



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

LABOR MARKET INTELLIGENCE REPORT

TOURISM 2012

IT'S MORE FUN IN THE PHILIPPINES

Office of the Deputy Director General for Sectoral TVET
Planning Office
TESDA Complex, East Service Road, South Superhighway
Taguig City, Metro Manila
Tel. No. (02) 888 5652; 817 2675; 893 1966
www.tesda.gov.ph

CODE: ST-PO 10-12-2012



I. **Background**

Tourism is one of the priority sectors in the Philippine Development Plan 2011-2016. The sector is also identified by the Joint Foreign Chambers as one of the seven big winners of the economy. With our country's advantages in terms of natural and cultural tourism resources, the sector is a contributor to the government's agenda of inclusive and sustainable socio-economic development.

In the recent year-end press briefing of the National Economic Development Authority (NEDA), tourism was mentioned to be still one of the priority sectors and will be pushed for continuous expansion in 2013.

The National Tourism Development Plan (NTDP) 2011-2016 crafted by the Department of Tourism (DOT) as mandated under Republic Act 9593 provides a framework to guide the DOT and stakeholders in the private and public sector at the national, regional and local level to harness the potential of the tourism sector as an engine for sustainable growth. The NTDP was built upon the comprehensive diagnosis of the tourism sector's competitive strengths, weaknesses, opportunities and threats.

The NTDP 2011-2016 has outlined the country's vision for tourism, "*to become the must experience destination in Asia*". And this is going to be achieved through three strategic directions and programs which will leverage the Philippines' comparative advantage:

1. To improve market access, connectivity and destination infrastructure
2. Develop and market competitive tourist products and destinations;
3. Improve tourism institutional, governance and industry manpower capabilities.

Profile of the sector

International Tourist Arrivals¹:

- Tourist arrivals for the first 11 months of 2012 reached a total of 3,478,285 which is an increase of 9.18% over its previous year's 3,185,866 for the same months in 2011. The biggest arrival was recorded in January with a volume of 411,064 visitors. This is a 17.54% growth from the same month the previous year.
- The Korean market continued to provide the biggest volume of arrivals at 832,437 constituting 23.93% of the total.
- The US market contributed the second biggest arrivals of 534,899 with a share of 15.38% to the total visitor market. This also grew substantially by 4.38% over the first ten months of the year.
- The Japanese market contributed the third biggest arrivals of 341,676 capturing 9.82% of the total visitor volume.
- Arrivals from China aggregated to 215,814 comprising 6.20% of the total inbound visitors. This is an increase of 10.12% compared to its recorded volume of 195,982 for the same period last year.

¹ <http://www.tourism.gov.ph/Pages/IndustryPerformance.aspx>

- The Taiwanese market contributed the fifth biggest visitor volume by contributing 188,862 visitors comprising 5.43% of the total visitor volume. This also registered an increase of 22.98% which is the biggest among the top five markets of the country.
- Other markets with substantial contribution to the over-all visitor arrivals include Australia with 147,237, Singapore with 119,885, Hongkong with 98,967, Canada with 96,089 and Malaysia with 91,230 arrivals.
- The Russian market registered an increase of 43.60%, from 14,175 tourists in 2011 to 20,356 tourist over the same period this year.

