



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

LABOR MARKET INTELLIGENCE REPORT

Tourism Development Areas

(This issue is taken from the Department of Tourism's National Tourism Development Plan.)

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The Tourism industry is one of the priority sectors indicated in the Philippine Development Plan (PDP) 2011-2016. The PDP indicates that tourism creates and catalyses economic activities.

Significance and Status of the Industry

During the first four months of 2011, inbound visitors to the Philippines numbered 1,306,944, which is 13.3 percent higher than last year's arrivals of 1,153,198 for the same period. The PDP aims to increase tourist arrivals to 6.5 million visitors by the end of 2016.

As indicated in the PDP, the average shares of tourism in GDP and in total employment were 6.12 percent and 9.68 percent, respectively. In the midst of global and national economic, political and social upheavals, the tourism sector remained resilient. Visitor arrivals in the past six years grew at an annual average of 8.21 percent from 2.29 million in 2004 to 3.01 million in 2009.

Tourism receipts from inbound expenditure of foreign visitors from 2004 to 2009 also expanded at an average of 7.96 percent from US\$1.99 billion in 2004 to US\$2.23 billion in 2009. These receipts have driven private and foreign investments in the accommodation, transportation, recreation, entertainment and miscellaneous services sectors of the tourism industry.

Outside Manila, the most frequented destinations visited by foreign tourists included: Boracay Island, Tagaytay, Cebu, Laguna, Batangas, Cavite, Bohol, Pampanga, Palawan and Davao. Among the activities undertaken by most tourists during their visit in the country were shopping for local crafts and delicacies; sightseeing, beach holiday, scuba diving, visiting friends and relatives, honeymoon; attending business meetings, and looking for investment opportunities. Many tourists also engaged in various cultural, nature and adventure experiences to complement, perhaps, their medical and health activities.

Infrastructure to Tourism

For 2012, DPWH will invest P1.1 billion to construct access roads to airports and to roll-on/roll-off (RORO) ports leading to various tourist destinations, particularly Boracay, Palawan, Bohol, Bicol, Cebu, Mindanao and Northern and Central Luzon.

In addition, P8.1 billion has been earmarked in the budget of DPWH to build 1,071 km of access roads to tourist destinations, a whopping 351.4 percent increase from this year's P1.8 billion.

Also, efficient transport facilities will always figure prominently in the investor and visitor experience thereby enhancing the prospect of attracting more foreign investments.

As a strategy, the Department of Tourism (DoT) will be funding six (6) transport projects under the Public-Private Partnership (PPP) Strategic Funds of the Department of Transportation and Communication (DOTC) amounting to P6.6 billion. This is on top of the lump sum allocation of P2.0 billion under the DOTC budget.

One of these projects is the P1.2-billion New Bohol (Panglao) International Airport Development Project. Despite the dismal state of the present Tagbilaran Airport, air traffic has grown at an annual average of over 30% in the last five years from 198,000 plane passengers in 2005 to 573,000 in 2010. Imagine what could have been the scenario had Bohol been provided with a much-better and world-class airport?

Another key destination, Palawan, will get P1.0 billion for the Puerto Princesa Airport Development Project, a 33.3-percent increase from P750 million to meet the standards of the International Civil Aviation Organization (ICAO).

The total tourism sector itself will be given a boost with a P2.2 billion budget, which is a 22.9 percent increase from this year's P1.8 billion. Bulk of the fund, or P753 million, will be used for international tourism promotion specifically targeting the top five patrons: Koreans, the Japanese, the Chinese, Australians and Americans.

Philippines to Become Asia's "Must Experience" Destination

Even without a clear international branding for the Philippines, the Department of Tourism (DoT) has laid out its vision to be the "must-experience" destination in Asia.

The stakeholders identified 21 strategic cluster destinations covering 77 existing and emerging tourist development areas and their tourism transportation, infrastructure and development needs and deficiencies that could be effectively addressed through coordinated investment between 2011 and 2016, and help to deliver the targets of the goal and vision for the industry. *(see Table below)*

