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Competitiveness assessment of the Philippine Retirement Authority's program in international retirement migration

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Competitiveness Assessment of the Philippine Retirement Authority's Program in International Retirement Migration

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Madeleine Louise S. Baiño, Danika Astilla-Magoncia,
Anna Rita P. Vargas, and Mark Gerald C. Ruiz*



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Abstract

The Philippines has introduced initiatives to attract retirement migrants, including visa and residence permit programs and various incentives. Central to these efforts is the Special Resident Retiree's Visa (SRRV), managed by the Philippine Retirement Authority (PRA). The SRRV offers a non-immigrant visa to foreign nationals and former Filipinos, allowing indefinite stay and multiple entries. This paper, one of a three-part research paper series, aims to assess the competitiveness of PRA's retirement program compared to neighboring countries, profile prospective retirees, and identify ways to enhance PRA's program effectiveness. Using a mixed-methods approach, the study integrates quantitative and qualitative analyses, including competitor SWOT analysis, customer feedback, and value-chain evaluation. It examines literature on retirement migration trends and conducts key informant interviews with retirees and PRA-affiliated entities. Findings reveal that while the Philippines' SRRV program is attractive due to lower financial requirements and indefinite stay privileges, it lags behind countries like Thailand and Malaysia in attracting retirees. Issues such as visa processing delays, unclear requirements, and limited post-visa services detract from its appeal. Additionally, retirees are often younger than expected, and most come from high-income backgrounds. To improve, the PRA must address processing delays, enhance after-sales services, and expand the retirement care industry. Collaboration with stakeholders and better information dissemination are essential. The study concludes that a comprehensive industry roadmap is needed to position the Philippines as a leading retirement destination amidst evolving global trends and local challenges.

Keywords: Retirement migration, Competitiveness, Retirement visa program, Retirement care industry

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Executive Summary

The Philippines have instituted programs to promote retirement migration such as by facilitating visa or residence permits for older people from abroad or by offering incentives. The Philippine Retirement Authority (PRA), a government owned and controlled corporation, is mandated to develop and promote the Philippines as a retirement haven. PRA facilitates the retirement visa for older people from abroad and also offers incentives. The Special Resident Retiree's Visa (SRRV) is the key component of PRA's retirement program. The SRRV is a non-immigrant visa program offered by the PRA to foreign nationals and former Filipino citizens that allows them multiple-entry privileges with the option to stay permanently/indefinitely in the Philippines. Currently, the PRA accepts retiree-applicants aged 50 years and above. The requirements include a visa deposit.

This paper is one of a three-part series research project that is meant to examine and improve the competitiveness of the retirement program and the capacity of PRA in implementing the said program. Specifically, this paper seeks to answer these questions - How competitive is the PRA's retirement program vis-à-vis those of its neighboring countries? What is the profile of individuals seeking to migrate to retire in countries other than their origin and what is the global trend with respect to this phenomenon? Who are those which the PRA's retirement program currently attracts and benefits and how can its market be expanded? What steps can be taken to improve the competitiveness of PRA's retirement program?

To meet its research objectives, this study adopted a mixed methods approach where both quantitative and qualitative methods of analysis were implemented. It utilized a competitor analysis framework including SWOT analysis and comparison of the retirement program incentives of several countries, customer and stakeholder feedback analysis and value-chain analysis. These analyses utilized secondary data such as PRA administrative data on its retiree-members. Information about trends and relevant issues were also gathered from a review of literature. To understand more deeply the processes, challenges and opportunities, this study also conducted multiple key informant interviews with retirees, PRA-accredited partners such as marketers, representatives of accredited facilities, frontline workers (satellite offices), PRA officers and staff, and Bureau of Immigration representative.

To gain an understanding about retirees' motivations as well as to gain insights on competitiveness and market expansion, it is essential to understand some concepts that emerged from recent trends. The literature talks about three (3) types of retirement: 1) traditional, 2) semi-retirement, and 3) temporary retirement. Traditional retirement is when one stops working permanently, no full or part-time work, around the age of 65. Traditional retirement is when one stops working permanently around the age of 65. Semi-retirement is when people of retirement age work part-time, become entrepreneurs or engage in economic activities that can help them put into use their accumulated experience and wisdom. This type included phased retirement and partial retirement. Temporary retirement happens when one goes on a mini retirement in between careers, that takes months or even years.

A review of the literature shows that the reasons behind retirement migration have to do with differences in climate, coastal access, landscapes, food, cultural heritage, and way of life (Benson and O'Reilly, 2009). In the mid-2000s, international retirement flowed from the North to the global South (Latin America and Southeast Asia). In Southeast Asia, affordable and quality care, an enabling environment for marriage migration between older European men and much younger

local women, low-cost living, and a warmer climate enable destination retirement migration (King, Cela, & Fokkema, 2021). The study by King et al. (2021) describes purposeful retirement migration as one that includes moving abroad before a planned retirement, especially for those who can work from home. Changing work modes and flexible retirement caused significant shifts in how retirement is viewed. More traditionally, older heterosexual couples comprise international retirement migrants, but new studies point to the retirement migration of older men, and single, widowed or divorced older women (King et al, 2021). An earlier study (i.e., 1991) shows that climate is a significant reason for retiring overseas. It is followed by affordable cost; good amenities and residential areas; hassle-free retirement scheme; health improvement; political stability and security; ease of communication; enhanced relationship with family and friends; friendly people; active change upon retirement; positive overseas experience; central travel location; beautiful countryside; tranquility and simple life; food variety; positive instant thought; positive retirement book description; and meaningful 'second life.' In a local 2014 study on the Philippines, Meija-Santos found that foreign retirees are attracted to retire in the Philippines because of the hospitality and of Filipinos and their care for the elderly, the low-cost lifestyle, and benefits offered by the PRA to its members.

Looking at the country's competitiveness, while the Philippines did not make it to the list of the top countries in the 2023 Annual Global Retirement Index recently published by International Living magazine, an assessment based on a set of criteria shows that the PRA's visa program is deemed very attractive. Among its neighbors in the ASEAN, it is the only one that accepts eligible foreign retirees to have indefinite stay in the country. It also offers relatively lower financial requirements in comparison to those of other countries in the ASEAN region. The PRA also provides incentives and some assistance to help the retirees in initial settlement. Having dedicated staff in satellite offices in areas with high concentration of foreign retirees is also a strength of the retirement program.

The PRA retirement program is also deemed responsive to the demands of people who may be going through different types of retirement. Because it allows the retirees to work for salary (although they still need to secure the AEP), the program is cognizant on the presence of other types of retirement, not just the traditional type where the retiree stops to work entirely. It acknowledges that some may be going through semi- or gradual retirement type (or what some others call flexi-retirement) wherein working will help them not only in their finances but also for health reasons. However, the Philippines' strategy is less aggressive than that of Malaysia. Malaysia's business model does not limit the age requirement to older individuals (as long as they show financial capacity). Malaysia is therefore deemed more aggressive in accommodating the two other types of retirement (semi- or gradual and temporary). This strategy is likewise positioned to gain from the recent trends of business executives (who are likely to travel and become transnational) getting younger. Currently, the PH allows only 50 years old and over for its retirement program under the PRA. It used to cater to retirees as young as 35 years old.

With respect to the profile of retirees being attracted to the PH program, PRA administrative data show that on average, active retirees acquired their SRRV visa at the age of 49. Only about 18.7 percent of principal SRRV cardholders are 60 and above, while 81 percent fall between the range of 30 and 59 years old. In terms of the trend in age, more recent active retirees are fairly young with more active retirees coming from those ages 30 to 39 and 40 to 49 (see Figure 12). This is significantly different from the year 2010, wherein ages 50 to 59 and 60 to 69 were the top two age groups. It can also be seen that there are more active principal retirees coming from high

income (48.4%) and upper middle-income countries (41.6%). More than a third of active retirees comes from China (40.1%), then South Korea (14.1%), and United States of America (8.9%). The other top origins are India, Japan and Taiwan. In terms of their location in the country, active principal retirees are present in nearly all the regions of the country, although there is a notable concentration of retirees in NCR, Region III, Region VII, and Region IV-A. Most of these are highly urbanized areas, with easily accessible and vast services available. So, prior to the implementation of PRA's new policy of accepting applicants who are 50 years old and above, the country has been attracting relatively young, mostly Chinese migrants, and mostly from high-income groups.

Despite the attractive retirement program set by the PRA, it is important to note that compared to its neighboring countries, particularly Thailand, Malaysia and Singapore, the Philippines attracts only a small number of international migrants, in general – that is only 2.1 percent of the total going to Southeast Asia. Thailand and Malaysia attract 34 and 33 percent, respectively. Even if this pertains to all migrants (retirees and otherwise), it shows that we have a long way to go when it comes to attracting people to come and eventually retire in the country. The outcomes of the key informant interviews reveal a set of challenges that must be addressed.

These challenges include but not limited to delays associated with obtaining the visa (SRRV) and PRA ID renewal, a system that is prone to scam (reported in Clark-Subic Satellite Office), uncertainty in the documentary requirements, frequent renewal process of the PRA ID card (prior to the recent implementation of 2-year renewal frequency), and lack of information dissemination in relation to membership cancellation. Conversations with retirees and their marketers reveal that foreign retirees share information with one another – concerning both positive and negative retirement experiences in the country. They also serve as important sources of information for prospective retirees. Therefore, the spread of positive experiences is likely to attract more prospective applicants while the negative ones are likely to discourage those who are planning to come to the country to retire. It is important that these challenges must be addressed by PRA effectively.

Apart from facing competition from neighboring countries, the PRA SRRV also faces competition domestically. Marketers note that because of the delays and other specific requirements of the PRA visa process (such as holding the applicant's passport during the whole duration of the application process), the SRRV is deemed less attractive when compared to other visa options for foreign nationals particularly for business executives who tend to be mobile. These alternative visas have significantly shorter timeframe which enable the applicant to access his/her passport right away. Although none of the other visas truly compare to the SRRV, they serve as options for applicants.

The lengthy SRRV application process is attributed mostly to the Bureau of Immigration part of the process. Specific recommendations obtained via the KIIs include a set that has been tested in the past including assigning a particular BI satellite office for processing SRRV and empowering its head with authority to approve the applications, augmentation of personnel at BI, and establishing a department solely for visas at BI. Upon weighing the pros and cons, BI may also consider delegating some processes to the PRA such as derogatory checks.

Apart from the delays in processes, there is lack of services or facilitation of access to services beyond the visa program. The PRA, therefore, must enhance its efforts on improving the welfare

of its clients, the retirees. The focus should not be limited to marketing programs aimed at expanding visa applications/memberships but more so in facilitating a successful retirement experience for PRA members. In other words, the PRA must look beyond the visa-related needs of its clients and must develop relevant after-sales services and dedicate greater resources to such services. PRA satellite offices serving the frontline are understaffed and are constrained in terms of providing the assistance needed by retiree-members and responding to queries from prospective members. PRA satellite offices must be provided with adequate physical and human resources. Aside from these, the development of the PRA-wide digital system must be fast-tracked to improve program processes and ensure regular monitoring of PRA efforts' effectiveness.

Using an industry-oriented lens, facilitating a retirement haven requires an improvement in the distribution of medical and care facilities. The data from the Annual Survey of Philippine Business and Industry (ASPBI) conducted by the Philippine Statistics Authority show that the supporting facilities and services in the Philippines for retirees are limited (Table 12). These would include limited residential care activities for the elderly and residential nursing care facilities. The number of establishments becomes critical especially for Mindanao and areas outside Luzon. Mindanao reports no such establishments from 2014 to 2017. In terms of other services such as medical services, establishments data reveal that there may be sufficient private services available for the retirees, but the concentration remains in NCR and Luzon. Mindanao and Visayas have considerably fewer private hospitals. This lack of access to medical services can be a major barrier for retirees, who are more likely to have chronic health conditions. More importantly, amidst the ageing of global population, the Philippines' bid to become a retirement haven requires the development of the retirement care industry. Further research and partnerships with players in this sector must be intensified. One of the key challenges is also the lack of access to or issues related to health insurance.

The PRA must therefore proactively collaborate with other stakeholders in the retirement industry such as but not limited to providers of services needed by PRA members. It can collaborate more actively with other relevant agencies and explore cooperation with entities that have existing programs that actively support retirees. In carrying out this set of actions, a client-oriented and value-chain approach must be adopted where addressing the needs and concerns and promoting the welfare of retiree clients are of foremost importance.

Having said these, the agency must also come up with a mechanism to regularly obtain information on the concerns and services needed by its members so that it can develop or improve its servicing. The agency must also implement concrete mechanisms to protect prospective PRA members against scams and other illegal activities and unreasonably high fees. An important step would be to conduct effective information programs.

Lastly, given the broad extent of improvements that are required, the PRA and its partners and retirement industry stakeholder must craft an industry roadmap that is anchored on the positioning of the country as a competitive retirement destination within a context of rapidly ageing societies, changing work concepts and environments, and changing business landscapes. To be competitive (attractive and responsive), they must take an industry-level perspective, an agile, adaptive, and knowledge-based approach in the development of the country's retirement program.

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1. Introduction

The transnational retirement industry in Southeast Asia is fast developing. In the 2022 Annual Global retirement Index, Thailand, Cambodia, and Malaysia are the top Asian countries that were listed by International Living as the World's Best Places to Retire in 2022. Although not included in the 2022 list, the Philippines ranked 19th in the 2017 Annual Global Retirement Index and 8th in 2014 as a leading expatriate destination in the Inter Nations Survey conducted by Expats Insider.

South-East Asian countries are attractive destinations for retirees because of its low cost of living, pleasant climate, and quality services for older people. Taking advantage of this demand, countries like the Philippines, Thailand, and Malaysia have instituted programs to promote retirement migration, for example, by facilitating visa or residence permits for older people from abroad or by offering tax and price benefits. In Thailand, an estimated 73,000 people were staying on retirement visas in November 2018. Malaysia, under their Malaysia My Second Home (MM2H) program, has issued 48,471 visas as of 2019. The Philippines has recorded 55,114 enrolled retirees as of December 31, 2020. Retiree migrants in South-East Asia originate from different countries. The Chinese nationals make up the largest group of applicants in Malaysia and in the Philippines while British nationals were the largest group of applicants in Thailand (Styllis, 2020). Japanese and Korean retirees also take advantage of these programs, with some setting up businesses in their destination countries.

The Philippine Retirement Authority (PRA), a government owned and controlled corporation, is mandated to develop and promote the Philippines as retirement haven. Its retirement program, called the Special Resident Retiree's Visa, has the following benefits – 1) indefinite stay with multiple entry/exit privileges, 2) exemption from the Alien Certificate of Registration Immigration or ACR-I Card of the Bureau of Immigration which serves as an identification card for all registered aliens whose stay in the country has exceeded fifty-nine (59) days, custom duties and taxes for one-time importation of household goods and personal effects worth up to US\$7,000 tax from pensions and annuities, travel tax if retiree has not stayed in the Philippines for more than 1 year from last date of entry, and student visa/study permit, 3) access to the Greet-&-Assist Program at selected Philippine airports; 4) free subscription to the PRA Newsletter; 5) discount privileges from PRA accredited merchant partners; 6) free assistance in transacting with other government agencies; and 7) entitlement to PhilHealth benefits and privileges.

Recently, the tourism industry has been called by the new administration as an important take-off point for the economy's recovery efforts from the effects of the COVID-19 pandemic. In cognizance of the thriving retirement industry and the demand for retirement migration in the region, this paper will analyze the competitiveness of the Philippines' retirement program in comparison to other countries' retirement programs within the South-East Asian region. The findings of this research are aimed at informing the design and formulation of programs and policies in relation to and for the advancement of retirement in-migration or retirement tourism of

the Philippines. It aims to guide, if not directly influence, the policy formulation process of the Philippine Retirement Authority which implements such programs.

This research project aims to assess PRA's retirement program, including the Special Resident Retiree's Visa (SRRV), a special non-immigrant visa designed for foreign nationals who wish to make the Philippines their secondary residence or investment location (PRA 2022).² In particular, it examines its competitiveness and attractiveness compared to the programs of neighboring countries and other key destinations of migrant retirees. It seeks to assess, based on available quantitative and qualitative data, the market position of such a program based on generally accepted criteria. Furthermore, it analyzes the program's current market niche and the profile of individuals who prefer or are more likely to retire in countries outside their country of origin or usual residence. The ultimate goal is to generate recommendations for the enhancement of programs in retirement tourism or retirement migration in the country.

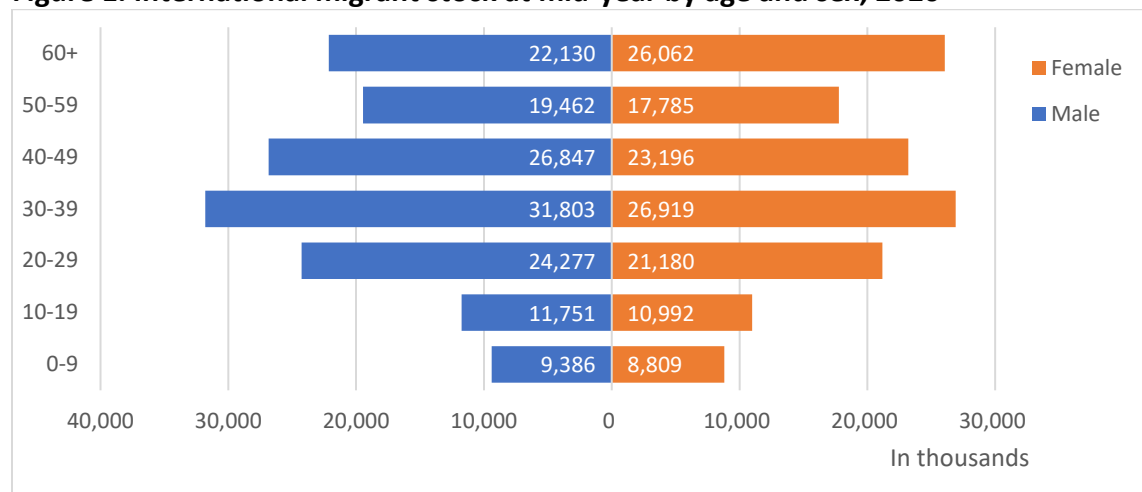
The research questions this study intends to focus on are the following:

1. How competitive is the PRA's retirement program vis-à-vis those of its neighboring countries and other top destinations of retirees in the world?
2. What is the profile of individuals seeking to migrate to retire in countries other than their origin and what is the global trend with respect to this phenomenon? Likewise, what is the profile of individuals seeking to migrate and retire in the Philippines?
3. Who are those which the PRA's retirement program currently attracts and benefits and how can its market be expanded?
4. What steps can be taken to improve the competitiveness of PRA's retirement program?

2. Background

International migration has increased over the years, with 84 million in 1970 and reaching 280 million in 2020. In terms of age, international migrants (IMs) are fairly young, covering mostly the working age population. This is not a new idea given the trend of globalization and increasing labor mobility. However, it can also be seen that older individuals near and at retirement age are still mobile. International migrants ages 50 and above had doubled in just three decades, from 42.3 million in 1990 to 85.4 million in 2020.

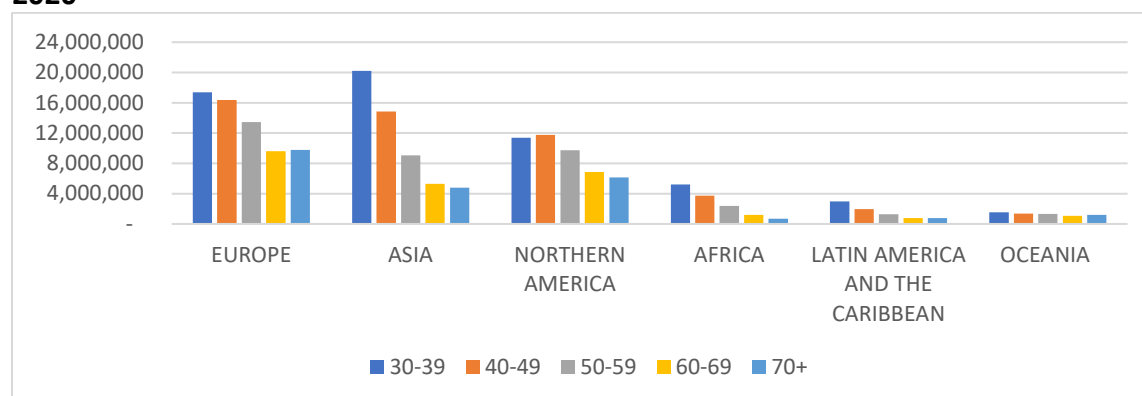
Figure 1. International migrant stock at mid-year by age and sex, 2020



Source: International Migrant Stock 2020 - UN DESA (2020)

In terms of destinations, more migrants prefer Europe, Asia, and North America over other regions. Looking at age, it can also be observed that younger individuals between the ages 30-49 tend to travel to Asia, although this changes as older migrants, ages 50 and above, travel West in Europe and North America.

Figure 2. International migrant stock at mid-year by age and by region of destination, 2020



Source: International Migrant Stock 2020 - UN DESA (2020)

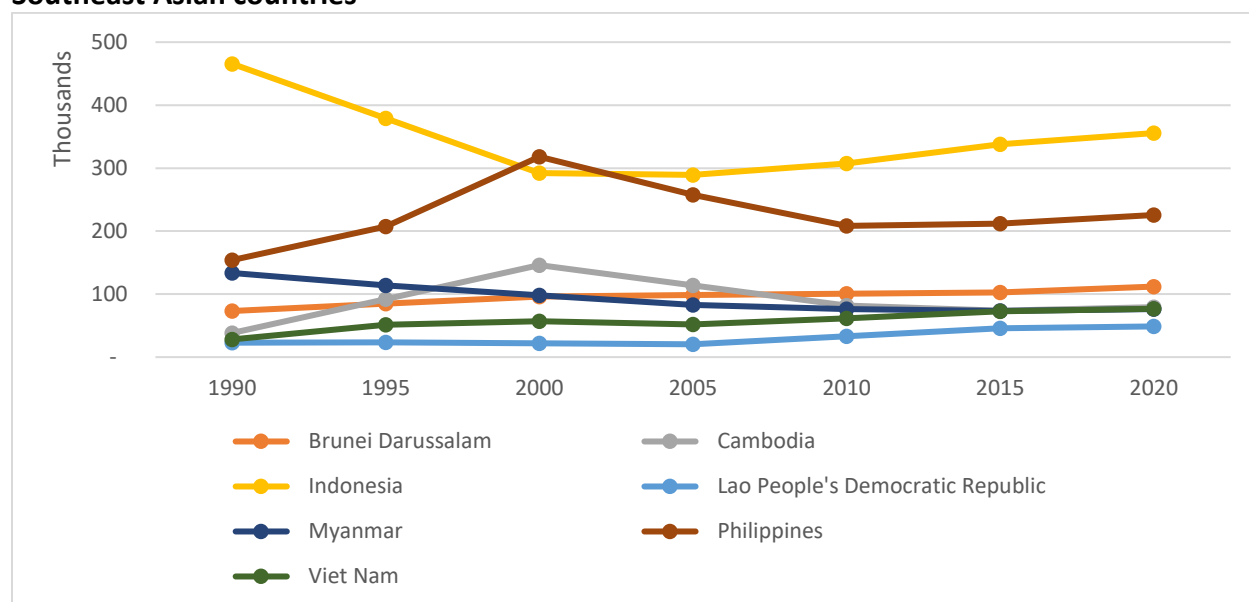
For Southeast Asia, around 90 percent of migrants tend to travel to higher income countries such as Singapore (34.2%), Thailand (32.8%), and Malaysia (23.8%) (see **Table 1**). Meanwhile the other eight countries in the region, share only a million IMs in 2020. Growth of international migrants (IMs) has remained relatively sluggish through the years (see Figure 3). Out of 11 countries in the region, the Philippines ranked fifth in number of IMs at 225 thousand (2.1%).

