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Philippine Tourism Sectoral Review (2000 to 2025): From Promise to Power - Accelerating the Philippines' Tourism Transformation toward Sustainability, Competitiveness, and Inclusion

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Philippine Tourism Sectoral Review (2000 to 2025): From Promise to Power – Accelerating the Philippines’ Tourism Transformation toward Sustainability, Competitiveness, and Inclusion

*John Paolo R. Rivera, Marga Clarence P. Bolalin,
and John Joseph S. Ocbina*

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Abstract

We present a comprehensive review of the Philippine travel, tourism, and hospitality sector through an analysis of the Tourism Satellite Account (TSA), comparative data from the Association of Southeast Asian Nations (ASEAN), stakeholder inputs through focused group discussions (FGDs), highlighting the sector's structural composition, performance trends, recovery trajectory from the coronavirus (COVID-19) pandemic, and strategic directions aligned with the National Tourism Development Plan (NTDP) 2023-2028. Data show that while the Philippines exhibits strong tourism gross value added (TDGVA), particularly driven by domestic travel, investment, and employment, it lags in international visitor receipts relative to its ASEAN peers. Our analysis identifies significant opportunities to rebalance tourism portfolio by strengthening international inbound markets and enhancing infrastructure, connectivity, and global competitiveness. Additionally, regional disparities in visitor arrivals underscore the need for inclusive tourism development beyond major gateways. Drawing from ASEAN and Regional Comprehensive Economic Partnership (RCEP) benchmarks, we underscore strategic levers such as improved visa policies, revitalized product development, integrated marketing, and sustainability initiatives. These findings inform key recommendations aligned with the NTDP 2023-2028 to maximize tourism's contribution to economic growth, employment, and export revenues. Ultimately, we affirm that with targeted reforms and coordinated efforts, the Philippines can harness tourism's full potential as a pillar of economic growth and resilience in ASEAN.

Keywords: *Philippine tourism, Tourism Satellite Account, ASEAN tourism competitiveness, international visitor expenditure, domestic travel markets.*

Table of Contents

1. Introduction	1
2. Literature review	4
2.1. Tourism competitiveness and regional positioning	4
2.2. Tourism product diversification and circuit development	5
2.3. Policy and governance for sustainable and inclusive tourism	6
2.4. Digital transformation and smart tourism	7
2.5. Research gap	8
3. Methodology	9
3.1. Conceptual framework	9
3.2. Research design	10
3.1.1. Document and secondary data review	10
3.1.2. Primary data: KII and FGDs with key tourism stakeholders	11
3.1.3. Approach for policy analysis	11
4. Results and discussion: Sectoral review of the Philippine tourism	13
4.1. The state of Philippine tourism	13
4.1.1. Tourism's economic contribution	13
4.1.2. Analysis of key tourism indicators	43
4.1.3. Issues	55
4.1.4. Benchmarking: Regional best practices	57
4.2. Potential tourism product features	66
4.2.1. Ecotourism	66
4.2.2. Cultural and heritage tourism	70
4.2.3. Emerging niches (culinary, farm, adventure, geo, dark, medical tourism)	74
4.2.4. Digital and experiential innovations (smart, tech-enabled tourism services)	77
4.3. Mapping tourism circuits and clusters	81
4.4. Tourism Legislations and Slogans	83
4.4.1. Tourism legislation	83
4.4.2. Tourism Slogan	86
4.5. Key findings from FGDs	87
5. Conclusions and recommendations	100
6. Acknowledgements	103
7. References	103
8. Appendix	113

List of Tables

Table 1. Scope of analysis	2
Table 2. Contribution to literature and policy	3
Table 3. Visitor arrivals to ASEAN countries (2019, 2022, 2023, 2024, and 2025)	57
Table 4. ASEAN GDP contribution, employment, and international visitor expenditures	58
Table 5. Domestic tourism market among AMS	60
Table 6. Visitor arrivals to other RCEP economies (2019, 2022, 2023, 2024, and 2025).....	61
Table 7. RCEP economies GDP contribution, employment, and international visitor expenditures (2023)	62
Table 8. Selected potential ecotourism product features in the Philippines	66
Table 9. SWOT analysis of Philippine ecotourism	68
Table 10. TOWS analysis of Philippine ecotourism	68
Table 11. Strategic takeaways from SWOT-TOWS analysis of ecotourism	69
Table 12. Selected potential heritage tourism product features in the Philippines	70
Table 13. SWOT analysis of Philippine heritage tourism	72
Table 14. TOWS analysis of Philippine heritage tourism	72
Table 15. Strategic takeaways from SWOT-TOWS analysis of heritage tourism	73
Table 16. Selected potential niche tourism product features in the Philippines.....	74
Table 17. SWOT analysis of Philippine niche tourism	75
Table 18. TOWS analysis of Philippine niche tourism	76
Table 19. Strategic takeaways from SWOT-TOWS analysis of niche tourism	77
Table 20. SWOT analysis of Philippine digital and experiential tourism.....	78
Table 21. TOWS analysis of Philippine digital and experiential tourism.....	79
Table 22. Strategic takeaways from SWOT-TOWS analysis of digital and experiential tourism.....	80
Table 23. Examples of existing and emerging circuits in the Philippines	81
Table 24. SWOT analysis of Philippine tourism circuits.....	82
Table 25. TOWS analysis of Philippine tourism circuits.....	82
Table 26. Strategic takeaways from SWOT-TOWS analysis of tourism circuits.....	83
Table 27. Tourism related laws passed since 2000.....	84
Table 28. Tourism-related bills filed in Congress and Senate (15 th -20 th Congress).....	85
Table 29. Common threads from the FGD transcripts	88
Table 30. Common threads from the Luzon FGD transcripts.....	92
Table 31. Common threads from the Visayas FGD transcripts.....	94
Table 32. Common threads from the Mindanao FGD transcripts.....	96
Table 33. Common threads from the private sector FGD transcripts	99
Table 34. Policy roadmap to 2028 and beyond	101
Table 35. Coordinated policy directions	102

List of Figures

Figure 1. Literature map.....	8
Figure 2. Conceptual framework.	9
Figure 3. Methodological map.....	12
Figure 4a. Inbound tourism expenditure by product (at current prices, 2000-2024).....	14
Figure 4b. Inbound tourism expenditure by product (at constant prices, 2012-2024).....	14
Figure 5a. Domestic tourism expenditure by product (at current prices, 2000-2024).....	16
Figure 5b. Domestic tourism expenditure by product (at constant prices, 2012-2024).....	16
Figure 6a. Outbound tourism expenditure by product (at current prices, 2000-2024).....	18
Figure 6b. Outbound tourism expenditure by product (at constant prices, 2012-2024).....	18
Figure 7a. Internal tourism expenditure by product (at current prices, 2000-2024).....	20
Figure 7b. Internal tourism expenditure by product (at constant prices, 2012-2024).....	20

Figure 8a. Gross value added of tourism industries (at current prices, 2000-2024).....	22
Figure 8b. Gross value added of tourism industries (at constant prices, 2012-2024).....	22
Figure 9a. Tourism direct gross value added (at current prices, 2000-2024).....	24
Figure 9b. Tourism direct gross value added (at constant prices, 2012-2024).....	24
Figure 10. Employment in tourism industries (2000-2024)	26
Figure 11a. Tourism gross fixed capital formation (at current prices, 2012-2024).....	28
Figure 11b. Tourism gross fixed capital formation (at constant prices, 2012-2024)	30
Figure 12a. Tourism collective consumption (at current prices, 2012-2024).....	30
Figure 12b. Tourism collective consumption (at constant prices, 2012-2024).....	30
Figure 13a. Share of TDGVA to gross domestic product (at current prices, 2000-2024) ...	33
Figure 13b. Share of TDGVA to gross domestic product (at constant prices, 2012-2024) .	33
Figure 14a. IBTE and exports (at current prices, 2000-2024).....	34
Figure 14b. IBTE and exports (at constant prices, 2012-2024).....	34
Figure 15a. DTE and household final consumption expenditure (at current prices, 2000-2024)	36
Figure 15b. DTE and household final consumption expenditure (at constant prices, 2012-2024)	36
Figure 16a. INTE, HFCE, and exports (at current prices, 2000-2024).....	38
Figure 16b. INTE, HFCE, and exports (at constant prices, 2012-2024).....	38
Figure 17a. Tourism GFCF and total GFCF (at current prices, 2012-2024).....	40
Figure 17b. Tourism GFCF and total GFCF (at constant prices, 2012-2024)	40
Figure 18a. Tourism collective consumption and government final consumption expenditure (at current prices, 2012-2024)	41
Figure 18b. Tourism collective consumption and government final consumption expenditure (at constant prices, 2012-2024)	41
Figure 19. Number of arrivals (2003-2025*)	43
Figure 20. Purpose of travel (2003-2024).....	44
Figure 21a. ADE (in USD) of foreign visitors and OFs (at current prices, 2001 to 2024)	45
Figure 21b. ADE (in USD) of foreign visitors and OFs (at constant prices, 2001 to 2024) .	45
Figure 22. Average length of stay of foreign visitors and OFs (2001-2024)	47
Figure 23a. Total receipt of foreign visitors and OFs (at current prices, 2001 to 2024).....	48
Figure 23b. Total receipt of foreign visitors and OFs (at constant prices, 2001 to 2024).....	48
Figure 24. Visitor by age group (2002-2024)	50
Figure 25. Top 10 markets (by country of residence, 2008 to 2024).....	51
Figure 26. Top 10 markets vs. rest of world (2008-2024)	52
Figure 27. Foreign travelers per region (2000-2024)	53
Figure 28. OFs per region (2000-2024).....	54
Figure 29. Domestic travelers per region (2000-2024)	55

List of Abbreviations

ADB	Asian Development Bank
ADE	Average Daily Expenditure
AI	Artificial Intelligence
ALOS	Average Length of Stay
AMS	Asean Member States
APEC	Asia-Pacific Economic Cooperation
API	Application Programming Interface
AR/VR	Augmented Reality/Virtual Reality
ASEAN	Association of Southeast Asian Nations
ATV	All-Terrain Vehicle
BARMM	Bangsamoro Autonomous Region in Muslim Mindanao
BIMP-EAGA	Brunei-Indonesia-Malaysia-Philippines East Asean Growth Area
CAR	Cordillera Administrative Region
CBET	Community-Based Ecotourism
COVID-19	Coronavirus
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership

CREATE MORE	Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy
CSR	Corporate Social Responsibility
DA	Department of Agriculture
DENR	Department of Environment and Natural Resources
DILG	Department of the Interior and Local Government
DFPC	Duty-Free Philippines Corporation
DIY	Do-It-Yourself
DMO	Destination Marketing Organization
DOT	Department of Tourism
DPIA	Data Protection Impact Assessment
DOTr	Department of Transportation
DPWH	Department of Public Works and Highways
DRRM	Disaster Risk Reduction and Management
DTE	Domestic Tourism Expenditures
DTI	Department of Trade and Industry
ESL	English as a Second Language
EU	European Union
FBSE	Filipino Brand of Service Excellence
FGD	Focused Group Discussion
FMA	Filipino Martial Arts
GAA	General Appropriations Act
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GVATI	Gross Value Added of Tourism Industries
HFCE	Household Final Consumption Expenditure
HOHO	Hop-on Hop-Off
IA	Intramuros Administration
IEC	Information, Education, and Communication
IBTE	Inbound Tourism Expenditures
INTE	Internal Tourism Expenditures
IP	Indigenous People
IRTS	International Recommendations for Tourism Statistics
KII	Key Informant Interview
KPI	Key Performance Indicator
LPC	Leechiu Property Consultants
LGU	Local Government Unit
MICE	Meetings, Incentives, Conferences, Exhibitions
MSME	Micro, Small, and Medium Enterprise
NCCA	National Commission for Culture and the Arts
NCR	National Capital Region
NEC	National Ecotourism Council
NESAP	National
NGO	Non-Government Organization
NIR	Negros Island Region
NHCP	National Historical Commission of the Philippines
NIST	National Institute of Standards and Technology
NPDC	National Parks Development Committee
NPF	Nayong Pilipino Foundation
NTDP	National Tourism Development Plan
OECD	Organisation for Economic Co-Operation and Development
OF	Overseas Filipino
OFW	Overseas Filipino Worker
OTE	Outbound Tourism Expenditures
PCSSD	Philippine Commission on Sports Scuba Diving
PDP	Philippine Development Plan
PEP	Philippine Experience Program
PHOA	Philippine Hotel Owners Association

PIP	Public Investment Program
PPP	Public-Private Partnerships
PRA	Philippine Retirement Authority
PSA	Philippine Statistics Authority
PTSA	Philippine Tourism Satellite Account
RA	Republic Act
RCEP	Regional Comprehensive Economic Partnership
ROCE	Rapid Onset Climate Effects
SARS	Severe Acute Respiratory Syndrome
SEA	Southeast Asian
SLA	Service-Level Agreement
STDT	Sustaining Tourism and Development Training
SWOT	Strengths, Weaknesses, Opportunities, Threats
TDGVA	Tourism Direct Gross Value Added
TESDA	Technical Education and Skills Development Authority
TEZ	Tourism Enterprise Zones
TIEZA	Tourism Infrastructure and Enterprise Zone Authority
TISP	Tourism Industry Skills Program
TMIS	Tourism Management Information System
TOPCOP	Tourist-Oriented Police for Community Order and Protection
TPB	Tourism Promotions Board
TSA: RMF	Tourism Satellite Account: Recommended Methodological Framework
TRA	Tourist Rest Area
TTDI	Travel and Tourism Development Index
UN	United Nations
US	United States
UX	User Experience
VAT	Value-Added Tax
VFR	Visit Friends and Relatives
WCAG	Web Content Accessibility
WEF	World Economic Forum
WTTC	World Travel and Tourism Council

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John Paolo R. Rivera¹, Marga Clarence P. Bolalin², John Joseph S. Ocbina³

1. Introduction

The travel, tourism, and hospitality industry (hereinafter collectively referred to as tourism industry) has been recognized as a key pillar and driver of economic growth and development in the Philippines, contributing significantly to employment, foreign exchange earnings, regional, and local development (Supera et al. 2024; Roxas et al. 2020a; Rivera and Tuazon 2019). Since 2020, the industry has demonstrated remarkable resilience in swiftly recovering from the unprecedented impacts of the coronavirus (COVID-19) pandemic and positioning itself for sustained recovery (Elgin and Elveren 2024; Caynila et al. 2022; Rivera et al. 2022; Roxas et al. 2022). The National Tourism Development Plan (NTDP⁴) 2023-2028 underscores the strategic direction for the industry, emphasizing sustainable, inclusive, and resilient tourism development (Rivera and Andrada 2024). With its world-class natural attractions, rich cultural heritage, and diverse tourism offerings (Mercado et al. 2023; Gutierrez et al. 2021), the Philippines holds immense potential to establish itself as a premier tourism destination in Asia (Angara 2024; Vedan 2024; Alampay 2005), which must be harnessed as mandated by the Tourism Act of 2009⁵ (Republic Act [RA] 9593). It established a national policy for tourism in the country whose goals are to generate investment, foreign exchange, and employment; to promote cultural affirmation; to enhance national pride; and to develop areas with cultural, historical, religious, heritage, and eco-tourism values.

Such developments demonstrate strong momentum. While domestic tourism has been stable, international tourist arrivals have been steadily recovering (United Nations [UN] Tourism 2024a; 2024b), bolstered by the lifting of travel restrictions, enhanced air connectivity, and enhanced promotions generating renewed global interest in Philippine destinations (Zaldarriaga 2023; Rivera et al. 2022; Roxas et al. 2022). The government has also strengthened tourism infrastructure investments, streamlined regulations to encourage private sector participation, and leveraged digital transformation to enhance visitor experience and marketing efforts (Gutierrez et al. 2025; 2022; 2020). However, despite these advancements, the Philippines continues to face key constraints that hinder its ability to be at par with tourism powerhouses in the Association of Southeast Asian Nations (ASEAN⁶) region such as Indonesia, Malaysia, Thailand, and Vietnam (Toral, 2025). Persistent issues such as inadequate infrastructure, weak interconnectivity between tourism circuits, environmental sustainability concerns, and policy fragmentation must be addressed to unlock tourism’s full potential (Rivera and Andrada 2024; Roxas et al. 2020a; Espiritu and Lawas 2019).

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⁴ For details, see https://beta.tourism.gov.ph/news_and_updates/dot-chief-unveils-national-tourism-development-plan-ntdp-2023-2028-at-stakeholders-summit/.

⁵ For details, see [http://www.tourism.gov.ph/Downloadable%20Files/Updated_RA_9593_and_IRR_\(as_of_01_Nov_2020\).pdf](http://www.tourism.gov.ph/Downloadable%20Files/Updated_RA_9593_and_IRR_(as_of_01_Nov_2020).pdf)

⁶ An international organization established by Indonesia, Malaysia, the Philippines, Singapore, and Thailand in 1967 to accelerate economic growth and promote peace and security in Southeast Asia. Brunei Darussalam joined in 1984, followed by Vietnam in 1995, Lao PDR and Myanmar in 1997, and Cambodia in 1999. East Timor has an observer status and is expected to become a full member in 2025.

As such, this *Philippine Tourism Sectoral Review* is timely and necessary. A sectoral review is a comprehensive analytical document that examines the current state, trends, challenges, and opportunities within a specific industry. It provides a structured assessment of key performance indicators (KPIs), regulatory and policy frameworks, market dynamics, and strategic recommendations for sectoral growth and development (Organisation for Economic Co-operation and Development [OECD] n.d.). It provides an in depth understanding of these strategic industries and facilitates the formulation of informed policy assessments and recommendations (OECD n.d.). Thus, we seek to provide a comprehensive assessment of the economy’s tourism sector, identifying high-potential tourism products and services, optimizing tourism circuits, and recommending strategic policies to transform Philippine tourism toward sustainability, competitiveness, and inclusion. By examining industry trends, policy gaps, and investment opportunities, we generate a roadmap for achieving a more competitive, sustainable, and resilient tourism sector. Furthermore, this review will align with the NTDP 2023-2028 and global best practices to ensure that the Philippines maximizes its tourism potential while fostering sustainability, inclusive growth, and long-term economic benefits.

Capitalizing on the strengths of the Philippines as well as the opportunities that it can take to position itself as a premiere tourism destination in the midst of persistent critical constraints and external threats, it is imperative to inquire on *how can the Philippines transform its tourism sector toward sustainability, competitiveness, and inclusion?* In addressing this overarching research question, it is also critical to ask *what strategic policies, investments, and interventions are needed to unlock the full potential of the Philippine tourism sector and position the country as a sustainable, competitive, and inclusive destination, in alignment with the NTDP 2023-2028?*

In addressing the abovementioned policy questions, we set the following objectives:

1. To assess competitiveness and growth potential of the Philippine tourism sector;
2. To examine barriers to tourism growth, including infrastructure deficits, governance and regulatory constraints, environmental sustainability issues, and security concerns; and
3. To develop a comprehensive policy framework and recommendations to strengthen tourism governance, enhance connectivity, and promote inclusive and sustainable tourism development.

These will guide our review in assessing the current state of the tourism industry, identifying high-impact tourism products and circuits, addressing key challenges, and formulating actionable policy recommendations to enhance the sector’s global competitiveness, sustainability, and resilience. Likewise, our review will provide a comprehensive assessment of the Philippine tourism industry, focusing on its potential to become a sustainable, competitive, and inclusive destination as per the NTDP 2023-2028. We structure this review around six areas as scope, as seen in Table 1.

Table 1. Scope of analysis

#	Scope	Approach
1	Tourism products and services	Probe high-potential tourism products (i.e., ecotourism, heritage and cultural tourism, adventure tourism, wellness tourism, emerging niche markets); assess service quality, hospitality standards, and innovations in tourist experiences.
2	Tourism circuits and regional competitiveness	Analyze existing and potential tourism circuits across major and emerging destinations; evaluate interconnectivity, accessibility, and infrastructure supporting tourism clusters; benchmark Philippine tourism competitiveness against regional counterparts (i.e., Indonesia, Malaysia, Thailand, Vietnam).

3	Policy and institutional framework	Review current policy landscape, including national and local tourism policies, regulatory frameworks, and governance structures; assess the NTDP 2023-2028 and its alignment with sustainable and inclusive growth objectives; and identify policy gaps and opportunities for reforms.
4	Investment and infrastructure development	Analyze role of public and private investments in tourism development; review of major infrastructure projects (e.g., airports, seaports, roads, digital infrastructure), that impact tourism accessibility, experience, and competitiveness.
5	Sustainability and resilience	Examine environmental sustainability challenges, including overtourism, climate change impacts, and conservation efforts; assess strategies for sustainable tourism development and disaster risk-reduction and resilience.
6	Market trends and strategic positioning	Analyze post-COVID-19 recovery trends, changing travel preferences, and the role of digital transformation in tourism promotion; and identify target source markets and strategic branding opportunities to enhance the country's tourism appeal.

Source: Author constructed.

In conducting a comprehensive sectoral review, we recognize the following limitations. First, we relied on available secondary data from the government agencies, particularly the Department of Tourism (DOT⁷) and its attached agencies⁸, industry reports, and international organizations. Inconsistencies or gaps in tourism-related data may affect the depth of analysis. Likewise, limited access to real-time or proprietary data from private sector players may constrain the assessment of investment flows and business performance. Second, while we aimed to cover the entire Philippine tourism landscape, some regions with limited tourism data were not fully analyzed. Hence, our focus may be skewed towards well-documented destinations due to data availability. Third, we aimed to provide policy recommendations, but their adoption and implementation depend on government priorities, political will, and stakeholder support. That is, external factors such as geopolitical issues, global economic conditions, and natural disasters may affect the feasibility of proposed strategies. Fourth, on top of secondary data, we also relied heavily on existing literature, expert consultations, and stakeholder interviews. Despite these limitations, we offer valuable insights and strategic policy recommendations to support the transformation of the Philippine tourism sector into a globally competitive and sustainable industry.