Figure 1: Philippine Visitor Arrivals from January to November 2011 and 2012

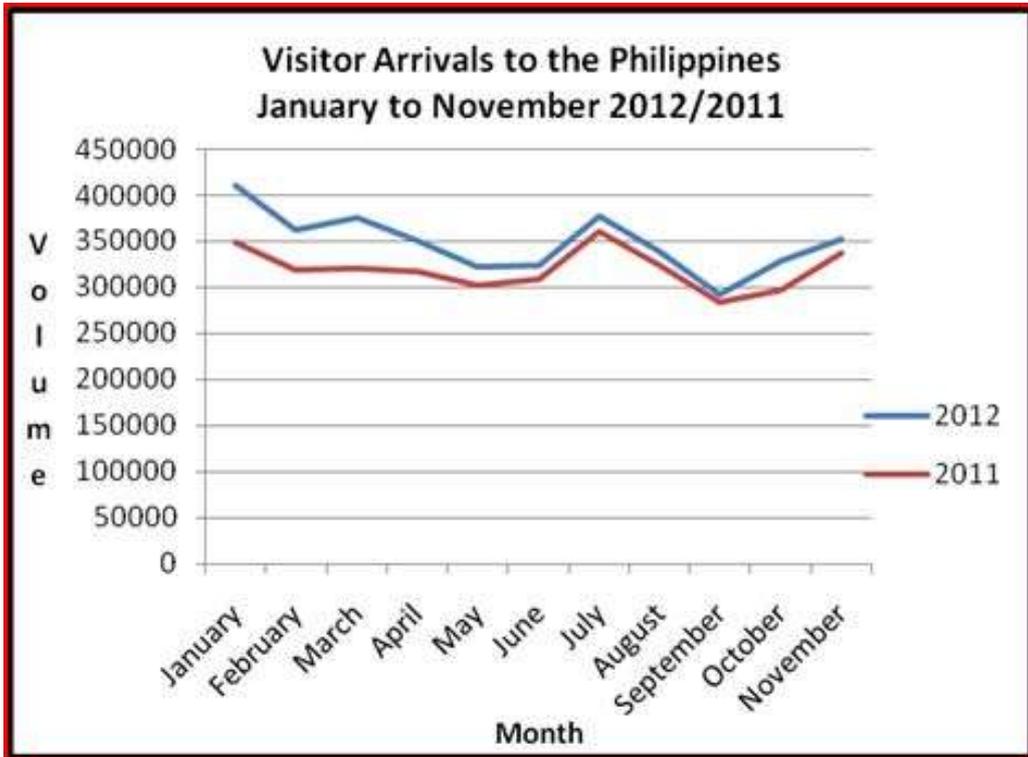
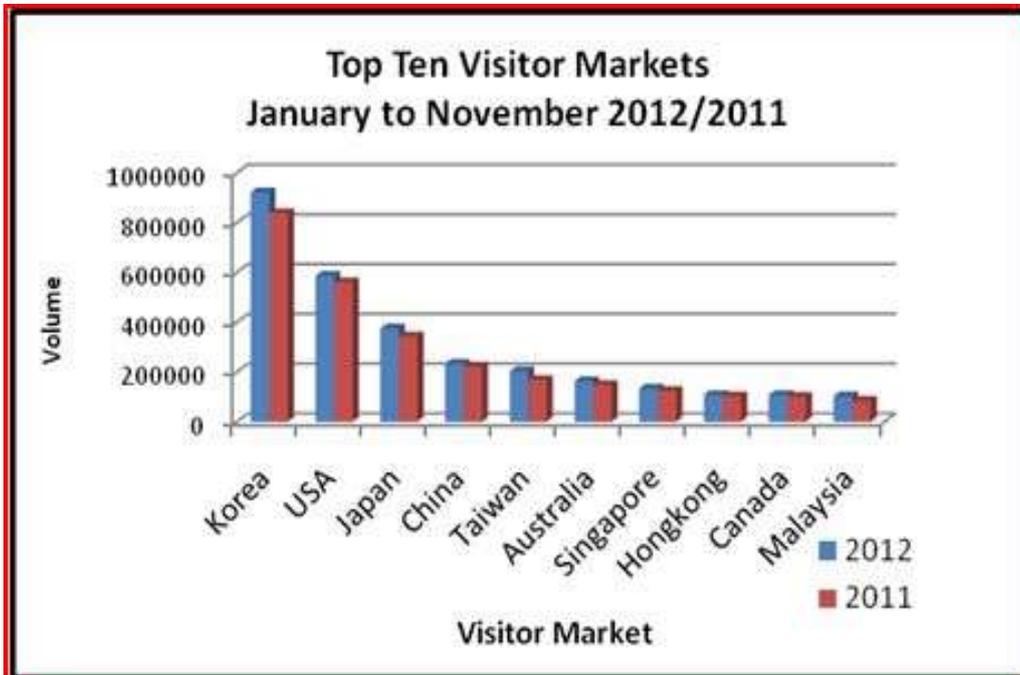


Figure 2: Top Ten Visitor Markets from January to November 2011 and 2012



Source: DOT

Domestic Tourist²:

- Domestic travelers have increased at around 3% per annum between the period 2001 and 2011.
- Related industries benefited as it supports an estimated 96,052 hotel rooms with an additional 16,869 in the pipeline, as well as 314 inbound, domestic and outbound travel and tour operators
- Top domestic destinations are: Metro manila, Davao City, Baguio City, Boracay, Zambales, Iloilo-Guimaras, Puerto Princesa, and Bohol.