Table 1. International migrant stock at mid-year in Southeast Asia by country of destination, 2020

Country of destination	Number of IMs	%share
Southeast Asia	10,615,377	100.0%
Thailand	3,632,496	34.2%
Malaysia	3,476,560	32.8%
Singapore	2,523,648	23.8%
Indonesia	355,505	3.3%
Philippines	225,525	2.1%
Brunei Darussalam	111,959	1.1%
Cambodia	79,341	0.7%
Viet Nam	76,767	0.7%
Myanmar	76,446	0.7%
Lao People's Democratic Republic	48,731	0.5%
Timor-Leste	8,399	0.1%

Source: International Migrant Stock 2020 - UN DESA (2020)

Figure 3. International migrant stock at mid-year by place of destination in select Southeast Asian countries

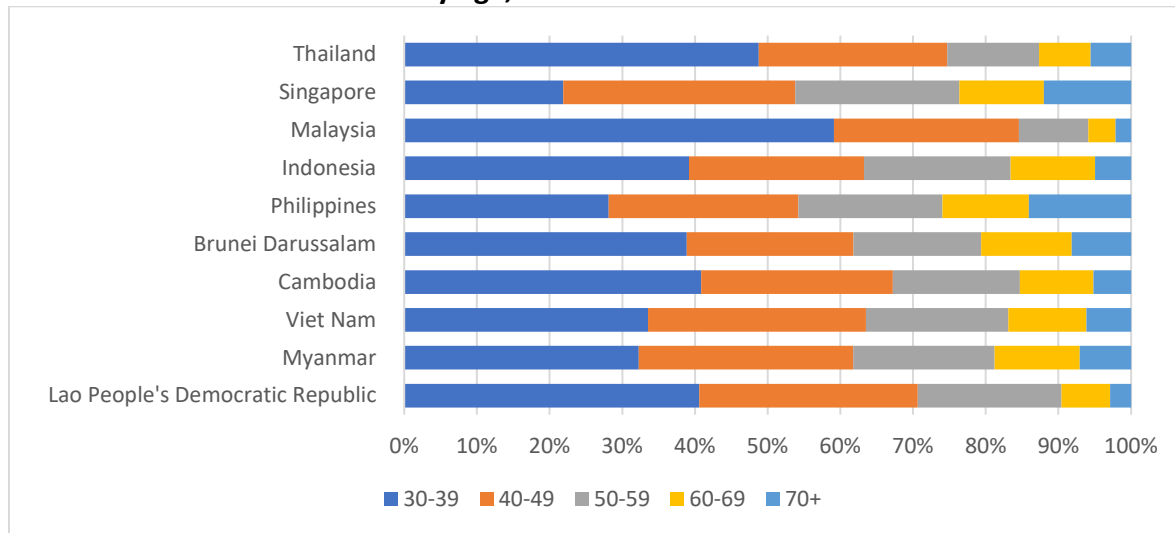


Note: Thailand, Singapore, and Malaysia were omitted due to high numbers.

Source: International Migrant Stock 2020 - UN DESA (2020)

Beyond the working-age population, the country also appeals to older migrants. In terms of age composition of IMs, the Philippines attracts mixed age groups, meaning that aside from working age population those who are older are still almost equally present. Moreover, there is a higher share of ages 50 and above travelling to the Philippines as compared to the same age group in other countries. As such, despite having a relatively young population, it is also important to promote and develop the existing retirement industry in the country given the potential. This can also help in the long run as the age demographic shifts in the country.

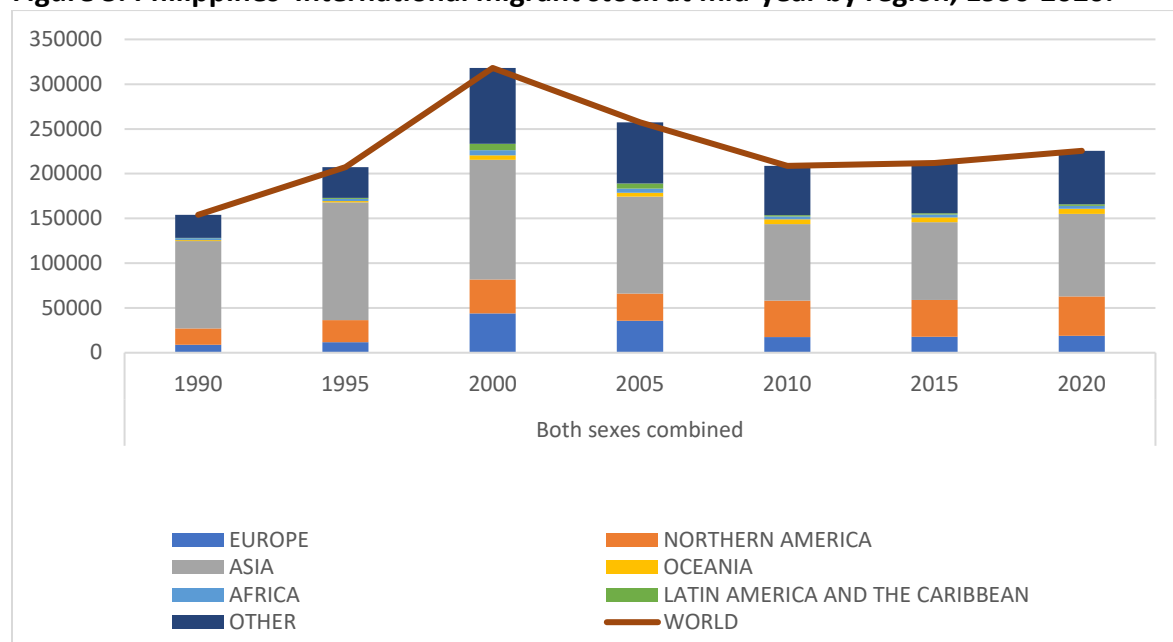
Figure 4. International migrant stock at mid-year by place of destination in select Southeast Asian countries and by age, 2020.



Source: International Migrant Stock 2020 - UN DESA (2020)

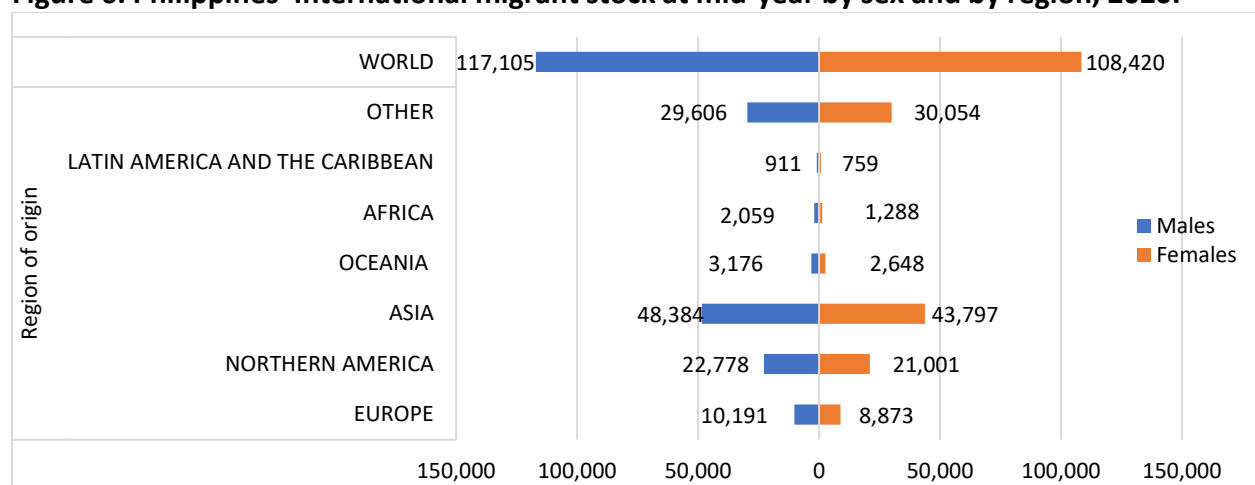
Specific to the Philippines as a destination, the country had its highest number of international migrant stock in 2000, at about 318 thousand (Figure 5). IMs in the country saw a decline in 2005 and 2010 before gradually picking up again in 2015. In 2020, international migrant stock in the Philippines was at about 225.5 thousand. Looking at the regions of origin from 1990 to 2020, most of these migrants come from Asia, followed by North America. Decomposing the migration stock by sex, the difference between males and females is about 8.6 thousand. Furthermore, aside from the consolidated numbers from countries lumped in 'Others' where there are about 400 more females, there are more males across the different regions of origin (Figure 6 below).

Figure 5. Philippines' International migrant stock at mid-year by region, 1990-2020.



Source: International Migrant Stock 2020 - UN DESA (2020)

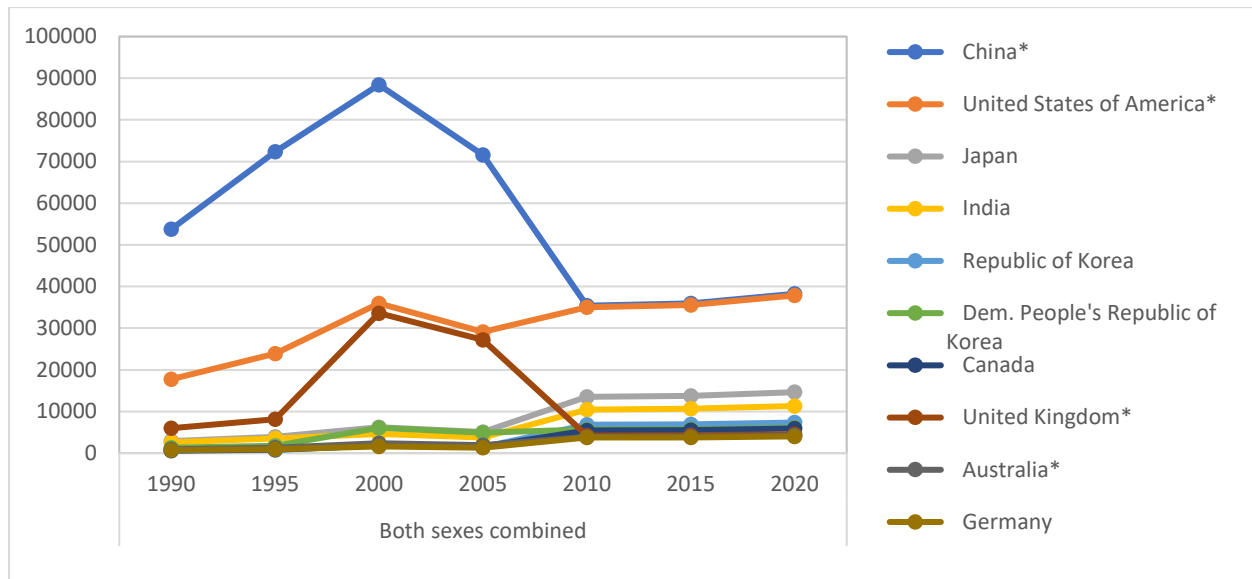
Figure 6. Philippines' International migrant stock at mid-year by sex and by region, 2020.



Source: International Migrant Stock 2020 - UN DESA (2020)

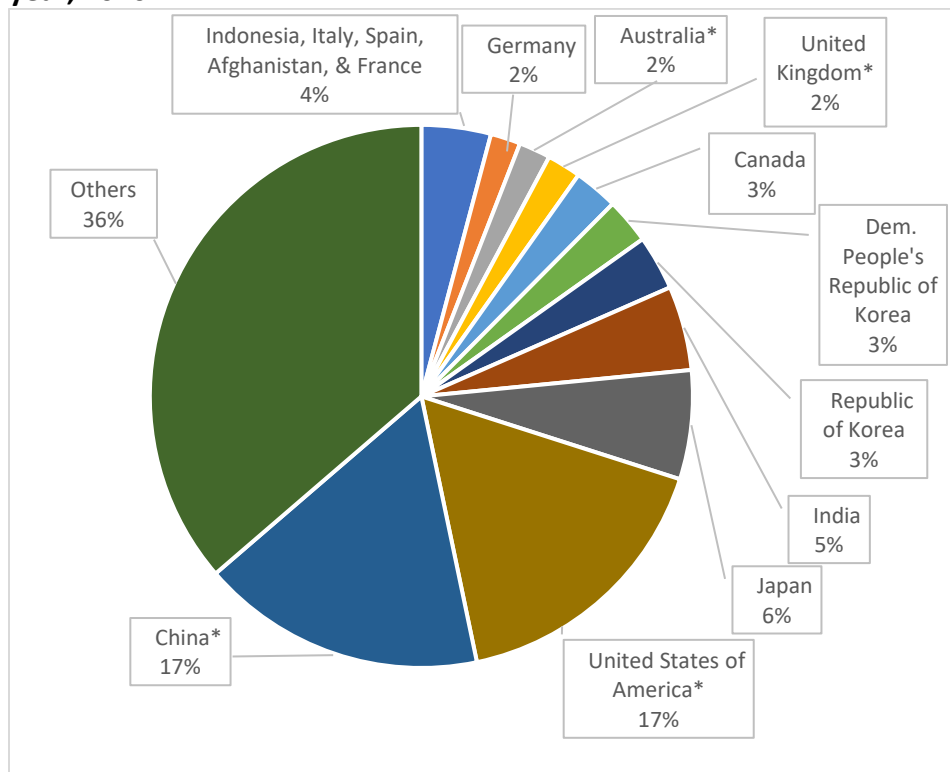
Data on countries of origin reveal that China has been the country where a significant number of IMs are from (Figure 7 below). 88,418 of the 133, 668 international migrants from Asia in 2000 specifically originated from China. This number has declined, however, in the decade following this. As of the 2020 data, the share of China and the United States of America in the international migrant stock of the Philippines are almost equal at about 17 percent (Figure 8). This is then followed by Japan, India, and Korea.

Figure 7. Top countries in Philippines' International migrant stock at mid-year, 1990-2020.



Source: International Migrant Stock 2020 - UN DESA (2020)

Figure 8. Share of countries of origin in Philippines' International migrant stock at mid-year, 2020.



Source: International Migrant Stock 2020 - UN DESA (2020)

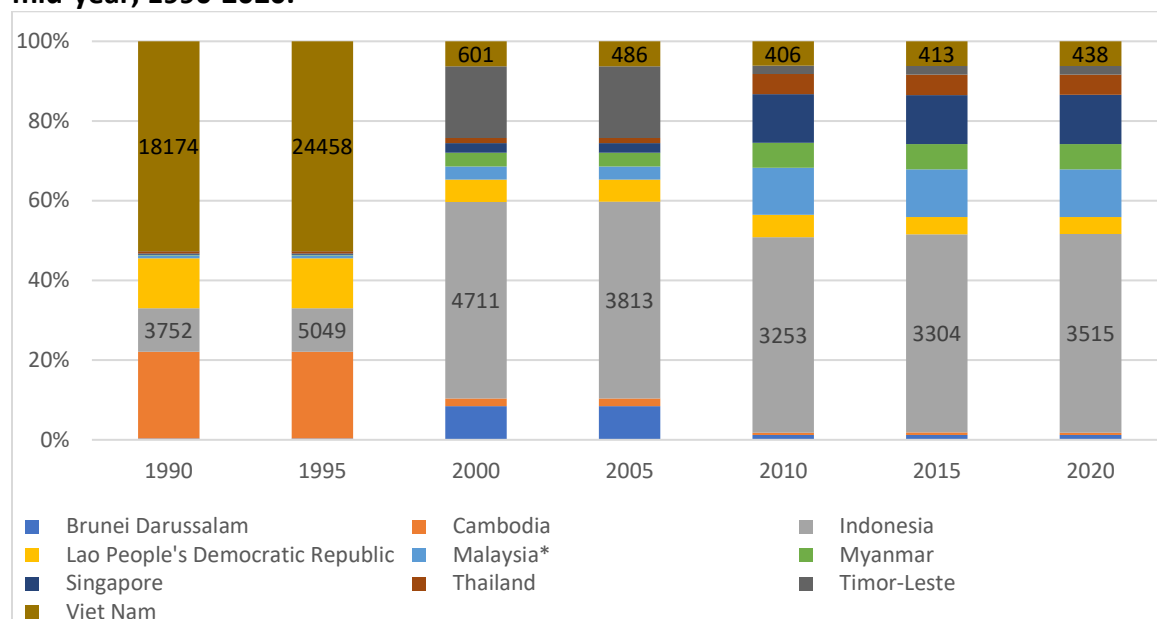
Looking at the neighboring countries of the Philippines, international migrants from Southeast Asia was at its highest in 1995. This was followed by a sharp drop in number to just about 9.5 thousand migrants in 2000 (Table 2 below). Looking at the distribution of the international migrant stock of the Philippines from Southeast Asia in Figure 9 below, a significant share of the migrants in the 90's was from Viet Nam. Thereafter, from 2000 to 2020, the Philippine's migrant stock from this region has mostly originated from Indonesia, while the migrant stock from Viet Nam significantly lessened.

Table 2. Philippines' International migrant stock from Southeast Asia at mid-year by sex, 1990-2020.

	1990	1995	2000	2005	2010	2015	2020
Both sexes combined	34,501	46,426	9,552	7,726	6,626	6,640	7,051
Males	16,679	21,969	4,862	3,994	3,565	3,579	3,816
Females	17,822	24,457	4,690	3,732	3,061	3,061	3,235

Source: International Migrant Stock 2020 - UN DESA (2020)

Figure 9. Distribution of Philippines' International migrant stock from Southeast Asia at mid-year, 1990-2020.



Source: International Migrant Stock 2020 - UN DESA (2020)

Brief overview of PRA

The Philippine Retirement Authority (PRA), then Philippine Retirement Park System, is a government-owned and controlled corporation established on July 4, 1985, through Executive Order No. 1037, during the presidency of Ferdinand E. Marcos. The control and supervision of PRA were transferred from the Office of the President to the Board of Investments (BOI) – Department of Trade and Industry on August 31, 2001, through Executive Order No. 26.

Under Republic Act No. 9593 or the Tourism Act of 2009, PRA became an attached agency of the Department of Tourism.

PRA's mandate is to promote the Philippines as a retirement haven, contributing to the country's economic and social development, improving its foreign exchange position, and providing an attractive package to prospective retirees. The PRA recommends to the Bureau of Immigration (BI) the issuance of a non-immigrant visa to qualified foreigners and former Filipino citizens who desire to establish the Philippines as their second home.

The PRA offers the Special Resident Retiree's Visa (SRRV), which provides retirees with long-term visa privileges, including multiple-entry and indefinite stay in the Philippines. This program also offers several benefits and incentives, such as tax exemptions on foreign pension and annuities, and discounts on travel, medical, and other services.

Aside from retirement visas, the PRA also promotes investment opportunities in the Philippines, particularly in the real estate and tourism industries. It works closely with various government agencies and private stakeholders to provide retirees and investors with a safe and conducive environment to live, work, and do business in the country.

Overall, the PRA plays a crucial role in promoting the Philippines as a retirement and investment destination, which contributes to the country's economic growth and development.

3. Review of Related Literature

Types of Retirement

Analyzing the competitiveness of PRA's retirement program requires a formal inquiry on the concept of retirement, the types, and retirement behavior. Such an inquiry lends insights that can inform policy decisions on whether or not the PRA should cater to different retirement behaviors.

It is important to note that as a concept, retirement is evolving and complex. With people having longer life expectancies, fewer people are opting for an all leisure and zero work scenario. Instead, there are those who want to gradually or semi-retire while others go through a temporary retirement. There are three (3) types of retirement: 1) traditional, 2) semi-retirement, and 3) temporary retirement. Traditional retirement is when one stops working permanently, no full or part-time work, around the age of 65. People who retire in the traditional sense are those who live on their pension or social security payments and retirement savings they have accrued over time. Semi-retirement, on the other hand, is when people of retirement age work part-time, become entrepreneurs or engage in economic activities that can help them put into use their accumulated experience and wisdom. This is the suitable type of retirement for people who want to remain active and to supplement their retirement income. Semi-retirement is consistent with the concept of "gradual retirement" wherein people prefer to have a smooth transition going into retirement, gradually reducing hours of work. Kantarci and Van Soest (2008) noted that gradual retirement can come in two forms – a) phased retirement or the reduction of work hours in the same job, and b) partial retirement such as switching to a less demanding job with normally fewer work hours and lower income. In the United States and in Europe, "gradual retirement is generally seen as an opportunity to keep older workers longer in the labor market" (p. 15, online version). Lastly, temporary retirement happens when one goes on a mini retirement in between careers, that takes

months or even years. People who are on temporary retirement usually take this time to go on a travel before heading back to work.

Retirement Ages in Countries Where Top SRRV Members Originate

Based on PRA's data, the top supply countries for SRRV enrollment are the Great Britain, United States of America, India, China, and Korea. The PRA has cited retirement policies for uniformed personnel in these countries.

British who are 60 and above are entitled to a pension. Those that retired earlier than 60 will have pensions deferred to when early retirees reach 60. Exceptions to the deferred pension policy are those that are entitled to the Early Departure Payment, ill-health pension, or resettlement grants.

At present, the retirement age for American soldiers on active duty is 62 years old. An American can enter the service at age 39 or below and can get full retirement benefits after 20 years of service. However, policies for the retirement of the American military frequently change.

Indians who rank from colonel to general are mandated to retire between the ages 54 and 60. Subedar majors are required to retire after 30 years of service or at age 52, whichever comes sooner. Those having the naib subedar rank should retire after 28 years of service or at age 52, whichever comes sooner.

As per China's Article 34 of the Regulations of the Chinese People's Liberation Army on the Military Service of Officers in Active Service, all Chinese military officers in active service should retire when they reach the maximum age of active service in peacetime. Retirement ages differ among ranks: 55 for officers at the divisional level in combat troops, 58 for deputy corps commanders, and 60 for corps commanders on combat troops.

In Korea, military pensions are only provided to military personnel who have served for at least 20 years. Lower-ranked commissioned officers, such as captains, are mandated to retire at 43.

Trends, patterns, and motivations of international retirement migration

Since many of the retiree-members of the PRA are foreign nationals, the scholarship on international retirement migration provides a way to understand the patterns, trends, and motivations. Scholars regarded conventional IRM as an extension of internal or in-country retirement migration during the early 20th century, where Northern European retirees moved to Southern Europe. The IRM observed now proceeded from the mass marketing of holiday destinations during the 1960s and 1970s. These destinations were in the Mediterranean, which hosted retired Northern Europeans, and research on international retirees in Mediterranean Europe continued until the 1990s (King, Cela, & Fokkema, 2021).