Sectoral reviews are critical decision-making tools for policymakers, industry stakeholders, investors, and development planners, providing a roadmap for strategic interventions and long-term sectoral transformation (OECD n.d.). Hence, this serves as basis for informed decision-making and strategic planning in the country's tourism development agenda. Table 2 shows our contribution to both knowledge and industry perspectives. By bridging academic research and practical policy needs, this serves as a strategic roadmap for transforming the Philippines into a sustainable, competitive, and inclusive destination, benefiting the economy, the broader tourism value chain, and local communities (Rivera and Gutierrez 2019).

Table 2. Contribution to literature and policy

Perspective	Contribution	Remarks
Knowledge	Bridge research gaps on Philippine tourism competitiveness	Existing studies on Philippine tourism often focus on specific destinations or themes such as sustainability, ecotourism, or heritage conservation. We provide a holistic, data-driven

⁷ Government agency responsible for the regulation of the Philippine tourism industry and the promotion of the Philippines as a tourist destination. For more information, refer to: <https://beta.tourism.gov.ph/>

⁸ Also known as the "DOT Family", the following agencies are attached to the DOT under the supervision of the Secretary for program and policy coordination: Tourism Promotions Board (TPB), Intramuros Administration (IA), National Parks Development Committee (NPDC), Tourism Infrastructure and Enterprise Zone Authority (TIEZA), Duty-Free Philippines Corporation (DFPC), Nayong Pilipino Foundation (NPF), Philippine Retirement Authority (PRA), and Philippine Commission on Sports Scuba Diving (PCSSD).

	assessment of the sector's strengths, weaknesses, and potential, positioning the Philippines within the broader Asian tourism landscape.
Enhance understanding of tourism circuits and product development	We offer insights into how tourism circuits function within the Philippine context, including the role of infrastructure, accessibility, and destination clustering in boosting visitor arrivals and length of stay.
Contribute to policy-oriented tourism literature	By analyzing the alignment of Philippine tourism strategies with global and regional best practices, we add to the growing body of literature on tourism governance, investment incentives, and public-private partnerships (PPPs) in less developed economies.
Advance discourse on sustainable and inclusive tourism	We generate knowledge on balancing tourism growth with environmental sustainability, cultural preservation, and local community benefits, critical for discourse on regenerative tourism and tourism resilience in a post pandemic setting.
Inform strategic planning for NTDP 2023-2028 implementation and future NTDPs	By evaluating policy gaps and opportunities, we offer practical recommendations to enhance the execution of the NTDP 2023-2028 and future NTDPs, ensuring that Philippine tourism policies remain competitive and aligned with global trends.
Strengthen investment and infrastructure development strategies	We help identify priority infrastructure investments, tourism enterprise zones (TEZs), and areas for public-private collaboration, making the sector more attractive to investors.
Improve destination and tourism circuit development	By analyzing tourism circuits and emerging destinations, we provide guidance to destination planners on how to improve connectivity, diversify tourism offerings, and optimize visitor experiences to boost arrivals and spending.
Enhance ASEAN tourism integration	As the Philippines strengthens its ties within the ASEAN and Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), we help identify synergies for cross-border tourism collaboration, positioning the country as a key player in the regional tourism economy.
Support policy formulation for sustainable and inclusive tourism	Policymakers can craft evidence-based policies on environmental sustainability, local community participation, and disaster resilience, ensuring that tourism growth does not compromise ecological and socio-cultural integrity.

Source: Author constructed.

2. Literature review

Tourism is a pillar of economic growth and development, particularly in developing, nature-based economies like the Philippines (Rivera et al. 2022; Rivera and Gutierrez 2019). It drives employment generation, foreign exchange earnings, regional development, cultural exchange, and heritage preservation (UN Tourism 2024; Roxas et al. 2020a). As global tourism landscape evolves, economies must adapt to changing market trends, invest in accessibility, and implement strategic competitive policies (Rivera and Andrada 2024; Dwyer et al. 2020).

2.1. *Tourism competitiveness and regional positioning*

The Philippines, together with other prominent tourism destination in ASEAN, competes with regional heavyweights such as Indonesia, Malaysia, Thailand, and Vietnam, each of which has developed its own robust tourism frameworks supported by comprehensive infrastructure and integrated marketing campaigns. According to the World Economic Forum [WEF] (2024), enhancing tourism competitiveness requires not only investment in infrastructure and connectivity but also the adoption of sustainable tourism practices. Hall et al. (2015) argued

that long-term tourism viability is dependent on proactive governance and policy frameworks that support balanced development. The Philippines must therefore address both structural and strategic challenges to secure a stronger foothold in the regional tourism market.

Current global and regional uncertainties further complicate tourism competitiveness. OECD (2024) highlighted pressing risks including geopolitical tensions, macroeconomic instability marked by inflation and high interest rates, and labor shortages across the tourism supply chain. The situation is made worse by the uneven recovery in different regions and types of tourists. Gutierrez et al. (2025; 2022) pointed out that trade liberalization initiatives like the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) add new dimensions to these challenges, while emphasizing the necessity for the tourism industry to strategically respond to these developments by investing in human capital, promoting sustainability, and modernizing infrastructure to remain competitive in a liberalized trade environment.

Tourism resilience also demands future-readiness against climate change and the integration of emerging technologies. OECD (2024) emphasized the increasing need for digital transformation, including the adoption of artificial intelligence (AI), to enhance service delivery, personalization, and data analytics in tourism planning. Gutierrez et al. (2025; 2022) stressed that Philippine tourism enterprises must strengthen their adaptive capacity to meet global standards, especially considering competitive pressures from regional peers. This includes upgrading infrastructure, aligning with international quality benchmarks, and developing digital competencies to meet tourist expectations and market demands.

Moreover, sustainability must be central to competitiveness strategies. As per WEF (2024), tourism must become a force for inclusive growth and environmental stewardship. Rivera and Gutierrez (2018) showed that elements like national tourism slogans, when effectively disseminated, can significantly influence young travelers' behavior, increasing both length of stay and travel budgets. This highlights the importance of strategic marketing aligned with sustainability and competitiveness goals. Engaging younger, digital-native travelers through compelling narratives and environmentally responsible experiences can put the Philippines as a forward-thinking, inclusive, and attractive destination.

Boosting the Philippine tourism sector's competitiveness and resilience requires a holistic strategy that not only responds to global trends but also internalizes social, environmental, and economic priorities. As Gutierrez et al. (2025; 2022) argued, preparedness must go beyond short-term recovery, aiming instead for long-term transformation that integrates climate resilience, digital innovation, and inclusive governance. Achieving this transformation calls for strong public-private coordination, stakeholder capacity building, and sustained policy reform. With a focus on resilience, inclusivity, and sustainability, the Philippines can strengthen its regional standing and secure tourism as a driver of national development.

2.2. Tourism product diversification and circuit development

Diversifying tourism products and developing integrated tourism circuits are vital strategies in advancing sustainable tourism. Benur and Bramwell (2015) emphasized that diversifying tourism offerings, such as combining niche and mass tourism products, can enhance a destination's competitiveness and sustainability. Thematic and spatial synergies in product development are vital, suggesting that a varied portfolio can cater to diverse tourist preferences and mitigate the risks associated with over-reliance on a single tourism product.

In the context of the hospitality sector, diversification plays a crucial role in improving business competitiveness. Goryushkina et al. (2019) argued that expanding the range of services, adopting new technologies, and optimizing resource utilization are essential strategies for hotels to maintain a sustainable market position. By having tailored diversification strategies, hotels can enhance their resilience and adaptability in a dynamic tourism environment.

Tourism development also has broader economic implications, particularly in relation to export product diversification. Ranjbar et al. (2024) investigated the impact of tourism on export diversification across 150 economies. They suggested that increased international tourist arrivals and receipts contribute to export diversification, with a more pronounced effect observed in low-income economies. Such underscored the potential of tourism as a catalyst for broader economic diversification and development.

Diversifying tourism markets and activities can significantly drive economic growth. Solarin et al. (2023) examined such in New Zealand wherein results revealed that while diversification of tourism markets alone may not yield substantial economic benefits, diversification of tourism activities, such as offering a variety of experiences, can drive positive economic outcomes. They highlighted the importance of not only attracting tourists from diverse markets but also providing a wide range of activities to enhance the overall economic impact of tourism.

Scholarly literature aligns with the Philippine NTDP 2023-2028, which advocates for the promotion of nature-based tourism, cultural heritage tourism, adventure tourism, and wellness tourism to meet evolving tourist preferences (DOT 2023a). Through diversifying products and developing integrated tourism circuits, destinations can distribute economic benefits more evenly, reduce pressure on heavily visited areas, and foster inclusive and sustainable tourism growth (Rivera et al., 2022; Roxas et al., 2020a, 2020b; Lew and Cheer, 2017).

2.3. Policy and governance for sustainable and inclusive tourism

Robust tourism policy frameworks are vital to promoting sustainability, inclusion, and resilience. A well-structured framework ensures that tourism development aligns with environmental protection, community empowerment, and long-term economic viability. Cortez and Rivera (2016) advocated for a sustainable tourism model tailored to the Philippine context, underscoring the need for cohesive strategies that incorporate ecological, social, and economic pillars. Espiritu and Lawas (2019) also highlighted region-specific concerns in Central Visayas, pointing out that tourism sustainability must consider local nuances, such as environmental pressures in Cebu and Bohol. Across these studies, a common theme emerged; that is, strategic governance structures are essential for sustainable development.

Despite these aspirations, the Philippine tourism sector faces systemic challenges. Fragmented regulation, challenges in convergence among agencies, and persistent infrastructure deficits hinder effective implementation of sustainable practices (Rivera and Andrada 2024; Roxas et al. 2020a, 2020b). Infrastructure gaps, such as insufficient waste management and limited transport access, undermine the sustainability of even the most promising destinations (Asian Development Bank [ADB] 2023). Gutierrez et al. (2021) emphasized the importance of locally developed sustainability indicators that can support more grounded, data-driven policymaking, while Rivera and Tuazon (2019) advocated for frameworks that prioritize the needs of the poor, reinforcing tourism's role in inclusive development.

PPPs are pivotal to bridge these gaps and enhance tourism infrastructure. Aquino and Rivera (2018) demonstrated how PPPs can be instrumental in geopark development, blending public oversight with private sector investment. Similarly, Rivera (2019) emphasized that greater access to finance for tourism-related enterprises is essential to their sustainability. These partnerships not only enhance service delivery but also embed resilience by distributing responsibilities among key stakeholders.

Community-based approaches and destination-level collaboration are also vital to fostering sustainable tourism. The Amphawa Chaipattananurak Conservation Project in Thailand serves as an exemplary model where community involvement has advanced sustainability goals (Ackaradejruangsri and Rivera 2017). Rivera and Gutierrez (2019) further highlighted the importance of value chains in ecotourism that integrate local communities and reinforce environmental stewardship. Regional initiatives such as BIMP-EAGA, examined by Rodolfo et al. (2023), also presented opportunities for integrated planning and transnational cooperation, reinforcing the importance of aligning local, national, and regional strategies.

2.4. Digital transformation and smart tourism

Smart tourism, characterized by the integration of advanced digital technologies into tourism systems, has reshaped the global travel landscape (Gretzel et al. 2015). With the proliferation of online booking systems, AI, and big data analytics, destinations are increasingly capable of delivering personalized and efficient services to travelers. Wang (2024) highlighted the development of a Tourism Management Information System (TMIS) that leverages big data to enhance strategic decision-making and operational workflows, enabling stakeholders to better understand tourist preferences and behavior. Similarly, Xu et al. (2024) emphasized the importance of digital organizational innovation and collaborative digital ecosystems in 31 premier tourist cities across China, revealing how digitalization is central to enhancing the competitiveness and sustainability of tourism destinations.

Tourist experience is central to smart tourism. Technologies that enhance interactivity, informativeness, and personalization are becoming essential. Sustacha et al. (2023) conducted a meta-analysis that confirms the positive influence of smart technologies on the overall tourism experience, noting particularly that attributes such as real-time information and user engagement significantly improve visitor satisfaction. However, they also cautioned that security and privacy concerns are critical challenges. Nadee et al. (2024) further explored how technological features influence tourist intentions, showing that personalization and interactivity increase travelers' likelihood to choose smart destinations. These insights underscored the role of human-centered approach to digital tourism.

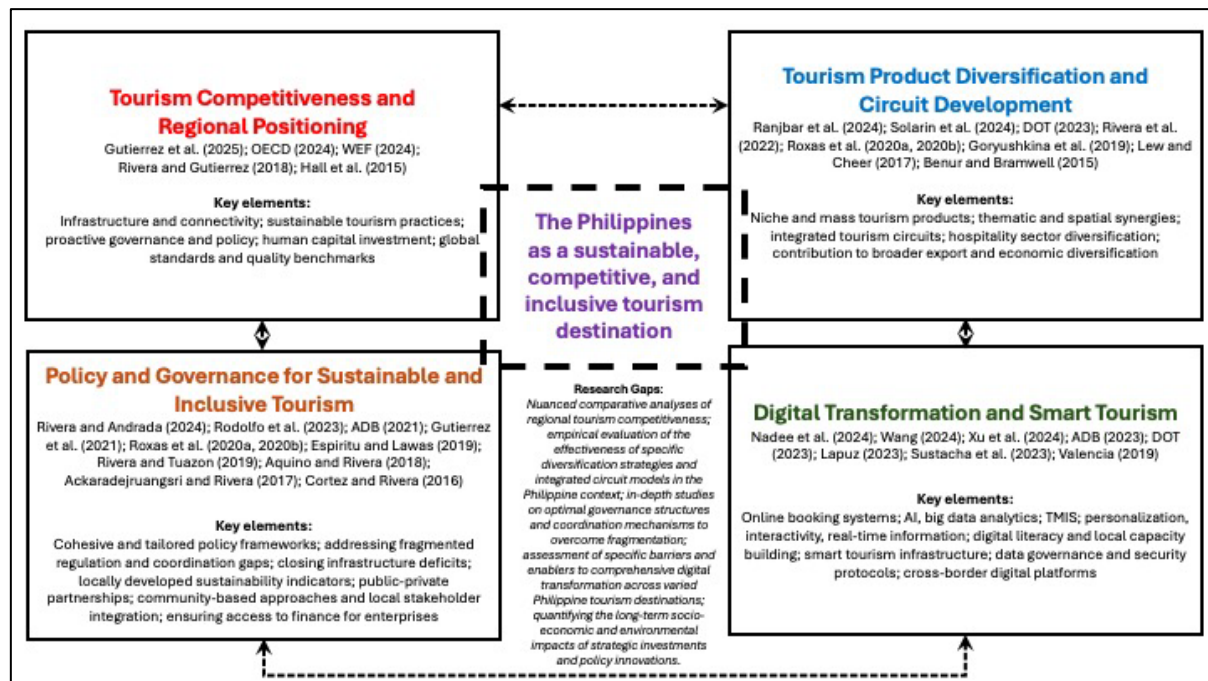
In the Philippines, smart tourism is gaining traction as part of national development strategies. Lapuz (2023) argued that community empowerment is a crucial component in the digital transformation of rural tourism. However, it requires digital literacy and local capacity building to ensure inclusive and sustainable adoption of technology in tourism. DOT (2023a), through the NTDP 2023-2028, promotes digital integration to improve competitiveness and resilience in the sector. Yet, these programs still require stronger institutional support and technological infrastructure to maximize their full potential.

Despite strategic efforts, bridging the gap between policy and practical implementation remains a challenge in the Philippine tourism sector. According to the ADB (2023), regional cooperation and investment in smart tourism infrastructure are essential to drive meaningful digital

transformation. It called for enhanced data governance, cross-border digital platforms, and public-private partnerships to support smart tourism across Asia and the Pacific. Similarly, Valencia (2019) outlined the early stages of digital technology adoption in the Philippines, pointing to both opportunities and systemic limitations that must be addressed, such as uneven internet access and insufficient funding for tech-driven initiatives.

The trajectory of Philippine tourism also rests on the ability of stakeholders to strategically integrate digital tools while fostering sustainable and inclusive development. Scholarly literature argued that smart tourism is not merely about adopting technology but about redesigning the entire tourism ecosystem to be more responsive, efficient, and visitor centric. The transformative potential of AI, big data, and interactive platforms must be matched with strong governance, community participation, and continuous innovation. According to Wang (2024), Xu et al. (2024), and Lapuz (2023), smart tourism offers a blueprint for achieving resilience and competitiveness in an increasingly digital and experience-driven global market.

Figure 1. Literature map



Note: Appendices 1 to 4 provides detailed account of studies supporting this tourism sectoral review.

Source: Authors' illustration.

2.5. Research gap

While scholarly literature underscored valuable insights into global and Philippine tourism developments, several critical research gaps remain, particularly concerning the strategic integration of diverse tourism circuits, the prioritization of investments in key infrastructure and digital technologies, and the formulation of innovative policy frameworks tailored to position the country as a premier and sustainable tourism destination in Asia. Specifically, there is a need for in-depth analyses regarding the Philippines' competitive advantages with regional peers across various tourism segments, empirical evaluations of product diversification and integrated circuit development models, assessments of the effectiveness of different governance structures and public-private partnerships, and investigations into the specific barriers and enablers of smart tourism adoption across the archipelago. Hence, these gaps can be addressed

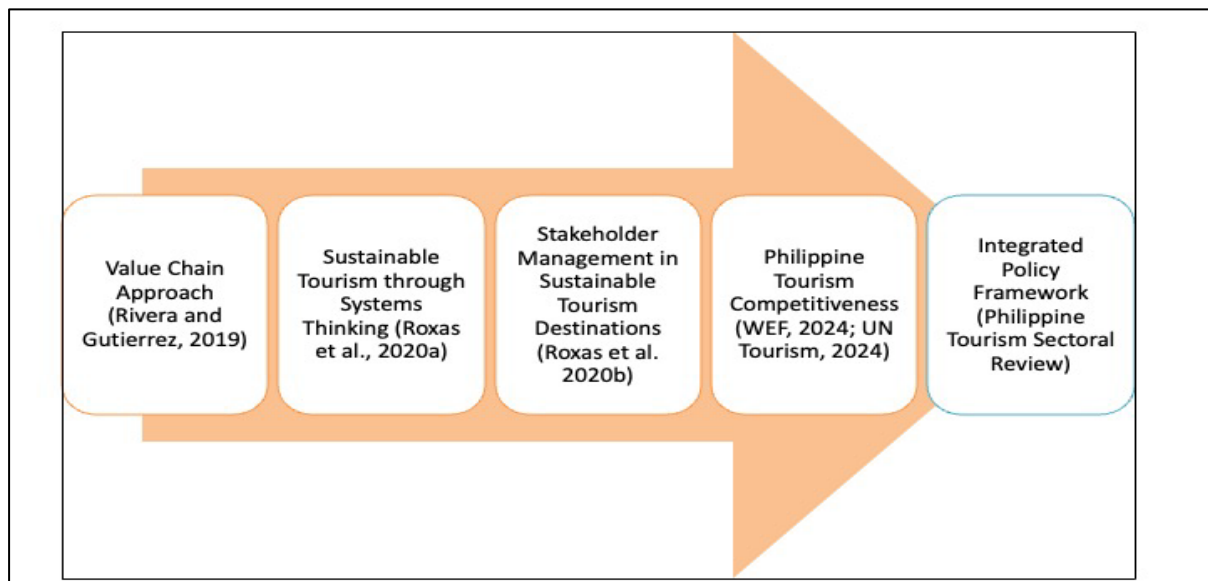
through a comprehensive analysis of the industry’s potential and offering strategic policy recommendations grounded in empirical evidence and aligned with the NTDP 2023-2028. Figure 1 illustrates the gaps that needs to be addressed based on scholarly literature on how the Philippines can become a sustainable, competitive, and inclusive tourism destination.

3. Methodology

3.1. Conceptual framework

To guide our review, a multi-dimensional and systemic conceptual framework is essential following Rivera and Gutierrez (2019) highlighting a value chain approach; Roxas et al. (2020a, 2020b) underscoring a systems thinking and governance approach; and Gutierrez et al. (2021) applying the principles of sustainable tourism. The framework should integrate economic, policy, sustainability, and competitiveness perspectives to comprehensively assess the sector. Collectively, these frameworks espouse a crucial perspective in analyzing the interconnected elements of the tourism industry, making it highly relevant to this sectoral review. Integrating this into the conceptual framework will allow for a more systematic examination of tourism products, services, and enabling policies that contribute to the competitiveness of the Philippines (WEF 2024; UN Tourism 2024a; 2024b).

Figure 2. Conceptual framework.



Source: Authors’ illustration.

From a value chain approach (Rivera and Gutierrez 2019), we map the interrelated elements of the Philippine tourism industry, from destination development to visitor experience (i.e., the end-to-end experience of tourists). By looking at tourism as a system instead of in parts (Roxas et al. 2020a, 2020b), this review is able to identify gaps and opportunities across the tourism value chain, including product and service design (destination branding, cultural tourism, ecotourism), infrastructure and access (transport networks, digital platforms), business development (micro, small, and medium enterprise [MSME] participation, foreign and local investment), market linkages (distribution channels, digital marketing, international partnerships), and policy (investment incentives, sustainability policies, local governance). Figure 1 and Figure 2 propose an integrated policy framework that key influencers and

policymakers can use as guide in enabling the Philippines to become a sustainable, competitive, and inclusive destination as envisioned by the NTDP 2023-2028.

3.2. *Research design*

We employed a descriptive and explanatory research design. With descriptive research, alongside document reviews, key informant interviews (KIIs), and focused group discussion (FGDs), secondary time series data to be gathered aims to describe the trend and behavior of selected tourism metrics. Meanwhile, with explanatory research, it aims to explain the current state of the tourism industry and extrapolate where the industry is heading. The combination of such approaches leads to understanding of how the tourism industry works and behaves amid internal and external factors. This will also provide a picture of potential opportunities stakeholders may harness, and potential risks that they must mitigate.

From our literature review and chosen research design, we provide a guide in analyzing the state of Philippine tourism, identifying growth opportunities, and formulating a policy framework for transforming the country into a globally sustainable, competitive, and inclusive tourism destination.

3.1.1. Document and secondary data review

Document review serves as a foundational methodological approach in this tourism sectoral review, providing a systematic analysis of existing records, reports, and policy documents relevant to the Philippine tourism industry. This method allows for the identification of historical trends, institutional responses, policy gaps, and sectoral performance, forming the empirical and contextual basis for the study's analysis and recommendations (Kayesa and Shung-King 2021). It is particularly effective in policy-oriented research as it enables the triangulation of secondary data with expert perspectives and existing literature (Bowen 2009).

