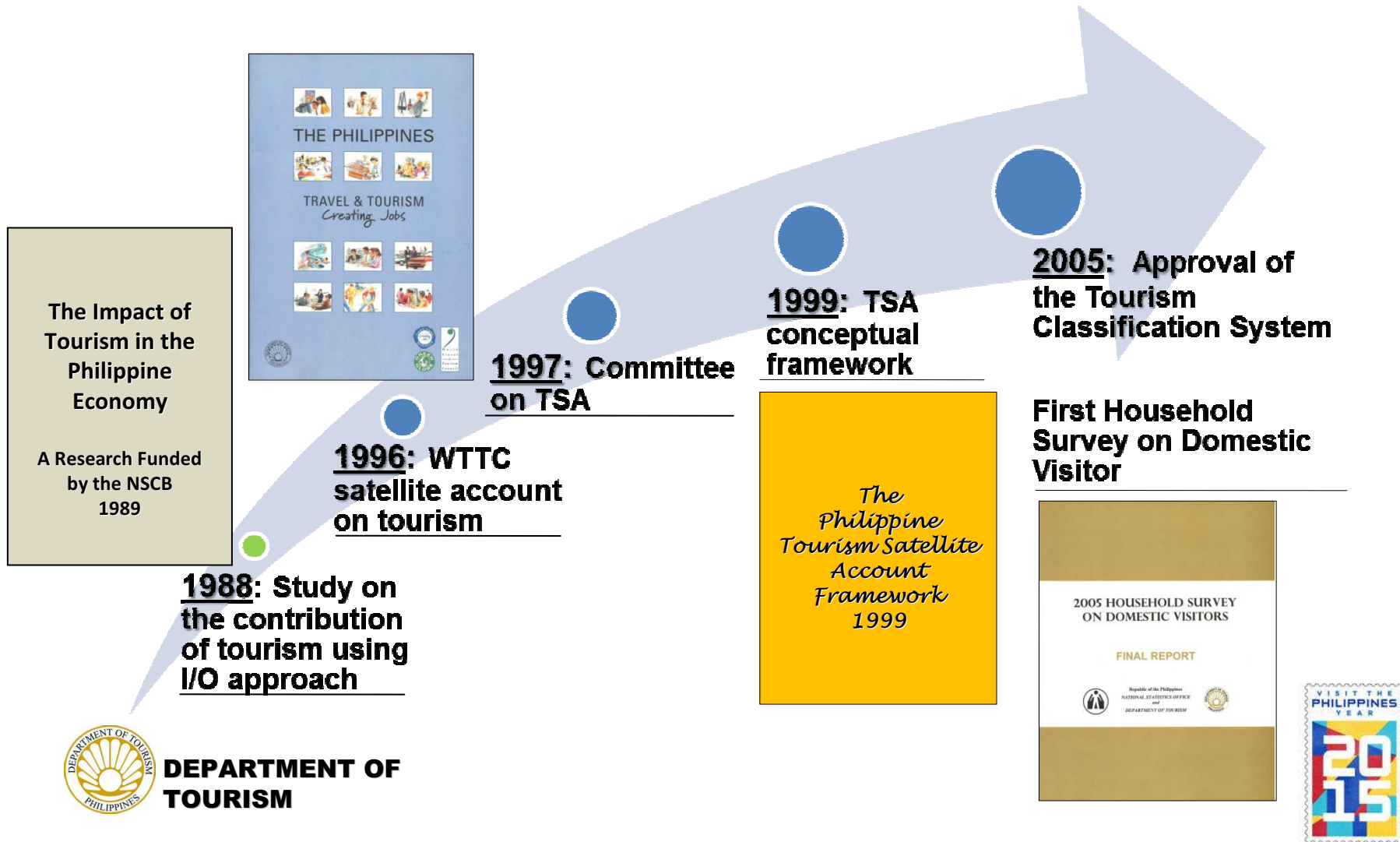
- ❑ Domestic visitors in 2011 surpassed the 2016 target, prompting a change of target to 56.1 million
- ❑ Increase travel movement stimulated creation of new tourism products and destinations
- ❑ Some 1,035.4 km of tourism roads were funded as of 2013
- ❑ Upgrading of international and domestic airports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