List of Tourism Development Areas: 2011-2016

| Area | Strategic Tourism Cluster | Tourism Development Area |
|-----------------------------|---|--|
| Northern Philippines | NP-1 Batanes, Cagayan Coast & Babuyan Islands | NP-1A Batanes Islands NP-1B Babuyan Islands NP-1C Cagayan Coast |
| | NP-2 Laoag Vigan Cluster | NP-2A Laoag-Pagudpud NP-2B Vigan |
| | NP-3 Sierra Madre Cluster | NP-3A Tuguegarao-Tabuk NP-3B Ilagan & Isabela Coastal Areas NP-3C Quirino |
| | NP-4 Cordillera | NP-4A Central Cordillera NP-4B Benguet-Baguio-Ifugao-Mt. Province NP-4C Nueva Vizcaya |
| | NP-5 Lingayen Gulf Cluster | NP-5A La Union Coast NP-5C Western Pangasinan Loop NP-5D East Pangasinan Tourism Circuit NP-5B Lingayen Coast & Islands |
| | NP-6 Central Luzon Cluster | NP-6A Subic-Clark-Tarlac Corridor NP-6B Nueva Ecija NP-6C Pampanga NP-6D Bulacan NP-6E Zambales Coast NP-6F Bataan Coast and Inland NP-6G Aurora |
| | NP-7 Metro Manila and CALABARZON | NP-7A Metro Manila and Environs NP-7B Nasugbu-Looc-Ternate-Cavite Coast |

| Area | Strategic Tourism Cluster | Tourism Development Area |
|-----------------------------|--|---|
| | | NP-7C Laguna de Bay NP-7D Batangas Peninsula NP-7E Quezon Coast and Islands |
| Central Philippines | CP-1 Bicol | CP-1A Camarines & Catanduanes CP-1B Albay-Sorsogon-Masbate |
| | CP-2 Marinduque-Romblon | CP-2A Marinduque Island CP-2B Romblon Islands |
| | CP-3 Mindoro-Calamian | CP-3A Puerto Galera CP-3B Southwest Mindoro Coast CP-3C Busuanga-Coron-Culion Islands |
| | CP-4 Palawan | CP-4A San Vicente-El Nido-Taytay CP-4B Puerto Princesa CP-4C Southern Palawan |
| | CP-5 Western Visayas | CP-5A Metro Iloilo-Guimaras CP-5B Bacolod-Silay CP-5C Boracay Island-Northern Antique-Kalibo |
| | CP-6 Central Visayas | CP-6A Northern Cebu-Bantayan-Malapascua CP-6B Metro Cebu-Mactan-Olango-Islands CP-6C Southern Cebu CP-6D Negros Oriental-Dumaguete-Siquijor CP-6E Tagbilaran-Panglao |
| | CP-7 Eastern Visayas | CP-7A Northeastern Leyte-Basey-Marabut Area CP-7B Northwestern Leyte-Biliran Area CP-7C Southern Leyte Area CP-7D West Samar CP-7E Eastern Samar Area CP-7F Northern Samar |
| Southern Philippines | SP-1 Surigao Dinagat Islands | SP-1A Dinagat Siargao Islands SP-1B Surigao City Lake Mainit |
| | SP-2 Agusan River Basin | SP-2A Butuan City Cabadbaran SP-2B Agusan Marsh SP-2C Agusan Sur-Hinatuan SP-2D Agusan Sur-Bislig |
| | SP-3 Cagayan de Oro Coast & Hinterland | SP-3A Camiguin Island SP-3B Cagayan de Oro City-Misamis Oriental Coast SP-3C Iligan City/Lanao del Norte |
| | | SP-3D Tangub Bay-Ozamiz-Oroquieta SP-3E Bukidnon |
| | SP-4 Zamboanga Peninsula | SP-4A Zamboanga Sibugay SP-4B Zamboanga City-Sta Cruz-Isabela SP-4C Pagadian City-Zamboanga del Sur Cluster SP-4D Dapitan SP-4E Dipolog |
| | SP-5 Davao Gulf and Coast | SP-5A Davao City-Samal Island-Davao del Norte SP-5B Davao del Sur SP-5C Compostela Valley-Davao Oriental |

| Area | Strategic Tourism Cluster | Tourism Development Area |
|------|---------------------------|--|
| | SP-6 Cotabato-Saranggani | SP-6A Cotabato Province-Mt Apo SP-6B South Cotabato-Lake Sebu SP-6C Sultan Kudarat SP-6D Gen Santos-Saranggani SP-6E Cotabato City |
| | SP-7 ARMM | SP-7A Basilan-Tawi-Tawi-Jolo SP-7B Lanao del Sur-Maguindanao |

Source: Department of Tourism

More work is needed to enhance the country's competitiveness as a tourist destination. The country's attractiveness hinges on the availability of support (air, land and water), a healthy business environment, and transparent and proactive rules and regulations.

According to SM Chairman Henry Sy, Sr., **"Promoting Philippine tourism should be every Filipino's task. It is through tourism that we can compete in the global marketplace."**