In the context of tourism studies, document analysis is commonly used to evaluate national development plans, regulatory frameworks, statistical publications, and international benchmarking reports (Dredge and Jenkins 2011). For this review, key documents include the Philippine NTDP 2023-2028, Philippine Tourism Satellite Accounts (PTSA⁹) from the Philippine Statistics Authority (PSA¹⁰), reports from the DOT, regional development plans, and publications from international organizations (e.g., UN Tourism, ASEAN, OECD, World Travel and Tourism Council [WTTC]).

It involves content analysis and thematic coding to identify recurring patterns, strategic priorities, and policy inconsistencies (Ahmed et al. 2025). This approach supports the assessment of sector performance; and aids in evaluating alignment with global tourism trends and sustainable development principles (Hall 2008). In line with qualitative research standards, document review offers rich, contextual insights without interfering with ongoing programs or requiring new data collection. This an important consideration given time and resource constraints (O'Leary and Tennent 2025). It also complements other methodologies in our study, such as KIIs and FGDs, by grounding stakeholder insights in an established evidence base (Gutierrez et al. 2025). It enhances credibility, depth, and policy relevance of findings.

⁹ For more information, see <https://psa.gov.ph/publication/philippine-tourism-satellite-accounts-report>.

¹⁰ Central statistical authority of the Philippines that collects, compiles, analyzes, and publishes statistical information on economic, social, demographic, political affairs, and general affairs of the citizenry, as well as enforcing the civil registration functions in the country. For more information, visit <https://psa.gov.ph/>.

3.1.2. Primary data: KII and FGDs with key tourism stakeholders

To complement the document review and strengthen the empirical grounding of our tourism sectoral review, we employed KIIs and FGDs as primary qualitative data collection methods. These approaches are instrumental in capturing context-specific insights, validating desk-based findings, and surfacing nuanced perspectives from stakeholders across government, private sector, civil society, and local communities (Gutierrez et al. 2025).

KIIs are in-depth, semi-structured conversations with those who possess specialized knowledge or strategic roles in tourism (Kibuacha 2024). It includes officials from DOT central and regional offices, regional and local tourism officers, private tourism operators, infrastructure planners, and industry experts. It facilitates exploration of institutional experiences, policy challenges, investment priorities, and perceived implementation gaps (Marshall and Rossman 2016). Thus, we gathered critical reflections on national and regional tourism policies, governance structures, and the evolving competitive landscape of Philippine tourism.

Meanwhile, FGDs involve guided conversations with multiple stakeholders who share a common background or interest in tourism development (Krueger and Casey 2014). FGDs are particularly useful in unpacking shared challenges, generating collective ideas for tourism circuit development, and evaluating the impact of tourism programs at the grassroots level (Gutierrez et al. 2025). By engaging local community leaders, MSMEs, and frontline tourism workers, FGDs help surface social, cultural, and sustainability dimensions that may not be fully captured through documents and/or quantitative indicators.

Both KIIs and FGDs are conducted using structured protocols aligned with our research objectives, covering topics such as infrastructure and connectivity, product diversification, environmental sustainability, digital transformation, and institutional coordination. These engagements are guided by ethical standards, including informed consent, confidentiality, and voluntary participation (Creswell and Poth 2018). The validated instrument is in Appendix 5.

3.1.3. Approach for policy analysis

As seen in Figure 3, to systematically interpret findings and guide strategic recommendations for this tourism sectoral review, to complement standard content and thematic analysis¹¹ from qualitative data, we use SWOT (Strengths, Weaknesses, Opportunities, and Threats) and TOWS (Threats, Opportunities, Weaknesses, Strengths) analysis as complementary strategic policy analysis frameworks (Watkins 2007). These tools provide structured ways to assess the current state of the tourism sector and identify areas for strategic intervention.

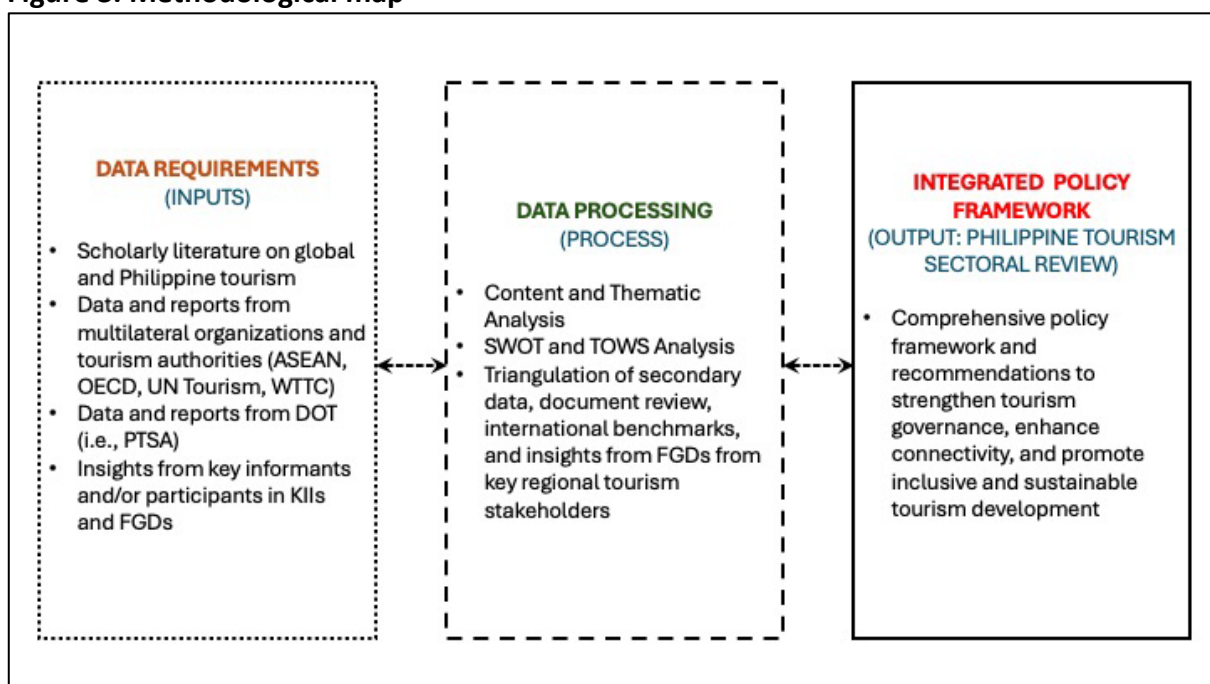
On one hand, the SWOT analysis is a widely used strategic planning tool that facilitates internal and external situational assessment (Rivera and Tullao Jr. 2024; 2022). It helps in mapping a destination's strengths (e.g., natural assets, cultural heritage), weaknesses (e.g., infrastructure deficits, regulatory fragmentation), opportunities (e.g., emerging markets, digital innovations), and threats (e.g., climate change, geopolitical risks) (Gürel and Tat 2017). It supports holistic analysis by integrating perspectives from document reviews, KIIs, FGDs, and tourism

¹¹ Both are qualitative research methods used to analyze textual data but they differ in approach and focus. Content analysis, focuses on the content itself, sometimes quantifying the presence of specific words, concepts, or themes, and can be either qualitative or quantitative. Meanwhile, thematic analysis emphasizes identifying, analyzing, and reporting patterns or themes within the data, often exploring individual experiences and perceptions (Delve and Limpaecher 2023).

indicators from secondary data, thereby allowing for the alignment of sectoral strengths with policy priorities and market dynamics (Ritchie and Crouch 2003). It also enables identification of critical leverage points to enhance competitiveness and resilience, such as investing in tourism circuits, fostering sustainability, and accelerating digital transformation, while also confronting long-standing vulnerabilities like poor inter-regional connectivity or policy incoherence (Rebuya and Gasga 2022).

On the other hand, TOWS analysis is a strategic planning tool that builds on the SWOT analysis by systematically combining internal factors (SW) with external factors (OT) to generate and select strategies. It is a four-step process where you match internal capabilities with external possibilities and challenges to create actionable strategies, resulting in four types of strategic options namely SO, WO, ST, and WT (Watkins 2007).

Figure 3. Methodological map



Source: Authors' illustration.

Likewise, in the context of our sectoral review, it supplements alignment between the NTDP 2023-2028 and actual conditions on the ground, such as gaps in investment flows, digital infrastructure, destination governance, and sustainability practices. It allows policymakers to pinpoint which components of the NTDP 2023-2028 require scaling, recalibration, or deeper institutional support, and where capacity-building or regulatory reforms are most urgently needed. Used together, they offer a robust, evidence-informed basis for crafting actionable and context-sensitive policy recommendations. It also supplements our document review and analysis of secondary tourism data. These organize complex data into strategic insights, and support scenario planning and prioritization in the evolving landscape of Philippine tourism.

In enhancing interpretive depth and in ensuring that policy recommendations are grounded in real-world stakeholder experience, triangulation was done with secondary data, international benchmarks, insights from KIIs and FGDs, content and thematic analysis, SWOT and TOWS analysis, to generate comprehensive and inclusive policy analysis (Patton 2014).

4. Results and discussion: Sectoral review of the Philippine tourism

4.1. The state of Philippine tourism

4.1.1. Tourism's economic contribution

Figure 4a presents the trend of Philippine inbound tourism expenditures (IBTE) from 2000 to 2024 (in current prices). As defined by UN Tourism (n.d.), IBTE refers to the “tourism expenditure of a non-resident visitor within the economy of reference” (International Recommendations for Tourism Statistics [IRTS] 2008, 4.15(a)). Over this period, the accommodation services sector consistently captured the largest share of IBTE at 26.09%, with average annual receipts of PHP 65.7 billion. This was followed by transport services (20.99%, PHP 52.9 billion) and food and beverage services (20.71%, PHP 52.2 billion). Shopping remained a major contributor at 15.41%, with an average of PHP 38.8 billion, while entertainment and recreation services accounted for 11.79% (PHP 29.7 billion). Miscellaneous services, including health and wellness services, personal care, and foreign exchange, comprised 4.19% (PHP 10.5 billion), and travel agencies and related services recorded the smallest share at 0.83%, or PHP 2.08 billion annually.

From 2000 to 2010, IBTE steadily increased, averaging PHP 125 billion; and accelerated between 2010 and 2019, with the average tripling to PHP 331 billion, and peaking at PHP 600 billion in 2019. The most substantial year-on-year increase was observed in 2017 (43.9%), coinciding with the Philippines' hosting of the ASEAN Summit. The COVID-19 pandemic disrupted this upward trajectory in 2020 and 2021 due to global travel restrictions and lockdowns. Recovery began in 2022, likely supported by the easing of restrictions and a surge in pent-up travel demand (i.e., revenge travel¹²) (Salman et al. 2024). By 2023 and 2024, IBTE had not only rebounded but surpassed pre-pandemic levels, reaching PHP 697 billion and nearly PHP 700 billion, respectively.

The upward trend in key years coincided with intensified promotional efforts, including the launch of national tourism campaigns such as *WOW Philippines*¹³, *It's More Fun in the Philippines*¹⁴, and *Love the Philippines*¹⁵, alongside the hosting of major international events like Asia-Pacific Economic Cooperation (APEC) Philippines (2015), the ASEAN Summit (2017), and the Southeast Asian (SEA) Games (2019). These efforts likely contributed to increased international visibility and tourist arrivals. Additionally, DOT's initiatives on product development and the incremental enhancement of tourism infrastructure supported these gains. Nonetheless, persistent challenges, particularly in interconnectivity, service quality, and overall destination readiness, must be addressed to sustain and build upon this momentum.

Figure 4b highlights the real trajectory of inbound tourism expenditures from 2012 to 2024 (at constant 2018 prices), removing the effects of inflation to reflect real changes in visitor demand and sectoral performance. Data show that 2019 represented the sector's real peak, with total inbound receipts amounting to PHP 585.9 billion, before collapsing during the pandemic years of 2020 to 2021. In contrast, when measured in current prices, inbound tourism expenditures appear higher in 2023 to 2024 due to price adjustments, reaching levels close to or above pre-

¹² A global phenomenon characterized by a surge in travel activity as people sought to make up for lost experiences during prolonged periods of isolation.

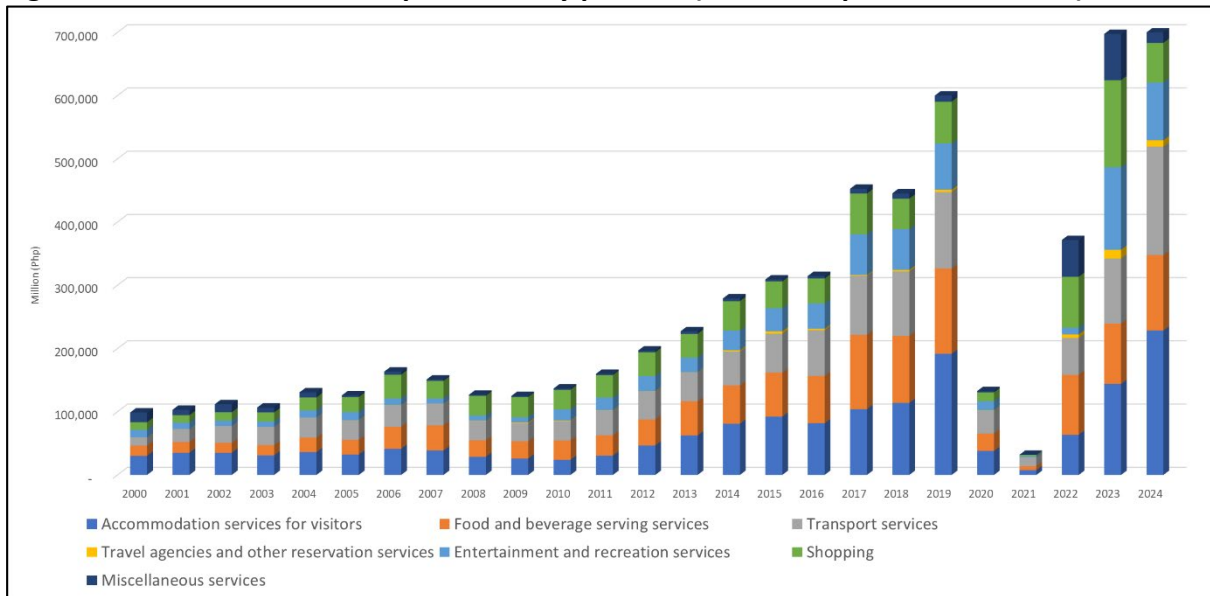
¹³ Tourism slogan from 2002-2010 during Richard Gordon's term as the DOT Secretary; aimed to revamp the country's reputation and encourage both balikbayans and tourists to visit. WOW stands for “Wealth of Wonders” and many other variations.

¹⁴ Tourism slogan from 2012 to 2023 launched under Sec. Ramon Jimenez Jr's term; widely popular and successful.

¹⁵ The current tourism slogan of the Philippines, launched by DOT in June 2023 under Sec. Christina Garcia Frasco's term; aims to promote not just destinations, but the Filipino culture, values, and heritage, the many reasons to love the Philippines.

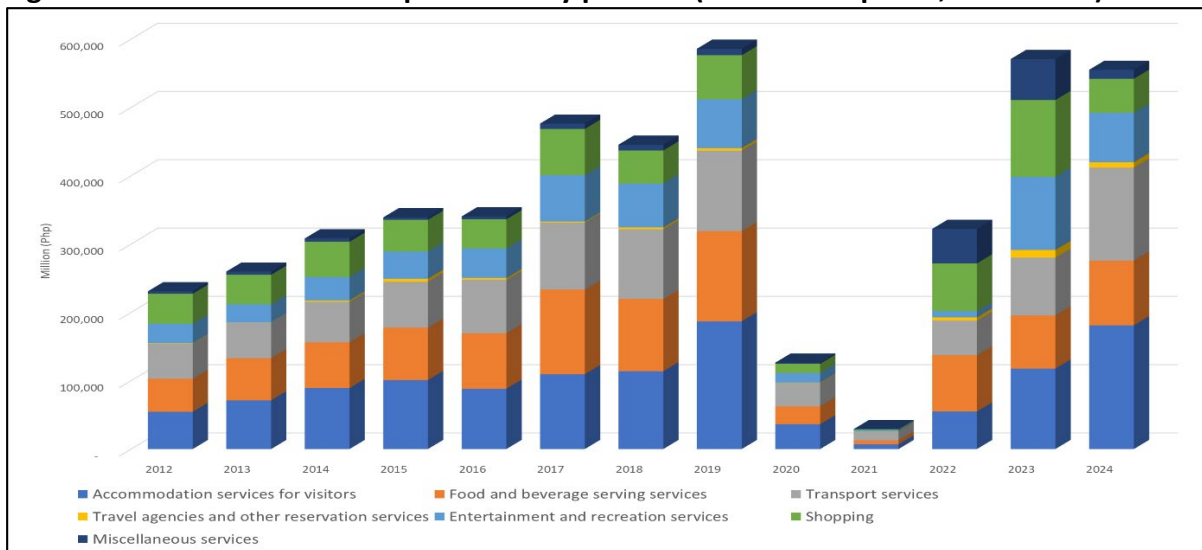
pandemic nominal values. However, this increase is largely attributed to inflationary effects rather than equivalent growth in real output or tourist arrivals.

Figure 4a. Inbound tourism expenditure by product (at current prices, 2000-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 4b. Inbound tourism expenditure by product (at constant prices, 2012-2024)



Source: Authors’ computation based on PSA’s PTSA as of June 2025 release.

Such findings underscores a critical insight. **While current price values may suggest a full rebound, constant-price data confirm that real recovery remains gradual.** However, the upturn in 2023 to 2024 reflect real improvements in accommodation, food service, and transport activities, indicating that the industry is regaining operational capacity and visitor spending power, not merely passing higher prices onto consumers. For transport, this also suggests that given the poor local transport system in the country, expenditure would be one of the highest in this subsector. On another note, this may also suggest that the tourism recovery is becoming structural rather than superficial, driven by increased tourist volumes, longer lengths of stay, and a return to experiential, higher-value travel behavior.

Such distinction between current and constant prices reveals that Philippine tourism's post-pandemic rebound is not merely a statistical artifact of inflation. Adjusting for price changes confirms that the real purchasing power of inbound tourists has improved, and that sectoral productivity, especially in accommodation, transport, and gastronomy, has begun to recover to pre-2019 performance levels. This real expansion signals that the tourism economy is once again contributing meaningfully to domestic demand, employment, and regional value chains, marking a transition from nominal recovery to substantive, inflation-adjusted growth.

Figure 5a illustrates domestic tourism expenditures (DTE) in the Philippines from 2000 to 2024, expressed in current prices. As defined by UN Tourism (n.d.), DTE refers to the "tourism expenditure of a resident visitor within the economy of reference" (IRTS 2008, 4.15(a)). Across the period, accommodation consistently accounted for the largest share of DTE at 24.60%, averaging PHP 277.5 billion annually. However, the absence of disaggregated data, particularly on staycations, homestays, informal lodging, and Airbnb, limits a more nuanced understanding of how different accommodation types contribute to total spending. Miscellaneous services followed at 23.35% (PHP 263.4 billion), while shopping comprised 19.11% (PHP 215.6 billion), reflecting the strong role of retail consumption in domestic tourism activity.

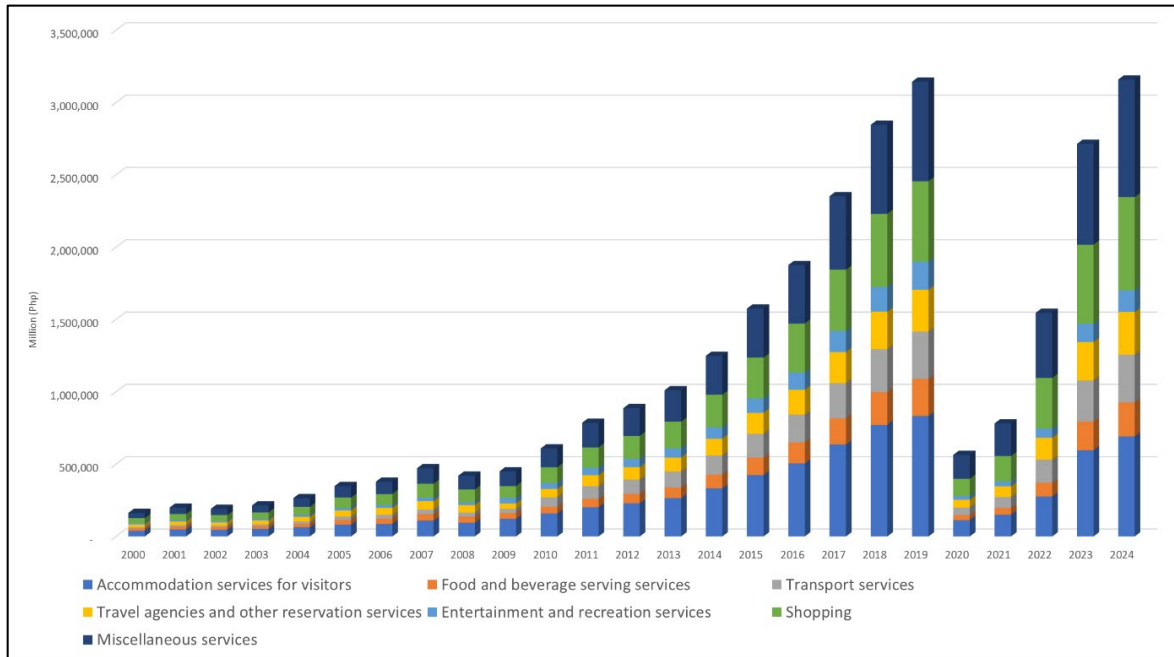
Transport services and travel agencies accounted for 9.96% (PHP 112.3 billion) and 9.63% (PHP 108.7 billion), respectively, indicating the importance of mobility and travel facilitation in domestic trips. Food and beverage services, while a major component of international tourist spending, ranked lower among domestic travelers, contributing just 7.71% (PHP 87 billion). The entertainment and recreation sector received the smallest share at 5.64% (PHP 63.7 billion), suggesting that Filipino tourists may prioritize more essential or practical tourism-related spending (Rocamora 2025).