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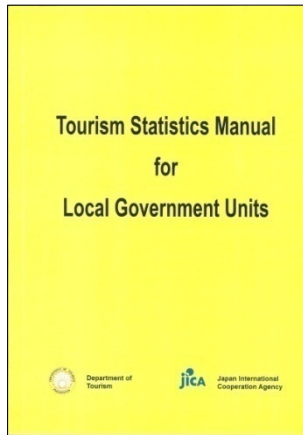


# Development of TSA





# Development of TSA



**NSCB Resolution No. 6 s 2009**

NSCB Resolution No. 6 Series of 2009

WHEREAS, tourism is recognized as one of the most dynamic economic sectors and has become a key growth engine for promoting economic activities, stimulating employment and service development, and generating jobs and income;

WHEREAS, there is a need to ensure the maximum contribution of tourism in providing leads for effective and efficient policy research, monitoring, analysis and development of the tourism industry;

WHEREAS, NSCB Memorandum Order No. 1, Series of 1993 created the Interagency Committee on the Development of a National Account on Tourism (INACTAT) to provide direction and report to the development of a suitable account on tourism;

WHEREAS, in 1999 and under the guidance of the INACTAT, the National Statistical Coordination Board (NSCB), in collaboration with the Department of Tourism (DOT), prepared and released the tourist arrivals in the Philippine Tourism Satellite Account (PTSA) covering the years 1999 and 1998;

WHEREAS, the INACTAT, an ad-hoc inter-agency coordinated and composed of the Interagency Committee on Tourism Statistics (ICTS) through NSCB Memorandum Order No. 214, Series of 2001, and its various sub-committees established to address the concerns on the improvement of tourism statistics and sources used for account;

WHEREAS, the DOT and NSCB continued to collaborate and developed a methodology for the computation of the PTSA using as reference the World Tourism Organization's Tourism Satellite Account: Recommended Methodological Framework (TSA-95) and International Recommendations on Tourism Statistics (ITS);

WHEREAS, using the methodology, the NSCB Technical Staff came up with the PTSA 2000-2007 estimates;

WHEREAS, the INACTAT revised the PTSA methodology and using each of the data businesses agreed to release the approved by the Board for methodology for computing for PTSA (Series 09-06-2009);

**2006: Release of First TSA estimate for 1999-2001**

**2007: Publish the Manual on Local Tourism Statistics**

**2009: Adoption of TSA methodology**

**Arrival Card was enhanced**

**Survey on Tourism Establishments**

**2010: PTSA methodology refined with IRTS 2008**

**Survey on Tourism Establishments in the Philippines 2009**

**2011: Official release of TSA for 2000-2011**

**Bridge TSA table was made in accordance with updated 2009 PSIC**



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# Development of TSA

2012 - 2014:

Annual release of TSA

Ongoing: TSA  
Quarterly compilation

Update of TSA based on  
2006 I/O

Compiling of TSA tables  
8 and 9



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## 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: 5<sup>th</sup> UNWTO International Conference on Tourism Statistics, Indonesia

## Engaging in TSA Development

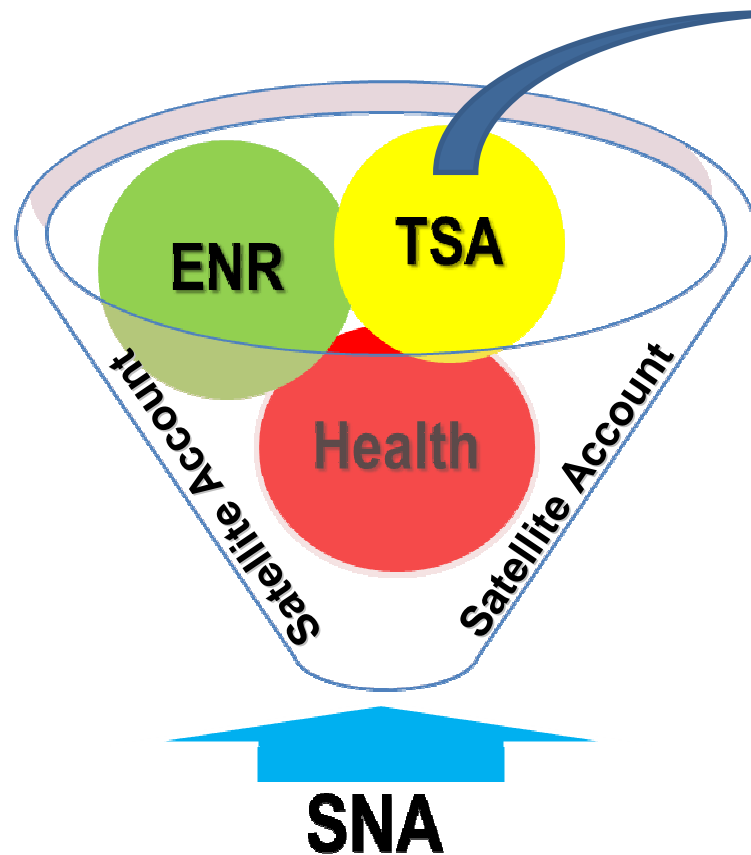
2003: UNWTO Sub-Regional Workshop on Tourism Statistics and TSA, Philippines