King et al. (2021) sought to define new international retirement migration (IRM). Increased life expectancy, access to education, and better wealth accumulation influence the growth of lifestyle IRM. Areas that have not experienced mass international retirement migration are becoming more attractive to international retirees as properties are cheaper. Benson and O'Reilly (2009) sought to define retirement migration with a lifestyle lens by observing that the reasons behind moving to another place to retire are those that have to do with differences in climate, coastal access, landscapes, food, cultural heritage, and way of life. With this lens, Benson (2011)

and O'Reilly (2000) also studied younger working-age migrants settling in rural France or the Costa del Sol in Spain.

The search for retirement areas has also become broader, such that those seeking a Mediterranean climate may choose Croatia or Turkey. In the mid-2000s, international retirement flowed from the North to the global South (Latin America and Southeast Asia). In Southeast Asia, affordable and quality care, an enabling environment for marriage migration between older European men and much younger local women, low-cost living, and a warmer climate enable destination retirement migration (King, Cela, & Fokkema, 2021).

King et al. (2021) also suggests a new typology of IRM. The difference lies in the destination and the timing (age of migrant) of migration. In the strictest sense, King et. Al defines IRM as a "purposeful movement across an international frontier for a threshold measure of time, such as six months or a year" (p. 1209). However, purposeful retirement migration also includes moving abroad before a planned retirement, especially for those who can work from home. Changing work modes and flexible retirement caused significant shifts in how retirement is viewed.

King et al. (2021) have also observed that IRM can be classified according to the gender of those participating in it. The older heterosexual couple is the most traditional unit of international retirement migrants, but King et al. observed new studies focusing on single-person IRM moving to countries that have newly opened to international retirement migrants. Toyota (2016, as cited in King, Cela, & Fokkema, 2021) observed older Japanese men retiring alone in Thailand, while Gambold (2013, as cited in King, Cela, & Fokkema, 2021) studied single, widowed, or divorced/separated older women choosing migration as a life choice for retirement.

Scholars have also observed nuances in the retirement migration of foreign migrants to another country. Cerase (1974) documents the return migration of retired Italian migrants from the USA to Italy. On the other hand, studies on foreigners who reach retirement age in host European countries mostly find that these foreigners stay for retirement, especially when their children reside in the host country. (King et al., cite 2021) Still, studies on European retirement migration largely observe "back-and-forth" migration (Bolzman et al., 2006; Ganga, 2006; Baykara-Krumme, 2013, as cited in King et al.)

The emergence of the transnational retirement industry is a response to the rapid progress of population aging (Toyota and Xiang, 2012) According to UN DESA (2019), there were 703 million persons aged 65 years or above in 2019. The number is projected to double to 1.5 billion by 2050. In Eastern and South-Eastern Asia alone, the percentage of 65 years old and above almost doubled in 2019 to 11 percent from its 1990 estimate of only 6 percent.

There are several reasons why a retiree might engage in international retirement migration. In a study by Ono (2008), the motivators of Japanese retirees to reside in Malaysia are cost, weather, recreation and entertainment opportunities, environment, visa systems, and available elderly care facilities. This study, however, only included Japanese nationals who retired from Malaysia. The results may explain a specific cultural perspective and may not be generalizable. On the other hand, Wong and Musa (2014) examined the travel motivation of 30 retirees of different nationalities. The study used Pearce's (1991) Travel Career Ladder (TCL) model. The study's results showed that climate is a significant reason for retiring overseas. It is followed by affordable cost; good amenities and residential areas; hassle-free retirement scheme; health improvement;

political stability and security; ease of communication; enhanced relationship with family and friends; friendly people; active change upon retirement; positive overseas experience; central travel location; beautiful countryside; tranquility and simple life; food variety; positive instant thought; positive retirement book description; and meaningful 'second life.' Other studies that used the TCL model identify the cheap cost of living as the most common motivation to retire overseas (Breuer, 2005; Gibler et al., 2009; Ono, 2008; Rodriguez et al., 2004), followed by favorable weather (Breuer, 2005; Casado-Diaz et al., 2004; King et al., 1998; Ono, 2008; Rodriguez et al., 2004; Sunil and Rojas, 2005) and health-related factors (Breuer, 2005).

A descriptive, evaluative, and causal-comparative study by Meija-Santos (2014) sought to determine if the Philippines is a retirement choice by foreign nationals enrolled under the SRRV Program. According to retirees who participated in the study, mostly males, married, college graduates, 35 to 49 years old, with pensions US\$ 800 to US\$ 1,500, and preferring to settle in condominium units in Metro Manila, they are attracted to retire in the Philippines because of the hospitality and of Filipinos and their care for the elderly, the low-cost lifestyle, and benefits offered by the PRA to its members. Despite these positive points, foreign retirees were concerned about peace and order in the country. The study participants also recommended the SRRV Program improve discount rates in transportation, medicine, school, and hospitals; offer and prioritize assistance; that the PRA allow visa deposits to be used for emergency cases; existing services be improved; and that health insurance be made portable. Thus, the author suggests that the PRA establish online payment facilities, one-stop shops, and offices inside consulates and embassies of countries where most of the members of the retirement program originated; propose to the Governance Commission for Government-Owned and Controlled Corporations (GCG) additional human resource capacity in the Servicing Division of the PR; and create other divisions to cater to the needs and provide assistance to retiree members. Additionally, the researcher recommends allotment of priority lanes and helpdesks for PRA clients in airports, enhancement of community integration, strict enforcement of laws on peace and order, and strengthened security. (Meija-Santos, 2014)

According to qualitative research on choice retirement destinations using newly proposed variables such as social structure and personal factors, Japanese nationals choose a place for retirement based on how food retirement life looks. The author observed that retirement migration happens gradually. For it to happen, one or more of these conditions need to be present: attachment to a location abroad, competence in overseas existence, the pull of family overseas, personal pursuit of meaning with connections overseas, and adverse issues in the country of origin. Unfavorable conditions in host countries also discourage retirement migration among Japanese nationals. These factors are built up over repeated travel to the host country and should reach a threshold for the older person to move to another country for retirement. (Moreno, 2012).

Trends concerning business executives

The characteristics of business executives also lend insights. Executives who happen to travel a lot and have the financial capacity to do so are becoming younger than ever. A recent Bloomberg

article¹ noted that the new CEO is younger (referring to American CEOs) where a non-negligible 30 percent of the new cohort in 2022 are under the age of 50. Another article² on the UK case notes that the average age of a CEO or manager has dramatically lowered from around 40 to just 22 years. In South Korea, a 2021 report³ shows that one in four executives at the country's top conglomerates is 50 or younger. In China, a 2022 study⁴ shows that mainland China has the youngest CEOs among global family businesses. The average age of CEO is 47.4 compared to the global average of 52.4 years. The recent trend of younger people going into entrepreneurship⁵ in combination to the trend of flexi-place work arrangements, with people pursuing own business and passion at the same time, is likely to have a profound effect on people's way of retiring in the near future.

Value Chain for Travel and IRM

Migration usually happens as one of the next steps to short-term travel. In this section, we discuss how the tourism value chain, a lead-in to seasonal or long-term migration, can be viewed and assessed by international retirement migration planners.

Experiences acquired through tourism lead to loyalty to a destination. If tourism clients have positive experiences of a destination, they tend to return to the destination. In a quantitative study on evaluating tourism value chain activities (TVA) in Indonesia, Rahmaiti et al. (2020) propose a destination logic combined with supply chain logic to view the tourism value chain, that value is accumulated along the process of travel planning and evaluation. Even before a trip begins, a client already evaluates a place using available information about an area and their experience in preparing for the trip, such as the ease of acquiring visas and other tourism services and products. Next, the client evaluates the trip using their direct experience during the travel. In this stage, the client experiences and evaluates the components of a trip experience: local and international transportation, service through personnel encountered, and the efficiency of service. Lastly, a client places value on a trip experience after the trip is done by expressing tourist satisfaction and tourist loyalty. Using Partial Least Squares Structural Equation Modelling (PLS-SEM), the author found that the three stages of the value chain influence each other. (Rahmiati, Othman, Ismail, Bakri, & Amin, 2020)

Sangkakorn et al. (2016) agree with the literature above that information about a destination plays a significant role in attracting travelers to a destination. This paper specifically examined how information on Thailand targeted to older adults helped the said target evaluate the country. The author identifies the following components that should have value added to them: tourism products, tourism attractions, accommodations, guided tours, food, medical care, and souvenirs. Value can further be maximized by tapping into the interests of seniors, typically classified as

¹<https://www.bloomberg.com/opinion/articles/2023-02-15/the-new-american-ceo-is-younger-and-may-even-be-a-woman#xj4y7vzkg>

² <https://magazine.startus.cc/average-age-ceo-lowered-20-years-according-new-research/>

³ <https://www.koreaherald.com/view.php?ud=20210712000904>

⁴<https://kpmg.com/cn/en/home/media/press-releases/2022/12/chinese-mainland-has-youngest-businesses-and-youngest-ceos-among-global-family-businesses.html>

⁵ <https://magazine.startus.cc/average-age-ceo-lowered-20-years-according-new-research/>

agricultural, historical, religious, health, adventure, nature-based, sport, learning-based, and cultural tourism. Among seniors visiting the Lanna Region of Thailand, they place more emphasis on the place's beauty, cleanliness and convenience and the calmness, enjoyment, comfort, and happiness it brings them. Through these value chain components, the author found the following tourism assessment dimensions that apply to older adults:

1. Recall - to recall the old days.
2. Refresh - to freshen your life.
3. Recreation - to relax and release.
4. Recover - to recover health.
5. Retreat - to stay in comfort.
6. Retain - to support conservation.
7. Re-learn - to explore new things.

(Sangkakorn, Pipithapan, Buranasiri, & Piboonrungraj, 2016)

International retirement migration could be connected to long-term tourism planning. In the case of Qatar tourism, Ndubisi and Nair (2023) found that competitive positioning starts with the image of a destination. Based on the resource-based and natural-resource-based lens used by the author, the image is not purely physical, as tourists visiting the Qatar area place value on the different meanings of the spots they visit. Among a sample of tourists who were mostly millennials, the natural and heritage resources play a more significant role in elevating a destination's image than built infrastructure or mega projects. The author suggests a tourism planning strategy that relegates built infrastructure as a support system that elevates the value of inherited resources, especially heritage resources, because these are costlier to maintain than natural resources. Despite differing in emphasis from the study on tourists in the Lanna Region of Thailand, both suggest that convenience and ease of accessing destinations significantly matter in destination value. (Ndubisi & Nair, 2023)

The value that customers place on a destination mediates between assessments of the natural environment and its image. On the other hand, customer value negatively mediates heritage assessments and destination image, since the perceived value of heritage places tends to decrease when customers deem that the price of access should be lower. Still, destination satisfaction mediates between heritage resources and destination image but not between the natural environment and destination image, which means that when customers are satisfied with heritage sites, satisfaction tends to be high. IRM planners need to look into value differentials between retirement areas with preserved nature spots and those with heritage sites. The uptick of visitors may be higher when natural resources are marketed, while loyalty through post-visit destination satisfaction could come from a better supply of heritage experiences. (Ndubisi & Nair, 2023)

Issues of overdevelopment and uneven development also influence how tourism value chains are studied. One challenge that tourism planners are reminded of is the impact of tourism on low-income households in developing countries. This discussion significantly affects how IRM planning is conceived as host countries are typically less developed than countries of origin and that social services, such as medical and care services, need to have enough carrying capacity to cater to international retiree migrants without displacing low-income households. Mitchell (2012) recommends that carry-over benefits to low-income households need to be in place at every step of the tourism value chain to minimize displacement issues. Further, benefits to the poor should not only include an increase in the number of jobs available due to tourism. Planners could

segregate social benefits from tourism direct, indirect and induced, and long-term effects to better plan out a tourism or migration program. (Mitchell, 2012)

Ling (2015) agrees that a country's social, economic, and environmental objectives are met when developing a tourism program. Social efficiency should be as important as economic efficiency, according to this paper. The challenge of the perceived oversupply of tourism products, in the form of high tourist visits to a destination, plays a role in lowering the quality of the travel experience. Ling suggests that scenic offerings should be more targeted and specialized and travel mediation should be done online. Additionally, travel agencies should collect enough data to allow tourism planners to develop specialized packages. More importantly, this paper also suggests that the scenic spot should be the core offering in a tourism program. (Ling, 2015)

Since tourist visits are a gateway to long-term or retirement migration, IRM planners should bank on the value that natural resources provide. In addition, as suggested by the papers on Qatar tourism and tourism in the Lanna Region, Thailand, comfort and ease of access should follow after a sustainability plan for destinations with natural resources is developed.

Measuring competitiveness

Competitiveness is generally defined as the ability of entrepreneurs to create and produce market goods and services that have a more attractive package of benefits and to generate more wealth than their competitors in the market (International Institute for Management Development, 1994, as cited in Aiginger, et al., 2013). From an industrial perspective, Buhalis (2000) defines competitiveness as the effort and attainment of long-term profitability above the average of the particular industry and alternative investment opportunities in other sectors. Following Ritchie and Crouch's (2003, p. 2) definition, destination competitiveness is "its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the wellbeing of destination residents and preserving the natural capital of the destination for future generations."

Determining the competitiveness of a destination is crucial in measuring its performance against its competitors. Since scholars cannot directly measure competitiveness, studies have used indicators to estimate destination competitiveness. Several studies have examined the factors that affect destination competitiveness. A model by Ritchie and Crouch (2000, 2003) outlines the factors that determine the competitiveness of a tourist destination. The model identified 36 destination competitiveness attributes and classified them into five key factors. Dwyer and Kim (2003) translate the model of Ritchie & Crouch (2000) into 83 indicators and classify new key factors as demand conditions and situational conditions. The most commonly utilized model is the World Economic Forum model, which ranks countries based on various criteria and factors influencing national competitiveness. This model includes 72 variables divided into three categories: regulatory framework; business, environment and infrastructure; and human, cultural, and natural resources..

An opinion-based ranking of countries to retire in is International Living magazine's Annual Global Retirement Index. The Retirement Index is a comprehensive survey that offers in-depth insights and recommendations based on opinions and real-life experiences compiled by trusted sources from the best retirement destinations worldwide. While it may not be a scientific output,

the Retirement Index is designed to be a useful tool for individuals seeking to gather information about potential retirement destinations.

The Retirement Index evaluates countries based on seven categories (2023), namely:

- Housing – the value of real estate properties and ease of purchase or lease
- Visa and Visa Benefits – ease of acquiring a visa and attached benefits.
- Cost of Living – the affordability of goods in a host country
- Affinity Rating – willingness to retire or travel to a country.
- Development and Governance – assessments on personal freedom, minimal bureaucracy, and a stable and safe environment
- Climate – less extreme weather patterns
- Healthcare – assessments of healthcare services in a host country

Between 2013 and 2018, the Philippines' performance in International Living's Retirement Index has been somewhat inconsistent. In 2013, the country ranked 15th out of 25 countries, indicating that it was seen as a relatively attractive option for retirees. However, this ranking slipped to 17th in 2014 and then further down to 23rd in 2015, possibly due to concerns about infrastructure, healthcare, and safety.

However, the Philippines saw a slight improvement in 2016, with a ranking of 17th, although it still faced challenges in areas such as healthcare and infrastructure. Since 2017, the country's ranking has been slipping – in 2017 and 2018, the ranking slipped to 19th and 21st, respectively.

The Philippines did not make it to the list of the top 16 countries in the 2023 Annual Global Retirement Index recently published by International Living magazine.

Several countries in Southeast Asia are offering retirement programs to attract foreign retirees. Of the 25 destinations cited as the world's best places to retire according to Annual Global Retirement Index 2022, five (5) destinations are in Southeast Asia. These are Thailand (11th), Cambodia (14th), Malaysia (15th), Bali (16th), and Vietnam (18th). The ranking considered the following aspects in ranking the countries – housing, benefits, visas/residence, fitting in/entertainment, development, climate, healthcare, governance, opportunity, and cost of living. These five destinations ranked the highest in cost of living, while Malaysia got a high score in healthcare and development.

Thailand

Thailand is Asia's top destination for retirees. It scored an average of 72.9 out of 100 across the ten (10) categories. In 2016, the Cabinet of Thailand instituted a new retirement scheme wherein nationals from 14 countries, namely: 1) Japan; 2) Australia; 3) Denmark; 4) Finland; 5) France; 6) Germany; 7) Italy; 8) Netherlands; 9) Norway; 10) Sweden; 11) Switzerland; 12) United Kingdom; 13) Canada and; 14) United States of America are allowed to stay a maximum period of 10 years – 5 years according to visa and a maximum extension of 5 years. Only those who are aged 50 and above are eligible for this scheme—however, applicants with forbidden diseases as mentioned in the Ministerial Regulation No. 14 (B.E. 2535) are disqualified for the said visa.

Before issuing a retirement visa, the Thai government screens the financial capabilities of a retiree. The visa applicant must have at least 3 million Baht (~US\$ 82,890) deposited in a Thai bank

located in Thailand or have at least 1.8 million Baht (~US\$ 49,734) and have an annual income of 1.2 million Baht (~US\$ 33,156). The visa also specifies that retirees must not withdraw the deposit within a year after issuance. Deposits may only be spent in Thailand after a year while maintaining the balance at 1.5 million Baht (~US\$ 41,445). Once granted a retirement visa, the retiree may work as a volunteer and purchase a vehicle or a condominium.

Foreigners living in Thailand are subject to the Alien Employment Act of Thailand, which requires foreigners to have a work permit issued by the Department of Employment, Ministry of Labor of Thailand. However, working for a salary is strictly prohibited in Thailand if one is a holder of a retirement visa. They can only engage in volunteer activities while staying in the country. With respect to owning a vehicle, the Thai government requires non-Thai citizens to present a passport, non-immigrant visa, and work permit or certificate/letter of residence issued by the Thai immigration office or the Thai Embassy before purchasing vehicles. Furthermore, there are no restrictions on nationality for foreigners who want to buy a condo in Thailand as long as they entered the country legally. The restrictions under the Condominium Act also imposed that developers/sellers of the condominiums may only sell 49 percent of the total floor area of the condominium building to foreigners.

As a way to boost the economy devastated by the pandemic, Thailand has passed a resolution on September 2021 that allows foreign investors and skilled professionals (e.g., wealthy pensioners): 1) 10-year long-term resident visa and issuance of an automatic work permit; 2) similar income tax rates with Thai citizens and tax exemptions for income earned abroad; and 2) ease restrictions on asset ownership (e.g., vehicle, condominium, etc.) (Koty 2021).

Malaysia

Another key destination in the region is Malaysia, ranked 15th in the 2022 Annual Global Retirement Index. Malaysia has been offering retirement opportunities to foreign nationals since 1996 under the 'Malaysian Silver Hair' program, only targeting elderly foreign retirees.

To make their migration policy more liberal, Malaysia introduced 'Malaysia My Second Home' (MM2H) in 2002. It abolished the minimum age criterion to attract a more vibrant and creative younger market. MM2H is Malaysia's program for foreign nationals who wish to stay in the country as long as possible on a multiple-entry social visit pass. MM2H simultaneously aims to attract foreign investments and stimulates income from the tourism, health, and education sectors.

The visa issued under MM2H is initially for ten (10) years and is renewable. It is also not limited to retirees. Malaysia does not impose age restrictions as long as they can financially support themselves. However, applicants under 50 must show proof of liquid assets worth a minimum of RM 500,000 (~US\$ 112,900) and offshore monthly income of RM 10,000 (~US\$ 2,258). On the other hand, applicants aged 50 and above may comply with the financial proof of RM 350,000 (~US\$ 79,030) in liquid assets and offshore monthly income of RM 10,000 (~US\$ 2,258).

Upon the arrival of the applicant, Malaysia requires those aged below 50 to open a fixed deposit account of RM 300,000 (~US\$ 67,740). After a year, the applicant may withdraw up to RM 150,000 (~US\$ 33,870) for expenses relating to house purchase, education for their children living in Malaysia, and medical purposes and should maintain a minimum balance of RM 150,000 (~US\$ 33,870) from second year onwards and throughout their stay in Malaysia under this program. Those who are aged 50 and above have a less stringent financial requirement. They can either open

a fixed deposit account worth RM 150,000 (~US\$ 33,870) or show proof of monthly pension from the government amounting to RM 10,000 (~US\$ 2,258). However, they may only withdraw their deposit after a year. They can only withdraw up to RM 50,000 (~US\$ 11,290) for expenses relating to house purchase, education for children in Malaysia, and medical purposes. Malaysia also requires the applicants to submit a medical report from a healthcare facility in Malaysia and be covered by a valid medical insurance.

Those issued a visa under MM2H are entitled to purchase a house in Malaysia, subject to the minimum price established for foreigners by the different states. They may also purchase or import a car and be eligible for tax incentives wherein excise duty is exempt when purchasing a new locally assembled vehicle. They are also exempt from excise and import duty when importing a pre-owned vehicle. An inquiry into the processing time for applications in Malaysia⁶ shows that the official timeframe for decision (approval or decline) is 90 days upon submission. Although, by the end of 2018, the approving authority was delegated to the Ministry of Home Affairs which does not provide the estimated time for processing applications.

Cambodia

Aside from Thailand and Malaysia, Cambodia is another noteworthy competitor, ranked among the top retirement destinations. In the 2020 annual global retirement index, Cambodia ranked 1st in the cost-of-living category. A retired person can survive on approximately US\$1000 to US\$2000 a month. Cambodia offers the Cambodian E-class visa to foreign retirees to allow them to stay in Cambodia for a long time. Like other countries, Cambodia requires the applicant to be financially capable of supporting themselves while living abroad. The E-class visa is usually issued to foreign retirees at least 55 years of age, but younger applicants may also apply. Requirements for foreign retirees are less stringent compared to other neighboring countries. Aside from presenting proof of pension and other social security documents, including proof of having enough funds in the bank, no steep financial requirements were needed to obtain the Cambodian E-class visa.

Vietnam

Another Southeast Asian country that made it to the Global Ranking is Vietnam. Challenges, however, remain in the country's visa policy since it doesn't have any clear policy for foreign nationals who want to retire in the country. Currently, Vietnam only grants tourist visas for 1 to 3 months. One can apply for visa exemption if they have a Vietnamese parent or spouse, with a maximum period of 5 years. Those who wish to stay longer must re-apply once their visas expire.