Over time, DTE exhibited strong growth, rising from an average of PHP 337 billion in the 2000s to a peak of PHP 3.1 trillion in 2019, reflecting increased domestic mobility and disposable income of Filipinos (Varela 2024). However, the COVID-19 pandemic triggered a steep decline to PHP 564 billion in 2020 and PHP 781 billion in 2021, due to lockdowns and travel restrictions. Recovery began in 2022 and accelerated through 2024, with DTE reaching PHP 3.2 trillion, surpassing pre-pandemic levels driven in part by revenge travel among Filipinos (Manalang 2023; Piad 2023; DOT et al. 2020).

A comparison between DTE and IBTE reveals notable differences in spending behavior. While accommodation ranks highest for both segments, international tourists spend more on food and beverage, transport services, shopping, and entertainment, reflecting their shorter stays and pursuit of more curated experiences. In contrast, domestic tourists allocate more to miscellaneous services, travel facilitation (e.g., agencies), and shopping, while placing less emphasis on dining out or entertainment. These differences highlight the importance of tailoring tourism products and policies to the specific behaviors and preferences of local and foreign markets.

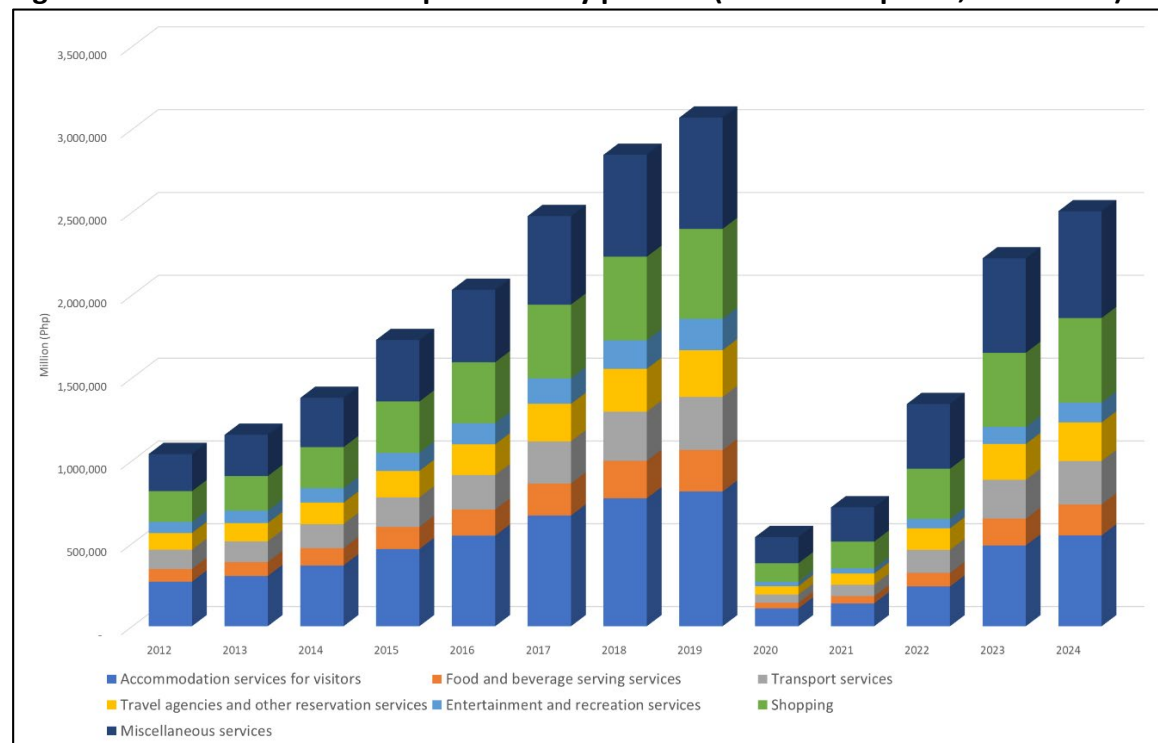
Figure 5b provides a clearer picture of the real trajectory of DTE (at constant 2018 prices), isolating the inflation-adjusted volume of economic activity generated by Filipino travelers. The data confirm that 2019 marked the peak of real domestic tourism spending, reaching PHP 3.07 trillion before experiencing an unprecedented collapse in 2020 to 2021 due to pandemic restrictions. This real peak contrasts with current-price figures, which may appear equally high or higher in more recent years simply because of rising prices across accommodation, food services, transportation, and recreation.

Figure 5a. Domestic tourism expenditure by product (at current prices, 2000-2024)



Source: PSA's PTSA as of June 2025 release.

Figure 5b. Domestic tourism expenditure by product (at constant prices, 2012-2024)



Source: Authors' computation based on PSA's PTSA as of June 2025 release.

Adjusting for inflation, we can see that the post-2022 resurgence reflects genuine increases in domestic travel volume, frequency, and per-trip spending, not just higher nominal prices caused by elevated fuel costs, accommodation rates, and food inflation. In current prices, domestic tourism expenditures in 2023 to 2024 appear to have surpassed pre-pandemic levels; however, part of this increase is purely nominal, driven by overall inflationary pressures. **The constant-**

price data reveal that the recovery is structural than superficial. That is, Filipinos are truly traveling more, staying longer, and spending more in real purchasing-power terms.

This distinction is crucial because the steady climb from 2022 to 2024 in constant prices signals that **domestic tourism, considered the backbone of the Philippine tourism economy, remains a stabilizing force for regional businesses and local value chains.** Even when external shocks dampened inbound travel, domestic mobility and the pent-up demand catalyzed real growth across food services, accommodations, transport, and retail sectors. Importantly, the inflation-adjusted expansion demonstrates that domestic tourism recovery is broad-based, benefiting not only major urban destinations but also provincial circuits, community-based enterprises, and emerging niche markets.

While current-price figures may give the impression of rapid recovery, it is the constant-price data that confirm a tangible improvement in real tourism activity, household purchasing power, and sectoral productivity. That is, Filipino travelers are once again driving substantive economic activity and helping rebuild the tourism sector's pre-pandemic momentum, highlighting domestic tourism's central role in the country's overall tourism transformation.

Figure 6a illustrates outbound tourism expenditures (OTE) by Filipinos from 2000 to 2024 (in current prices). As defined by UN Tourism (n.d.), OTE refers to the "tourism expenditure of a resident visitor outside the economy of reference" (IRTS 2008, 4.15(a)). Among outbound spending categories, accommodation consistently accounted for the largest share at 30.7%, averaging PHP 53.6 billion annually. This was followed by food and beverage services (18.5%, PHP 32 billion), shopping (16.5%, PHP 29.7 billion), and entertainment and recreation services (13.8%, PHP 24.5 billion) indicating that Filipino travelers prioritize comfort, dining, leisure, and retail experiences when abroad (TGM Research 2023).

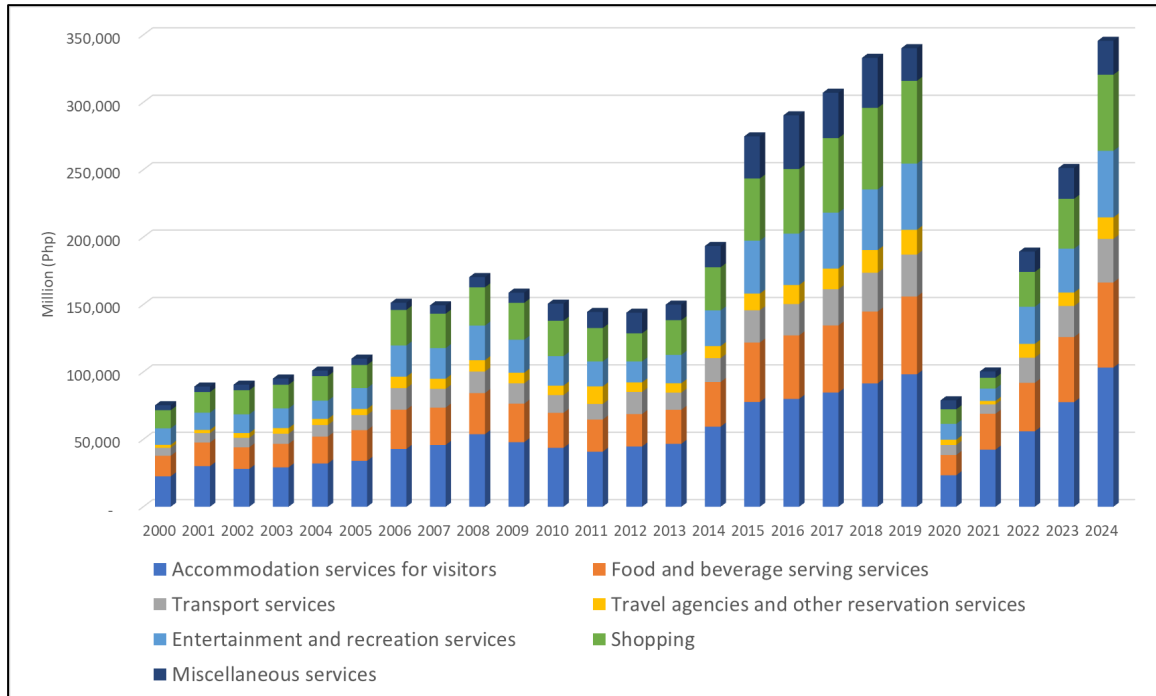
Transport services (8.8%, PHP 15.9 billion) and miscellaneous services (7.1%, PHP 14.2 billion) ranked as secondary expenditure categories. Meanwhile, travel agencies and reservation services received the smallest share of OTE at 4.6% (PHP 8.4 billion), likely reflecting the growing trend toward do-it-yourself (DIY) travel, where tourists increasingly book flights, accommodations, and itineraries independently through digital platforms (Lopez-Córdova 2020; DOT et al. 2020).

OTE experienced notable surges during key years: from PHP 109 billion in 2005 to PHP 151 billion in 2006 (37.7% growth), PHP 149 billion in 2013 to PHP 193 billion in 2014 (29%), and a sharp 42% increase in 2015 to PHP 274 billion. In 2019, OTE reached PHP 340.2 billion, among the highest pre-pandemic levels, before being surpassed in 2024, with a record PHP 345.7 billion. This growth likely reflects the resurgence of outbound travel among Filipinos post-COVID-19, fueled by revenge travel (Crismundo 2024) and the draw of major international events such as the 2024 Paris Summer Olympics and Taylor Swift's Eras Tour (Iacurci 2024). Recent articles highlighted the cost implications of domestic travel as compared to international travel. Some authors suggested that domestic travel may, in certain contexts (i.e., airfares and hotel rates), incur comparatively higher expenses than international trips (Arnaldo, 2023; Valderrama 2025). Hence, Filipinos would opt to travel abroad.

As seen in Figure 6b, OTE (at constant 2018 prices) displays a clear pattern of sustained real growth throughout the 2010s, reflecting rising international mobility and the strengthening purchasing power of Filipino travelers. It confirms that 2019 was the sector's real peak, with outbound spending reaching PHP 332.2 billion, marking the highest level of overseas travel

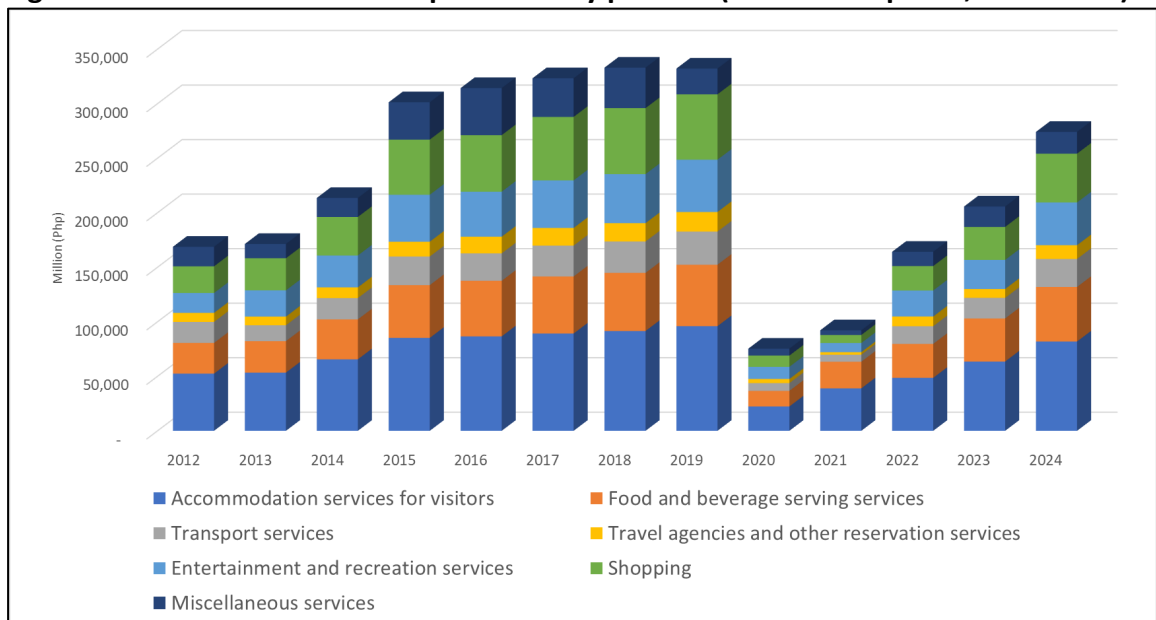
activity before the onset of the pandemic. Although OTE collapsed in 2020 to 2021 due to global border closures, the inflation-adjusted figures reveal a meaningful and progressive rebound from 2022 to 2024, driven by restored traveler confidence, the reopening of key Asian destinations, and the gradual normalization of international aviation networks.

Figure 6a. Outbound tourism expenditure by product (at current prices, 2000-2024)



Source: PSA's PTSA as of June 2025 release.

Figure 6b. Outbound tourism expenditure by product (at constant prices, 2012-2024)



Source: Authors' computation based on PSA's PTSA as of June 2025 release.

While nominal outbound expenditures in 2023 to 2024 may appear to have surpassed pre-pandemic levels, much of this increase is attributed to higher global travel costs, including elevated fares, fuel surcharges, and accommodation rates, rather than a proportional rise in

real travel activity. In contrast, the constant-price series corrects for inflation, showing that the post-pandemic recovery is not merely a nominal rebound but a substantial and genuine revival in outbound travel volumes and real household spending capacity.

The steady rise in OTE through 2024 reflects Filipino travelers' return to pre-pandemic behaviors, encompassing family visits, overseas leisure trips, business travel, and educational mobility. **Recovery is supported by expanded regional connectivity, including reinstated flight routes, increased frequencies among Philippine and foreign carriers, and the sustained growth of low-cost airlines facilitating affordable travel within ASEAN and East Asia.** These structural improvements demonstrate that outbound tourism is once again contributing meaningfully to aviation sector recovery and regional economic integration.

While nominal figures superficially signal rapid growth, real data affirm a true restoration of outbound travel demand, highlighting the resilience of Filipino travelers and the normalization of cross-border mobility. **The inflation-adjusted upward trend confirms that outbound tourism has moved beyond a price-driven rebound toward real, sustained recovery, completing the broader normalization of tourism activity across expenditure categories.**

Figure 7a shows internal tourism expenditures (INTE) in the Philippines from 2000 to 2024 (in current prices). As defined by UN Tourism (n.d.), INTE refers to the “tourism expenditure of visitors, both resident and non-resident, within the economy of reference” (IRTS 2008, 4.20(a)). Over this period, the accommodation sector consistently received the largest share of INTE at 24.8%, with an annual average of PHP 343.3 billion. This was followed by miscellaneous services (19.3%, PHP 273.9 billion) and shopping (18.9%, PHP 254.4 billion). Secondary sectors included transportation services (11.6%, PHP 165.2 billion), food and beverage (10.7%, PHP 139.2 billion), travel agencies and reservation services (8.1%, PHP 110.8 billion), and entertainment and recreation services (6.6%, PHP 93.4 billion). These figures highlight the dominance of accommodation, miscellaneous services, and shopping in tourism-related spending, while other sectors, though significant, are considered secondary in terms of expenditure share.

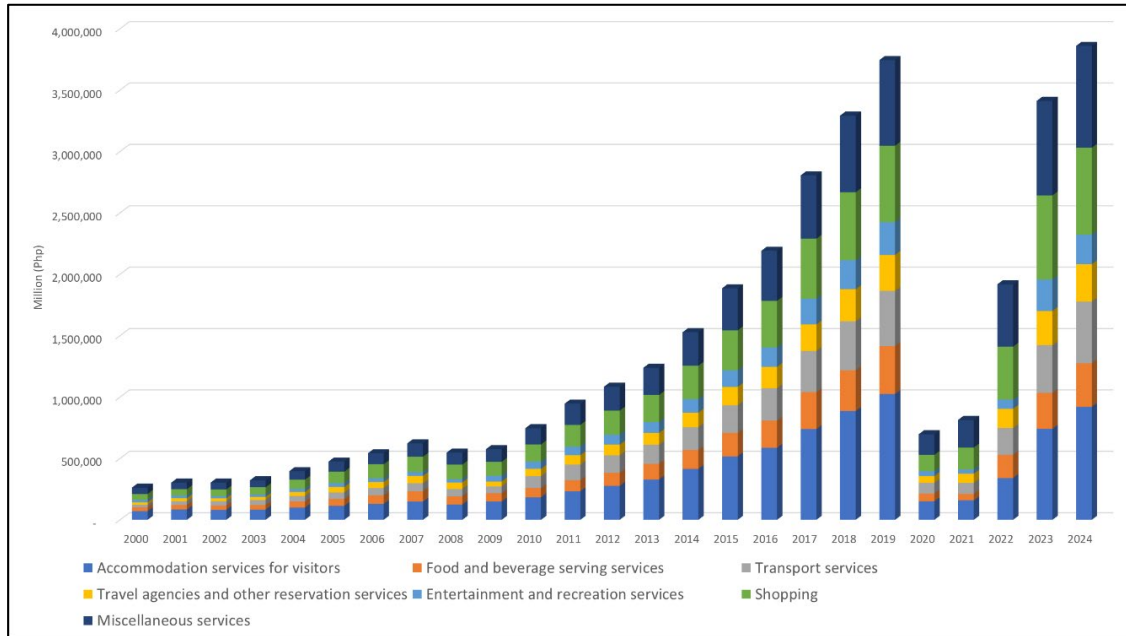
Although INTE declined in 2020 and 2021 due to the widespread impacts of the COVID-19 pandemic, the sector demonstrated remarkable resilience. As public health measures eased and confidence in travel gradually returned, both domestic and international tourists resumed travel activities. By 2024, INTE had reached PHP 3.9 trillion, surpassing its pre-pandemic peak in 2019, signaling a full recovery in aggregate tourism spending within the country. This resurgence was largely fueled by revenge travel (Salman et al. 2024). In the Philippines, this trend was visible among both resident and non-resident visitors, who increased their travel frequency, length of stay, and spending (Lee et al. 2024). The sharp rebound in IBTE and DTE during the same period supports this observation, reflecting a broader restoration of demand across all visitor segments.

Additionally, recovery was aided by government and private sector efforts to revitalize tourism through enhanced marketing campaigns, improved connectivity, and the reopening of key destinations. Major international events and a pent-up desire for leisure, recreation, and family reunions likely contributed to higher spending patterns, reinforcing tourism's role as a key driver of post-pandemic economic recovery.

As seen in Figure 7b, INTE (at constant 2018 prices) shows a clear pattern of sustained real growth throughout the 2010s, underscoring the rising spending power and travel activity of

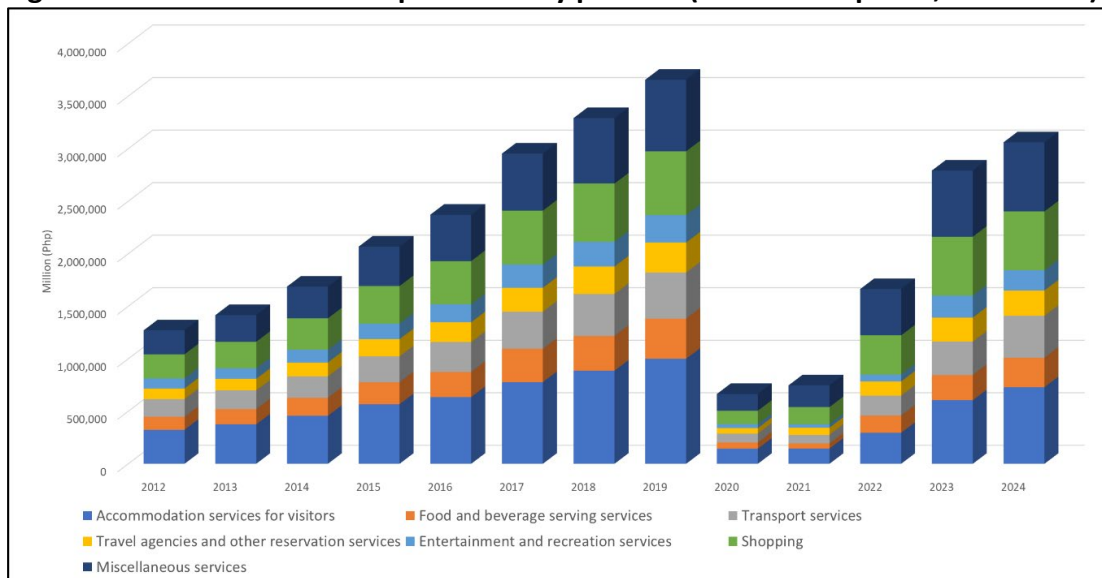
both resident and non-resident visitors within the Philippines. Real INTE reached its pre-pandemic peak in 2019 at PHP 3.66 trillion (at constant 2018 prices), reflecting a broad-based expansion across accommodation, transport, food services, shopping, recreation, and miscellaneous tourism-related services. The subsequent contraction in 2020 to 2021 captures the severe but temporary disruption brought about by mobility restrictions, border controls, and the collapse of both domestic and inbound travel.