2007: Worldwide consultation on IRTS Revision and TSA RMF

Expert Group on Tourism Statistics, USA



# Development of TSA



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



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# Development of TSA

| TSA Tables   | PTSA | Sources/ Status      |
|--|------|----------------------|
| Table 1: Inbound Tourism Expenditure by Products   | ✓    | VSS and Arrival Card |
| Table 2: Domestic Tourism Expenditure by Products  | ✓    | HSDV and RTS         |
| Table 3: Outbound Tourism Expenditure by Products  | ✓    | Partner country data |
| Table 4: Internal Tourism Consumption by Products  | ✓    |                      |
| Table 5: Production Accounts of Tourism Industries and Other Industries                    | ✓    | I/O Table            |
| Table 6: Domestic Supply and Internal Tourism Consumption by Products                      | ✓    | I/O Table and NAP    |
| Table 7: Employment in Tourism Industries  | ✓    | LFS and CPBI         |
| Table 8: Tourism Gross Fixed Capital Formation and Tourism Industries and Other Industries |      | Ongoing compilation  |
| Table 9: Tourism Collective Consumption by Functions and Level of Government               |      | Ongoing compilation  |
| Table 10: Non-Monetary Indicator   | ✓    |                      |



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# Development of TSA

| DERIVED INDICATORS  |                              |          |                  |          |                                |
|---|------------------------------|----------|------------------|----------|--------------------------------|
| Table 1. Tourism Direct Gross Value Added (TDGVA) and Total GDP (current prices) in million pesos |                              |          |                  |          |                                |
|   | TDGVA                        | % growth | Total GDP        |          |                                |
| 2000  | 210,144                      | 8.96     | 3,580.77         |          |                                |
| 2001  | 228,974                      | 8.96     | 3,888.80         |          |                                |
| 2002  | 246,877                      | 7.82     | 4,198.34         |          |                                |
| 2003  | 265,737                      | 7.64     | 4,548.10         |          |                                |
| 2004  | 300,475                      | 13.07    | 5,120.43         |          |                                |
| 2005  | 333,054                      | 10.84    | 5,677.79         |          |                                |
| 2006  | 365,837                      | 9.84     | 6,271.19         |          |                                |
| 2007  | 404,641                      | 10.61    | 6,892.72         |          |                                |
| 2008  | 443,305                      | 9.56     | 7,720.90         |          |                                |
| 2009  | 458,976                      | 3.53     | 8,026.14         |          |                                |
| 2010  | 523,877                      | 14.14    | 9,003.48         |          |                                |
| 2011  | 572,315                      | 9.25     | 9,709.33         |          |                                |
| 2012  | 631,036                      | 10.26    | 10,567.33        |          |                                |
| 2013  | 688,809                      | 9.16     | 11,548.19        |          |                                |
| Annualized growth   | 8.93                         |          |                  |          |                                |
| Table 2. Internal tourism expenditure versus Exports (current prices) in million pesos            |                              |          |                  |          |                                |
|   | Internal tourism expenditure | % growth | HFCE and Exports |          |                                |
| 2000  | 286,703                      |          | 4,421.68         |          |                                |
| 2001  | 333,425                      | 15.5     | 4,653.38         |          |                                |
| 2002  | 329,717                      | (1.1)    | 5,065.04         |          |                                |
| 2003  | 353,103                      | 7.1      | 5,526.38         |          |                                |
| 2004  | 439,739                      | 24.5     | 6,302.02         |          |                                |
| 2005  | 545,813                      | 24.1     | 6,878.67         |          |                                |
| 2006  | 605,644                      |          |                  |          |                                |
| 2007  | 701,371                      |          |                  |          |                                |
| 2008  | 609,917                      |          |                  |          |                                |
| 2009  | 633,308                      |          |                  |          |                                |
| 2010  | 776,444                      |          |                  |          |                                |
| 2011  | 973,555                      |          |                  |          |                                |
| 2012  | 1,134,868                    |          |                  |          |                                |
| 2013  | 1,307,022                    |          |                  |          |                                |
| Annualized growth   |                              |          |                  |          |                                |
| Table 3. Domestic Tourism Expenditure and HFCE (current prices) in million pesos                  |                              |          |                  |          |                                |