⁶ <https://www.mm2h.com/mm2h-application-procedures/>

Table 3. Comparison of SEA countries' retirement programs

Criterion	Philippines	Malaysia	Thailand	Vietnam	Indonesia	Cambodia
Eligibility	Any foreign national from a country with diplomatic ties with the Philippines, at least 50 years old.	All foreigners from countries that have diplomatic relations with Malaysia regardless of race, religion, gender, or age	50 years old	Legal age	55 years old	55 years old or subject to evaluation for younger applicants
Visa Limit	Lifetime	Ten (10) years Renewable	1 year/10 years* *Initially valid for 5 years, renewable for another 5 years	Ten (10) years Renewable	1 year Renewable annually for up to five years After five years of temporary residence, applicant is eligible for a permanent residence permit	1 year Renewable
Financial Requirement	SRRV Classic - US\$US\$ 10,000.00 (With a pension of at least US\$800.00 for single and at least US\$1,000.00) - US\$US\$ 20,000.00 (without pension) SRRV Courtesy/Expanded Courtesy - US\$US\$ 1,500.00 - For each additional dependent in excess of 2 dependents, an additional SRR Visa deposit of US\$15,000 each (except for former Filipinos) is required.	Below 50 years: - Liquid Assets: RM 500,000 (approx. US\$US\$ 120,000); and - Offshore Income: RM 10,000/month (approx. US\$US\$ 2,400) 50 years old & above - Liquid Assets: RM 350,000 (approx. US\$US\$ 84,000); and - Offshore Income: RM 10,000/month (approx. US\$US\$ 2,400)	One-Year Retirement Visa ("O.A") - Security Deposit: THB 800,000 (approx. US\$US\$ 25,584) - Monthly Income: THB 65,000 (approx. US\$US\$ 2,085) - Combination of the security deposit and annual income of THB 800,000 Ten-Year Retirement Visa ("O.X") - Security Deposit: THB 3,000,000 (approx. US\$US\$ 95,946) - Annual Income:	N/A	Any of the following: - Statement of living accommodation in Indonesia. Minimum cost of US\$US\$ 35,000 if purchased house/apartment; - Proof of financial capacity to rent an accommodation (at least 1-year lease) - Within Jakarta: US\$US\$ 500/month - Outside Jakarta: US\$US\$ 300/month - Proof of house ownership under an Indonesian spouse's name; or - Proof of financial capacity (at least US\$US\$ 1,500/month)	N/A

			THB 1,200,000 (approx. US\$US\$ 3,195/month)			
Visa/Membership Fee	Principal: US\$ 1,400 Dependent: US\$ 300 Annual Fee: US\$ 360 *US\$ 100 for each additional dependent in excess of two dependents	Single: RM 8,000 (approx. US\$ 1,920) Couple: RM 8,500 (approx. US\$ 2,040) Family: RM 9,000 (approx. US\$ 2,160)	One-Year Retirement Visa ("O. A") Single-entry: THB 2,000 (approx. US\$ 64) Multiple-entry: THB 5,000 (approx. US\$ 160) Ten-Year Retirement Visa ("O.X") Per 5-year Validity: THB 10,000 (approx. US\$US\$ 320) Visa Renewal: THB 1,900 (approx. US\$US\$ 61)	N/A	Total Cost: IDR 10,500,000 (approx. US\$US\$ 719) Sponsorship: IDR 2,550,000 (approx. US\$US\$ 175) Telex process at Directorate General Immigration of Indonesia: IDR 3,750,000 (approx. US\$US\$ 257) KITAS Process at the Immigration Office: IDR 2,925,000 (approx. US\$US\$ 200) Lokel Fee at the Immigration	ER Class Visa: US\$US\$ 35

The Asia and the Pacific region hosted 360.1 million international tourist arrivals in 2019. Within the region, Southeast Asia is second among subregions (37%) to have the highest number of tourist arrivals. Asia and the Pacific earned US\$441.2 billion in international tourism receipts in 2019. In Southeast Asia, Thailand (1st), Malaysia (2nd), and Vietnam (3rd) logged the most international tourist arrivals. Thailand, Malaysia, and Indonesia received the highest tourism-related income. (UN World Tourism Organization, n.d.)

In 2019, most of the arrivals in competing Southeast Asian countries came from neighboring countries in Asia. About 10 million tourist arrivals in Malaysia came from Singapore. This number is followed by 3.3 million arrivals from Indonesia and 2.9 million arrivals from China. Inbound tourists in Cambodia came from China (2 million), Vietnam (800,000), and Laos (426,200). Indonesia's inbound tourists come from Malaysia (2.5 million), China (2.2 million), Singapore (1.8 million), and Timor-Leste (1.8 million). Vietnam logged tourists from China (5 million), Korea (3.5 million), and Japan (826,700). Most of the Philippines' inbound tourists came from Korea (1.6 million), China (1.3 million), and the United States (1 million) (UN World Tourism Organization, n.d.)

Based on data from the Department of Tourism's (DoT) Statistics, Economic Analysis and Information Management Division, the Philippines attracted about 2 million Korean, 1.7 million Chinese, and 1.1 million American tourists in 2019. About a million international tourists come from Japan, Taiwan, Australia, Canada, the United Kingdom, Singapore, and Malaysia. The main ports of arrival for these tourists are Manila (62%), Cebu (20%), Kalibo (9%), Clark (5%), Palawan (0.8%), Davao (0.4%), Bohol (0.1%), and Iloilo (0.05%). International tourists visiting the Philippines have spent about PHP 482 billion in tourism receipts (DoT n.d.).

Table 4. Tourist arrivals to the Philippines by country of residence, 2017 to 2021.

Country of Residence	2017	2018	2019	2020	2021
Asia					
ASEAN	488,346	530,321	526,832	83,344	7,773
Brunei	8,679	9,533	8,126	1,037	37
Cambodia	4,712	4,154	5,988	942	40
Indonesia	62,923	76,652	70,819	13,734	1,888
Laos	1,580	1,183	1,454	203	15
Malaysia	143,566	145,246	139,882	23,359	1,620
Myanmar	9,571	9,630	13,978	2,877	271
Singapore	168,637	171,796	158,595	19,998	653
Thailand	48,727	59,793	61,292	9,788	1,464
Vietnam	39,951	52,334	66,698	11,406	1,785
East Asia	3,517,471	3,883,773	4,842,774	707,850	33,154
China	968,447	1,257,962	1,743,309	170,432	9,674
Hongkong	111,135	117,992	91,653	12,444	354
Japan	584,180	631,821	682,788	136,664	15,024

Korea	1,607,821	1,624,251	1,989,322	338,877	6,456
Macau	9,111	9,336	8,429	789	27
Taiwan	236,777	242,411	327,273	48,644	1,619
South Asia	129,507	149,216	162,106	34,039	8,760
Bangladesh	4,591	5,495	6,630	1,217	323
India	107,278	121,124	134,963	29,014	7,202
Iran	2,598	2,456	2,290	411	172
Nepal	5,328	8,696	6,018	940	178
Pakistan	4,369	4,999	5,793	1,340	584
Sri Lanka	5,343	6,446	6,412	1,117	301
Middle East	89,932	82,255	73,703	15,094	11,009
Bahrain	3,795	3,638	3,296	1,094	1,864
Egypt	2,000	2,155	3,210	1,213	1,076
Jordan	745	1,129	1,931	397	209
Kuwait	8,082	6,448	6,309	1,171	662
Oman	-	2,735	2,526	700	905
Qatar	4,195	3,781	2,491	987	1,308
Saudi Arabia	54,716	46,967	43,748	7,014	2,252
United Arab Emirates	16,399	15,402	10,192	2,518	2,733
America					
North America	1,164,197	1,265,165	1,308,444	268,072	46,350
Canada	200,640	226,446	238,850	55,273	6,781
Mexico	5,744	4,248	5,154	983	243
USA	957,813	1,034,471	1,064,440	211,816	39,326
South America	12,283	14,682	19,426	5,439	1,134
Argentina	3,157	3,468	3,643	1,432	204
Brazil	6,114	7,364	10,035	2,750	612
Colombia	1,747	2,389	3,386	722	184
Peru	1,008	1,038	1,660	350	59
Venezuela	257	423	702	185	75
Europe					
Western Europe	244,172	267,305	298,470	74,273	6,627
Andorra	357	273	25	8	1
Austria	13,524	14,193	14,840	3,875	381
Belgium	15,703	17,285	19,156	3,756	648

France	64,777	74,400	88,577	24,530	1,425
Germany	85,431	92,098	103,756	25,893	2,037
Luxembourg	722	930	837	156	27
Netherlands	33,821	37,051	41,313	8,961	1,510
Switzerland	29,837	31,075	29,966	7,094	598
Northern Europe	275,755	297,854	308,992	61,945	6,529
Denmark	18,445	17,884	18,535	4,848	353
Finland	6,958	7,219	8,420	2,135	212
Ireland	18,051	20,051	21,475	3,621	600
Norway	21,890	23,571	23,464	4,365	508
Sweden	27,703	28,085	27,892	6,996	508
United Kingdom	182,708	201,044	209,206	39,980	4,348
Southern Europe	74,745	88,317	100,661	21,994	3,271
Greece	3,165	3,453	3,849	1,325	500
Italy	30,437	35,182	38,951	8,976	1,212
Portugal	4,189	5,549	8,113	2,072	339
Spain	36,954	44,133	49,748	9,621	1,220
Eastern Europe	54,873	54,049	63,975	22,716	3,417
Commonwealth of Independent States	10,808	11,514	12,048	4,644	1,870
Russian Federation	33,279	29,967	36,111	12,643	1,027
Poland	10,786	12,568	15,816	5,429	520
Eastern Mediterranean Europe	25,854	28,958	31,505	8,364	4,826
Israel	17,446	20,343	22,851	4,745	452
Turkey	8,408	8,615	8,654	3,619	4,374
Australasia/Pacific	333,179	354,045	352,798	66,534	3,554
Australia	259,433	279,828	286,170	55,330	2,184
Guam	36,637	32,357	19,835	2,882	644
Nauru	16	38	93	5	-
New Zealand	28,983	33,341	37,872	6,883	345
Papua New Guinea	8,110	8,481	8,828	1,434	381
Africa	8,029	9,647	11,992	3,201	1,126
Nigeria	1,558	2,104	3,439	1,042	300

South Africa	6,471	7,543	8,553	2,159	826
Others & Unspecified Residences	61,954	71,007	86,799	25,590	8,568
Total	6,480,297	7,096,594	8,188,477	1,398,455	146,098
OVERSEAS FILIPINOS*	140,611	71,873	72,436	84,080	17,781

Note: 1. Prior to 2018, Oman was lumped under "Others".

2. *Philippine passport holders permanently residing abroad; excludes overseas Filipino workers.

Source: DOT Tourism Demand Statistics.

According to DoT's Visitor Sample Survey in 2019, the average length of stay of international tourists is 9.49 nights. More than half (59%) visit the country for leisure or holiday, while only 3% travel for business and 2% visit friends or relatives. The top things most liked by tourists were the warm hospitality (46%), beautiful scenery (30%), good food (8%), "everything" (6%), and being able to see loved ones (6%). The data on the Regional Distribution of Overnight Travelers Report from Accommodation Establishments say that the top places visited are the Cebu Province and Metro Cebu, Rizal, Davao del Sur, Aklan, Batangas, Zambales, Palawan, Albay, Benguet, and Davao de Oro.

Profile of retirees coming to the Philippines

Abaigar (2021) confirms that among randomly sampled foreign retirees, mostly coming from Western countries, the low cost of living in the Philippines is the most significant factor in choosing the country as a location for retirement. The participants also noted that the ease of getting the SRRV, the governance of the country and the program, fitting in and adapting to the Filipino culture and lifestyle, the acceptable climate, and the extent of development in the country such that it has reliable and affordable internet, communication facilities, and other utilities are other factors that influenced them to retire to the Philippines. The participants consider to the lesser extent factors relating to healthcare, housing, program benefits and discounts, and opportunities for investments and passive income. While the literature provides some insights about the motivations of tourists and, to some extent, retirees coming into the country, there is a need for greater understanding of the profile of retirees that the country can attract, for purposes of crafting ways in which retirement migration to the Philippines can be enhanced.

4. Data, Methodology and Limitations

To meet its research objectives, this study adopted a mixed methods approach where both quantitative and qualitative methods of analysis were implemented. Both primary and secondary data were utilized for these analyses. It utilized a competitor analysis framework including SWOT analysis and comparison of the retirement program incentives of several countries, customer and stakeholder feedback analysis and value-chain analysis (looking at the roles and inputs from marketers, retirement facilities and other accredited facilities, and front-line workers in satellite offices). The competitor analysis was conducted through an exhaustive review of the available literature. The same criteria in the Global Retirement Index – that is housing, benefits, visas/residence, fitting in/entertainment, development, climate, healthcare, governance,

opportunity, and cost of living are used as elements in the analysis of competitiveness of the PRA program in comparison with other countries' programs. The analysis also includes elements of program attractiveness such as eligibility criteria, visa limit and financial requirement.

The SWOT analysis is a standard framework for analyzing competitiveness while the value chain analysis enables a much deeper understanding of the retirement industry as a whole, bearing in mind that successful retirement experience of retirees is determined not just by factors that attract them to come to the country but also by factors that affect their decision to stay in the country. Through this type of value chain analysis, the retirement experience of foreign retirees is understood through a holistic approach – from the moment they interact with PRA and/or its partners to their settlement and availment of various services.

Meanwhile, the customer and stakeholder feedback analyses are meant to understand the strengths, weaknesses and/or areas for improvement of PRA's products and services, and the profile of retirees. To get the profile of current retirees, the PRA administrative data were utilized. To get retiree-client's perceptions, Key Informant Interviews (KIIs) were carried out. The KIIs were also meant to determine whether their needs while in retirement in the country are being met as well as their insights on how best PRA can assist them.

The data utilized in this study were obtained from:

1. A review of existing literature with a global scope (secondary data)
2. Administrative data from the Philippine Retirement Authority and other relevant government agencies that may include Department of Tourism, Bureau of Immigration, and Philippine Statistics Authority (secondary data)
3. PRA's database on current beneficiaries of the SRRV program (secondary data)
4. Key informant interviews (KIIs) (primary data)

To examine the PRA's retirement program's market niche including ways how to expand it, this study generated a profile of the current beneficiaries based on detailed micro-level data collected by the PRA in the registration of its beneficiaries. Among the information that was gathered and analyzed was the demographic profile of current retirees and their dependents in the country including economic activities.

KIIs were also conducted with PRA officials and staff, merchant partners, marketers, and managers of retirement facilities accredited by PRA (see Table 5). Most of the KIIs were conducted online and some were conducted through face-to-face conversation. Accredited marketers included in the KII were representative of various groups of retirees.

Initial KIIs revealed that marketers are crucial sources of information about retiree's experiences because of their regular interaction with retiree applicants and members. KIIs revealed that many retirees use the services of marketers to process their applications with the PRA and other government agencies. Therefore, this study took advantage of this information and provided more focus on getting more inputs from marketers. It served as a more efficient way to understand the perceptions of retirees, albeit in an indirect manner. The team was able to interview marketers working for predominantly American retirees, Korean and other Asian retirees, and (prospective) retirees who occupy executive posts. All in all, 10 separate KIIs were conducted with marketers, retirement facility representatives, merchant partners and retirees. Four accredited facilities in

Calabarzon, Region III, and Region VII have been visited by the study team.

The initial KII outcomes also paved the way for the need to conduct further inquiries on the challenges surrounding the processes of PRA visa and membership application, renewal, and cancellation. Hence, the data collection turned to more KIIs with marketers and front-line workers (i.e., satellite offices). Representatives of all four satellite offices of the PRA and the Bureau of Immigration have also been interviewed. Six KIIs or meetings/interactions have also been conducted with PRA head office officials and/or staff.

The general approach of the KIIs was informal and semi-structured, mostly through the use of open-ended questions, encouraging more detailed narratives. The interviews sought for their overall condition/assessment of their roles and performances as well as the PRA retirement program, the processes they go through in their PRA- and migration retirement-related activities, the challenges that they encounter, and their suggestions and recommendations on how the retirement program and retirement experiences of retirees can be improved.

Table 5. Schedule of Key Informant Interviews conducted

Key Informant Interviewee(s)	Schedule of KII
PRA Head Office	February 8, 2023 February 9, 2023 February 23, 2023 July 20, 2023 August 3, 2023 September 12, 2023
PRA Satellite Office Clark-Subic Davao Cebu Baguio	March 21 and April 11, 2023 May 24, 2023 June 15, 2023 June 20, 2023
Bureau of Immigration	September 12, 2023
Marketers	June 14, 2023 March 24, 2023 March 20, 2023 March 21, 2023
Retirement Facility	March 30, 2023 April 11, 2023 June 15, 2023
Merchant Partner	March 20, 2023
Retirees	April 11, 2023 July 6, 2023

While it was important to have more interactions with retiree-members, the study chose to conduct the more efficient approach and that it to interview more marketers – being the consolidator of retiree inputs (both active and prospective ones) given their crucial, direct role in the processes.

Furthermore, the competitiveness (country comparisons) analysis, stakeholder feedback and review of related literature all corroborate the attractiveness of the Philippines' retirement program based on the program design (eligibility, visa limit, financial requirements) vis-à-vis other destinations. Based on data gathered via KIIs with retirees, the factors that attract them into the country are consistent with what is mentioned in the literature.

5. Philippine Retirement Authority

SRRV

The Special Resident Retiree's Visa (SRRV) is the key component of PRA's retirement program. The SRRV is a non-immigrant visa program offered by the PRA to foreign nationals and former Filipino citizens that allows them multiple-entry privileges with the option to stay permanently/indefinitely in the Philippines. Currently, the PRA accepts retiree-applicants aged 50 years and above. The requirements include a visa deposit. The amount depends on which SRRV option is chosen:

- **SRRV Classic:** US\$ 10,000.00 (if with pension) or US\$20,000.00 (if without pension).
- **SRRV Courtesy/Expanded Courtesy:** US\$1,500.00.

According to Section 1 of the 1987 Rules and Regulations Implementing Executive Order No. 1037⁷, a retiree is an "overseas Filipino or a foreign national who is at least fifty (50) years old". However, the policy specifies that retired military personnel, a former Filipino who acquired foreign citizenship, a former member of the diplomatic corps who served for at least three (3) years, a retired officer or employee of an international organization, or a foreign national that the Board of Trustees deemed to have a potential contribution to technology, science, or investment and education may apply for the SRRV when they reach forty (40) years old. In a move to liberalize the requirements of the PRA program, the PRA Board, through Resolution No. 4, series of 1993, reduced the age requirement of SRRV applicants to thirty-five (35) years old.

With the launch of the KPMG Laya Manghaya 5-Year Strategic Marketing Plan (2003-2007), the PRA segments the foreign retirement market by age groups: "Active" (35 to 49 years old), "Retiring" (50 to 64 years old), "Retired" (65-75 years old), and "Retired Elderly" (over 75 years of age). In 2010, the PRA developed four (4) SRRV offerings. These are the SRRV Smile, Classic, Courtesy, and Touch products. By 2013, the PRA expanded the eligibility coverage of SRRV Courtesy to include foreign nationals who are retired ambassadors & other members of the diplomatic corps (Table 6). The PRA also aligns with tourism-oriented agencies such as the Department of Tourism (DoT) and the Tourism Promotions Board (TPB) to find market opportunities in long-stay visits from foreigners.

⁷ Rules and Regulations Implementing Executive Order No. 1037 Creating the Philippine Retirement Park System Providing Funds Therefor and For Other Purposes.

Table 6. SRRV Offerings as of 2020

SRRV option	Description
Smile	This option is available to active/healthy foreign retirees who can deposit and maintain a minimum of US\$20,000 in a PRA-accredited bank account in the Philippines. The SRRV Smile is a basic retirement visa that allows indefinite stay in the Philippines, as long as the bank deposit is maintained.
Classic	This option is available to active/healthy foreign retirees who opt to use their SRRV deposit for active investment such as the purchase of condominium unit* or long-term lease of house & lot. The SRRV deposit varies follows: <ol style="list-style-type: none"> 1. aged 50 years old and above: US\$10,000.00 (with a pension of at least US\$800.00 for single and at least US\$1,000.00) or US\$20,000.00 (without pension) 2. aged 35 to 49 years old: US\$50,000.00.
Human Touch	This option is available to ailing retirees aged 35 years old and above who need/require medical/clinical care. This option requires applicants to have a minimum monthly pension of US\$1,500.00, a health insurance policy accepted in the Philippines, and an SRRV deposit of US\$10,000.00.
Courtesy/ Expanded Courtesy	<p>Courtesy: Former Filipinos who are 35 years old and above and retired officers of international organizations recognized by the Department of Foreign Affairs (DFA) who are foreign nationals aged 50 years old and above can take advantage of this option. A SRRV deposit of US\$1,500.00 is necessary.</p> <p>Expanded courtesy: This option is available to retired officers of foreign countries' Armed Forces with existing military ties and/or agreement with the Philippine Government, who are foreign nationals aged 50 years old and above. To qualify, they must have a monthly pension of at least US\$1,000.00 and provide an SRRV deposit of US\$1,500.00 for the principal applicant and up to two dependents. However, for each additional dependent, an extra SRRV deposit of US\$15,000 is required (except for former Filipinos). Moreover, the children who will be joining the program should be legitimate or legally adopted by the Principal Retiree, unmarried, and below 21 years old.</p>

Source: PRA Website

Recently, the Board promulgated through Board Resolution No. 4, series of 2021, to accept SRRV applications from those aged fifty (50) and above. Given the new criteria, the PRA offered two SRRV options to applicants: the SRRV Classic and SRRV Courtesy and Expanded Courtesy.

Unlike other countries' retirement visas, the SRRV does not impose a limit to the length of stay of a foreign retiree.

The PRA offers a comprehensive range of services specifically designed to cater to the needs of SRRV or retiree-members. These services are aimed at simplifying the retirement process for holders of SRRV and ensuring their comfort during their stay in the Philippines.

Among the services provided by the PRA are annual renewal of PRA identification cards, assistance with bank transfers, withdrawal of interest earned from Visa deposits, conversion of Visa deposits into active investments, and re-stamping of SRRV stickers from old to new passports. The PRA also provides assistance with special concerns such as obtaining a driver's license from the Land Transportation Office (LTO), DOF for tax exemption on household goods and personal effects, and partial withdrawal of deposits for emergency purposes. SRRV holders do not need to apply for an Alien Certificate of Registration (ACR), Emigration Clearance Certificate (ECC), Re-entry Permit (R.P.), Special Return Certificate (SRC), documentation to prove the purchase of a return ticket, and Student Visa or Special Study Permit for dependent children. They are also exempted from paying customs duties and taxes for importing household goods and personal items valued up to US\$7,000, taxes from pension and annuities, and travel tax for stays within the Philippines less than a year from the last arrival date.

The SRRV holders are also allowed to be employed in the Philippines, provided that the holder secures an Alien Employment Permit (AEP) from the Department of Labor and Employment-Bureau of Local Employment (DOLE-BLE) From January 2020 to December 2022, DOLE-BLE has issued AEPs to 1,393 foreign nationals with SRRV. According to the DOLE-BLE (2023), South Koreans accounted for 419 or 30 percent of the total SRRV holders, followed by Chinese nationals with 292 or 21 percent; Indian nationals with 182 or 13 percent; Taiwanese with 153 or 11 percent; and Japanese with 108 or 8 percent (Table 7). About one-third of them are involved in Administrative and Support Services Activities, 13 percent are in Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles, 12 percent are involved in Manufacturing, and 10 percent are involved in Professional, Scientific, and Technical Activities (Table 8).