Figure 7a. Internal tourism expenditure by product (at current prices, 2000-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 7b. Internal tourism expenditure by product (at constant prices, 2012-2024)



Source: Authors’ computation based on PSA’s PTSA as of June 2025 release.

The rebound from 2022 to 2024, with real INTE climbing back to PHP 3.06 trillion, marks a substantial and broad-ranging recovery in tourism demand. Importantly, when compared to current-price data, which show higher nominal expenditures due to inflation in accommodation rates, food prices, and transport costs, the constant-price series confirms that the resurgence is

not merely a reflection of rising prices. Rather, it represents a true restoration of tourism activity, characterized by increased visitor flows, longer lengths of stay, and higher real spending per trip.

The recovery is anchored by the same categories that dominated pre-pandemic expenditure patterns (i.e., accommodation, shopping, food services, and miscellaneous services) indicating continuity in visitor preferences and consumption behavior. Real expansion in accommodation expenditures points to improved hotel occupancy and capacity utilization, while the strong rebound in shopping and miscellaneous services reflects revived spending in retail, leisure activities, and ancillary tourism services. These trends suggest that travelers are once again engaging in discretionary and experience-driven consumption, which tends to correlate with stronger economic confidence and mobility.

In contrast, nominal INTE figures may exaggerate the pace of recovery due to inflationary effects, especially in 2022 to 2023 when the Philippines experienced elevated food, energy, and transport prices. The inflation-adjusted data correct for these distortions, showing that the **rebound is structural rather than nominal, with real tourism activity returning toward pre-pandemic norms.**

Overall, the constant-price recovery in INTE through 2024 affirms that **internal tourism has regained its role as a major contributor to national demand, household consumption, and regional value-chain activity.** The real resurgence across sectors signals that the Philippine tourism economy is transitioning from pandemic disruption toward sustained normalization, driven by both resident and non-resident visitors whose real purchasing power and travel behavior are once again shaping the dynamics of the tourism sector.

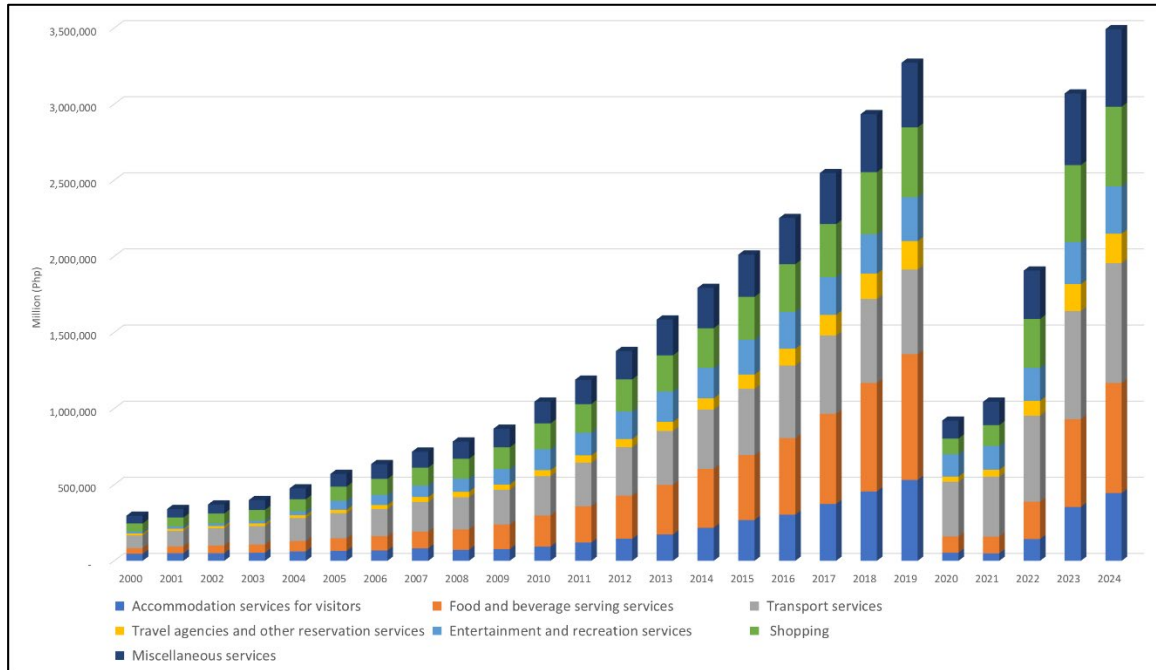
Figure 8a presents the gross value added of tourism industries (GVATI) in the Philippines from 2000 to 2024 (in current prices). As defined by UN Tourism (n.d.), GVATI refers to the “total gross value added of all establishments belonging to tourism industries, regardless of whether all their output is provided to visitors and the degree of specialization of their production process” (Tourism Satellite Account: Recommended Methodological Framework [TSA: RMF] 2008, 4.86). Over this period, the transportation sector accounted for the largest share of GVATI at 26.1%, with an annual average of PHP 339.8 billion. This was followed by food and beverage services (17.7%, PHP 284 billion), shopping (15.6%, PHP 215.6 billion), and miscellaneous services (14.6%, PHP 204 billion). Meanwhile, accommodation contributed 11.6% (PHP 174 billion), entertainment and recreation accounted for 9.9% (PHP 148.5 billion), and travel agencies and reservation services made up the smallest share at 4.5% (PHP 70.1 billion).

From a supply-side perspective, this distribution indicates that transportation, encompassing land, air, sea, and rail, represents the most significant contributor to tourism-related economic output in the Philippines, with land and air travel being the dominant modes because it operates in more formal, capital-intensive structures than other sectors (Joson et al. 2024). Other key contributors include the food and beverage, shopping, and miscellaneous services sectors. In contrast, accommodation, entertainment and recreation, and travel services, while still important, contribute relatively less in terms of gross value added to the national economy. This is because they are often either informal¹⁶ or under-registered (e.g., small lodging establishments, Airbnb and short-term rentals, beach huts, mountain hostels, homestay programs, local tour guides and

¹⁶ This may be an issue of limited access to capital, skills, or incentives to formalize operations; lack of awareness of regulatory requirements or accreditation processes; bureaucratic complexity and cost of business registration and compliance; and the perception that formalization offers limited added value for micro-entrepreneurs catering to niche or seasonal tourist flows.

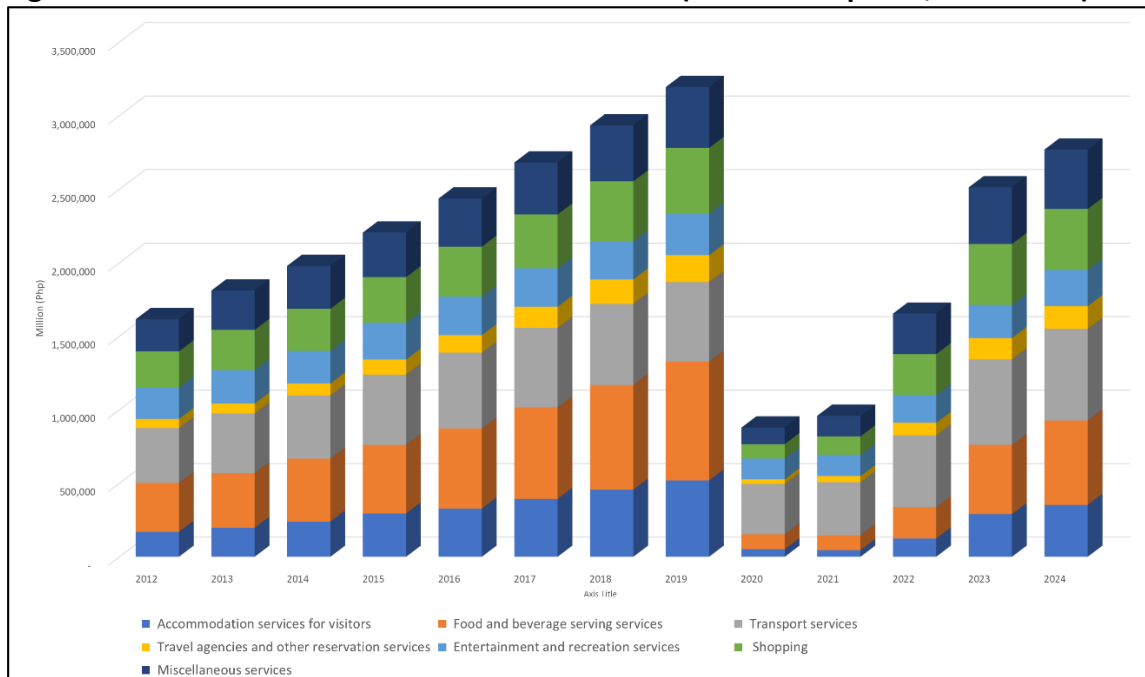
activity providers, small operators of recreation venues, street-based entertainers and artists, independent or home-based travel agents, social media-base or informal online travel coordinators, van rental operators or transport services) and they operate on thin margins and smaller scale (Mwesiumo et al. 2021; Katigbak and Dopeño 2024). Likewise, they have fewer economic linkages, highly price-sensitive, and their business model emphasizes volume over high-value transactions (Mwesiumo et al. 2021).

Figure 8a. Gross value added of tourism industries (at current prices, 2000-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 8b. Gross value added of tourism industries (at constant prices, 2012-2024)



Source: Authors’ computation based on PSA’s PTSA as of June 2025 release.

As seen in Figure 8b, GVATI (at constant 2018 prices) reveals a clear trajectory of sustained real growth throughout the 2010s, reflecting the expanding economic contribution of tourism-related industries to national output. Real GVATI reached its pre-pandemic high in 2019 at PHP 3.19 trillion (in 2018 prices), driven primarily by strong performance in transport services, food and beverage establishments, shopping and retail, accommodation, and recreation activities. This peak underscores the depth of tourism’s backward and forward linkages across the Philippine economy before the disruptions of 2020 to 2021.

The sharp contraction in 2020 to 2021, reflected in both nominal and real values, captures the extent to which pandemic restrictions curtailed mobility, suppressed demand, and disrupted supply chains across tourism industries. However, the rebound from 2022 to 2024, with real GVATI rising to PHP 2.77 trillion, demonstrates a substantial and broad-based recovery in real economic output. This improvement is not simply a consequence of inflation or higher nominal prices; rather, it **confirms a genuine restoration of sectoral activity, including renewed demand for domestic travel, revived international mobility, and expanded operations among tourism-dependent enterprises.**

While nominal GVATI figures appear to surpass or closely match pre-pandemic levels due to elevated food prices, transport costs, and operational expenses across industries, the constant-price series corrects for these inflationary distortions. **Recovery seen in constant prices data shows real economic value creation, signaling that tourism industries are once again producing real output, restoring employment, and generating income across supply chains.**

Sectorally, transport, food and beverage services, and shopping/retail remain the principal drivers of GVATI, indicating continuity in consumption patterns and the centrality of these industries to both domestic and inbound tourism. The resilience of these sectors, particularly transport and food services, illustrates how tourism’s economic foundations strengthened with the reopening of borders, improved airline connectivity, and renewed consumer confidence.

Overall, the inflation-adjusted rebound in GVATI underscores the resilience and adaptive capacity of Philippine tourism industries. Despite unprecedented shocks, the sector has recovered substantial real output by 2024, reaffirming its importance as a key economic pillar and a driver of productive activity, employment, and regional development. The constant-price recovery shows that **the sector is not merely benefiting from rising nominal prices but is generating real economic momentum, supporting the broader transition toward a normalized and revitalized tourism economy.**

Figure 9a presents the Tourism Direct Gross Value Added (TDGVA) in the Philippines from 2000 to 2024 (in current prices). According to UN Tourism (n.d.), TDGVA refers to “the part of gross value added generated by tourism industries and other industries of the economy that directly serve visitors in response to internal tourism consumption” (TSA: RMF 2008, 4.88). Over this period, total TDGVA amounted to PHP 25.2 trillion. Of this, tourism-specific products accounted for 70%, or PHP 16.9 trillion, while other tourism-related products contributed 30%, or PHP 6.0 trillion. This highlights tourism as a major economic driver, with a significant portion of national value added linked directly to visitor spending.

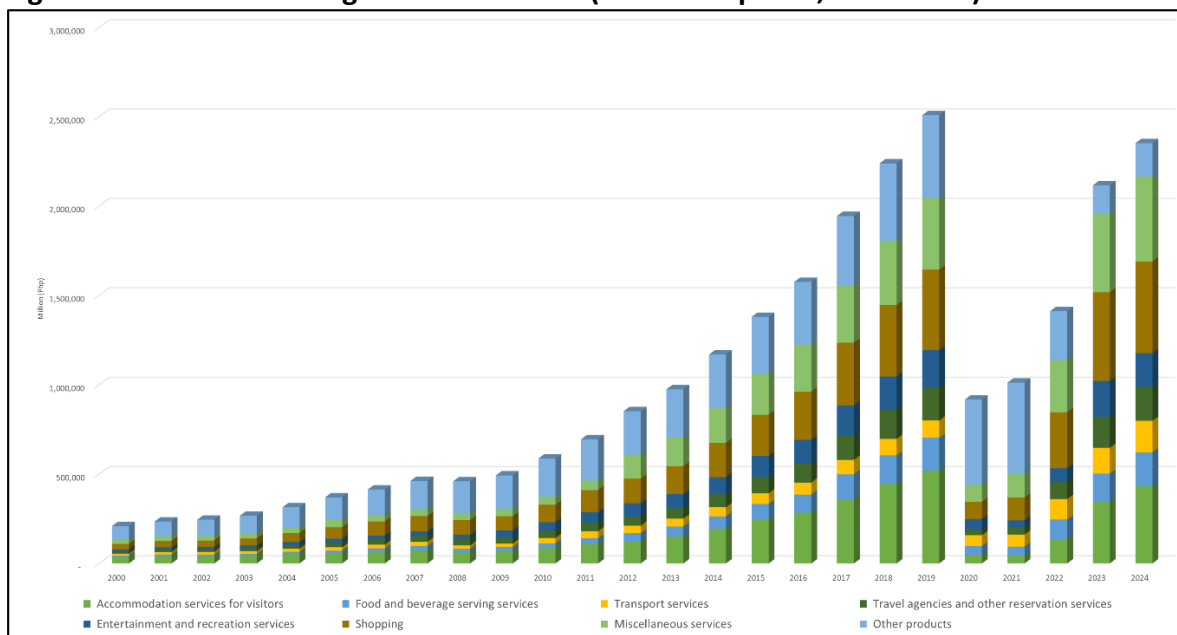
Among tourism-related products, shopping emerged as the largest contributor to TDGVA, comprising 17.0% (PHP 4.5 trillion). This was followed by accommodation services (15.4%, PHP 4.1 trillion) and miscellaneous services at 13.2% (PHP 3.9 trillion). Other contributing

sectors included entertainment and recreation (6.9%, PHP 1.9 trillion), travel agencies and reservation services (6.6%, PHP 1.7 trillion), food and beverage services (5.5%, PHP 1.6 trillion), and transportation services (5.5%, PHP 1.4 trillion).

From a demand-side perspective, data shows that shopping is the leading area of tourist expenditure in the Philippines, underscoring the country’s strength as a retail-driven tourism destination (Espiritu and Lawas 2019; Monzon, 2024). Both foreign and domestic tourists allocate a significant portion of their travel budgets to the purchase of goods, including souvenirs, fashion, electronics, local crafts, and specialty products. This reflects a strong culture of consumption-led travel, where shopping is not merely incidental but often a primary motivation or highlight of the travel experience (Manila Bulletin 2025; 2024; UN Tourism n.d.). It also points to the role of urban centers and malls as key tourism assets.

In addition to shopping, accommodation services and miscellaneous services, also capture a large share of tourism spending. This suggests that tourists value comfort, convenience, and personal well-being, and are willing to invest in quality lodging, spa treatments, and practical services while traveling (Rocamora 2025; Piad, 2023). These sectors therefore play a central role in shaping the overall visitor experience and satisfaction, and they are likely to benefit from further investments in quality, branding, and service excellence.

Figure 9a. Tourism direct gross value added (at current prices, 2000-2024)

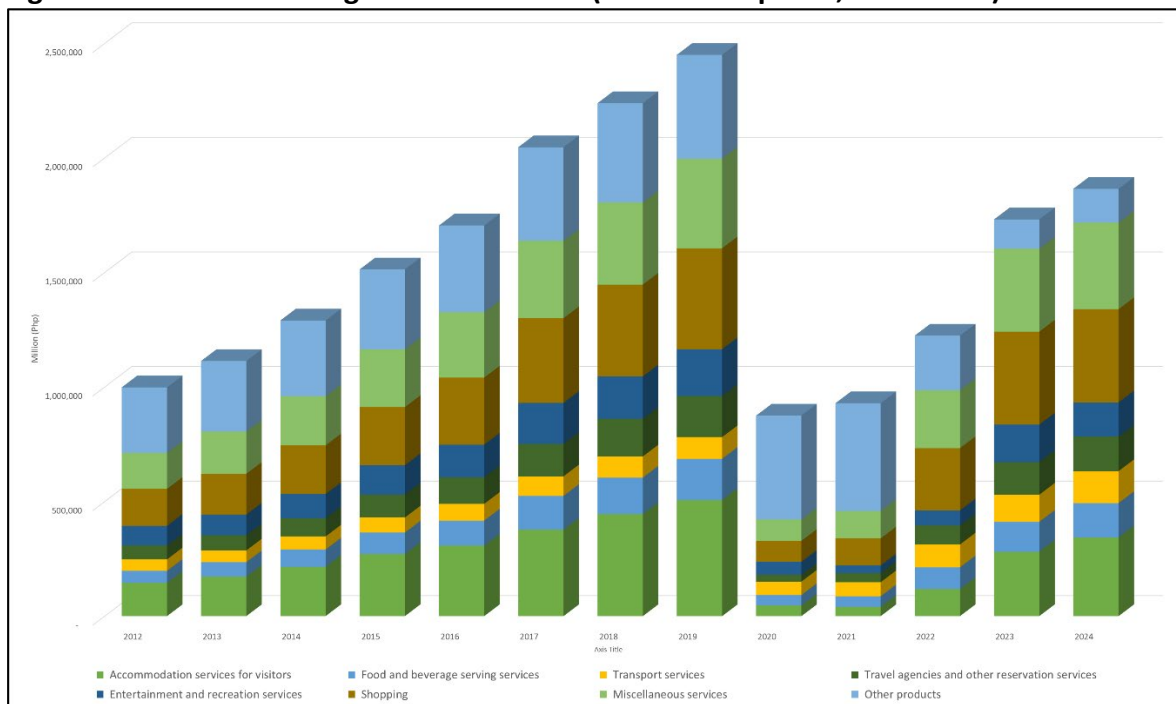


Source: PSA’s PTSA as of June 2025 release.

In contrast, although entertainment and recreation, travel agencies, food and beverage, and transportation are integral parts of the tourism experience, they account for a smaller proportion of direct gross value added. This may be due to several factors: (1) lower average spending per transaction, especially in informal or budget-oriented settings; (2) widespread availability of low-cost alternatives, particularly in food and transport; (3) growing preference for self-guided travel, which reduces reliance on traditional travel agencies; and (4) underdeveloped or uneven recreation infrastructure limiting the potential for high-spending experiences in many destinations. This pattern suggests that while these sectors remain essential enablers of tourism, their potential for value capture remains underutilized. Strengthening these segments, through

formalization, capacity building, and product innovation, could help broaden the distribution of tourism benefits and deepen the economic impact of visitor spending across the value chain.

Figure 9b. Tourism direct gross value added (at constant prices, 2000-2024)



Source: Authors' computation based on PSA's PTSA as of June 2025 release.

As seen in Figure 9b, TDGVA (at constant 2018 prices) provides a clear view of the real economic output generated directly by tourism industries over time. The constant-price series shows steady and broad-based growth throughout the 2010s, with the strongest contributions coming from tourism-characteristic products, particularly shopping and retail, accommodation services, food and beverage operations, and passenger transport. TDGVA reached its highest pre-pandemic level in 2019 at PHP 2.45 trillion, underscoring tourism's role in driving domestic economic activity and supporting nationwide employment prior to the pandemic.

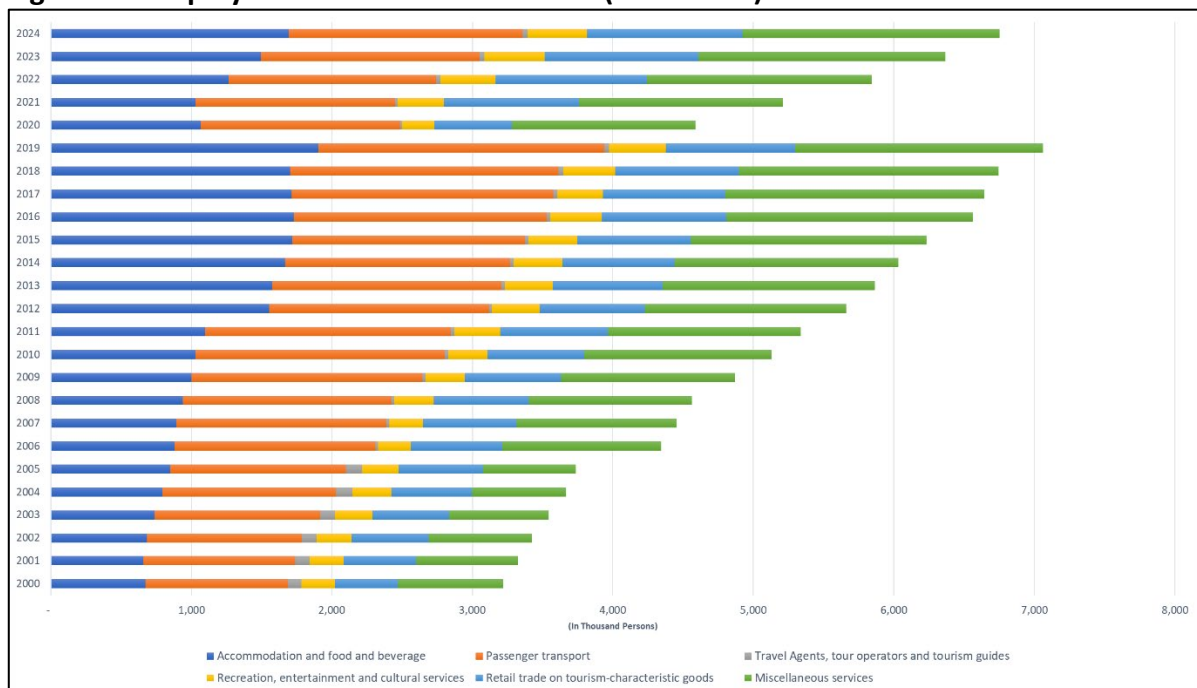
The significant decline in TDGVA during 2020 to 2021 reflects the direct impact of border closures, mobility restrictions, and the temporary shutdown of accommodation, transport, recreation, and food service establishments. However, the recovery trajectory from 2022 to 2024, with real TDGVA rising to PHP 1.87 trillion, signals a robust reactivation of tourism industries. Importantly, this rebound is not solely the result of inflation. A comparison with TDGVA in current prices, which may appear to recover faster due to elevated costs of goods, services, fuel, and operations, highlights the importance of examining real figures. The inflation-adjusted data confirm that the rebound represents true, substantive increases in real output, driven by rising visitor arrivals, revived domestic mobility, and the restoration of operational capacity across tourism enterprises.