|   | Domestic tourism expenditure | % growth | HFCE             | % growth | Share to HFCE in %             |
| 2000  | 200,345                      |          | 2,585,276        |          | 7.75                           |
| 2001  | 245,179                      | 22.4     | 2,863,459        | 10.8     | 8.56                           |
| 2002  | 239,488                      | -2.3     | 3,102,445        | 8.3      | 7.72                           |
| 2003  | 270,198                      | 12.8     | 3,381,616        | 9.0      | 7.99                           |
| 2004  | 333,923                      | 23.6     | 3,814,989        | 12.8     | 8.75                           |
| 2005  | 442,434                      | 32.5     | 4,259,131        | 11.6     | 10.39                          |
| 2006  | 468,452                      | 5.9      | 4,677,986        | 9.8      | 10.01                          |
| 2007  | 579,283                      | 23.6     | 5,064,463        | 8.3      | 11.44                          |
| 2008  | 510,353                      | -11.9    | 5,739,592        | 13.3     | 8.89                           |
| 2009  | 533,731                      | 4.6      | 5,993,427        | 4.4      | 8.91                           |
| 2010  | 667,215                      | 25.0     | 6,442,033        | 7.5      | 10.36                          |
| 2011  | 849,094                      | 27.3     | 7,132,581        | 10.7     | 11.90                          |
| 2012  | 974,713                      | 14.8     | 7,837,881        | 9.9      | 12.44                          |
| 2013  | 1,117,171                    | 14.6     | 8,464,883        | 8.0      | 13.20                          |
| Annualized growth   | 13.7                         |          |                  | 8.7      |                                |
| Table 4. Inbound Tourism Expenditure and Total Exports (current prices) in million pesos          |                              |          |                  |          |                                |
|   | Inbound tourism expenditure  | % growth | Exports          | % growth | Share to total exports in %    |
| 2000  | 88,358                       |          | 1,839,388        |          | 4.80                           |
| 2001  | 99,242                       | 12.3     | 1,799,999        | -2.69    | 4.93                           |
| 2002  |                              |          |                  | 9.65     | 4.60                           |
| 2003  |                              |          |                  | 9.28     | 3.87                           |
| 2004  |                              |          |                  | 15.96    | 4.25                           |
| 2005  |                              |          |                  | 5.32     | 3.95                           |
| 2006  |                              |          |                  | 11.51    | 4.70                           |
| 2007  |                              |          |                  | 2.08     | 4.09                           |
| 2008  |                              |          |                  | -4.42    | 3.50                           |
| 2009  |                              |          |                  | -9.23    | 3.85                           |
| 2010  |                              |          |                  | 21.12    | 3.49                           |
| 2011  |                              |          |                  | -0.76    | 4.00                           |
| 2012  |                              |          |                  | 4.60     | 4.92                           |
| 2013  |                              |          |                  | -0.91    | 5.85                           |
| Annualized growth   |                              |          |                  | 4.22     |                                |
| Table 5. Share of Tourism Industry employment to total employment in thousand persons             |                              |          |                  |          |                                |
|   | Tourism employment           | % growth | Total employment | % growth | Share to total employment in % |
| 2000  | 2,669                        |          | 29,294           |          | 9.43                           |
| 2001  | 2,724                        | 2.06     | 29,154           | 3.04     | 9.34                           |
| 2002  | 2,799                        | 2.77     | 30,062           | 3.11     | 9.31                           |
| 2003  | 2,940                        | 5.03     | 30,627           | 1.88     | 9.60                           |
| 2004  | 3,077                        | 4.65     | 31,611           | 3.21     | 9.73                           |
| 2005  | 3,136                        | 1.94     | 32,312           | 2.22     | 9.71                           |
| 2006  | 3,217                        | 2.57     | 32,962           | 2.01     | 9.76                           |
| 2007  | 3,359                        | 4.41     | 33,564           | 1.83     | 10.01                          |
| 2008  | 3,415                        | 1.67     | 34,089           | 1.56     | 10.02                          |
| 2009  | 3,547                        | 3.87     | 35,060           | 2.85     | 10.12                          |
| 2010  | 3,694                        | 4.14     | 36,047           | 2.82     | 10.25                          |
| 2011  | 3,823                        | 3.48     | 37,191           | 3.17     | 10.28                          |
| 2012  | 4,432                        | 1.16     | 37,600           | 1.01     | 11.79                          |
| 2013  | 4,557                        | 1.03     | 38,118           | 1.01     | 11.95                          |
| Annualized growth   | 4.34                         |          |                  | 1.97     |                                |