Table 7. Number of SRRV Holders issued with AEP by Nationality

Nationality	No. of SRRV Holders Issued with AEP
American	58
Australian	19
Bangladeshi	1
British	41
Canadian	13
Chinese	292
Croatian	3
Danish	4
Dutch	9
Finnish	2
French	7
German	11
Greek	1
Guinean	1
Indian	182
Iraqi	3
Irish	3
Israeli	3
Italian	2

Japanese	108
Jordanian	3
Kittitian And Nevisian	1
Malaysian	20
New Zealander	3
Norwegian	1
Pakistani	1
Russian	1
Singaporean	17
South African	1
South Korean	419
Spanish	1
Sri Lankan	4
Taiwanese	153
Vietnamese	5
Total	1,393

Source: Department of Labor and Employment-Bureau of Local Employment (2023)

Table 8. Total number of foreign nationals with SRRV issued with AEP by Industry (PSIC)

Type of Industry (PSIC)	No. of SRRV Holders Issued with AEP
Agriculture, Forestry, and Fishing	7
Mining and Quarrying	8
Manufacturing	161
Electricity, Gas, Steam, and Air Conditioning Supply	14
Water Supply, Sewerage, Waste Management, and Remediation Activities	3
Construction	64
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	179
Transportation and Storage	34
Accommodation and Food Service Activities	64
Information and Communication	73
Financial and Insurance Activities	74
Real Estate Activities	34
Professional, Scientific, and Technical Activities	137
Administrative and Support Service Activities	428
Public Administration and Defense; Compulsory Social Security	-
Education	67
Human Health and Social Work Activities	14
Arts, Entertainment, and Recreation	10

Other Service Activities	17
Activities of Households as Employers; Undifferentiated Goods	-
Services-Producing Activities of Households for Own Use Activities of Extraterritorial Organizations and Bodies	5
Total	1,393

Source: Department of Labor and Employment-Bureau of Local Employment (2023)

The SRRV retirees can also avail of the services offered by PhilHealth. PhilHealth and the PRA have established a Memorandum of Understanding (MOU) to extend healthcare coverage to foreign nationals and former Filipino citizens who have chosen to retire in the Philippines. This agreement ensures that eligible individuals can access the healthcare services provided by PhilHealth.

Additionally, foreign citizens who reside or work in the Philippines and are not registered under PRA may opt to enroll in the Informal Economy Program. The annual premium contribution rate for both SRRV retirees and foreign citizens residing or working in the Philippines is PHP 15,000, based on PhilHealth Circular No. 2017-0003.

With the MOU in place, retired foreign nationals and former Filipino citizens can take comfort in knowing that they have access to quality healthcare services in the Philippines. Moreover, foreign citizens residing or working in the Philippines can also benefit from the Informal Economy Program, which allows them to enroll in PhilHealth and receive healthcare coverage at an affordable rate.

PRA Processes

Enrollment

The application process for a new Special Resident Retiree's Visa (SRRV) involves a sequence of well-defined steps carried out by various divisions within the Philippine Retirement Authority (PRA). Initially, the Client Relations Division (CRD) under the Marketing Department takes charge of the process. Applicants receive queueing numbers from the Front Desk Assistant and patiently wait their turn.

Following this, the procedure entails the meticulous evaluation of the documentary requirements submitted by the applicant. This scrutiny is followed by the verification and retrieval of the necessary bank certificate for the required visa deposit, which is obtained from the bank. Additionally, applicants must pay obligatory fees at the PRA cashier. Subsequently, a crucial validation process ensues, ensuring that both payment and completeness meet the requisite standards. Only after this thorough assessment does the SRRV application proceed to the marketing manager for their signature, signifying the first phase's completion. If applicants seek assistance from marketers, the marketer's accreditation must be valid for the current year.

Once all these requirements are met, the application is securely placed in a designated folder, denoting its completeness, and subsequently, it is endorsed to the Processing Division for further processing.

The Processing Division conducts a re-evaluation of the documents forwarded by the Clients Relation Division to identify any irregularities or oversights that may have been missed during the initial assessment. Subsequently, if all documents are found to be in proper order, the Processing Division assumes the responsibility of preparing an endorsement letter addressed to the Bureau of Immigrations (BI). This process also involves close coordination with the finance division to arrange the disbursement voucher or check, which serves as payment to the Bureau of Immigrations.

The next step involves the endorsement of the complete set of documents to the BI, facilitated through the dedicated Liaison Officer within the Processing Division. This Liaison Officer plays a pivotal role in overseeing follow-up and coordination with the BI, ensuring that the application progresses smoothly. Upon securing approval from the BI, the Processing Division proceeds to prepare the necessary visa sticker, which is then affixed to the applicant's passport, marking the finalization of the visa issuance process.

Furthermore, the Processing Division is responsible for overseeing the release of the applicant's passport, now bearing the SRRV sticker, which often coincides with an oath-taking ceremony.

Throughout this application process, applicants are not required to be present in person; they have the option to designate a representative without the need for a Special Power of Attorney (SPA). Personal appearance is only mandatory for the oath-taking ceremony.

The entire process typically takes 10 working days, excluding the processing time at the Bureau of Immigrations (BI), which usually takes about 3 weeks. Therefore, the overall duration for applying for an SRRV visa may span at least a month. The PRA considers this timeframe adequate, given the permanent nature of the visa.

To facilitate the application at the BI side, the PRA has an assigned liaison officer who brings SRRV applications by batch to the head office of the BI. These applications undergo checking in BI's Derogatory Section under the Central Receiving Unit (CRU). After this, PRA is then billed by the BI for cleared applications, which can proceed to BI's Legal Department and then to the BI Commissioner's Office for approval. Approved applications are sent back to the Legal Department and may now be retrieved by the PRA liaison officer. To date, SRRV processes have no special lane in the payment or submission steps in the BI, and all of the visa applications are in the same lane or queue that other applicants have to go through.

In certain instances, the BI may return documents to the PRA in cases where an applicant may have pending cases or violations associated with the applicant's namesake. If the BI rejects the application, the Processing Division contacts the applicants to inform them. In such cases, the client must provide proof, such as a court order indicating that the case has been dismissed. The PRA Processing Division takes on the responsibility of liaising with the BI on behalf of the applicants, eliminating the need for direct interaction between applicants and the BI.

To ensure effective follow-up and monitoring of applications, a designated liaison officer maintains communication with the BI and reports to the PRA. Additionally, a centralized database is in place, allowing for comprehensive tracking of application updates and statuses. This ensures that the application process remains transparent and efficiently managed.

Visa deposits

The visa deposits of the SRRV retiree-members are maintained in PRA-accredited banks. Presently, there are seven (7) accredited banks, namely, Bank of Commerce, Banco De Oro Unibank, Inc. (BDO), Development Bank of the Philippines (DBP), KEB Hana Bank, Philippine National Bank (PNB), Shinhan Bank, and Union Bank, and sixteen (16) former accredited banks that maintain the visa deposits of retirees. The PRA collect Management Fees from these banks, computed at agreed rates based on the outstanding number of deposits.

Many of the SRRV retiree-members opt to convert their visa deposits into investment. As of August 31, 2022, PRA data shows that 4,131 SRRV retiree-members have chosen to transform their visa deposits into various investments such as condominium units, long-term leases, corporations, golf shares, and bonds (Table 9). The total amount invested was US\$180,446,961.23 or about PHP 9.383 billion.

Table 9. Gross Total Number of Retirees with Investment

Type of Investment	Total Number of Investment	Total Converted deposits (in US\$)	Total Amount of Investment (in PHP)
Condominium unit	2,268	145,658,108.83	7,575,625,659.16
Long-term lease	829	14,250,509.00	741,026,468.00
Corporation	951	19,020,000.00	989,040,000.00
Golf shares	77	1,196,343.40	62,209,856.80
ROP bonds	6	295,000.00	15,340,000.00
Total	4,131	180,446,961	9,383,241,983.96

Note: Amount in PHP – estimate exchange rate at 1US\$US\$ = PHP 52

Source: PRA

SRRV retiree-members who opted to convert their visa deposit into active investments will be charged Visitorial Fees (VF) by the PRA. The rates range from 0.5 per cent to 1.5 per cent (1 and ½%) of the total amount of visa deposit invested. Collection letters were sent to retirees who had not paid VF for more than three years. If they did not respond to the first three notices, they were placed on a watch list and their names were published in three widely circulated newspapers. If the retirees continued to be delinquent even after the publication, their SRRVs would be recommended for cancellation to the BI, and the receivables would be proposed to be written off from the books of accounts, subject to approval by the PRA Board of Trustees and COA Circular No. 2016-005 dated December 19, 2016.

Excess amounts of visa deposits may be released back to the SRRV retiree-member, given that he/she will have to pay Harmonization Fees (HF). The PRA charges a fee of 1.5 percent each year on the retiree's excess visa deposit under the modified SRD scheme. This fee is charged as compensation for releasing the excess amount to the retiree.

Renewal of ID card

The renewal of the ID for SRRV holders involves a process that primarily takes place at the PRA head office. However, SRRV holders have the option to visit PRA satellite offices, which can subsequently transmit their renewal requests to the PRA head office via email or courier. The duration of the renewal process varies based on the chosen method.

The renewal process is overseen by the Servicing division within the Resident Retiree Services Division, with support from the Finance division.

To initiate the ID card renewal process, SRRV holders are required to submit a set of documentary requirements. These include the completed Retiree Request Form (RRF), their most recent PRA ID card, a copy of their current passport with the SRRV endorsement, and a 2x2 photo if they wish to update their picture. Additionally, proof of payment for applicable fees is necessary, along with any supplementary documentary requirements if a visa deposit was invested. The fee structure encompasses an annual PRA fee of US\$ 360.00, a fee of US\$ 100.00 for excess dependents, a US\$ 10.00 ID fee, a visitorial fee ranging from US\$ 250.00 to US\$ 750.00, and a courier fee, the specific amount of which depends on the location.

Once these documents are submitted, the Servicing division staff carefully reviews and assesses them. They then calculate the assessment and prepare the Order Payment Slip. Following this step, the Finance division's cashier verifies the payment from the bank and subsequently issues an official receipt once the payment has been confirmed. This particular step typically takes approximately 6 days when the renewal request is submitted through email or courier. Upon successful payment verification, the retiree's record is updated, and the new ID card is printed.

For those SRRV holders who opt for renewing their ID cards through satellite offices, the newly issued ID cards are dispatched via a courier service to the respective satellite offices. In this scenario, SRRV holders receive a reference/tracking number for their convenience.

In the past, SRRV holders had the convenience of renewing their IDs for up to 3 years in advance, which significantly eased the process for all parties involved. However, this arrangement changed with the introduction of PRA Circular No. 001 on January 26, 2021, which mandated annual renewals for SRRV holders. Subsequently, this requirement was updated through PRA Circular No. 002 on May 9, 2023, which extended the validity of PRA IDs to two years.

Recognizing that many foreign SRRV holders may not reside near a PRA office, the PRA has implemented a streamlined renewal process. Importantly, personal reporting at a PRA office is not required for SRRV holders, enhancing convenience and accessibility for all stakeholders involved in the renewal process.

Cancellation

The SRRV holder's indefinite right to stay can be terminated through the cancellation of their visa, whether voluntarily or involuntarily, as stipulated by the Rules and Regulations governing E.O. 1037. Termination of a retiree-member's participation in the program can occur either at their own request or upon the recommendation of the PRA.

In the unfortunate event of the principal retiree-member's passing, the surviving spouse is faced with a choice. They can opt to assume the status of a resident retiree, along with the corresponding rights and responsibilities outlined in Section 4, Rule IV of the Rules and Regulations implementing E.O. 1037.

To initiate the membership cancellation process, the retiree-member or their duly authorized representative must furnish specific documentary requirements. These include the SRRV Cancellation Service Request form, the passport containing the SRRV endorsement, the death certificate in the case of the principal retiree-member's demise, a notarized Special Power of Attorney, and a copy of the representative's valid ID if the transaction is conducted through a representative. Additionally, there are associated fees, including a US\$ 10.00 cancellation service fee, a PHP 500.00 Bureau of Immigration (BI) cancellation fee, a US\$ 10.00 downgrading service fee, and a PHP 3,250.00 BI downgrading fee.

Upon submission, the Servicing division undertakes an assessment of the request and the accompanying documentary requirements. Subsequently, an endorsement memo is prepared and forwarded to the Bureau of Immigration (BI). The BI conducts a Derogatory check and issues an Order of Payment slip to the PRA. Once the PRA fulfills the payment of the BI applicable fees, the BI issues a cancellation order. Following the issuance of the cancellation order, the PRA submits the passport of the SRRV holder to the BI for the implementation of the cancellation order. Upon successful implementation, the PRA retrieves the passport containing the canceled SRRV and the cancellation order from the BI. These documents are then handed over to the foreign retiree.

Partnership with Service Providers

The PRA has established partnerships with Merchant Partners and Retirement Facilities offer products and services designed to benefit foreign retirees in the Philippines. These collaborations are geared toward enhancing the quality of life for foreign retirees in the country and improving their overall retirement experience.

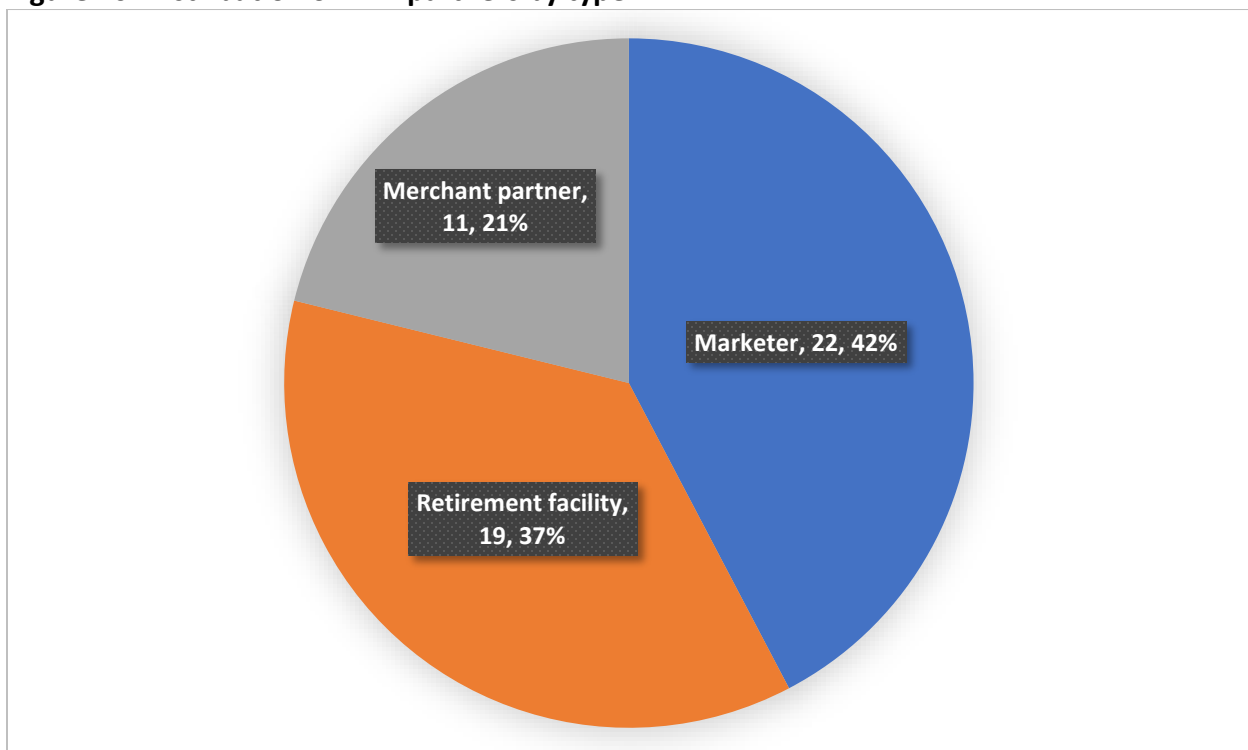
To further strengthen its SRRV program, the PRA has engaged accredited marketers. These marketers can be individuals, law firms, hotels, restaurants, travel agencies, or brokers who are enthusiastic about promoting the program. In this partnership, the PRA provides official marketing and promotional materials, keeps marketers informed about new retirement-related guidelines, and issues certificates of accreditation and identification cards.

The responsibilities of these accredited marketers include conducting briefings, gaining a comprehensive understanding of the retirement program, assisting applicants in obtaining the necessary documents for SRRV applications, and adhering to authorized SRRV application and annual fees without additional charges. However, if the marketer incurs extra expenses, such as professional or service fees, they can impose additional charges, provided that these charges are adequately documented for transparency.

Accredited marketers are rewarded with a marketer's fee of US\$ 500 for each principal retiree successfully enrolled under the SRRV. The agreement term lasts for one year, and new marketers are subject to a US\$ 300.00 accreditation fee, along with a yearly renewal fee of US\$ 150.00.

In total there are 52 PRA partners with the majority are marketers (22), followed by retirement facilities (19), and lastly merchant partners (11). This is relatively small considering that the total number of active retirees is more than 55,000. Aside from providing services to retirees, PRA partners can easily communicate and coordinate with PRA in case of any emergencies. If there is a free flow of communication between PRA and its partners, this can help monitor and ensure the welfare of PRA retirees.

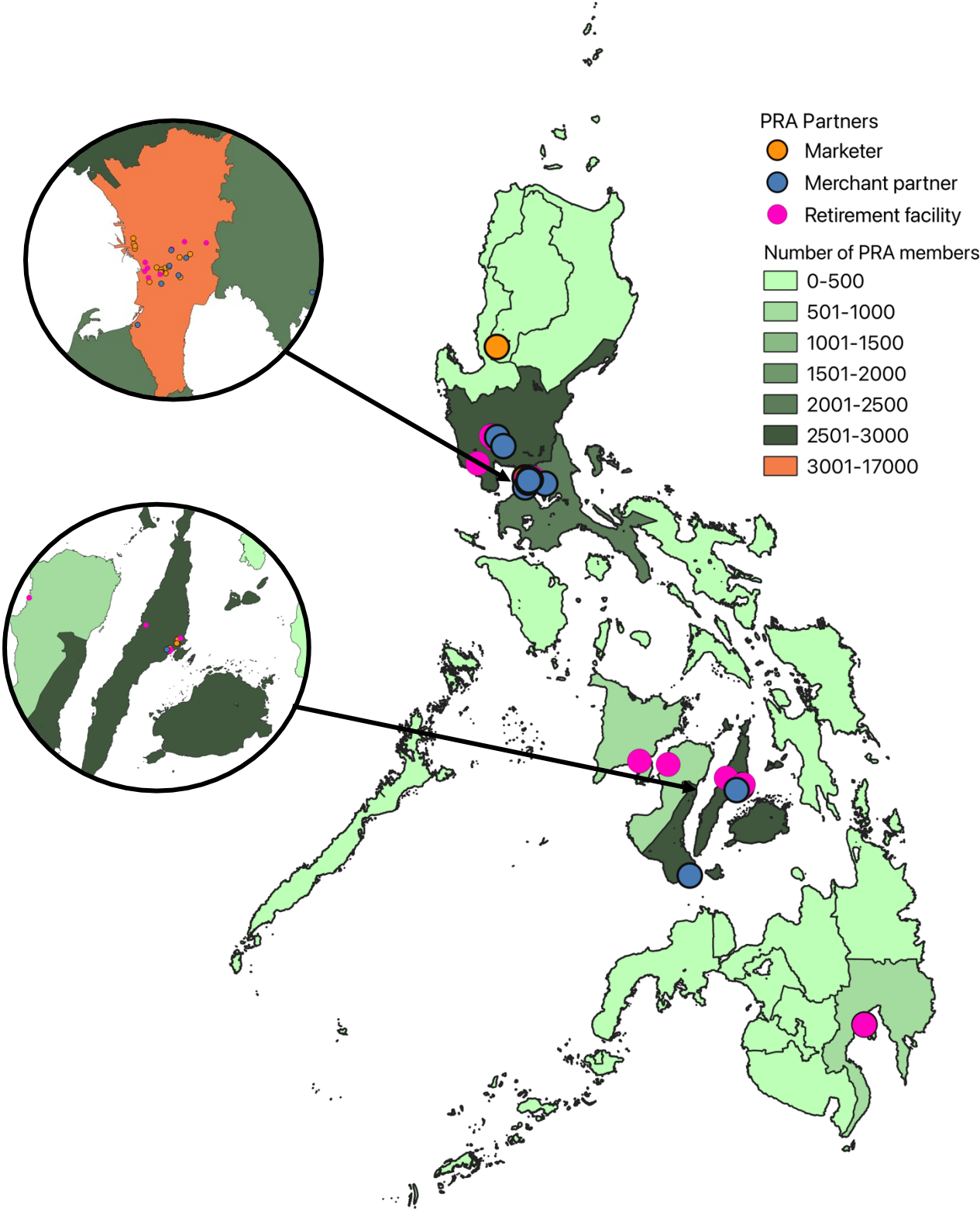
Figure 10. Distribution of PRA partners by type.



Note: The list of PRA partners was taken as of December 2022.

Source: PRA (2023b)

Figure 11. Location of PRA partners in the Philippines



Source of basic data: PRA (2023b)

Although PRA caters to foreign retirees all over the country, PRA partners are located in only seven regions. More than half of partners (55.8%) are located in NCR which also has the greatest number of principal active retirees, followed by Region III and Region VII with 15.3 percent share each. Looking closely, there are at most two provinces within the seven regions that have PRA partners as such retirees still have to travel a long distance if they want to acquire these services.

Merchant Partners

The PRA has partnered with accredited service providers called Merchant Partners, including hotels, restaurants, consultancy services, clinics, and living facilities, to offer discounts and preferential treatment to PRA retiree-members. Currently, there are 11 Merchant Partners accredited by PRA. However, these are mostly concentrated in the National Capital Region with a few in other regions.

Table 10. Distribution of PRA merchant partners by region and type of service

Region/Service	Number of Merchant Partner
National Capital Region	6
Accounting / Legal Services	1
Hotel Accommodation	1
Medical Diagnostics Clinic	2
Memorial Service Provider	1
Travel and Tour Agency	1
Region III (Central Luzon)	2
Consultancy and Insurance Company	1
Emergency Medical/Ambulance Services	1
Region IVA (CALABARZON)	1
Assisted and Independent Living Facility	1
Region VII (Central Visayas)	2
Assisted Living Caregiving Service Facility	1
Dive Resort	1

Source of basic data: PRA (2023b)

The agreement between PRA and Merchant Partners outlines specific obligations for each party. PRA is required to promote and endorse Merchant Partners, provide promotional materials, and display marketing collaterals of the Merchant Partner at PRA offices. On the other hand, Merchant Partners are obligated to offer discounts to PRA members, supply promotional materials of their business to PRA offices, display PRA marketing collaterals in their establishment, and submit monthly reports to PRA once their product or service is availed by retiree-members. It should be noted that the agreement will last for two years, and there are no fees charged by PRA to Merchant Partners.

Retirement Facilities

Retirement facilities are PRA-accredited accommodations or dwellings for SRRV retiree-members such as condominium units (RFO and Pre-selling), townhouses, and houses and lots (for long term lease).

The accreditation as a Retirement Facility commences with the submission of documentary requirements to the PRA Accreditation Unit. Following a review of the documentation by the Accreditation Unit, an ocular inspection is scheduled, both for new applications and renewals. This inspection primarily verifies the physical existence of the structure, and it should be noted that technical aspects have already been examined by city engineers as part of the Mayor's Permit issuance process. Due to pandemic-related travel restrictions, the accreditation unit has provided justifications in lieu of the ocular inspection.

For renewals, applicants are required to submit pictures of the retirement facility if there have been structural changes. The accreditation of merchant partners can typically be completed within one day if all documentary requirements are complete, but it may take 3-5 days depending on the availability of the required signatories.

As of December 2022, there are 19 accredited retirement facilities. To be accredited as a retirement facility, there is no standard for ocular inspection. They only check the legitimacy of the documents submitted. The only requirement is the building. The conduct of KIIs also reveal differences in the understanding of the requirements for accrediting retirement facilities (e.g., presence of clinics, amenities, among others).