The real growth in TDGVA through 2024 demonstrates that tourism industries have regained much of their pre-pandemic strength, supported by improved air and sea connectivity, the gradual reopening of global markets, and sustained domestic travel demand. The strong performance of tourism-characteristic products, especially retail and accommodation, indicates that visitors are once again engaging in discretionary, experience-oriented spending, a key marker of sectoral health. The upward trend also highlights how tourism's value chain has re-

expanded, benefiting microenterprises, suppliers, transport operators, cultural communities, and local governments.

Thus, the recovery of real TDGVA underscores the tourism sector’s resilience, adaptive capacity, and enduring importance to the Philippine economy. The inflation-adjusted rebound affirms that tourism is not merely experiencing a nominal or price-driven resurgence but is once again contributing meaningful, measurable economic value. By 2024, the sector has reestablished itself as a major pillar of national productive activity, supporting livelihoods, stimulating local economies, and reinforcing tourism’s central role in the country’s broader economic transformation.

Figure 10. Employment in tourism industries (2000-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 10 presents trends in employment in tourism industries in the Philippines from 2000 to 2024. Over this period, the share of tourism-related employment to total employment generally increased, peaking in 2019 at 16.8%. That is, roughly 17 out of every 100 employed Filipinos worked in the tourism sector, underscoring the industry’s significant role as a national employment generator (Espiritu and Lawas 2019; Caynila et al. 2022; Cervantes 2024). This share declined sharply to 11.7% in 2020 due to the COVID-19 pandemic; however, recovery began in subsequent years, with tourism employment rising to 13.8% by 2024, signaling a steady rebound as travel restrictions eased and demand returned.

Among all tourism-related sectors, passenger transport consistently accounted for the largest share of employment, averaging 30%. This reflects the centrality of land, air, and sea mobility in the Philippine tourism context. Miscellaneous services ranked second at an average of 25.1%, while accommodation and food and beverage services followed closely at 23%. Other sectors such as retail trade in tourism goods (14.7%) and recreation, entertainment, and cultural services (6.2%) also contributed meaningfully. In contrast, travel agencies, tour operators, and tour guides represented the smallest share at 1.1%, likely due to digital disruption and the growing preference for self-managed travel arrangements (TGM Research 2023).

From 2021 to 2024, employment in miscellaneous services (27.5%) surpassed that in passenger transport (25.5%). This shift may reflect changing post-pandemic travel preferences, with heightened emphasis on health, safety, wellness, and personalized services, as well as the increasing influence of digital technologies in tourism operations (Goncu and Kamasak 2024; Roxas et al. 2022). These changes may have reduced labor intensity in some sectors while creating new demand in others.

Looking ahead, WTTC (2025) projected that tourism employment in the Philippines will reach 14.1 million jobs over the next decade (108.8% growth). **This optimistic forecast highlights the sector's potential to drive inclusive job creation, particularly for young people, women, and workers in remote or underserved areas.**

Figure 11a plots tourism gross fixed capital formation (GFCF) from 2012 to 2024 (in current prices). PSA (2020) defined GFCF as “investment on produced fixed assets which are used exclusively or almost exclusively in the production of tourism characteristics goods or products”. These tourism-related investments may be classified as tourism-specific fixed assets such as accommodation and other non-residential structures used for tourism purposes, passenger transport equipment, machinery and equipment for tourism-related products, improvement of land used for tourism purposes, and other tourism specific assets. There are also non-tourism specific fixed assets such as computer systems of both hotels, travel agencies and other facilities.

Tourism investments have varied in the last 13 years, with an average of PHP 481.4 billion. It peaked at PHP 737.7 billion in 2016 and reached PHP 839.1 billion in 2017. Furthermore, despite the COVID-19 pandemic, tourism GFCF increased, reaching PHP 414.3 billion in 2020, PHP 318.1 billion in 2021, PHP 393.6 billion in 2022, PHP 517.8 billion in 2023, and PHP 590.4 billion in 2024. This demonstrates the private sector's strong willingness to invest in tourism, which is reinforced by a strong government backing for tourism as a priority sector, including the inclusion of tourism in the Philippine Development Plan (PDP¹⁷) 2023-2028, incentives under laws like the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE¹⁸) Act (RA 12066) and the Tourism Act of 2009 (RA 9593), and strategic infrastructure investments under the “Build, Better, More” Program¹⁹ that works to improve airports, roads, and seaports.

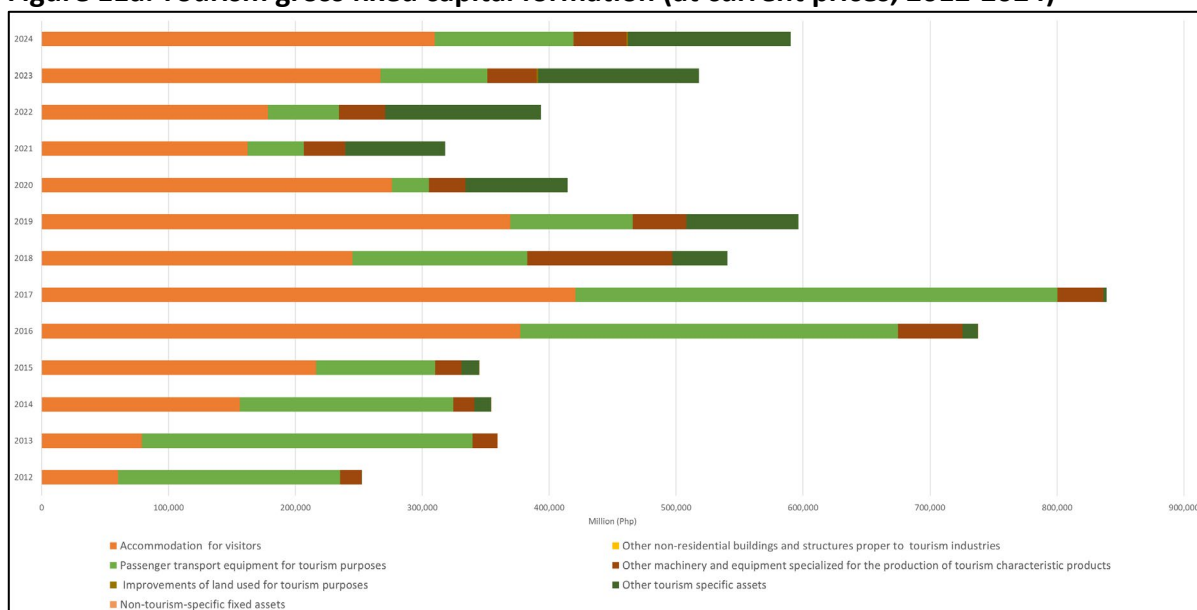
The accommodation sector remained the leading capital asset, which accounts for 48.3% of the tourism GFCF (i.e., bulk of the investments are in the accommodation sector). According to Loyola (2024), the Philippine Hotel Owners Association (PHOA) and Leechiu Property Consultants (LPC) predicted robust demand in the tourism industry in the next years, which fuels the investments in the hotel sector. Historically, the accommodation sector has generated the greatest IBTE and DTE, as seen in earlier Figures explaining why investors are drawn into investing in this sector. This is followed by passenger transport equipment, which makes up 31.8% of the total GFCF, like the IBTE and DTE data, other tourist-specific assets at 11.9%, and other machinery and equipment specialized for tourism at 4.0%.

¹⁷ For details, see <https://pdp.depdev.gov.ph/philippine-development-plan-2023-2028/>.

¹⁸ For details, see <https://www.bir.gov.ph/create-more>.

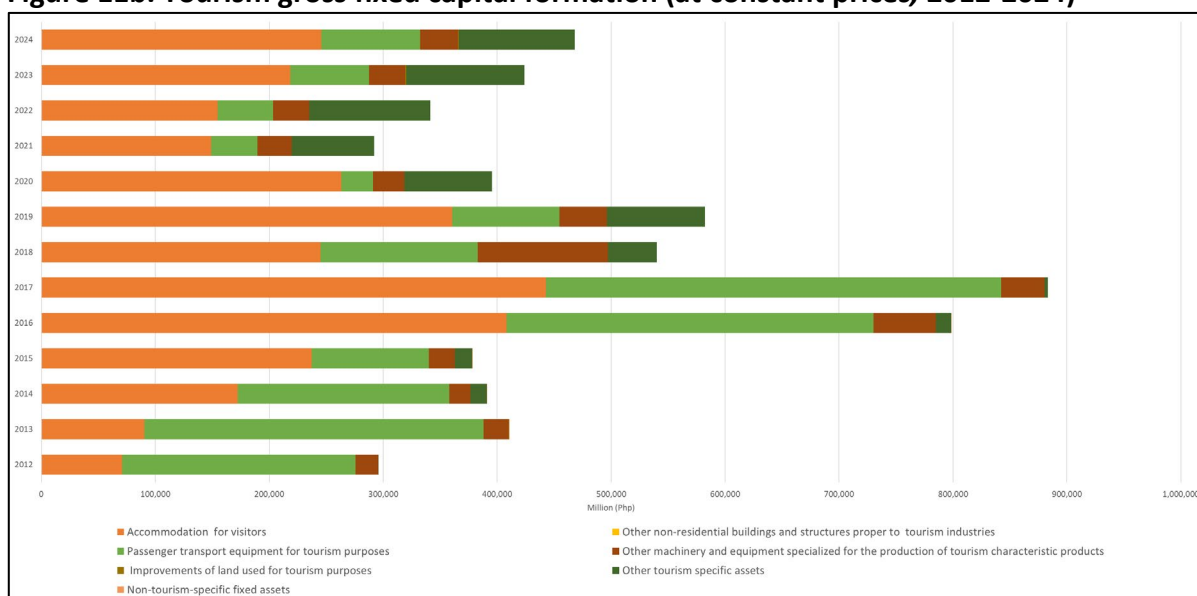
¹⁹ For details, see <https://cpbrd.congress.gov.ph/ff2024-13-build-better-more-bbm/>.

Figure 11a. Tourism gross fixed capital formation (at current prices, 2012-2024)



Source: PSA's PTSA as of June 2025 release.

Figure 11b. Tourism gross fixed capital formation (at constant prices, 2012-2024)



Source: Authors' computation based on PSA's PTSA as of June 2025 release.

As seen in Figure 11b, GFCF in the Philippines' tourism industries exhibited significant variability between 2012 and 2024 (at constant 2018 prices), reflecting shifts in investment cycles, infrastructure priorities, and broader economic conditions. Real GFCF reached its highest levels in 2016 (PHP 798.8 billion) and 2017 (PHP 883.3 billion), which is a period characterized by aggressive expansion in accommodation facilities, resort development, transport fleets, and tourism-support infrastructure. These investment surges were driven largely by the construction of hotels and resorts, airport upgrades, rolling stock and passenger transport equipment purchases, and private capital inflows responding to robust domestic and inbound travel demand.

The onset of the pandemic in 2020 to 2021 led to a sharp contraction in real GFCF, as uncertainty, reduced mobility, and financial strain prompted businesses to defer or cancel

capital projects. Many planned developments, particularly in accommodation and transport, were postponed, resulting in lower investment levels even as some government infrastructure projects continued.

However, the recovery from 2022 to 2024 marks a notable resurgence in real capital spending. By 2024, GFCF reached PHP 468.2 billion (at constant 2018 prices), signaling renewed private-sector confidence, improving cash flows among tourism enterprises, and sustained government support for major infrastructure programs. This underscores that capital formation is not merely recovering in nominal terms; rather, when adjusted for inflation, the increase reflects genuine investment activity, including resumption of previously halted construction projects, modernization of transport equipment, and opening of new hotels and tourism facilities.

While nominal figures may appear to recover more rapidly due to rising construction costs, higher material prices, and inflationary pressures in equipment imports, the constant-price data shows that the investment rebound is real, not just price-driven. This indicates that firms and the government are once again investing meaningfully in physical assets that expand tourism capacity and enhance competitiveness.

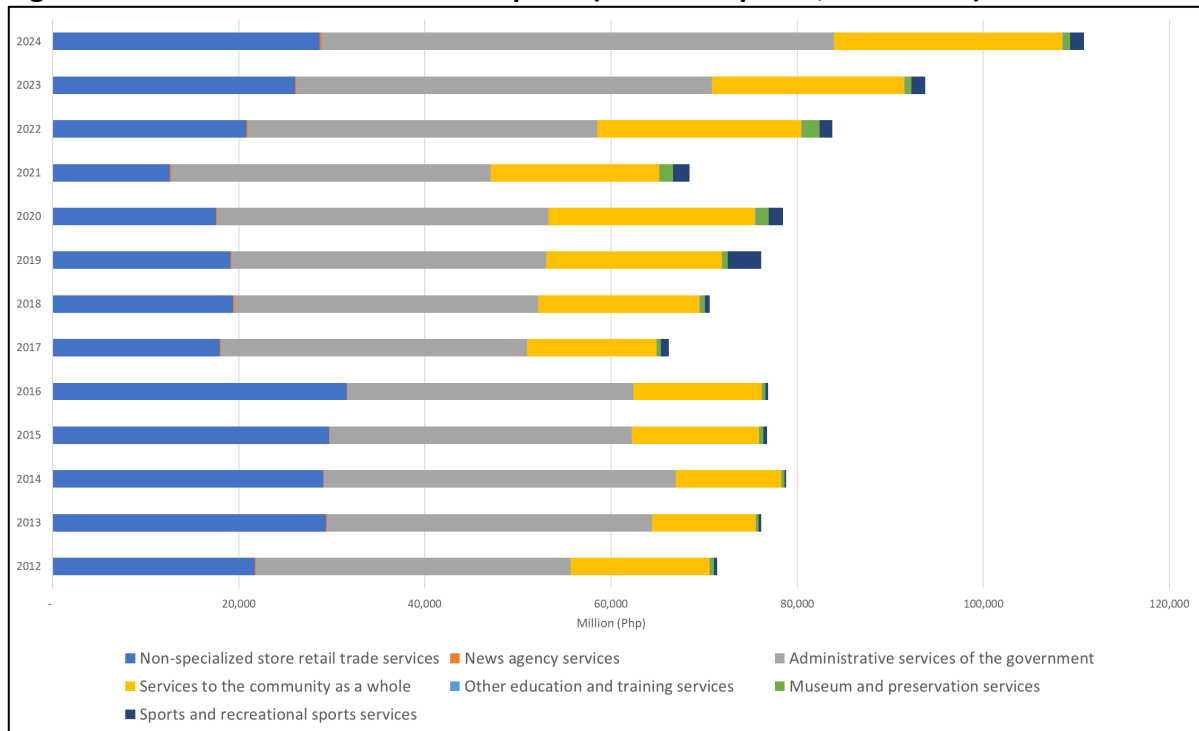
Importantly, the post-pandemic recovery in real GFCF has been supported by (1) strong domestic tourism performance, encouraging private developers to resume expansion plans; (2) improved investor sentiment, especially in key destinations undergoing airport, seaport, and road network upgrades; (3) policy stability and incentives, including TEZ benefits and renewed efforts to attract foreign direct investment; and (4) strategic government spending under infrastructure and connectivity improvements aligned with the NTDP 2023-2028.

Thus, the recovery of real GFCF by 2024 reflects a rebuilding of the country's tourism capital stock and a return to medium-term investment planning. Although levels remain below the pre-pandemic peak, the upward trend signals that both private and public stakeholders view tourism as a vital economic sector worthy of long-term investment, reinforcing the sector's role in stimulating jobs, regional development, and competitiveness.

Figure 12a illustrates tourism collective consumption in the Philippines from 2012 to 2024 (in current prices). As per PSA (2020), tourism collective consumption refers to government expenditures associated with the support and regulation of tourism, including activities such as policy development, tourism promotion, and public investments in tourism-related services. Over the period, the average annual government expenditure on tourism-related services amounted to PHP 36.6 billion, with the bulk allocated to: administrative services (PHP 36.6 billion; 46.3%); non-specialized store retail trade services (PHP 23.4 billion; 29.6%); and community services (PHP 17.1 billion; 21.6%). Other categories received comparatively smaller allocations: sports and recreation services (PHP 1.1 billion; 1.4%); museum and cultural preservation services (PHP 676.8 million; 0.9%); news agency services (PHP 121.6 million; 0.2%); and education and training services (PHP 98.1 million; 0.1%).

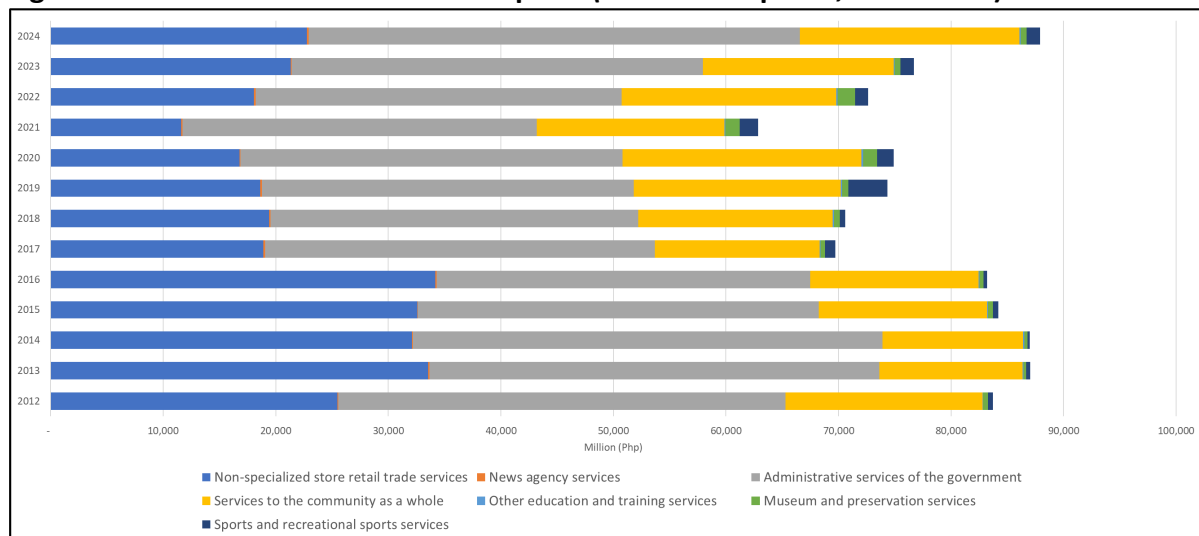
These show that government spending on tourism has been heavily concentrated on administrative, retail, and community-level services, which are foundational to tourism governance and service delivery. However, relatively limited funding has been directed toward cultural preservation, sports and recreation, and tourism-specific education and training, which are sectors crucial for enhancing the diversity and sustainability of tourism offerings.

Figure 12a. Tourism collective consumption (at current prices, 2012-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 12b. Tourism collective consumption (at constant prices, 2012-2024)



Source: Authors’ computation based on PSA’s PTSA as of June 2025 release.

To unlock the full potential of the tourism sector, greater public investment may be warranted in underfunded areas such as heritage and cultural institutions, recreational infrastructure, and workforce development. These areas not only enrich the visitor experience but also create long-term value by supporting local identity, skills upgrading, and inclusive participation in the tourism economy. It is noteworthy to mention that there are flagship projects that were launched to support tourism development such as the construction

of Tourist Rest Areas (TRA²⁰), launch of the Philippine Experience Program (PEP²¹), Tourist Assistance Call Center, Tourism Champions Challenge, and national, regional, and private-sector initiated travel expositions²² to foster sustainable and inclusive tourism development. Moreover, DOT also invested heavily on capacitating Filipino workforce through various programs such as the Filipino Brand of Service Excellence (FBSE²³) program that is envisioned to transform the Philippines into a center for hospitality excellence in Asia, Tourist-Oriented Police for Community Order and Protection (TOPCOP²⁴) training to maintain peace and order in tourist areas with heavy tourism traffic and Tourism Industry Skills Program (TISP). Moreover, DOT in partnership with the Asian Institute of Management also invested in training their management team on sustainable tourism planning and development through the Sustaining Tourism and Development Training (STDT). This initiative is aimed to support Local Government Units (LGUs) in integrating sustainable tourism practices in their planning, policymaking, and development. However, the actual effectiveness and long-term impacts of these programs remain to be systematically and scientifically assessed, particularly in terms of sustainability and economic value.

Figure 12b illustrates the trajectory of government expenditure on tourism-related activities in the Philippines from 2012 to 2024, expressed in constant prices to remove the effects of inflation. Over this period, government spending averaged PHP 76.0 billion annually, though year-to-year allocations fluctuated depending on fiscal priorities, national tourism programs, and broader economic conditions. Despite these variations, the overall trend shows a steady and deliberate investment in tourism-related public services.