note: GDP, HFCE, and exports data from annual national income estimates revised series 1998-2011 updated as of May, 2014

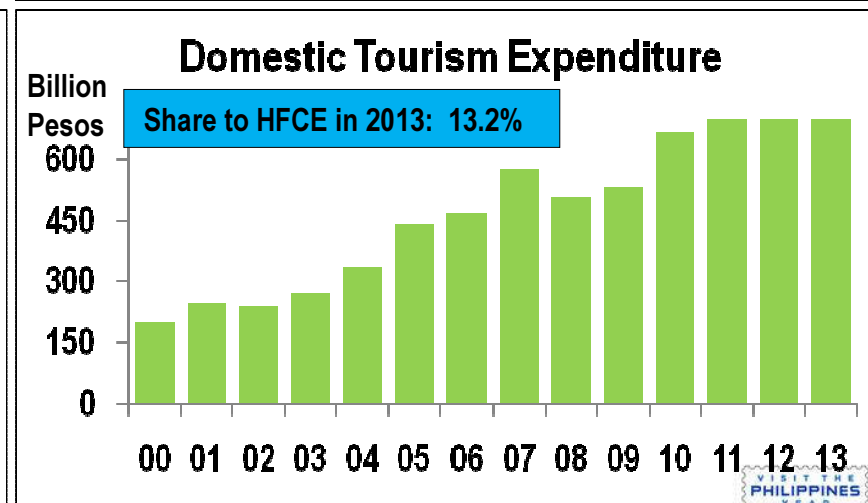
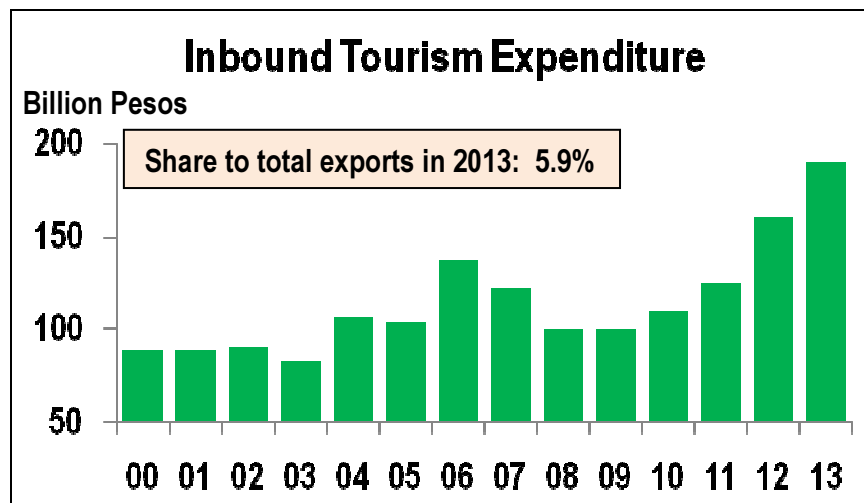
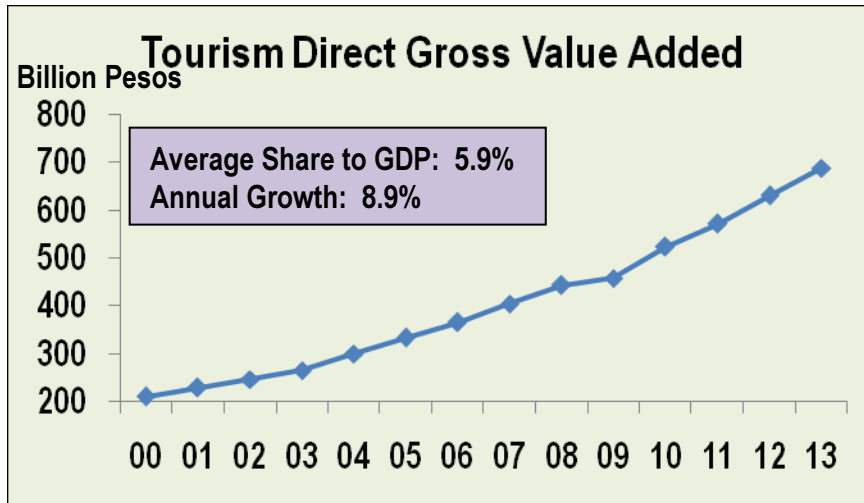
| TSA | PTSA Tables                  | Details  |
|-----|------------------------------|--|
|     | Table 11: Derived Indicators | Share of TDGVA to GDP  |
|     |                              | Share of Internal Tourism Expenditure to the sum of HFCE and Exports |
|     |                              | Share of Domestic Tourism Expenditure to the sum of HFCE             |
|     |                              | Share of Inbound Tourism Expenditure to Total Exports                |
|     |                              | Share of Tourism Industry Employment to Total National Employment    |