As part of their agreement, the PRA promotes accredited facilities and merchant partners to foreign retirees during roadshows and on official websites. However, the PRA does not mandate SRRV holders to exclusively stay in these accredited facilities. Although there should ideally be a report on retiree usage, in practice, partners often do not provide such reports, as it entails additional work. Monitoring is outlined in the MOAs but is not actively enforced by the PRA. Furthermore, there is currently no system in place to ensure that merchant partners fulfill their end of the agreement by offering discounts to PRA retirees.

Box 1. The Residences at the National Government Administrative Center as Retirement Facility

In recent years, there has been a move to build a new government center with modern, resilient, and well-planned office spaces and amenities in New Clark City, Capas, Tarlac by way of Executive Order 119, s. 2020. The National Government Administrative Center (NGAC) would be situated outside of Metro Manila, but still in the center of Luzon, within reach of the different provinces. Some projects in the development are finished, while some are still in the construction stage, but planned amenities in the area are numerous government offices, government housing, sports facilities (athletic stadium, aquatic center), river park, schools, medical facilities, residences, transportation facilities, health facilities, and support services areas (restaurants, stores, wellness centers, financial institutions, and others).

Within the vicinity of NGAC is The Residence, a condominium complex and an accredited retirement facility with PRA. It has amenities like a community center, swimming pool, and a basketball/volleyball court. Retirees may benefit from investment opportunities (such as condominiums, shares, and the like), and from the proximity to leisure and economic activities as well as to the Clark International Airport. From the perspective of the PRA and the retirees, this may make dealing with government and processing of documentary requirements more efficient (ease of doing business) due to its accessibility to those living in Central Luzon. When promoted and marketed, this may increase the interest of prospective retirees and improve the experience of current SRRV holders, contributing to the competitiveness of the Philippines as a retirement destination.

*Findings***On Application/Enrollment**

The SRRV application presents distinct challenges for prospective retirees. These challenges encompass the enrollment process, document requirements, vulnerability to scams, and the need for improvement in the PRA to ensure a smoother transition for retirees.

Prospective retirees considering the SRRV exhibit distinct characteristics based on their backgrounds. Marketers have observed that a majority of SRRV enrollees originate from Western countries. These retirees are drawn to the opportunity to retire in a country with a weaker currency, which maximizes the value of their finances. Conversely, foreigners from Third World countries often face challenges in applying for the SRRV, primarily because they intend to work in the Philippines rather than retire. The enrollment fee and required investment are often inaccessible to them, leading them to opt for visas offered by the Philippine Economic Zone Authority (PEZA) since these visas permit work within the country.

In terms of documentation and processing, there are several common challenges. One of these is the extended processing time of the SRRV application compared to other agencies. SRRV applications typically take around two months, whereas applying for a visa from PEZA is more time efficient. Furthermore, the PRA retains applicants' passports for an extended period,

potentially forcing applicants to stay in the country during this time. While withdrawing an application is an option, reapplying involves repeating the entire process, creating concerns about the perception of the SRRV enrollment process among some marketers. This issue is compounded for those who initially entered the Philippines as temporary visitors, as extending their entry visas is perceived as an additional initial step in the enrollment process.

In contrast, PEZA returns passports to applicants as soon as application fees are paid, facilitated by an in-house document verifier through a Bureau of Immigration (BI) officer within their office.

These delays, however, are not solely attributed to PRA's processes. One of the bottlenecks observed was the duration of the process under BI's Derogatory Section. All of the visa applications, including those that are not for the SRRV, go in the same queue. The process takes even longer when there are bulk applications, like that of applications relating to POGO (Philippine Offshore Gaming Operators), which are usually in the hundreds. Further, PRA cannot pay the fees to BI if one or some of the applications are not cleared yet in the derogatory check phase.

Delays often arise due to the time banks require to provide necessary bank certificates to PRA, typically entailing a waiting period of approximately two weeks. The PRA duration of the application process is affected by the turnover time of bank certificates. The PRA cannot impose on the banks to hasten their turnover of the bank certificates because the banks also follow their protocols and have other responsibilities. Applicants are informed of this potential delay during the initial inquiry and briefing stage.

Another challenge arises when the validity duration of the visa does not cover the entire SRRV application process. In such cases, the PRA's Processing Division advises applicants to seek an extension of their entry visa through the Bureau of Immigration. However, the responsibility for requesting this extension falls on the applicant. As the PRA retains the applicant's passport during the application period, retrieving the passport becomes necessary for requesting the extension from the BI, effectively pausing the application process and extending its overall duration.

Common complaints from applicants often revolve around the overall turnaround time of the process, their general experience in the Philippines, and occasional unfavorable interactions with other government agencies. Typically, these complaints are addressed at the frontline level, with only a few cases escalating to higher management for resolution.

Another challenge pertains to the ambiguity surrounding additional document requirements. While marketers offer their services for those willing to pay, applicants who choose to apply through the PRA's web portal may find that additional documents are requested, even when they believe they have submitted all necessary requirements. These additional requirements are sometimes communicated only at the bottom of official emails from the PRA. The PRA's pamphlet also lacks a comprehensive list of additional requirements, such as the undertaking document that proves the applicant's commitment to good conduct in the country.

Additionally, the SRRV application process was once vulnerable to scams. Applicants may be directed from one office to another during the process, prompting some to hire intermediaries to handle their requirements. Unfortunately, instances of potential applicants being scammed have been reported, with a former PRA employee involved in fraudulent activities.

Moreover, there is criticism directed at the PRA for its refusal to assist foreigners who have fallen victim to fake SRRVs, even if they have deposited funds in the bank. These individuals are not

officially enrolled in the system. One of the root causes of scamming is the perceived complexity and length of the application process, which remains the same for renewals, despite efforts to simplify and automate it. This lack of awareness contributes to the persistence of scams.

Scamming remains a significant problem in certain PRA areas, with insufficient penalties for those found guilty, allowing fraudulent behavior to persist. Reports of scams continue, with cases as recent as March 2023. Addressing these issues is essential to enhance the effectiveness of the PRA and safeguard potential retirees from scams and fraud.

On Renewal/Loyalty

Common issues in the renewal process have been identified, starting with inconsistencies from the initial request reception to its final release. Some satellite offices are encountering difficulties accessing the system, resulting in manual transactions and physical filing of requests. These paper-based processes introduce gaps and challenges in receiving documents, leading to service delivery delays. Additionally, processing time considerations are overlooked by some satellite offices, neglecting the shipping duration via courier. They sometimes forget to document the date of the request's receipt from both the retiree and the courier at the head office.

There is also a concern regarding the accuracy in recording details such as SRRV numbers and incorrect SRRV numbers being written for the principal, leading to inconsistencies with dependents. Similarly, there have been instances of incorrect daily rates being recorded, resulting in miscalculated fees charged to retirees.

Lastly, poor recording and monitoring, particularly in telephone conversations, contribute to delays. A suggestion from the servicing officer is to use email for follow-ups or information dissemination instead of relying solely on telephone conversations to improve efficiency and accuracy in the renewal process. Addressing these common issues is crucial for streamlining the renewal process and ensuring timely service delivery.

While the renewal process for the SRRV takes less time than the enrollment process, it is still as tedious as the application process. Applicants or marketers can book appointments online via Facebook or email, with the earliest available slot two to three days after the booking date. However, SRRV holders must submit the same requirements as when they first applied, and marketers have observed hidden fees for PRA's in-house services, with no official receipt provided for some payments, such as notarization of documents.

Unfortunately, the PRA faces several challenges that affect its service quality. After-sales services are not available to check on the stay of foreigners and their needs, and some members were reportedly issued fake PhilHealth IDs. The availability of supporting services such as medical care and insurance is dependent on the VFA and other PH-US mutual agreement programs for military retirees from the US. Moreover, renewal and retention of accredited merchant partners is one of the challenges for PRA. There is a low number of entities in the roster of merchant partners, and these different types of institutions are only found in certain regions. From KIIs, a reason for this may be that the benefits of being a partner with respect to having retiree clients may not have been realized.

One particular step that was identified in key informant interviews as a bottleneck in the ID renewal process is the verification of the deposit slips with Landbank. Verifying the payment made by a member now takes significantly more days to be verified. In this regard, both LBP and PRA

must work on how to make this step more efficient. Key Informant Interviews (KIIs) also note the difference if the ID renewal was through the satellite offices, increasing the possibility of not meeting the length of time stated in their citizen's charter.

Applicants also encounter technical issues, such as password retrieval and email transfer requirements, while marketers must present a letter of authorization in addition to the guaranteed document. Transferring funds from unaccredited to accredited banks is also time-consuming and can cause members to stay longer than intended.

The PRA's evaluation system has room for improvement, with members able to see who evaluated services and only emoticon icons available for feedback. Marketers are also unaware of available services such as ambulance services. The membership renewal process with frequency changing from once in three years to annually then to biennially takes about six weeks to complete. Additionally, the PRA website does not communicate the cost of living or SRRV privileges. Merchant partners also reportedly need to pay an annual bond or fee of US\$300 to be accredited, potentially limiting other businesses from partnering with the PRA. Policies on fees or bonds are also unclear to merchant partners, who must pay PRA US\$250 in the first year and US\$125 each succeeding year. Overall, the PRA faces several challenges that need to be addressed to improve its service to its clients.

On Cancellation

Cancellation issues can cause significant problems for members of the PRA. One issue is the lack of clear processes for cancellations, as some banks fail to communicate to marketers that funds have been returned to a former member's account. This lack of communication can lead to confusion and frustration for retirees who need access to their funds. Additionally, the PRA holds members' passports for up to four months, which can prevent them from traveling out of the country. Members may choose to cancel their membership to retrieve their fund deposits in the PRA system, but this process can also take up to four months at the BI level, causing further delays. The delay at the BI level is due to the volume of visa applications, as applications are prioritized over cancellations. Further, the applicant needs to present a valid reason for cancellation, and usually cancellations are done by the BI instead of the visa holder and when the visa holder violates the terms of their visa.

In cases where the SRRV holder passes away, new requirements have been added that can take up to six months to fulfill, such as presenting a PSA death certificate. The PRA also does not honor wills that transfer property and money to a live-in partner or friend, which can cause legal complications for retirees.

On Partnership with Service Providers

The categorization of retirement facilities presents certain challenges that need to be addressed effectively. As the demand for such facilities continues to grow, it becomes imperative to establish clear distinctions between different types of retirement options. For instance, a focus should be placed on developing dedicated retirement facilities rather than condominiums. However, it is essential to ensure accurate categorization, particularly because retirement facilities such as nursing homes primarily offer services instead of property sales. Notably, retirees cannot utilize

their deposits to cover the expenses of service-oriented retirement facilities, even if they choose to reside there. This limitation arises from the prerequisite of including a PRA restriction/annotation in the Certificate of Title or Sublease agreement to convert their deposit into an active investment.

In cases where merchants are situated outside of Metro Manila, accreditation officers often rely on satellite offices to conduct on-site inspections on their behalf. Nevertheless, it's crucial to acknowledge that the availability of staff in these satellite offices for such tasks may not be consistent. Consequently, the process of conducting on-site inspections in provincial areas may be prolonged, typically taking 2-3 weeks due to a shortage of personnel. In instances where no satellite office is available to conduct the on-site inspection, the accreditation officer must personally travel to inspect the structure, underscoring the pressing need for adequate staffing levels.

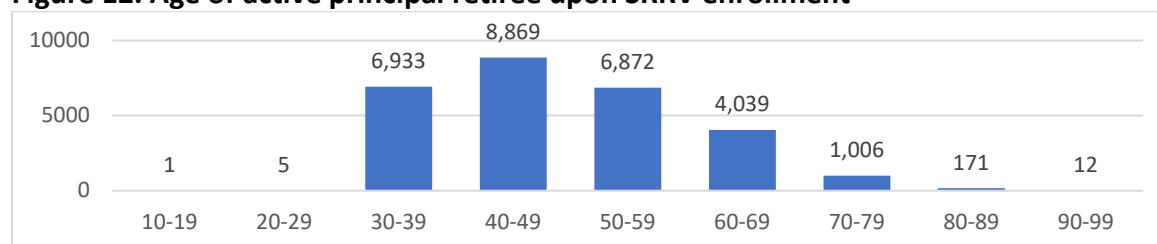
6. Profile of PRA Active Retirees in the Philippines

Basic demographic profile of Retirees

After enrollment, PRA continues to monitor SRRV visa holders through their ID renewal. PRA retirees are then considered active retirees if they have a valid visa and did not withdraw their enrollment. In total there are more than 55,000 active retirees, half (27,912)⁸ of which are principal retirees. This section will specifically cover information on active principal retirees.

On average, these retirees acquired their SRRV visa at the age of 49, lower than the national retirement age of 65. PRA data shows that only about 18.7 percent of principal SRRV cardholders are 60 and above, while 81 percent are between the ages of 30 and 59. In terms of the trend in age, more recent active retirees are fairly young with more active retirees coming from those ages 30 to 39 and 40 to 49 (see Figure 12). This is significantly different from the year 2010, wherein ages 50 to 59 and 60 to 69 were the top two age groups. On the other hand, those ages 70 and above are consistently the least likely to retire and acquire an SRRV in the Philippines. This is important to consider given that the older the age group the more they would need security in health such as quality and accessible medical services.

Figure 12. Age of active principal retiree upon SRRV enrollment



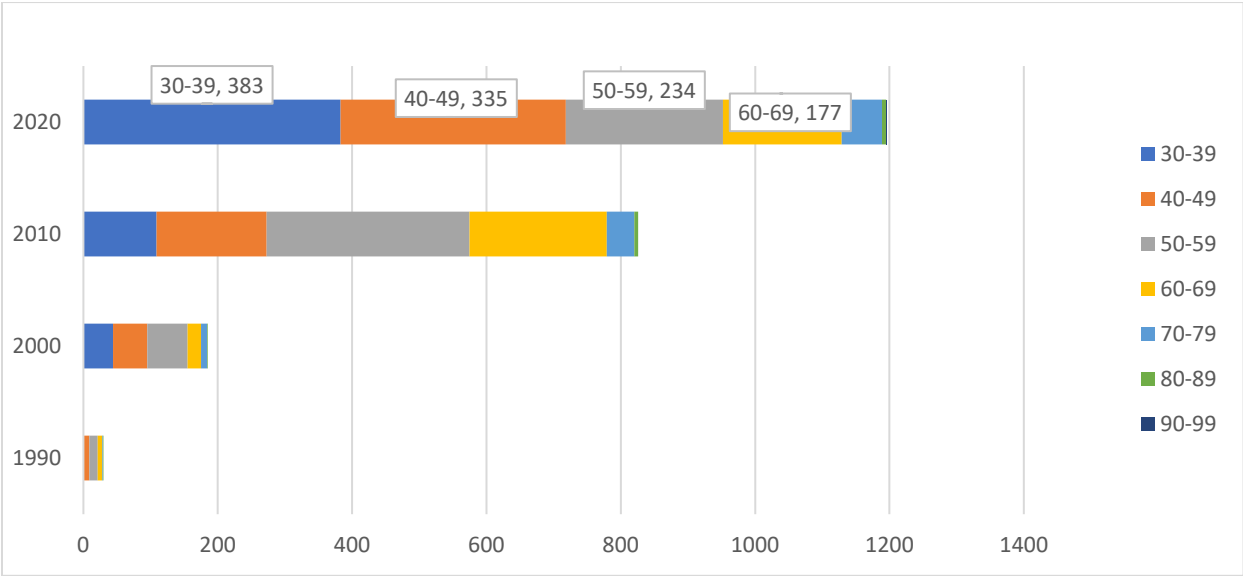
Note:

1. Four principal retiree was not included due to discrepancy in the data
2. Age was computed by getting the difference from current age (as of 2022) and number of years as a SRRV holder

Source: PRA (2022a)

⁸ As of December 31, 2021

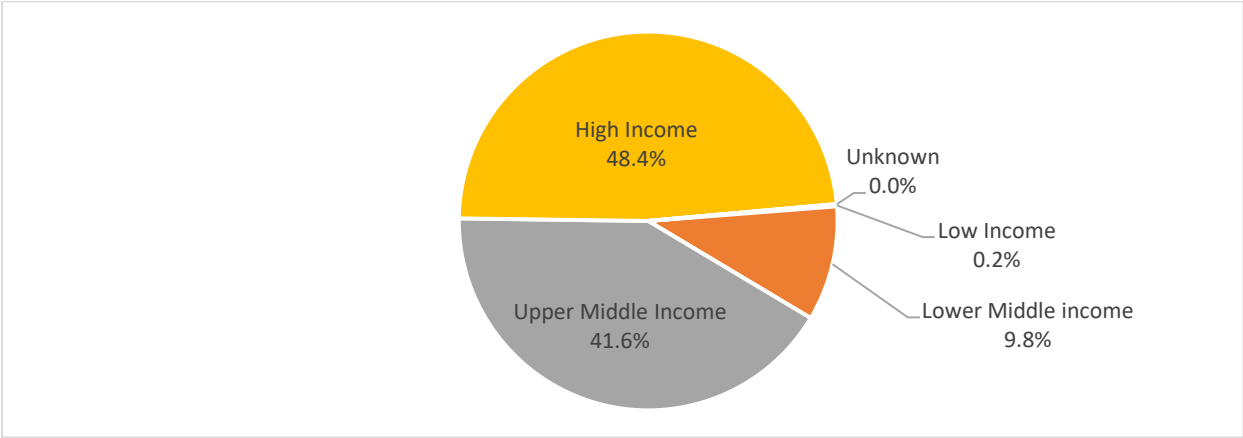
Figure 13. Age of active principal retiree by year of enrollment



Note: Age upon SRRV enrollment
Source: PRA (2022a)

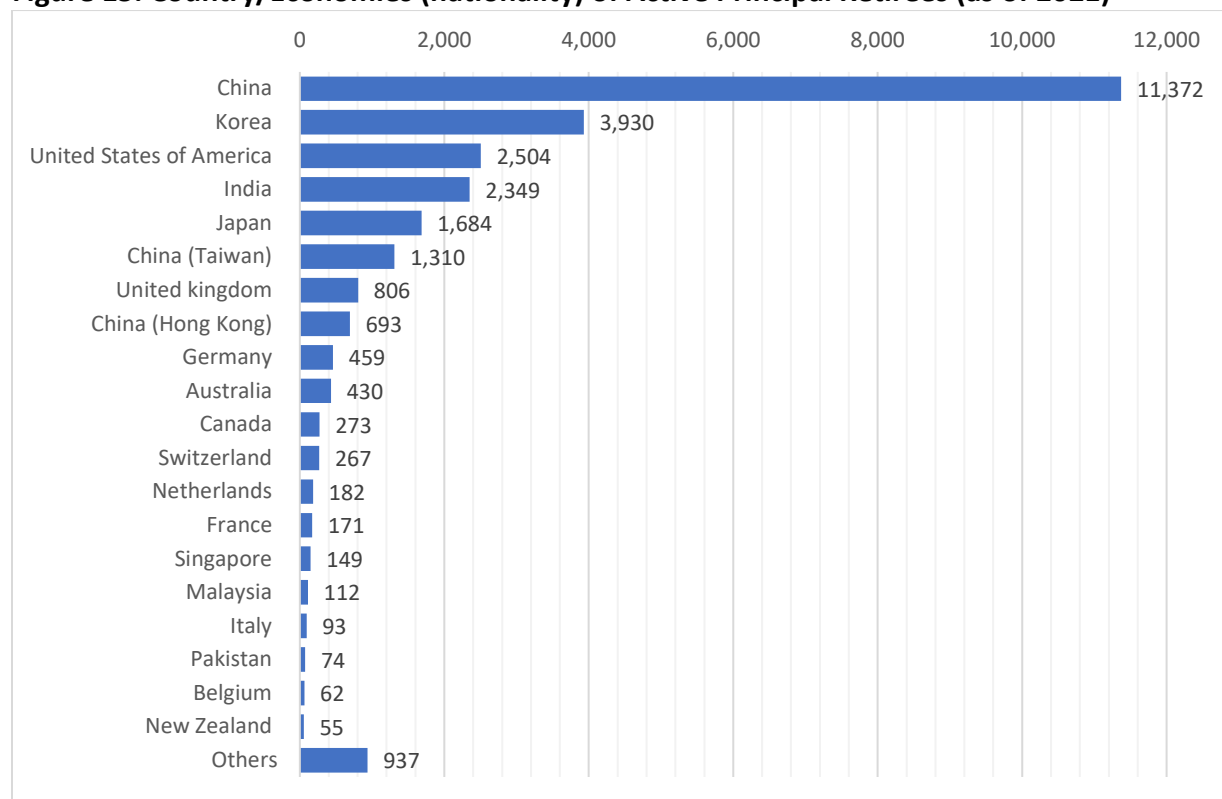
It can also be seen that there are more active principal retirees coming from high income (48.4%) and upper middle-income countries (41.6%). This can be due to these individuals having greater financial capacity to sustain their SRRV membership as compared to other countries. In particular, more than a third of active retirees comes from China (40.1%), then South Korea (14.1%), and United States of America (8.9%). The above countries already have existing communities in the country, which can also ease the transition among retirees, possibly prolonging their stay as compared to other nationalities.

Figure 14. Distribution of Active Principal Retirees, by income group (as of 2021)



Note: Region and Income classification taken from World Bank
Source: PRA (2022a)

Figure 15. Country/Economies (nationality) of Active Principal Retirees (as of 2021)



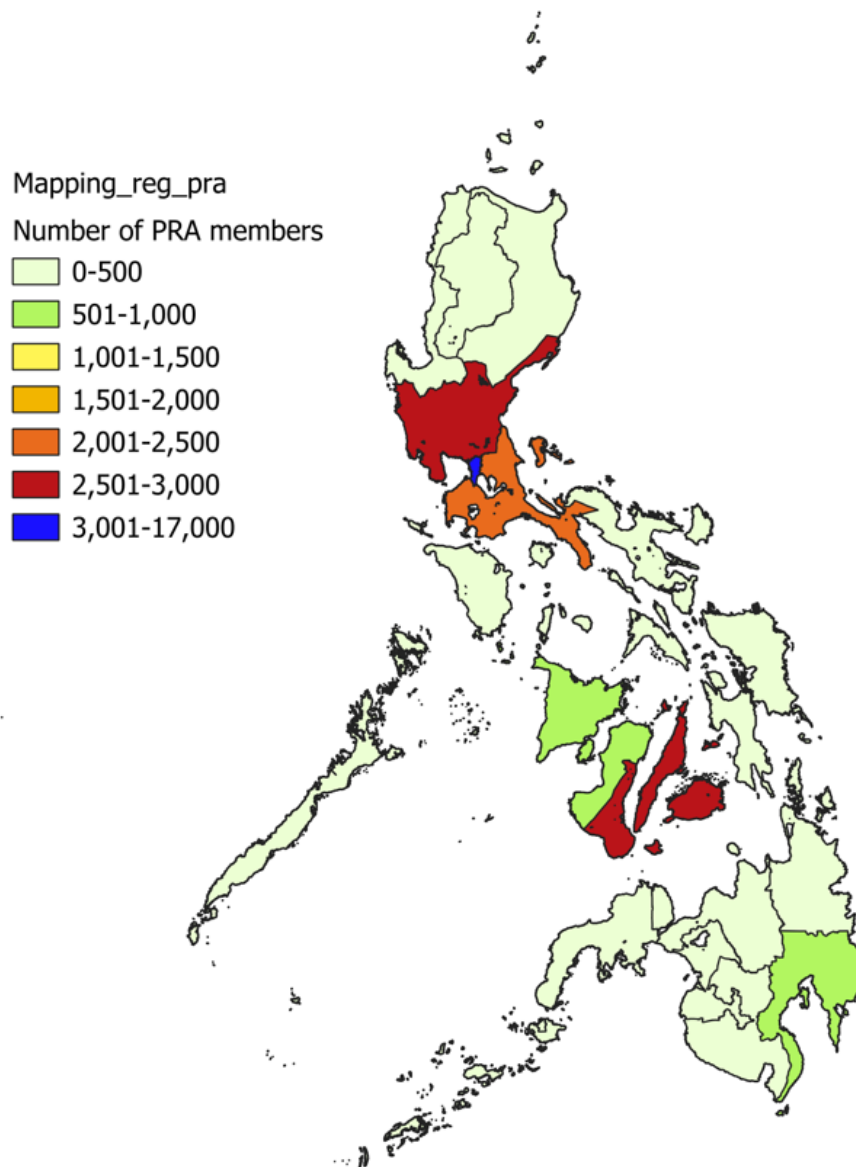
Note: Top twenty countries of nationality of active principal retiree

Source: PRA (2022a)

In terms of their location in the country, active principal retirees are present in nearly all the regions of the country, although there is a notable concentration of retirees in NCR, Region III, Region VII, and Region IV-A. Most of these are highly urbanized areas, with easily accessible and vast services available.