Tourist Facilities and Services

As of **June 30, 2012**, the DOT has accredited the following tourist facilities and services:

- there are **337** accredited guides all over the country. Region VII account for 36.2 % (122) and NCR 35.3% (119). Specialist guide type are classified as Cave Guide, Mountain Guide, Community Guide, Eco Guide and Local Guide;
- there are **57** Accredited Tourist Land and Transport Operators with 2,605 a total number of units. NCR posted 61% transport operators (35) and Region VII 28% (16);
- there are 136 accredited resorts all over the country. Visayas peninsula accounted for 37% with Region VI the highest at (19%) and Region VII (18%); and
- an estimated 255 accredited accommodation establishments with estimated 23,229 number of rooms.

II. Economic Contribution and Prospect

Per the World Economic Forum ASEAN Travel and Tourism World Competitiveness Report 2012 (WEF-TTWCR), the travel and tourism (T&T) sector has become an important driver of growth and prosperity for many countries. It is estimated that the T&T sector accounts for about 9 percent of GDP and employment worldwide. Moreover, this sector also plays an important role in the overall ASEAN economy. It is estimated to account for 4.6 percent of ASEAN GDP and 10.9 percent when taking into account all indirect contributions. It directly employs 9.3 million people, or 3.2 percent of total employment, and indirectly supports some 25 million jobs.³

The Philippines is located in one of the fastest growing regional markets for outbound and inbound tourism in the world. Between 2010 and 2016, the World Tourism Organization (UNWTO) forecasts that international arrivals to the Asia Pacific region will increase from 204 million to 285 million with Southeast Asia increasing from 69 million to 98 million arrivals. ASEAN (especially Malaysia, Singapore and Thailand), China, South Korea, USA, Japan, India and Australia together with Europe are expected to be the main drivers of international arrivals to the region, especially to Southeast Asia.⁴

The successful implementation of the NTDP between 2012 to 2016 is expected to increase the volume of international tourist to the Philippines from 3.5 million to 10 million (an additional 6.48 million), thus increasing its share of ASEAN tourism from 5.1% to 10.1%, as well as increasing domestic travel from 27.9 million to 35.5 million 9, an additional 7.6 million). The tourism industry is also expected to contribute 8.1% to Gross Domestic Product (GDP).

² National Tourism Development Plan 2011-2016

³ ASEAN Travel and Tourism World Competitiveness Report 2012

⁴ National Tourism Development Plan 2011-2016

The industry can employ 6.8 million people that will account for 17% of total employment. It is estimated that around 1.6 million out of the 6.8 million persons will be directly employed by 2016 will come from the marginalized sector.

Table 1: Tourism Over-all Target from 2012 to 2016

PHILIPPINE TOURISM OVERALL TARGET					
	2012	2013	2014	2015	2016
International Arrivals (in million)	4.6	5.5	6.8	8.2	10.0
Domestic Travelers (in million)	30.2	31.5	32.8	34.1	35.5
Overall Tourism Revenue (in Billion US\$)	30.1	33.6	37.6	42.1	47.4
% Share to Gross Domestic Product	6.2	6.6	7.0	7.5	8.1
Employment (in million)	4.2	4.7	5.3	6.0	6.8
% Share to Total Employment	11.2	12.4	13.8	15.3	17.0

Source: Department of Tourism

III. Employment and Skills In-Demand/requirements and DOT Initiatives

The NTDP 2011-2016 has identified investments and trainings that would also create more jobs for the country:

- Tourism investment includes 44 new projects consisting of 17 hotels, 4 tourist inns, 4 Ecozone developers and others, endorsed by the DOT for 2011 up to April of 2012;
- P2.9 Billion worth of tourism industry–related projects approved by Board of Investments;
- Implementation of the Online Tourism Investment System in 2011

Tourism Training

- Tourism Training is part of the implementation of the NTDP 2011-2016, it is projected that employment to be generated from conducted seminars on Tourism Awareness and Capability Building for LGUs will total to 8,159. As part of Manpower Development Program, a total of 6,285 personnel were trained for skills enhancement of the tourism industry front liners which includes Airport Taxi & Tourist Bus Drivers, Local Transport Drivers (e.g. Kalesa, Tricycle, “Habal-habal”), Boatmen and Vendors. Moreover, other skills training program was conducted for housekeeping, waitering/bartending and front office.