A closer look at the expenditure composition reveals that administrative and support services consistently received the largest share of the government's tourism spending. These include

²⁰ A rest stop designed to provide amenities and services for travelers, often found along major routes; part of a national program to enhance the tourism experience by offering clean facilities like restrooms with showers, charging stations, and lounges, as well as information desks and spaces for local vendors to sell crafts and food; aims to create a comfortable travel experience, promote local businesses, and boost the tourism economy

²¹ From our FGD findings, the PEP has been recognized as a viable platform to showcase regional culture and emerging tourism circuits, stakeholders emphasized that the program is currently more aligned with curated showcase events than with actual tourist behavior. They noted that PEP itineraries tend to be expensive, choreographed for key and special delegations, and not reflective of what a typical domestic traveler or backpacking international visitor would choose or afford. Many LGUs, particularly those with limited fiscal space, struggle to finance staging costs (e.g., cultural performances, venue setup, and hosting requirements), which can exceed the benefits if the event does not translate into sustained visitor arrivals or bookings. These concerns highlight the risk of high spending for low conversion. To ensure that the PEP drives real tourism growth, FGD participants recommended shifting from one-off showcase events to a more commercially oriented and inclusive model. This includes requiring that PEP-featured circuits undergo a clear progression toward market readiness, supported by booking mechanisms, digital packaging, and stronger coordination with travel trade partners. They also called for a cost-sharing scheme with national agencies and private sponsors to avoid overburdening LGUs, and for a standardized approach to reduce redundant logistical expenditures. Moreover, stakeholders emphasized the need to design PEP experiences that are accessible and authentic, not just staged performances, so that MSMEs, community enterprises, and grassroots cultural groups benefit directly. Finally, they stressed that PEP outcomes should be systematically monitored through metrics such as conversion rates, MSME participation, and environmental safeguards to ensure the program creates sustainable and inclusive value beyond.

²² From our FGD findings, stakeholders also acknowledged that regional travel expos such as the North Luzon Travel Expo (NLTE), Central Philippines Travel Expo (CPTEx), and Mindanao Travel Expo (MEx) have improved local visibility, reduced participation costs for MSMEs and LGUs, and encouraged inter-regional travel markets. These events allow smaller operators to be seen beyond Manila-based platforms and facilitate local networking, partnerships, and destination packaging. However, concerns were raised about growing redundancy and fragmentation. Many exhibitors and products are repeatedly showcased across expos, resulting in diminishing marginal benefits and market fatigue. LGUs also highlighted the financial burden of booth construction, travel, and manpower requirements, especially when these efforts do not translate into long-term bookings or new visitor flows. In addition, the proliferation of separate expos dilutes the consistency of national branding and messaging, making the tourism portfolio appear disjointed. Thus, stakeholders recommended a more strategic and differentiated approach, ensuring that each expo addresses a distinct market segment or development objective, so that resources are optimized and events can lead to measurable tourism growth rather than merely symbolic participation.

²³ A program to instill world-class hospitality by blending core Filipino values like compassion and respect with practical service skills for tourism frontliners, creating a unique national brand; trains workers across hotels, transport, and government to deliver service with genuine Filipino warmth, incorporating gestures for memorable guest experiences.

²⁴ A program to ensure the safety of visitors by training police in tourism, providing specialized assistance centers, and increasing police presence in tourist areas; core idea is to make police more effective and welcoming to tourists, offering help with directions, security, and cultural awareness, especially for international visitors.

governance activities, regulatory oversight, tourism administration, and coordination functions, highlighting the centrality of institutional management and public-sector capacity to tourism development. This pattern reinforces the idea that strong administrative systems are foundational to sustaining tourism growth, particularly in the context of accreditation, planning, quality assurance, and destination management.

Expenditures for non-specialized retail trade and community and social services also represent substantial portions of the government's tourism budget. These categories include investments in public amenities, community-level tourism initiatives, local infrastructure support, and programs aimed at improving livability and visitor experience in urban and rural destinations. Meanwhile, funding for museums, cultural preservation, sports infrastructure, and tourism-related education remained relatively lower and more volatile—reflecting both fiscal constraints and a tendency to prioritize basic administrative functions over specialized cultural or educational tourism programs.

Despite these sectoral disparities, the data show a notable increase in total government expenditure on tourism in recent years. By 2024, real GTE rose to PHP 87.9 billion, marking one of the highest levels recorded in the series. When compared with nominal figures, this increase signifies not merely nominal growth, but a genuine expansion in real public investment after adjusting for inflation. This underscores sustained public-sector efforts to strengthen tourism governance, upgrading facilities, and supporting recovery initiatives following the pandemic.

The upward trend in real government tourism spending reflects the national government's continued recognition of the sector as a driver of jobs, regional development, and economic diversification. However, the sustained dominance of administrative expenditures and the relatively limited investment in cultural, educational, and sports-related tourism programs highlight the need for greater balance and strategic allocation, particularly if the Philippines aims to build resilient, diversified, and culturally grounded tourism offerings in the future.

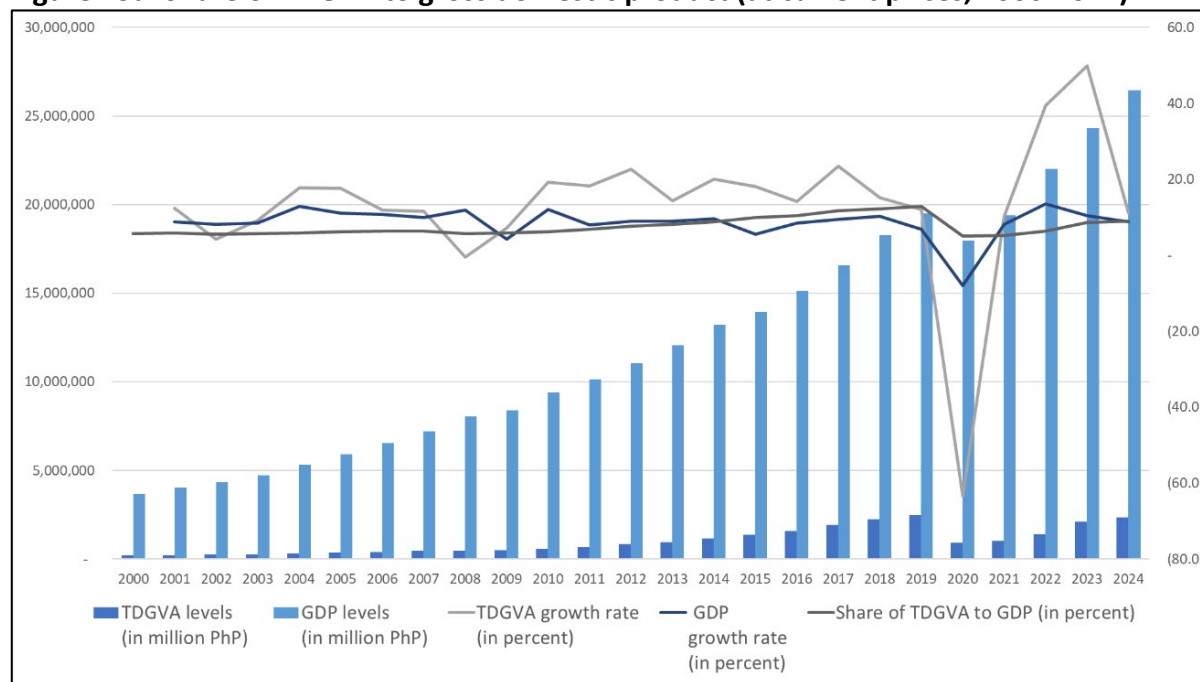
Figure 13a plots the trajectory of TDGVA alongside Gross Domestic Product (GDP) and TDGVA's share of GDP from 2000 to 2024 (in current prices). TDGVA peaked in 2019 at PHP 2.5 trillion, when the national GDP stood at PHP 19.5 trillion, reflecting a 12.9% contribution of tourism to the economy. This high share signaled a period of strong tourism-driven economic activity prior to the COVID-19 pandemic. However, the onset of the pandemic in 2020 brought a sharp contraction in tourism activity. This severely reduced TDGVA even as other sectors gradually began to recover.

From 2022 to 2024, data shows a notable rebound in GDP, which rose to PHP 26.4 trillion in 2024, surpassing pre-pandemic levels. In contrast, TDGVA in 2024 recovered more slowly, reaching PHP 2.4 trillion, slightly below its 2019 peak. Consequently, tourism's share of GDP in 2024 stood at 8.9%, a marked decline from its 2019 share.

This divergence highlights a critical gap and opportunity. Although the broader economy has bounced back, tourism has yet to regain its full pre-pandemic momentum. The slower recovery in TDGVA may be attributed to lagging international arrivals, persistent gaps in destination readiness, changing traveler preferences, or uneven recovery across tourism subsectors (e.g., formal vs. informal enterprises, urban vs. rural destinations) (Narmadha and Anuradha 2022; Gutierrez et al. 2023).

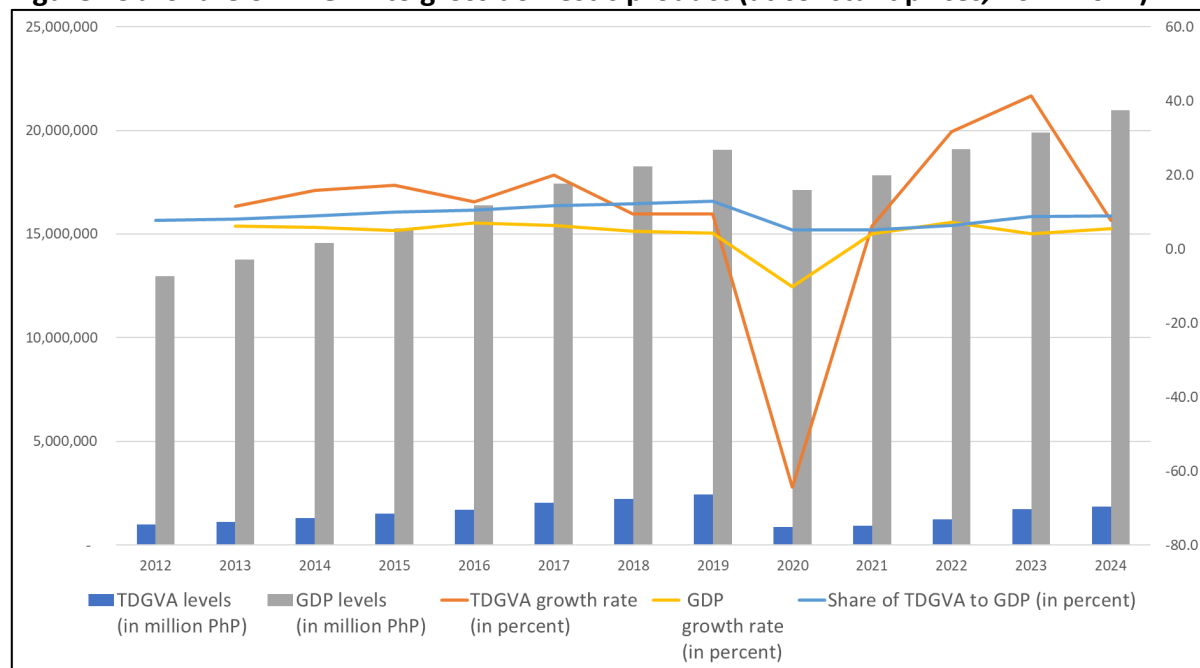
The lower share of TDGVA to GDP in 2024 suggests that tourism can contribute more significantly to national output if enabling conditions are strengthened. This includes improving intermodal connectivity, enhancing the quality and competitiveness of tourism services, promoting product diversification (e.g., creative, culinary, heritage), and ensuring greater investment in workforce development and destination management.

Figure 13a. Share of TDGVA to gross domestic product (at current prices, 2000-2024)



Source: PSA's PTSA as of June 2025 release.

Figure 13b. Share of TDGVA to gross domestic product (at constant prices, 2012-2024)



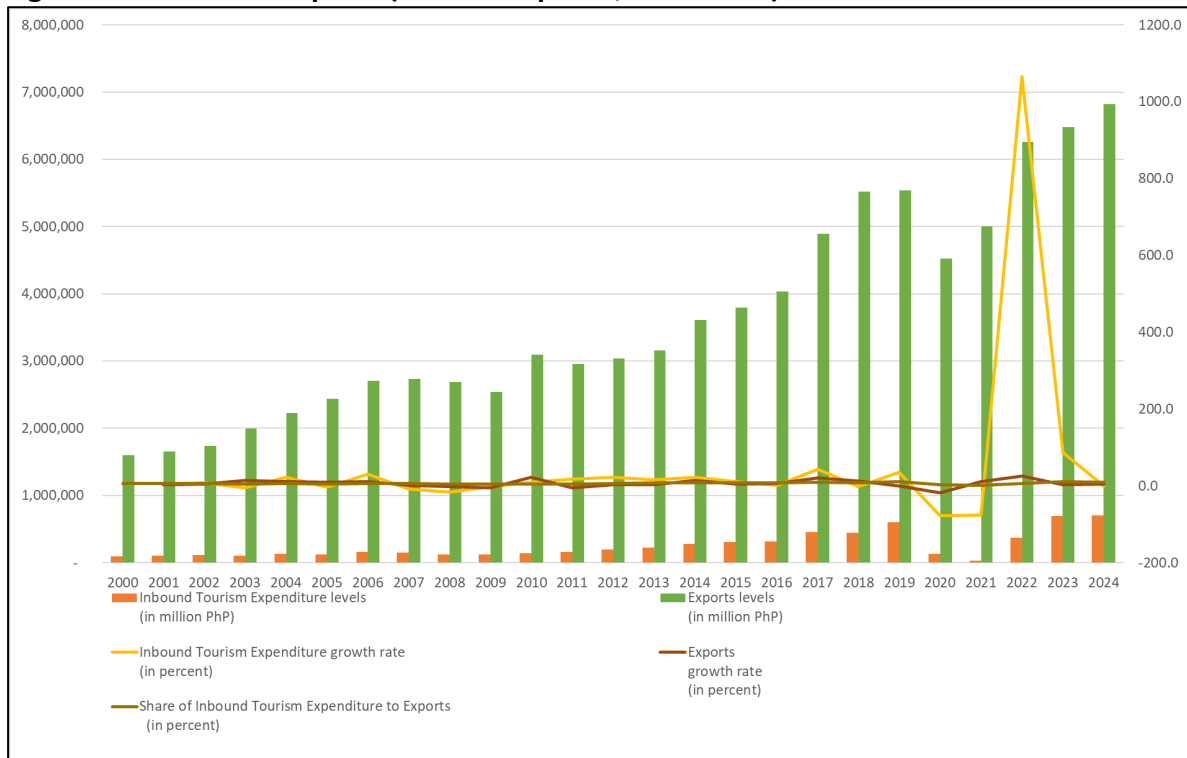
Source: Authors' computation based on PSA's PTSA as of June 2025 release.

Figure 13b shows that TDGVA (at constant 2018 prices), expanded strongly from 2012 to 2019, from PHP 998.7 billion to PHP 2.45 trillion, while its contribution to GDP rose from 7.7% to 12.9%. This period underscores tourism’s growing role as a key driver of national economic performance prior to the pandemic.

The onset of COVID-19 in 2020 brought an abrupt and severe contraction, with TDGVA declining to PHP 875.2 billion and its GDP share dropping to 5.1%, highlighting the sector’s acute vulnerability to global mobility disruptions.

From 2021 onward, TDGVA has shown a steady real recovery, reaching PHP 1.87 trillion in 2024, while its GDP share improved to 8.9%. Although this remains below the 2019 peak, **the uptrend reflects a meaningful restoration of tourism activity relative to the broader economy, supported by the resumption of domestic mobility, reopening of international routes, and gradual rebound in travel confidence.**

Figure 14a. IBTE and exports (at current prices, 2000-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 14a illustrates trends in IBTE, total export levels, and the share of IBTE to total exports from 2000 to 2024 (in current prices). Over this period, IBTE steadily increased from PHP 98 billion in 2000 to nearly PHP 700 billion in 2024, reflecting sustained growth in the spending of non-resident visitors within the Philippines. In the same period, the country’s total export revenues rose from PHP 1.6 trillion to PHP 6.8 trillion, indicating broad-based expansion in trade and services.

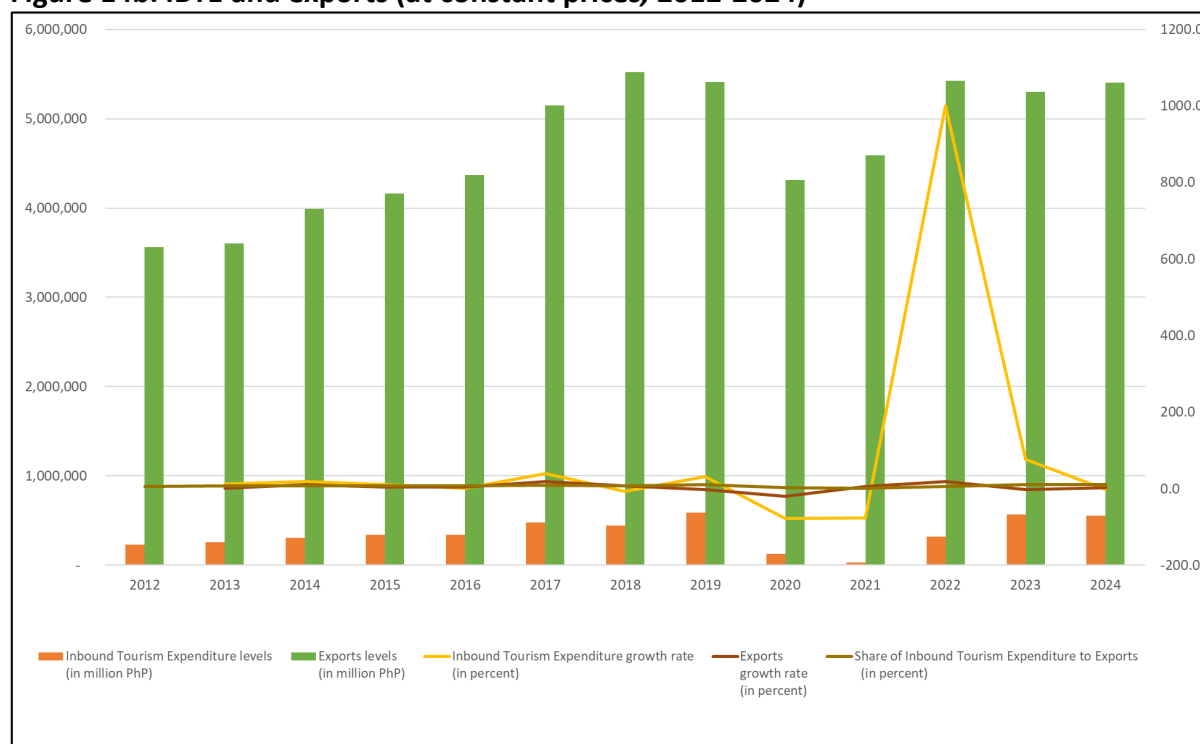
IBTE share to total exports showed gradual uptrend from 6.2% in 2000 to 10.3% in 2024. Notable spikes occurred in key years such as 2017, when the Philippines hosted the ASEAN Summit, pushing the share to 9.3%, and in 2019 and 2023, which recorded highest IBTE-to-

export ratios. These milestones suggest that international tourism can be a significant export earner, particularly when paired with high-profile events and effective marketing campaigns.

While tourism's average share in export revenues from 2000 to 2024 stands at 6.5%, its increasing trajectory indicates growing global demand for the Philippines as a tourism destination. However, even at 10.3% in 2024, the tourism sector still represents a modest fraction of total export earnings underscoring the untapped potential of tourism as a driver of export diversification and foreign exchange generation.

This upward trend affirms that inbound tourism is evolving into an important component of the country’s services export strategy, offering resilience amid global trade shifts and a complement to merchandise exports such as electronics or agriculture. Unlocking further growth in IBTE will require strategic investments in destination competitiveness, service quality, infrastructure, and air connectivity, particularly in high potential but underserved areas. Strengthening tourism's contribution to export revenues also positions the sector as a valuable avenue for inclusive and sustainable economic growth.

Figure 14b. IBTE and exports (at constant prices, 2012-2024)

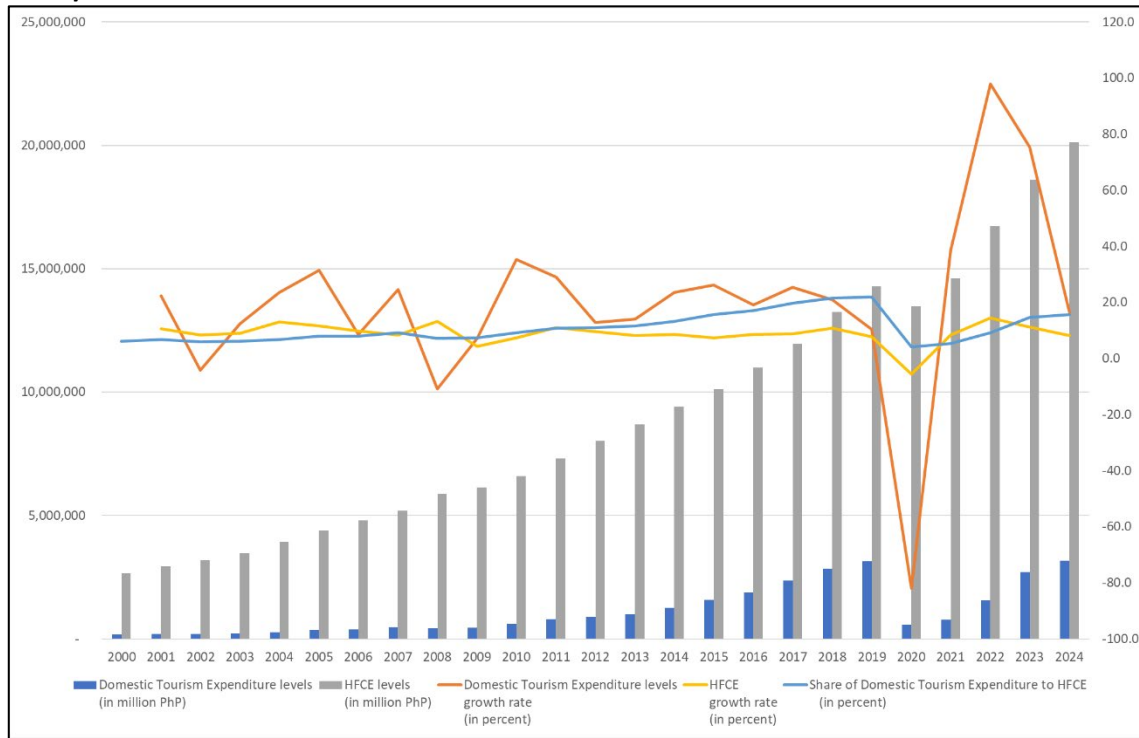


Source: Authors’ computation based on PSA’s PTSA as of June 2025 release.