The KIIs with retirees through their representatives and/or marketers show that many retirees (active and prospective) of the same nationality tend to share information with one another via word of mouth when it comes to their visa applications and transactions and settlement, in general, into the country. Some examples are a group of retired American military personnel and groups of Koreans in Angeles City.

Figure 16. Distribution of PRA active retirees by province (as of October 2022)



Source: PRA (2022b)

Cancellation of SRRV

As the number of SRRV holders increased over the years, some retirees ceased their membership in the PRA due to a number of different reasons. Figure 17 below shows the total number of cancellations compared to enrolment. On an annual basis, the number of cancellations remained relatively flat compared to the enrolment number. Figure 18 shows the data per five-year interval and disaggregated by membership type. The figure shows that nearly half of the total cancellations were spouses and dependents.

Figure 17. Enrolment and cancellation (1987-2022)

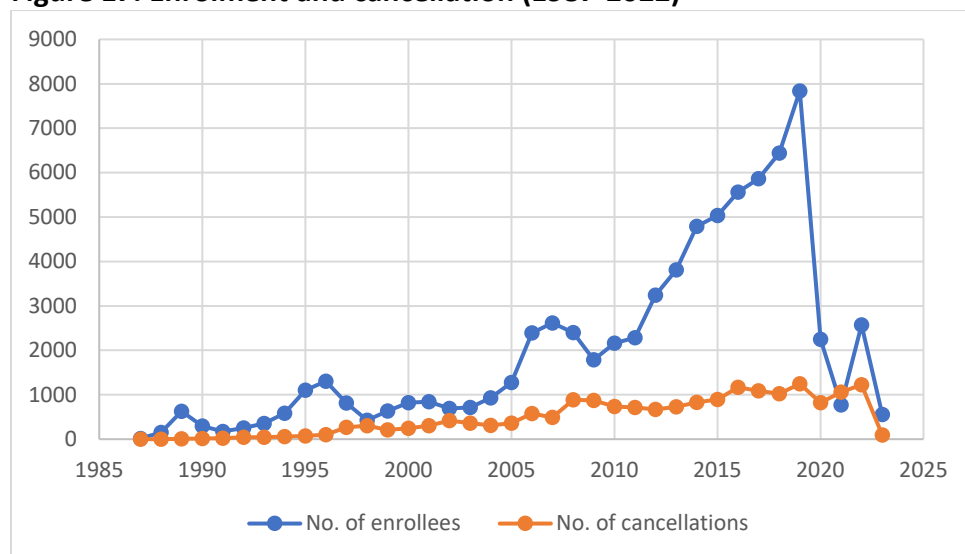
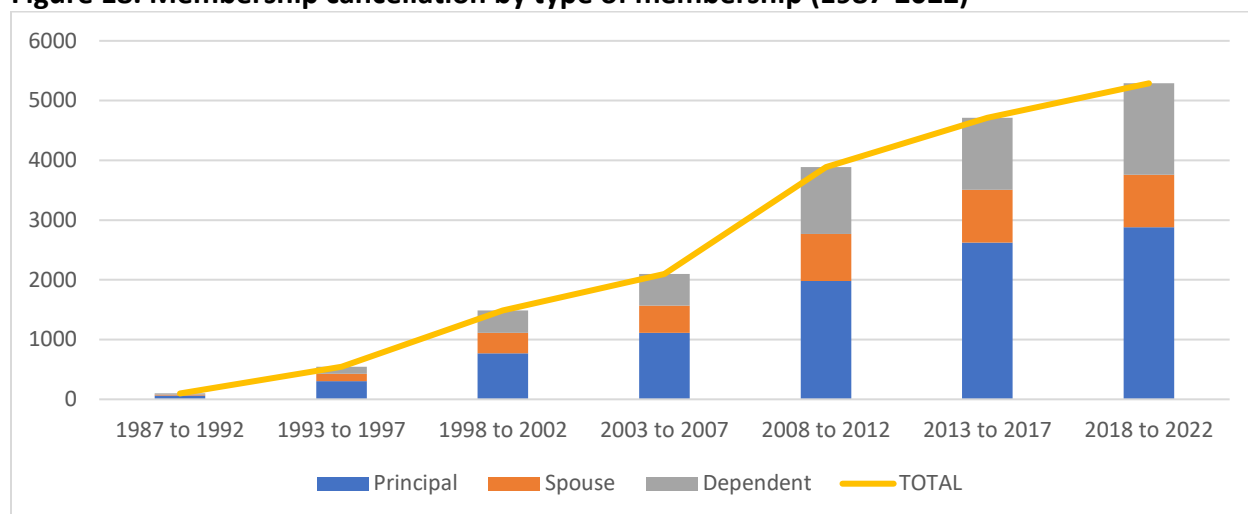


Figure 18. Membership cancellation by type of membership (1987-2022)



Source: PRA Cancellation data.

Figure 19 below shows the top reasons for cancellation. A significant reason for withdrawal stated is that the members were a spouse or a dependent of a principal. This may mean that their SRRV were cancelled together when the SRRV of the principal was cancelled, or that they voluntarily cancelled their SRRV even when the principal is still an active SRRV holder. This emphasizes that for spouses and dependents who have the capacity, possible further efforts for retention and engagements could be explored so that they may avail or at least be more aware of the benefits of being the retirement program, as well as for a continued stream of revenue for PRA. Furthermore, when a principal SRRV holder is deceased (which is among the top reasons for cancellation), only a few spouses/ dependents decide to continue through subrogation. From the data, there are not a lot of cancellations observed wherein it was stated that the reason was for subrogation.

Quite noticeable also is the number of cancellations because retirees wanted to return home for good. Foreigners decided to be a retiree in the Philippines and consider the country as their second home or investment destination. However, after a certain time period of being retired, people would go back to their home country, though possibly for varying reasons. For retirees who wanted to return home to take care of to be with their families, these were tagged under family reasons, which is among the more frequently stated reasons for withdrawal. Going back to literature, the data exhibits the evolving concept of retirement. People may go on a temporary or semi-retirement before going back to their home country.

Health is also an important factor for retirees when deciding to continue on or cease being a SRRV holder. These may be due to declining health, retirees getting medical treatment in another country, and health insurance reasons. Although retirees may enroll in PhilHealth, retirees may still have preference for their deteriorating physical conditions to be better taken care of outside of the Philippines.

Another reason for cancellation is business and investment opportunities in another country including their home country. For a retired person who engages in business and investment activities, it follows that he or she would be in a place worth putting his or her resources in, although this does not mean that the business/ investment in the Philippines did not prosper. Migration or relocation to another country is also among the top ten reasons for cancellation. These means that the retiree opts to settle in another country aside from the Philippines and the home country, though there could be a number of factors that led these retirees to be more attracted to move to another country.

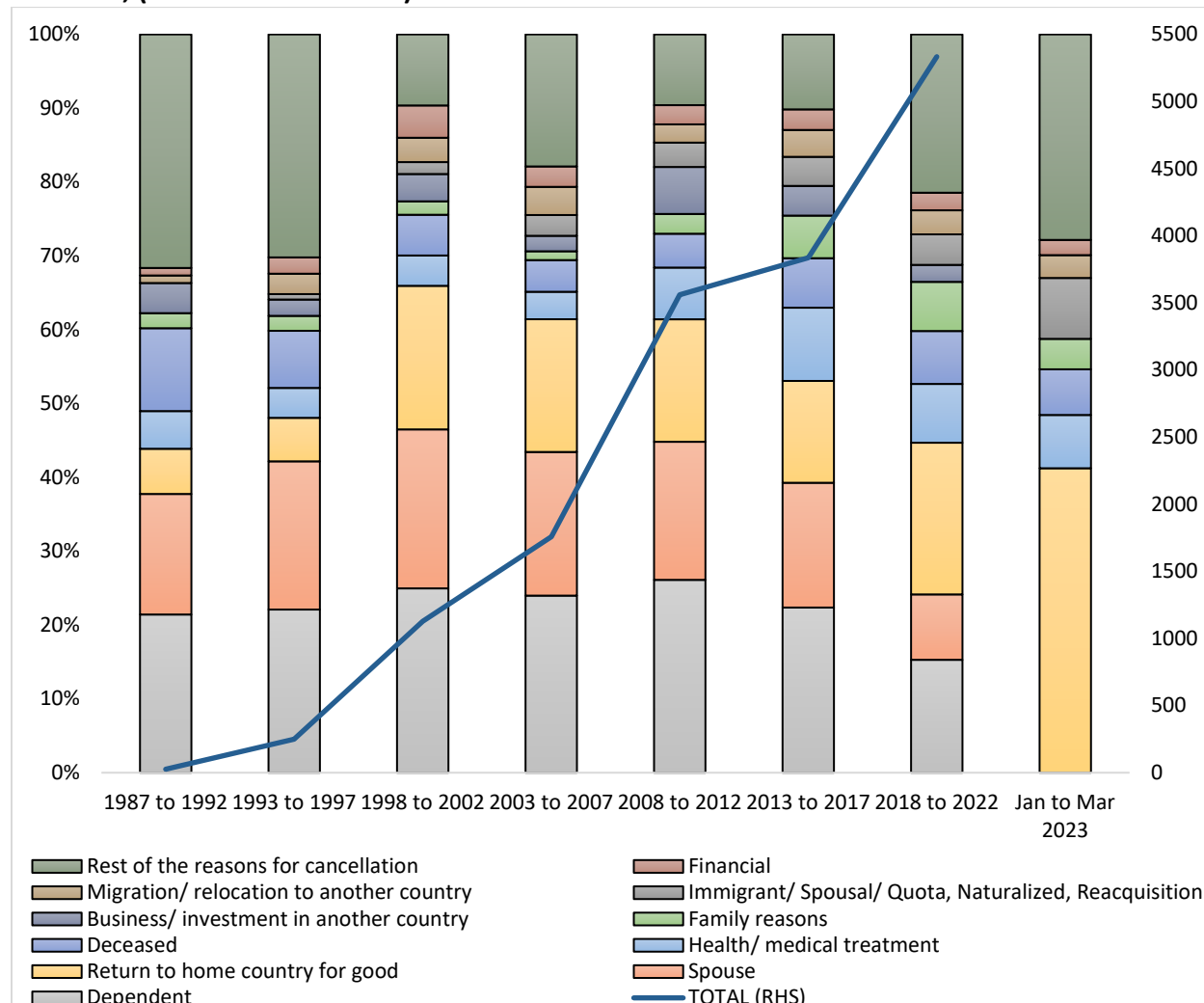
Obtaining another visa through being an immigrant, spousal, quota, naturalization, and reacquisition of citizenship is also a frequent reason for SRRV cancellation. Included here are Quota Visa (13) Immigrant Visa by Marriage (13A), Returning Former Natural-Born Filipino Citizen (13G) Returning Resident (13E), Alien Legalization Program (AEP), and Permanent Resident Visa, (PRV). Acquisition of non-immigrant visas as well as other special visas were also present though not among the more frequently observed reasons for cancellation in the data. Furthermore, having a financial problem is also among the top reasons for withdrawal. The rest of the reasons for cancellation include non-compliance/ delinquency/ blacklisting⁹; divorce; old age; education (including military service); work obligations; termination of business/ investment; acquisition¹⁰ of non-immigrant visas, special visas, and other unspecified visas; reclassification of scheme/ membership; difficulty in adjusting/ bad experience/ peace and order situation; no longer interested/ disappointed with the program; personal reasons; pandemic; economic crisis and other monetary sector¹¹ issues; among others. Lastly, it is important to note that since this is cancellation data, it does not capture those who explored the possibility of retiring in the Philippines but opted not to.

⁹ Includes the cancellation of SRRV due to the absence of proof of deposit following the bankruptcy of Bankwise, Inc.

¹⁰ 9(E), student visa 9(F), working visa 9(G), Longs Stay Visitor Visa Extension (LSVVE), Temporary Resident Visa (TRV) Special Investor's Resident Visa (SIRV), Special Visa for Employment Generation, (SVEG), Special Non-Immigrant Visa 47(A)(2) or the PEZA visa, among others.

¹¹ Includes the Asian Financial Crisis, Global Recession, devaluation of the currency, low bank interest rates, and the like.

Figure 19. Share of the top reasons and total cancellation of membership per five-year intervals, (1987 to March 2023).



Source: PRA Cancellation data.

Note:

1. RHS=right-hand side
2. The discrepancies in Figure 18 are due to cancellations wherein the reasons for withdrawal were left blank.
3. Categorization of reasons for cancellations are loosely adapted from the January 10, 2022, PRA memorandum on the revised data on causes of SRRV cancellation. Other specified categories are the authors' prerogative upon examination of the data provided by PRA.

The data below shows the numbers of days that the cancelled SRRV holders were in the program of PRA, from the date that the SRRV was issued to the date of withdrawal. This was used as the basis and not the actual date of visa cancellation was used because it signifies an official intent to no longer continue on with being in the retirement program of PRA. For SRRV holders that had been cancelled over the years, the average length of stay is about 6.2 years, though of course this does not account for the current length of stay of active retirees in PRA. For past SRRV holders who are now deceased, they were a retiree with PRA for about 8.8 years on average. The data shows that for those who cancelled their SRRV due to health or medical treatment concerns, these

retirees were in the program for about seven years. Of the top reasons for cancellation, business and investment opportunities outside of the Philippines leads to SRRV holders to be in the program for only about 4.4 years.

Table 11. Average duration of stay by SRRV holders who cancelled PRA membership between 1987 to March 2023, by top reasons for cancellation

Reason for cancellation	Years as an SRRV holder
Deceased	8.8
Spouse	6.2
Dependent	5.7
Return to home country for good	5.9
Health/ medical treatment	7.0
Family reasons	5.4
Business/ investment in another country	4.4
Financial	4.7
Immigrant/ Spousal/ Quota, Naturalized, Reacquisition	6.4
Migration/ relocation to another country	6.3
ALL	6.2

Source: Authors' computations.

Note: Observations with errors in encoding of information were omitted (i.e., if the date of withdrawal came before the date the SRRV was issued or if the date is Jan. 1, 1900).

7. Value Chain Analysis – Input-Output analysis

As the retirement industry may be considered small because of its relative size, it is not specifically identified as a major category for the input-output tables. Still, one can consider the sector under which the retirement industry may be included which is the human health and social work activities sector (Sector Q of the 2019 PSIC). Based on the input-output table, Sectors contributing the most to the social work and humanitarian sector include professional services which may include health care providers and support services providers which would assist them in their life in the Philippines. Real estate ranks second which 16 percent of total inputs needed by the sector. Wholesale and retail trade ranks third followed by banks and financial institutions which ranks fourth. The top 5 is completed by chemicals and pharmaceuticals manufacturing which is also reasonable as it supports the needs of the retirees in the Philippines.

Table 12. Input-Output Table

Sectors	Share to total inputs	Rank
Professional, Scientific and Technical Activities;		
Administrative and Support Service Activities	0.261667	1
Real estate	0.161812	2
Wholesale and Retail Trade	0.159819	3
Banks and Financial institutions	0.07529	4
Chemicals and pharmaceuticals	0.067171	5
Education	0.057728	6
Utilities	0.050305	7
Other manufacturing, n.e.c.	0.044624	8
Other services	0.031133	9
Computer, electronic and optical products	0.028558	10
Communication	0.02365	11
Social work activities	0.012037	12
Health services	0.008104	13
Food & Beverages	0.006547	14
Agriculture, Forestry, and Fishing	0.005754	15
Transport services	0.002779	16
Wearing apparel and footwear	0.00204	17
Construction	0.00086	18
Mining	0.000121	19
	1	

Source: Author's computations

Clearly, this shows that Sector Q has strong ties to the services sector of the country with high reliance on professional services, banking and real estate services. It also points to the need to have these services available in order to support the growth of the industry.

The data from the Annual Survey of Philippine Business and Industry (ASPBI) conducted by the Philippine Statistics Authority show that the supporting facilities and services in the Philippines for retirees are limited (Table 12). These would include limited residential care activities for the elderly and residential nursing care facilities. The number of establishments becomes critical especially for Mindanao and areas outside Luzon. Mindanao reports no such establishments from 2014 to 2017.

In terms of other services such as medical services, establishments data reveal that there may be sufficient private services available for the retirees, but the concentration remains in NCR and Luzon. Mindanao and Visayas have considerably fewer private hospitals. This lack of access to medical services can be a major barrier for retirees, who are more likely to have chronic health conditions.

Table 13. Number of Establishments per Industry

	2014	2015	2016	2017	Grand Total
Other Personal Service Activities	309	230	223	297	1059
Luzon	41	33	30	39	143
Mindanao	19	16	19	15	69
NCR	58	55	48	71	232
Other	159	100	103	138	500
Visayas	32	26	23	34	115
Other social work activities without accommodation, n.e.c.	56	56	59	64	235
Luzon	6	7	6	8	27
Mindanao	8	7	8	12	35
NCR	12	16	15	12	55
Other	24	22	25	22	93
Visayas	6	4	5	10	25
Private Medical, Dental, and other Health Activities	177	132	151	143	603
Luzon	18	25	25	27	95
Mindanao	8	15	17	13	53
NCR	39	29	34	33	135
Other	97	50	61	50	258
Visayas	15	13	14	20	62
Public Medical, Dental and other Health Activities	1		2	1	4
NCR			1	1	2
Other	1		1		2
Residential Care Activities for the Elderly and Disabled	3	4	5	5	17
Luzon	1	1	1	1	4
NCR			1	1	2
Other	2	3	3	3	11
Residential Nursing Care Facilities	7	5	5	5	22
Luzon	1	1	1	1	4
NCR	1	1	1	1	4
Other	4	3	3	3	13
Visayas	1				1

**Social Work Activities
without Accommodation
for the Elderly and
Disabled**

	11	12	10	11	44
Luzon	1	1	1	1	4
NCR	3	2	3	3	11
Other	7	9	6	7	29
Grand Total	564	439	455	526	1984

Source: Annual Survey of Philippine Business and Industry (ASPBI), Philippine Statistics Authority

8. SWOT Analysis

<p><u>Strengths</u></p> <p>The PRA's retirement program draws its strengths from its main program features – that is, it allows the SRRV holder to stay in the Philippines for as long as the retiree wants. The PRA also provides incentives and some assistance to help the retirees in initial settlement. Having dedicated staff in satellite offices in areas with high concentration of foreign retirees is also a strength of the retirement program.</p>	<p><u>Weaknesses</u></p> <p>Delays associated with obtaining the visa and ID renewal, a system that is prone to scam, uncertainty in the documentary requirements, frequent renewal process of the PRA ID card, lack of information dissemination in relation to membership cancellation are some of the weaknesses of the program.</p>
<p><u>Opportunities</u></p> <p>The global migration trend of individuals aged 50 and above doubled between 1990 and 2020. This trend is similar to that of relatively younger people. The country can benefit from these trends given an enabling environment.</p> <p>The factors that attract tourists and retirees are Filipinos' ability to speak English, its warm climate, low cost of living, and friendly, hospitable people.</p>	<p><u>Threats</u></p> <p>Lengthy visa process, outside the control of PRA, in the Bureau of Immigration tends to delay the visa application. Also, varied, unclear bank policies in relation to cancellation can threaten the competitiveness of the program. The lack of portability of health insurance of foreign retirees also threatens the competitiveness of the Philippines as a retirement destination. KII reveals that some hospitals are not so keen to take in foreign patients because of the lack of a clear policy on who should pay for the expenses. There is lack of health and care-giving establishments and facilities outside of the capital which constrains retirees' access to such in these areas.</p>

9. Summary and Recommendations

The rapidly aging societies around the world point to the need for better and smarter retirement programs. The Philippines, with its warm climate, hospitable and caring people, and English proficient population has a great potential to gain from the opportunities presented by such demographic trends. It is therefore crucial for the Philippine Retirement Authority to significantly enhance its retirement program to help position the country to become a major retiree destination in the near future.

Summary and Conclusion

The competitiveness of the Philippines' retirement program being implemented by the Philippine Retirement Authority was examined via a mixed-methods approach. Administrative data from PRA and other government agencies and information gathered via key informant interviews were instrumental in the analyses. While it is important to benchmark the retirement program's performance vis-a-vis its competitors in Southeast Asia, much of the analysis so far pointed to salient issues in relation to the visa processes of the PRA, its collaboration with its merchant partners, marketers, and accredited retirement facilities, its program priorities, and its organizational set-up (particularly its satellite offices serving as front liners). In other words, there is much that needs to be done in PRA's internal processes and partnerships that can help improve its program's competitiveness.

The PRA's visa program is deemed very attractive based on the dimensions examined. Among its neighbors in the ASEAN, it is the only one that accepts eligible foreign retirees to have indefinite stay in the country. It also offers relatively lower financial requirements in comparison to those of other countries in the ASEAN region.

The retirement program is also responsive to the demands of people who may be going through different types of retirement. Because it allows the retirees to work for salary (although they still need to secure the AEP), the program is cognizant on the presence of other types of retirement, not just the traditional type where the retiree stops to work entirely. It acknowledges that some may be going through semi- or gradual retirement type (or what some others call flexi-retirement) wherein working will help them not only in their finances but also for health reasons.

Given these, the PRA needs to maximize its potential, define its market more effectively (for this, please refer to study phase 2's recommendation) and compete more aggressively with its competitors in the region by assessing the other country's models and how it can learn from their strategies. For instance, Malaysia's business model does not limit the age requirement to older individuals (as long as they show financial capacity) and is therefore deemed more aggressive in accommodating the two other types of retirement (semi- or gradual and temporary). Currently, the PH allows only 50 years old and over for its retirement program under the PRA. It may be helpful to bring this requirement down to 40 (if deemed necessary) but with an improved screening process of financial capability and a better, more efficient visa processes as well as after-sales program (discussed in greater details below). The feasibility and plausibility of this policy recommendation is examined in the Phase 3 of this project.