Special Tourism Awareness Programs are also conducted which includes:

- National Tourist –Oriented Police for Community Order and Protection (TOPCOP)
- Tourism Awareness and Capability Building Seminar for LGUs
- Tourism Investment Seminar/ Forum

- Childwise Tourism Seminar
- Cross-Cultural Learning Experience Program for Foreign Nationals
- Forum on Accessible Tourism

Skills Development Program

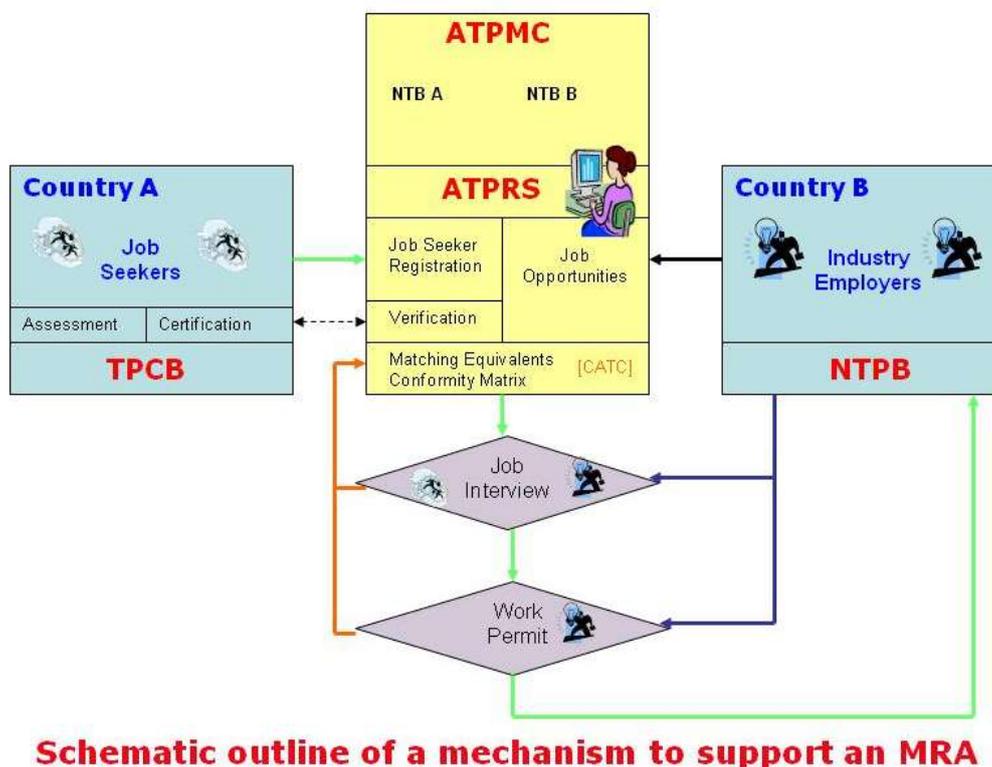
- The DOT through the technical assistance of the Asian Development Bank (ADB) is currently developing a 3-year Skills Development and Matching Grant Program
- The tourism industry skills development program (TISDP) is envisioned to assist the industry to lift service standards and provide workers with certified qualifications and skills for successful careers in the tourism sector.
- Pilot destinations are: Bohol, Palawan, and Davao

Mutual Recognition Arrangement (MRA) in ASEAN

One initiative that is being pursued in the ASEAN in relation to tourism is the MRA for Tourism Professionals. This aims to simplify the Tourism Professional Mechanism in ASEAN with a developed competency standard for all ASEAN member states, promoting a liberalized labor policy. Its objectives are:

1. To facilitate mobility of Tourism Professionals/Workers;
2. To exchange information on best practices in competency-based education and training for Tourism Professionals; and
3. To provide opportunities for cooperation and capacity building across ASEAN member countries

Figure 3: Schematic Outline for a Mutual Recognition Arrangement



IV. TVET Programs and Supply

The assessment and certification mandate of TESDA seeks to determine whether the graduate or worker can perform to the standards expected in the workplace based on defined standards. This ensures the productivity, quality and global competitiveness of the workers. In all the qualifications in the tourism industry, a total of 598,885 persons were assessed and 518,048 were certified from 2008 until October 2012. Among the qualifications, messman cook registered the highest certification rate at 94.35 percent. This is followed by housekeeping NC III at 91.53 percent and commercial cooking NC II at 91.3 percent. Moreover, food and beverage services NC II registered the biggest number of persons assessed at 162,248. On the other hand, housekeeping NC II has the most number of persons certified with a total of 142,148.