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# Tourism and the Economy



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



# Data Support

## ☐ Tourism consumption expenditure

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

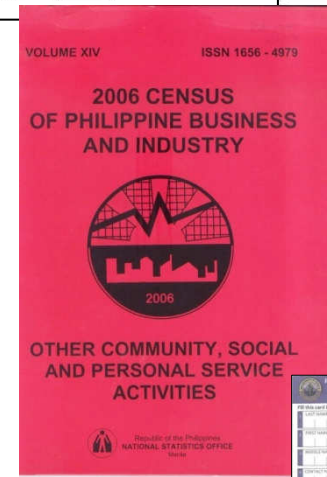
## ☐ Production accounts/domestic supply

- Input/Output Table
- National Accounts

## ☐ Tourism employment

- Labor Force Survey
- Census of Philippine Business and Industry
- Quarterly Survey of Philippine Business and Industry

The image shows three overlapping survey forms from the Department of Tourism, Research and Statistics Division. The top form is the 'INCENTIVE TRAVEL SURVEY' with a table for recording travel details. The middle form is the 'DEPARTMENT OF TOURISM VISITOR'S SAMPLE SURVEY' with various demographic and activity-related questions. The bottom form is the 'HOUSEHOLD SURVEY ON DOMESTIC VISITORS' with questions about visitor characteristics and expenditures.



The image shows an 'ARRIVAL CARD' form from the Bureau of Immigration, Republic of the Philippines. It includes fields for personal information, travel details, and a section for 'How many nights did you stay in the Philippines?'.



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# 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



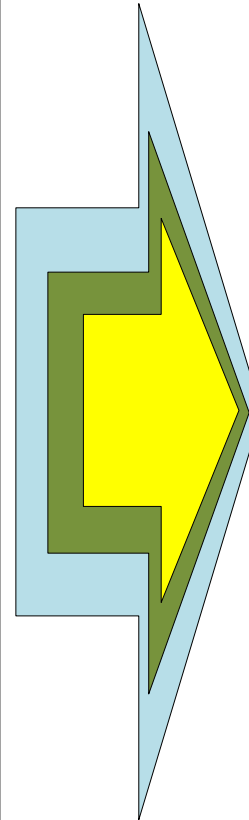
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# Challenges and Moving Forward

- 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**



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# 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



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# Thank you!

Please email your questions at [rcanizal@tourism.gov.ph](mailto:rcanizal@tourism.gov.ph)  
or visit [www.itsmorefuninthephilippines.com](http://www.itsmorefuninthephilippines.com)

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