The program needs to be agile to adapt to changing concepts of work and retirement, including the changing characteristics of business executives who tend to travel a lot. The now widely accepted notion of flexi-place, work-from-home work arrangements also provide an important framework in the way one must view retirement. In addition, business executives were shown to have become younger and tend to engage in semi-retirement – pursuing both business and passion at the same time. Two of the important Philippine markets for foreign retirees – South Korea and China, are exhibiting these trends.

PRA retirement program’s competitiveness is adversely affected by delays/inefficiencies in the visa processes. The PRA and its partners must address these inefficiencies if the Philippine retirement program aims to be one of the most competitive in the region. The study found that there are significant delays in the visa enrolment process, ID renewal process, and membership cancellation. This observation was relayed by key informants citing that usually the bottleneck in terms of the visa processing is at the Bureau of Immigration. PRA members who lodge their renewal application with the satellite offices also have long waiting time to get their ID renewed. Informants also relayed that membership cancellation is a long and tedious process. Program attractiveness is also being negatively affected by the non-negligible cases of scam, fake PRA IDs, and unreasonably high fees charged by intermediaries. Findings from KIIs bring forth the need to have a much more proactive way of addressing the needs of members. KIIs also revealed that there is room for improvement in terms of PRA’s facilitation of retiree’s access to services beyond the SRRV. This is discussed in further detail below.

The PRA must implement concrete actions to address the delays in the processes of visa enrolment, membership/ID card renewal, and cancellation. It must continuously examine the bottlenecks in these processes and implement strategies to address them. Information gathered from interviews show that the main bottleneck when it comes to the processing of visa application is the stage where the BI processes the visa applications. A KII revealed that there is lack of human resources at the BI and that currently, there is no department solely in charge of visas. It is therefore important for the bureau to augment its capacity to cater to visa applications including the SRRV. A more efficient BI in general will benefit the SRRV process. It needs to augment its people particularly in the legal, derogatory, and cashier departments and install a department/unit that will oversee the smooth and fast processing of visas. They must implement previously tested strategies that can expedite the SRRV process such as the assignment of a specific satellite office to process SRRV applications. The head of this satellite office must be empowered with authority to approve the SRRV applications. Key informants noted that such strategies have been implemented in the past and it resulted in faster processing of applications. Upon weighing the pros and cons, BI may also consider delegating some processes to the PRA such as derogatory checks. In fact, the PRA and BI had a data-sharing MOA related to this. If the data sharing agreement goes through, the PRA can check derogatory records per SRRV applicant.

The PRA must empower its satellite offices to reduce visa processing time (enrolment, renewal, cancellation) and to respond more effectively to the needs of its members. It must examine which aspects can already be delegated to the satellite offices so that there is less burden on the main office’s operations. The renewal process may be a good start in examining the aspects to be delegated. In the ID renewal process, the satellite office is tasked to collect/receive and assess applications for renewal, and then forward the documents to the main office via courier. Marketers within the area tend to bypass the satellite office and proceed to the main office to do away with

the lengthy process of sending documents via courier by the satellite office. To reduce the waiting time, PRA may study/explore the possibility of having ID card printed on-site, at the satellite offices.

Also, to effectively address the needs of PRA members in the countryside, PRA satellite offices must be provided with adequate physical and human resources. This is also necessary to expedite the accreditation process for merchants and retirement facilities in the provinces. Aspirations for improved competitiveness must also be accompanied by enhanced capacity to serve the retirees better. Satellite offices play crucial roles in PRA's efforts to improve its processes and services on the ground. Furthermore, because they are the faces of PRA on the ground, it is essential that they have adequate staff to accommodate the queries of both prospective and active PRA members. This will not only lighten the load of the main office but will also benefit the clients who choose to be located in the countryside.

It may be useful to review the naming of the Subic-Clark satellite office as well, which by the way is located in Angeles City, since it caters not only to PRA members and prospective members in Subic and Clark but also to other parts of Central Luzon. It can be made into the Central Luzon regional office because it covers the provinces – Zambales, Tarlac, Bulacan, Pampanga, Bataan, Aurora and Nueva Ecija.

The development of the PRA digital system must be fast-tracked to improve program processes and ensure regular monitoring of PRA efforts' effectiveness. From the KIIs, the absence of a more digitalized system from its current state, wherein some processes are still manually done, would require the need for more staff to be employed to adequately serve the growing number of members. The system must already enable the agency to collect standardized information for a more efficient assessment of application documents, for tracking application status, for monitoring their economic activities and other purposes such as locating foreign retirees which is important in the events of natural and other disasters. Furthermore, information that must be collected includes their needs and concerns and the corresponding resolution of such issues and concerns. It is essential that the PRA dedicates resources to establishing a research staff that examines the effectiveness of its marketing efforts, collects information on a regular basis, to ensure a knowledge-based, evidence-informed decision-making process. The digitalization of process and data collection will significantly improve PRA's ability to monitor and evaluate its programs.

While the digital system is not yet developed, existing platforms like Google Forms/Survey Monkey can be tapped for purposes of collating much-needed information. The PRA Satellite Office for Clark & Subic located in Angeles City has also come up with an innovation in terms of understanding the needs of its clients. Such innovation must be replicated by other offices of the PRA.

PRA can also work closely with partner-banks in the introduction of digital methods for transferring bank certificates, especially those coming from provincial banks. This transfer is an essential step in the enrolment process. Hard copies of bank certificates can still be retained for record-keeping purposes.

PRA must regularly assess its policies and how these affect the competitiveness of its visa program, taking into great consideration the importance of ease of doing business. KII with representatives of marketers relayed that based on their experience, SRRV is a less preferred visa

because of certain factors. Aside from the lengthy application process, the whole process requires the passport to be in the possession of the authorities for the whole duration of the application process, thereby preventing the applicant to return to his/her own country or go to other countries during the course of the process. Other visas like the PEZA and the 9(G) or pre-arranged employment visa do not have such requirement (because the original documents are verified in a speedy manner since PEZA has BI unit stationed inside the organization that expedites the verification process). With these visas, the passport is not held for a long time which enables the applicant to have access to the passport right away.

There is also some uncertainty with respect to the documents being required. This refers to the note indicated in the application/renewal form that says - “other documentary requirements may be requested...” It is important that such requirements be made clear so that prospective members can prepare the needed documents in a smooth manner. Marketers also suggest that PRA streamline their forms and processes so that PRA will find it easier to verify information from potential clients.

Furthermore, KII reveals that PRA SRRV/ PRA membership used to be more attractive in the past where the renewal happens every 3 years. With the annual renewal process being implemented recently, though the policy has been updated every 2 years now, the attractiveness of the visa may have been adversely affected.

While the retirement program is competitive in attracting people, there is lack of services or facilitation of access to services beyond the visa program. The PRA, therefore, must enhance its efforts on improving the welfare of its clients, the retirees. The focus should not be limited to marketing programs aimed at expanding visa applications/memberships but more so in facilitating a successful retirement experience for PRA members. In other words, the PRA must look beyond the visa-related needs of its clients and must develop relevant after-sales services and dedicate greater resources to such services. Various KIIs reveal that PRA focuses more on the provision of visa (SRRV) but less so on the after-sales services. One of the recommendations from key informants is for PRA to address the need for improved participation and engagement with partners and members, as these provide more opportunities for PRA to interact and know more about their concerns or needs.

Hence, the PRA must take on an industry-level perspective by aggressively collaborating with other stakeholders in the retirement industry such as but not limited to providers of services needed by PRA members. It can collaborate more actively with other relevant agencies and explore cooperation with entities that have existing programs that actively support retirees. In carrying out this set of actions, a client-oriented and value-chain approach must be adopted where addressing the needs and concerns and promoting the welfare of retiree clients are of foremost importance. The provision of such services (whether it is about supporting or facilitating access to services) must be done in a prompt and professional way. The satellite offices, being the front liners and being closer to prospective partners, must also be empowered to forge even more partnerships with local government units, health service providers, retirement facilities, and other stakeholders for promoting the welfare of PRA clients.

The agency must come up with a mechanism to regularly obtain information on the concerns and services needed by its members so that it can develop or improve its servicing. It is therefore crucial to ensure that efforts to address such needs are regularly examined/monitored through the implementation of digitalized system of data collection, monitoring, and evaluation.

Findings from KIIs point out the need to ensure more complete information (applicants/members must provide complete information via the PRA forms) from the data collection during the renewal process. It may also be vital for PRA to strengthen its support in tracing or connecting with the families of the retirees especially in health-related emergency situations.

The agency must implement concrete mechanisms to protect prospective PRA members against scams and other illegal activities and unreasonably high fees. An important step would be to conduct effective information programs. The PRA can explore the development of a laymanized and easy to read primer that can be used as reference in terms of what to expect including but not limited to estimated expenses and usual processes for various services needed in settling in the country for retirement. This primer must also explicate in a clear manner all the processes that every PRA (prospective) member needs to know not only in terms of the enrolment and renewal processes, but also the cancellation processes (including requirements for visa deposit withdrawal, bank policies and processes, policies to be implemented in the event of the retirees' death with respect to the estate) and all associated fees. It may also contain a list of accredited and blacklisted marketers, if any, to ensure that members are informed. Furthermore, conducting mandatory briefing and oath-taking ceremony has shown to be helpful in efforts to educate the retirees about proper conduct and to protect them from scam and other illegal activities. KII reveals that there are needs and complaints of retirees that are divulged when PRA conducts the in-person oath-taking. These instances also provide PRA with more information about the specific circumstances that prospective members face.

It helps to experiment/innovate when it comes to information programs. New PRA members and would-be-members often need quite a lot of information and to address these information needs, certain initiatives can be piloted. The Subic-Clark Satellite Office, for instance, introduced a partnership it has forged with the local government unit wherein the purpose is to put up a concierge that can address queries and concerns of foreign retirees. It is an initiative that is currently in the works, but such programs are good candidates to pilot-test particularly in areas where foreign retirees tend to concentrate.

One of the key challenges emanating from the KIIs is the lack of access to or issues related to health insurance. The lack of portability of health insurance of foreign retirees threatens the competitiveness of the Philippines as a retirement destination. Retirees coming to the Philippines are not required to obtain health insurance with Philippine-based service providers although it is an option that they enroll in PhilHealth. In relation to this, KII revealed that there have been problems in the past in terms of the foreign retirees' access to healthcare services. There were instances where international insurance companies failed to pay the service providers for the medical expenses of some retirees leading to hesitations of hospitals to accept foreign patients even in emergency situation.

Interviews with key informants also showed that on select instances when an SRRV member is hospitalized but does not have enough money, for humanitarian reasons, a portion of the dollar deposit may be allowed to be withdrawn to pay for the medical fees, albeit subject for review by the main office, and the amount withdrawn must be deposited back within a certain time period. This may be explored to be put into policy as well as the appropriate process, but it should be emphasized that there should be mechanisms to avoid this from potentially snowballing into recurrence of always resorting to withdrawals from the visa deposit.

It is highly imperative that screening at PRA be improved. It needs to establish financial capacity of prospective retirees to ensure that they are able to afford healthcare services and, in the event of death, funeral and other related services. This will also lessen any burden on the government. The policy must further clarify as to who will pay for the hospital/funeral expenses in the event that the deceased foreign retiree no longer has any relative, and in the absence of a will that specifies such matter. It is important that PRA examine and learn from other countries' business model when it comes to retirees' access to healthcare services and to health insurance.

Better screening on the criminal record and mental health aspects of would-be PRA members will also ensure that the retirement program chooses only those who can contribute to the country's economic and social development and not add to any criminal activity or incidents of abuse and exploitation. The agency may inquire about an observation by an informant that certifications provided by foreign government(s) at the federal level may not effectively reflect records of misbehavior recorded at the local level.

The ageing of global population requires the development of the retirement care industry.

The World Health Organization estimates that between 2015 and 2050, the proportion of the world's population 60 years and over will nearly double from 12% to 22%.¹² In the Philippines, the retirement care industry requires a more in-depth study. An interview with two service providers, one based in Morong, Rizal and the other in Cebu, shows that there is demand for investments in the sector and this is something which the PRA, in its effort to develop the sector for purposes of attracting more retirees into the country, can advocate for and even support. These facilities provide services beyond just accommodation which most PRA-accredited retirement facilities (condominium residences) provide. While they now cater to those who are seeking assisted living facilities, the other areas that require additional investments are retirement facilities that would cater to the needs of relatively healthier retirees wherein they can be provided support for effectively settling in the country and be given much-needed information about how to navigate the local processes. Partnership with the Department of Trade and Industry (DTI) may help drive investments into this sector. Among the key strengths of retirement care facilities in the Philippines are its dedicated nurses and caregivers and English-speaking population. However, there needs to be a clearer industry definition of what really is a retirement facility considering the difference between those with assisted care services and those that are merely places of dwelling for retirees. The qualifications or criteria thereof must also be apt to the present times and retirees' way of living in the Philippines.

Furthermore, there is a need to overhaul the accreditation standards booklet for retirement facilities in the Philippines, originally published in 2007. This booklet currently comprises criteria that are unattainable for all retirement facilities. For instance, it imposes requirements such as the presence of a swimming pool, a clubhouse in a nearby sports club, a primary care clinic within the facility, proximity within a 10km radial distance to a tertiary hospital, and the availability of an on-call physician. These prerequisites are deemed inappropriate and unrealistic for the Philippine context.

¹² <https://www.who.int/news-room/facts-in-pictures/detail/ageing>

Another important aspect that requires due attention if the retirement care industry is to be developed is the supply of qualified people for the facility, particularly nurses. Currently, like in many health facilities in the country, finding nurses to work in retirement care facilities is a challenge. Partnering with local schools in the development of their staff has been one of the remedies implemented by the retirement care facility.

Lastly, given the broad extent of improvements that are required, the PRA and its partners and retirement industry stakeholder must craft an industry roadmap that is anchored on the positioning of the country as a competitive retirement destination within a context of rapidly ageing societies, changing work concepts and environments, and changing business landscapes. To be competitive (attractive and responsive), they must take an industry-level perspective, an agile, adaptive, and knowledge-based approach in the development of the country's retirement program.

**Life Care Independent & Assisted Living, Morong, Rizal
PRA's Accredited Merchant Partner**



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Established in October 2021, Life Care Independent & Assisted Living is a retirement care facility located in Morong, Rizal that caters mostly to returning Filipinos from abroad and foreign retirees. It “envision[s] within the next five years to be the assisted living facility of choice in the Philippines by providing excellent, professional care services for the elderly” (Key Informant Interview with Life Care, March 30, 2021). Life Care provides on a daily basis a caring environment where they are cared for by compassionate and highly skilled professionals. It is a sister company of the Life Care Residences located in Cebu and a product of the owner's long years of experience in assisted living. It hopes to expand to other locations in the country in the future.

The facility provides basic accommodation and care services. While Life Care's assisted living provides services mostly to elderly, there are also those who avail of their services who are frail or health-challenged individuals who can no longer perform usual activities of daily living (e.g., eating, grooming, bathing). In the facility, they are housed in private rooms and cared for by trained staff in the facility 24/7. They provide meals and snacks, laundry services, housekeeping services, assistance with personal grooming, utilities, and social activities. In addition to the trained nurses and caregiver staff, there are also event coordinators that manage the in-house activities of their clients. Life Care markets its services internationally and accepts clients from all over the world. They take advantage of their networks with overseas Filipinos, so their clients usually come from countries where there are also lots of Filipinos.

Life Care became a PRA accredited merchant in April 2022. And while PRA helps them in the marketing aspect, Life Care is advocating for the PRA and the government to draw investments towards this sector which is considered a sunshine industry as more people seek such kind of services given the trends in the ageing of the global population. Given its key strengths – the known hospitality of Filipinos, the dedicated and quality healthcare service and care provided by Filipino nurses and caregivers, the Philippines is likely to attract more retirees given adequate investment as well as support by the government. This is also an important sector that can help attract workers to stay and work in the Philippines and therefore ease the exodus of Filipino healthcare workers.

10. References

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Appendix

Table A1. comparing other countries' retirement schemes and Philippine retirement schemes.

Country	Name of Foreign Retirement Program (if any)	Number of Foreign Retirees	Profile of Foreign Retirees	Monthly Cost of Living in Host Country (US\$)	Host Country's Revenue from the Retirement Program (US\$)
Belize	QRP (Qualified Retired Persons) visa	1,921 + 1,596 dependents (Aug 2021)	<ul style="list-style-type: none"> retirees who are looking for a warm, tropical climate, a lower cost of living, and a relaxed lifestyle. the majority of QRP visa holders in Belize were from the United States (68%), followed by Canada (17%), Europe (11%), and other countries (4%) average age: 63 years old majority were married (72%) an annual income of between \$50,000 US\$US\$ and \$100,000 US\$US\$ (52%), followed by those with an income of \$100,000 US\$US\$ or more (32%), and those with an income of less than \$50,000 US\$US\$ (16%) 	3,000 to 5,000	Estimate from QRP fees: 5.5 million (Aug 2021)
Cambodia	None; closest is the ER Visa (economic and business visa for retirement)	180,000 (including all age groups, visitor types, and other long-term visitors)	<ul style="list-style-type: none"> 55 years old or older and can prove that they have a monthly income of at least \$1,500. over 50 years old come from the United States, Canada, Australia, Europe, and neighboring Asian countries. live a relaxed and low-key lifestyle, enjoying the country's warm climate, cultural attractions, and low cost of living Many are on a fixed income and are attracted to the country's low cost of living. May be interested in exploring the country's rich cultural heritage, enjoying outdoor activities, or engaging in community service or volunteer work. 	800 to 1,500	300 million per year
Columbia	M-11 Visa (Visa de Jubilado)	3,000	<ul style="list-style-type: none"> from the United States, Canada, and Europe attracted to Colombia's beautiful landscapes, rich culture, and friendly people, as well as its relatively low cost of living compared to other Western countries 	1,500 and 2,500	No public information

Costa Rica	Rentista	28,766 (Dec 2021)	<ul style="list-style-type: none"> typically, older individuals who have retired and are looking to spend their retirement years in Costa Rica, despite that there is no age limit for Rentista status must have a guaranteed monthly income of at least \$2,500 US\$US\$, usually coming from retirement pensions, investments, or other sources of passive income many foreign retirees have at least one college degree. typically have a leisurely lifestyle and are interested in activities such as travel, cultural exploration, and outdoor recreation the majority of rentistas in the country are from the United States, followed by Canada, Colombia, and Mexico. 	Single: 1,500 to 2,500; Couple: 2,000 to 4,000	7.2 million from Rentista fees; other revenue from residency applications (unclear whether from Rentistas): 25 million US\$US\$ / year
Indonesia		16.1 million arrivals, 11,000 living in-country (2019) Annual: 8,000 to 9,000	<ul style="list-style-type: none"> most of them coming from countries such as Japan, and the United States; Australians make up the largest group of foreign retirees over the age of 55, although there is some variation in age among the retiree population. from Australia, Japan, South Korea, and Europe. According to the Indonesian government, Australians make up the largest group of foreign retirees in Indonesia. have a relatively high-income level. attracted to the country's warm climate, natural beauty, and low cost of living; opt to live in Bali or other coastal areas may engage in volunteering, learning Indonesian language and culture, exploring the country's natural and cultural attractions, part-time work or business ventures while in Indonesia. 	minimum monthly income needed: 1,500	tourism contributed approx. 26 billion to the country's GDP
Malaysia	Malaysia My Second Home (MM2H) program	46,630 (2002-2018)	<ul style="list-style-type: none"> between the ages of 50 and 69, although the program is open to anyone over 21 years old. top five countries of origin: China, Japan, Bangladesh, the United Kingdom, and South Korea. Most MM2H participants are educated and have professional backgrounds. Many are retirees from fields such as finance, business, engineering, and medicine. most participants are financially comfortable. participants are attracted because of Malaysia's relatively low cost of living and high quality of life, warm climate, diverse culture, friendly people, and the country's modern infrastructure and excellent healthcare system. 	1,500 to 2,500	Approx. 3 billion (2002-2018)

			<ul style="list-style-type: none"> Most choose to live in the Klang Valley area, the capital city of Kuala Lumpur and its surrounding suburbs; some in other parts of the country, such as the island of Penang or the state of Johor 		
Mexico	A range of visas such as the Temporary Resident Visa	600,000 to 1 million	<ul style="list-style-type: none"> older adults, typically aged 60 or older. from the United States and Canada, although there are also significant numbers from Europe, particularly the United Kingdom and Germany have middle to upper-middle-class incomes. tend to be interested in the country's culture, history, and natural beauty 	1,200 to 2,000	Approx. 20 billion from foreign residents, including retirees (2014)
Panama	Pensionado Program	25,000	<ul style="list-style-type: none"> over 50 years old, average age: around 60 years old. The largest group comes from the United States, some are from Canada, Europe, and other parts of the world. generally, have a fixed income, which may come from a pension or retirement savings attracted to the country's warm weather, beautiful scenery, and affordable cost of living. enjoy a relaxed lifestyle. often choose to rent or purchase a home in a gated community or condo building that offers security, maintenance, and social activities. 	1,200 to 1,800	No information available
Philippines	Special Resident Retiree's Visa	56,066 active retirees (March 2023)	<ul style="list-style-type: none"> The average age upon acquiring SRR Visa is 49. 18.7% are aged 60 and above. Active principal retirees are concentrated in the National Capital Region. Most retirees are from China, followed by South Korea and USA. 	1,525 (international living, n.d.)	Approx. 46.2 million (PRA Annual Audit Report, 2022)
Peru	Rentista	No public information	<ul style="list-style-type: none"> over 50 years old, although there is no age limit for obtaining a visa as a retiree. many come from North America, Europe, and other parts of Latin America. have a stable income from a pension or investments, which allows them to support themselves often seek a relaxed and affordable lifestyle Many also enjoy the rich history and cuisine of Peru. Usually choose to settle in popular cities and towns (Lima, Cusco, and Arequipa), as well as smaller towns and rural areas 	800 to 1,500	No official data

Portugal	D7 Visa	580,000 foreign residents, including non-retirees 2019: 4,555 D7 visas issued to non-EU citizens	<ul style="list-style-type: none"> the largest group of foreign residents in Portugal is from Brazil, followed by Cape Verde, Ukraine, Romania, and the United Kingdom over 60 years old likely to have a relatively high income may be looking for a change of pace from their home country, and may be attracted to Portugal's relaxed lifestyle, friendly people, and beautiful scenery 	844 to 2,638	739 million in investment, majority coming from Chinese, Brazilian, and South African investors (2018)
Thailand	Thailand Elite Visa	80,000 (2019)	<ul style="list-style-type: none"> most are in their late 50s or early 60s. come from the United States, Canada, Australia, the United Kingdom, and various European countries. have a steady stream of retirement income or have made a substantial investment in the country. tend to live a comfortable lifestyle; choose to live in urban areas, such as Bangkok or Chiang Mai, while others prefer to live in beach areas or small towns. cost of living is relatively low compared to many Western countries 	1,200 to 1,500	Approx. 40 million (2019)
Vietnam	Vietnam Retirement Visa	80,000	<ul style="list-style-type: none"> Many come from the United States, Canada, Australia, and European countries, but there are also retirees from other regions such as Asia and Africa. The majority are over 60 years old. retired from careers in education, engineering, and other professional fields. Some are married to Vietnamese citizens, while others are single. Many live in major cities (Ho Chi Minh City and Hanoi), but some live in smaller towns and rural areas. 	1,084	no data