Table 2: Number of Persons Assessed and Certified in the Tourism Industry, 2008-2012

Qualifications	January to October 2012		2008-2012 (October)		Certification Rate (%)
	Assessed	Certified	Assessed	Certified	
Baking/Pastry Production NC II	545	430	33,799	28,643	84.75
Bartending NC II	10,038	8,464	50,552	39,478	78.09
Bread and Pastry Production NC II	9,641	8,701	18,858	16,735	88.74
Commercial Cooking NC II	23,983	22,078	112,780	101,861	90.32
Commercial Cooking NC III	103	77	565	489	86.55
Commercial Cooking NC IV	6	6	46	42	91.30
Events Management Services NC III	416	277	1,010	685	67.82
Food and Beverage Services NC II	30,276	26,525	162,248	135,297	83.39
Food and Beverage Services NC III	1,470	1,279	2,923	2,543	87.0
Food and Beverage Services NC III (Restaurant and Fine Dining)	4	3	275	160	58.18
Food and Beverage Services NC III (Restaurant and Coffee Shop)	486	446	4,298	3,706	86.23
Food and Beverage Services NC III (Restaurant, Fine Dining and Coffee Shop)	239	226	1,921	394	20.51
Food and Beverage Services NC IV (Restaurant)	0	0	0	0	
Food and Beverage Services NC IV (Restaurant and Coffee Shop)	0	0	167	106	63.47
Front Office Services NC II	4,974	4,001	22,300	17,224	40.74
Housekeeping NC II	28,818	26,662	155,302	142,148	77.24
Housekeeping NC III	224	174	862	707	91.53
Housekeeping NC IV	0	0	0	0	
Tour Guiding Services NC II	1,398	1,012	5,066	3,713	73.29
Tourism Promotion Services NC II	70	68	405	307	75.80
Travel Services NC II	297	145	734	435	59.26
Messman, Cook	9,867	9,173	24,774	23,375	94.35
Total	122,855	109,747	598,885	518,048	

Source: Competency Assessment and Certification Office (CACO), TESDA

V. Implications to TVET and TVET Programs

The National Technical Education and Skills Development Authority (NTESDP) 2011-2016 seeks to contribute to achieving the vision of inclusive growth through decent and productive employment. The NTESDP 2011-2016 has three major objectives that serve as anchors for technical vocational education and training (TVET) strategies, policies and programs. These directly relate to the tourism industry requirements as well as to achieving the goal of the NTDP 2011-2016.

1. To increase training participation

One strategy identified for this objective is to apply precision in clientele targeting. Specifically, focus will be given to TVET interventions based on identified priorities such as the tourism industry which is one of the priority sectors of TESDA.

2. To improve training responsiveness and relevance

To keep training responsive and relevant, there must be closer linkage between the world of learning and the world of work. This will necessitate bringing together business and labor, government and training providers, at the local, industry and national levels to enhance the relevance of training to the changing needs of enterprises and labor markets.

While TESDA works closely with the industry in the development of standards and systems, a more strategic and strengthened partnerships should still be pursued. The implementation of the ASEAN Mutual Recognition Arrangement (MRA) for Tourism Professionals being led by the DOT is one program being done on a collaborative arrangement by government (DOT and TESDA) and the industry through the Tourism Industry Board Foundation, Inc.

The promotion of enterprise-based training (EBT) in the tourism industry should be strengthened further and pursued given that enterprises are the best place to learn and acquire skills for higher technologies.

Moreover, a strengthened link-up with public and private employers in hiring TVET graduates in the tourism industry working with industry ensures best fit between jobs and skills required because industry experience, hands-on, knowledge and skills and proper work values and attitudes are best acquired in real workplace environment. Public and private employers related to tourism will be encouraged to absorb TVET graduates in their organizations/agencies especially that most tourism businesses are locally based.

3. To achieve effective training management

TESDA should strengthen coordination and convergence with DOT in terms of providing skills development in the tourism industry especially that the DOT is also pursuing tourism manpower development and skills development program.

In terms of strengthening the integrity of assessment and certification system and processes, TESDA will pursue promoting industry participation and building up industry capabilities to undertake sectoral/enterprise-based assessment. TESDA will also endeavor to promote and strengthen assessment and certification among qualifications in the tourism industry.

References:

National Technical Education and Skills Development Plan (NTESDP) 2011-2016. Technical Education and Skills Development Authority (TESDA). September 2011.

National Tourism Development Plan (NTDP) 2011-2016. Department of Tourism (DOT). 2011.

The ASEAN Travel and Tourism World Competitiveness Report 2012 *Fostering Prosperity and Regional Integration through Travel and Tourism*. World Economic Forum. 2012.

www.neda.gov.ph

www.tourism.gov.ph