IBTE (at constant 2018 prices), as seen in Figure 14b, demonstrated robust real growth from PHP 230.9 billion in 2012 to a peak of PHP 585.9 billion in 2019, when its contribution to total exports rose from 6.5% to 10.8%. This indicates that inbound tourism’s export value was expanding faster than the country’s overall export basket, reinforcing its emergence as a core foreign exchange earner. The pandemic triggered a dramatic collapse in 2020 to 2021, with IBTE dropping to PHP 29.3 billion, slashing its export share to 0.6%, and reflecting the near-cessation of international travel and reduced foreign visitor presence. Recovery has been evident beginning 2022. By 2024, IBTE rebounded to PHP 555.1 billion, in constant prices, restoring tourism’s export contribution to 10.3%, close to pre-pandemic levels. This trajectory signals a real resurgence in foreign visitor spending capacity, supported by improved air

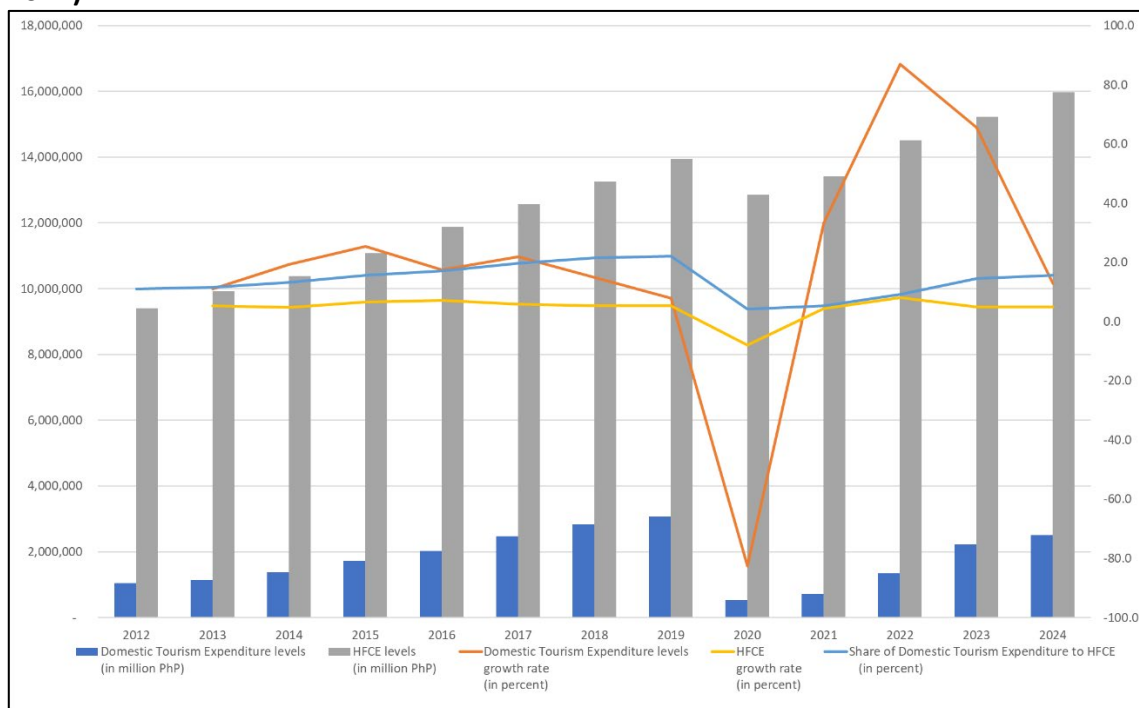
connectivity, easing of border restrictions, and the revitalization of tourism-dependent enterprises. However, the recovery has not yet surpassed 2019 peaks, suggesting ongoing opportunities to strengthen competitiveness and diversify source markets.

Figure 15a. DTE and household final consumption expenditure (at current prices, 2000-2024)



Source: PSA's PTSA as of June 2025 release.

Figure 15b. DTE and household final consumption expenditure (at constant prices, 2012-2024)



Source: Authors' computation based on PSA's PTSA as of June 2025 release.

Figure 15a illustrates the trends in DTE, Household Final Consumption Expenditure (HFCE), and the share of DTE to HFCE in the Philippines from 2000 to 2024 (in current prices). Over this 25-year period, both indicators have exhibited strong and sustained growth. DTE rose significantly from PHP 163 billion in 2000 to a record-high PHP 3.2 trillion in 2024, reflecting the growing role of tourism in Filipino household spending patterns. Similarly, HFCE, which measures total household spending on goods and services, expanded from PHP 2.6 trillion in 2000 to PHP 20.1 trillion in 2024, a more than sevenfold increase.

Crucially, the share of DTE to HFCE increased steadily, from 6.2% in 2000 to 15.7% in 2024. This implies that an increasingly larger proportion of household consumption is being directed toward domestic tourism, such as spending on accommodation, transport, leisure activities, and other tourism-related services (Caynila et al. 2022). The upward trend reflects rising incomes, growing consumer confidence, improved access to travel, and a cultural shift in favor of experiential spending among Filipino households (World Bank 2020).

This evolution underscores robust and resilient demand for domestic tourism, particularly during and after periods of economic disruption. Domestic tourism played a critical role in cushioning the industry during the COVID-19 pandemic when international travel was restricted. The surge in revenge travel and preference for local destinations has further reinforced domestic tourism as a cornerstone of the sector's recovery (Caynila et al 2022).

From a policy standpoint, the growing share of DTE in household consumption suggests that investments in domestic travel infrastructure, regional tourism circuits, and inclusive product offerings could yield significant economic dividends. Strategically unlocking domestic demand, especially in second-tier destinations and emerging travel hubs, can enhance tourism's contribution to regional development, job creation, and inclusive growth.

As seen in Figure 15b, DTE (at constant 2018 prices) in the Philippines exhibited strong and sustained real growth from PHP 1.04 trillion in 2012 to PHP 3.07 trillion in 2019, demonstrating the rising purchasing power and mobility of Filipino travelers during the pre-pandemic period. The onset of COVID-19 caused an 82.5% contraction in 2020 as mobility restrictions halted inter- and intra-regional travel, marking the sharpest decline in the historical series. Likewise, the DTE-to-HFCE ratio peaked at 22.0% in 2019, reflecting the increasing importance of tourism activities in household spending and domestic demand formation. Although its share of HFCE fell sharply during the crisis years, the recovery has been both broad-based and sustained. By 2024, the DTE-to-HFCE ratio climbed back to 15.7%, indicating that domestic tourism has regained its role as a pillar of household consumption, regional economic revitalization, and MSME reactivation. **These trends affirm that growth in domestic tourism post-2021 is not merely a price effect but is driven by genuine restoration of consumer confidence, improved mobility, and strong pent-up travel demand, solidifying domestic tourism as a critical engine of post-pandemic recovery.**

Figure 16a illustrates the trends in INTE, alongside HFCE, export levels, and the share of INTE to both HFCE and exports from 2000 to 2024 (in current prices). Over the last 25 years, INTE rose markedly from PHP 261.9 billion in 2000 to PHP 3.9 trillion in 2024, marking the highest level recorded during the period. Similarly, HFCE and total exports grew significantly, from PHP 4.25 trillion in 2000 to PHP 27 trillion in 2024, reflecting strong consumer activity and trade expansion in the broader economy. Within this context, the share of INTE relative to HFCE and exports also increased, moving from 6.2% in 2000 to 14.3% in 2024. The peak share

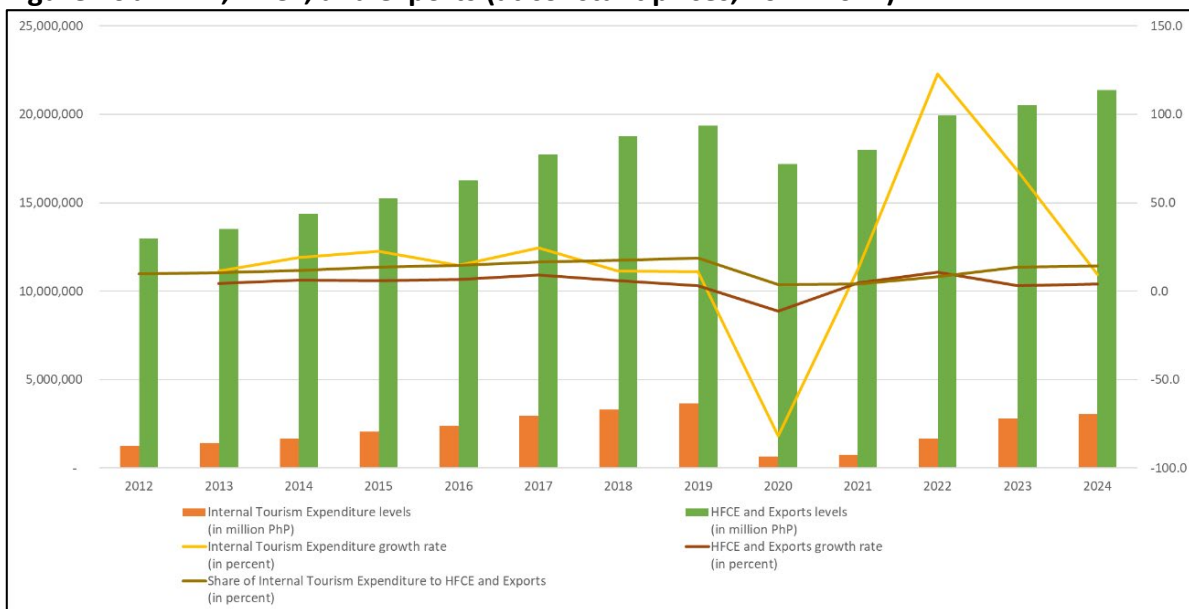
was observed in 2019, when INTE reached 18.9%, underscoring tourism’s critical contribution to national consumption and economic output prior to the COVID-19 pandemic. The sharp decline to 3.9% in 2020 reflects the immediate and severe disruption caused by the pandemic.

Figure 16a. INTE, HFCE, and exports (at current prices, 2000-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 16b. INTE, HFCE, and exports (at constant prices, 2012-2024)



Source: Authors’ computation based on PSA’s PTSA as of June 2025 release.

Rebound from 2020 onwards demonstrates the tourism sector’s resilience and gradual restoration of its economic role. As of 2024, tourism’s contribution to both household consumption and exports is rising, but it has yet to fully regain its pre-pandemic proportion relative to total economic activity. The increasing share of INTE in both HFCE and exports signals two developments: (1) rising household prioritization of tourism-related spending,

driven by changing lifestyle preferences, a growing middle class, and better accessibility to domestic destinations (Gonzales 2024); and (2) tourism's role as an export-equivalent sector, contributing foreign exchange through inbound tourism and indirectly supporting tradable services (Caynila et al 2022).

The current share of INTE in exports and household consumption, while growing, still reflects untapped potential. To optimize tourism's economic impact, there is a need for continued investments in tourism infrastructure, product diversification, intermodal connectivity, and digitalization, particularly in regions with high tourism potential but limited access or capacity. Thus, INTE's trajectory relative to both household and export indicators reinforces the need to treat tourism not just as a consumption good, but as a strategic sector for inclusive growth, services export diversification, and regional development.

Figure 16b shows INTE (at constant 2018 prices), expanded consistently from PHP 1.27 trillion in 2012 to PHP 3.66 trillion in 2019. During this period, tourism's combined contribution to household consumption and exports rose from 9.8% to 18.9%, underscoring its growing role as a major driver of final demand in the Philippine economy. The COVID-19 pandemic disrupted this trajectory, causing INTE to fall sharply to PHP 664.9 billion in 2020, with its share plunging to 3.9%, reflecting the near-cessation of both domestic mobility and inbound travel. However, from 2021 onward, INTE exhibited a strong and broad-based rebound. By 2024, real expenditures recovered to PHP 3.06 trillion, and tourism's share of HFCE and exports improved to 14.3%, marking a significant, though not yet complete, restoration of tourism-driven economic activity. This rebound highlights the returning strength of both domestic consumer travel and international visitor spending. **Recovery signals that tourism has resumed its role as a key contributor to household welfare, business reactivation, and foreign exchange generation, while also showing that further policy and investment efforts are needed to fully regain and surpass pre-pandemic performance levels.**

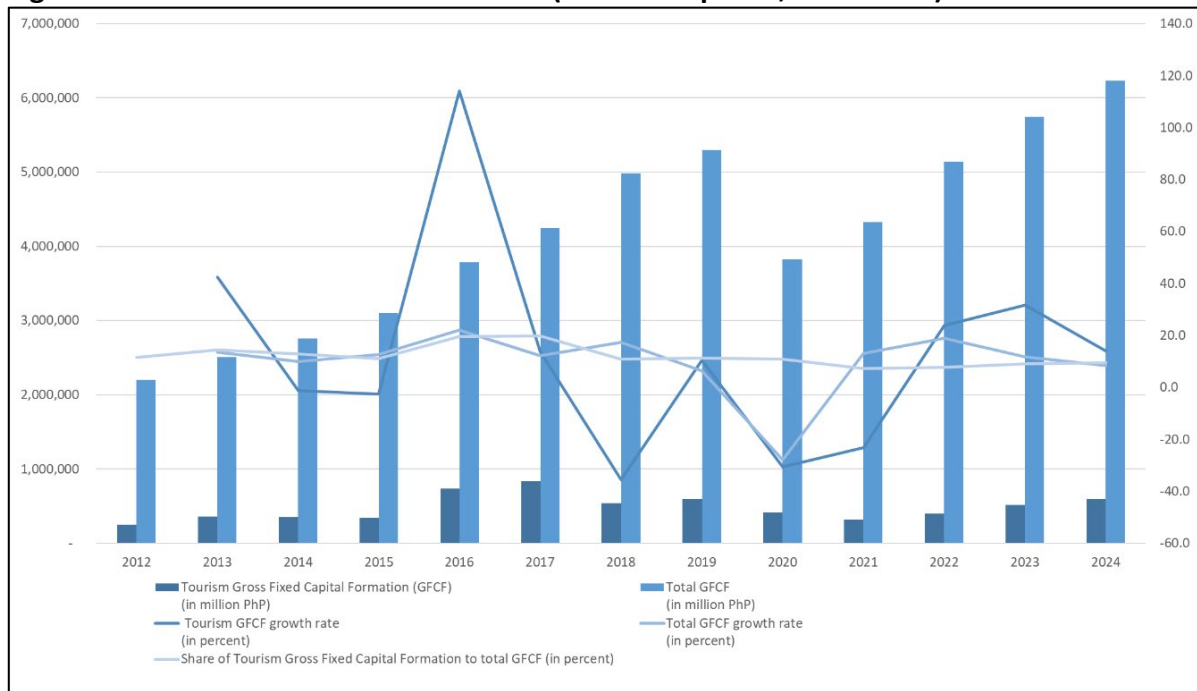
Figure 17a illustrates the trajectory of tourism GFCF, total GFCF, and tourism's share of total capital formation in the Philippines from 2012 to 2024, expressed in current prices. GFCF refers to long-term investments in fixed assets such as infrastructure, facilities, and equipment that support tourism activities. In 2012, tourism GFCF stood at PHP 252.3 billion, steadily increasing over the next decade to reach PHP 590.4 billion in 2024. This reflects sustained investor confidence in the long-term viability of the Philippine tourism sector, even amidst periods of external shocks and uncertainty. The share of tourism GFCF to total GFCF peaked in 2016 and 2017, at 19.5% and 19.8%, respectively, coinciding with several key developments: (1) a surge in tourist arrivals; (2) stronger international demand; and (3) the momentum generated by the national government's "Build, Build, Build" infrastructure program²⁵, which prioritized tourism-enabling projects such as airports, roads, and seaports. These years also benefited from high-profile events and campaigns that enhanced destination appeal and investor interest.

However, the pandemic significantly disrupted investment flows, with tourism GFCF share dropping to its lowest point at 7.4% in 2021. By 2024, tourism's GFCF share rebounded to 9.5%, signaling a gradual recovery and renewed capital infusion into the sector, albeit still below pre-pandemic peaks. Post-pandemic rebound is a strategic opportunity to accelerate tourism infrastructure development and encourage both public and private investments. Strengthening tourism GFCF is vital for improving destination competitiveness, resilience, and

²⁵ For details, see <https://cpbrd.congress.gov.ph/ff2019-07-build-build-build-bbb-program/>.

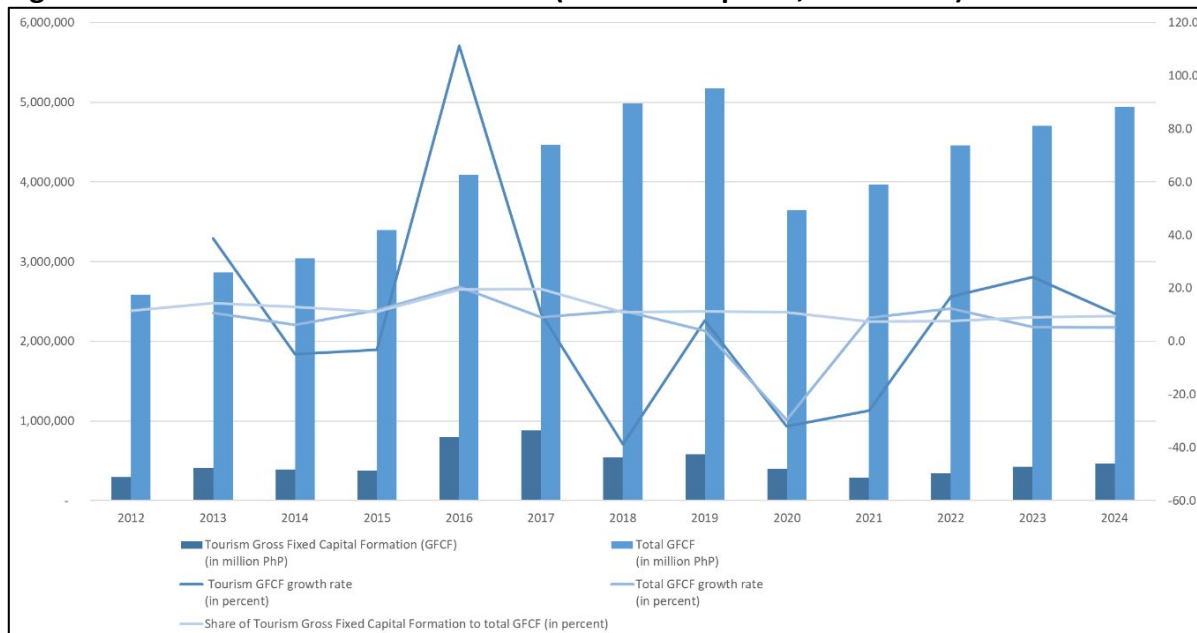
capacity, especially in underserved and emerging tourism areas. Key areas include expanding intermodal connectivity, upgrading accommodation and leisure facilities, investing in green and digital tourism infrastructure, and enhancing human capital through skills training facilities. While capital formation in tourism is rising, a targeted and sustained investment push is needed to fully restore the sector’s momentum and unlock its full economic potential.

Figure 17a. Tourism GFCF and total GFCF (at current prices, 2012-2024)



Source: PSA’s PTSA as of June 2025 release.

Figure 17b. Tourism GFCF and total GFCF (at constant prices, 2012-2024)

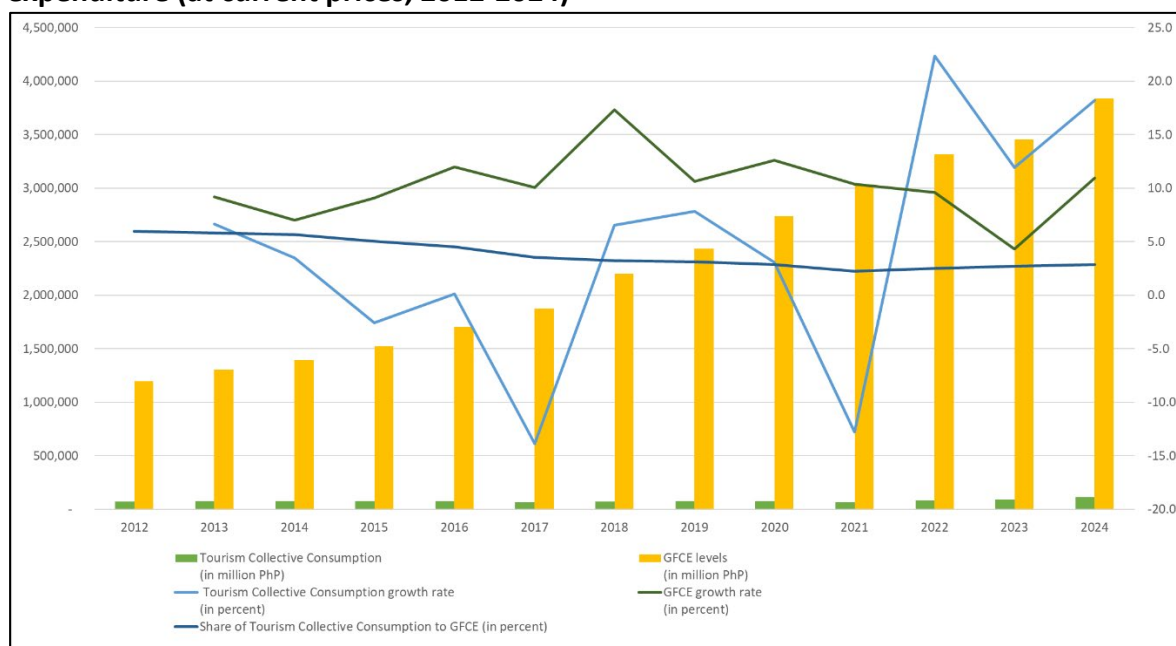


Source: Authors’ computation based on PSA’s PTSA as of June 2025 release.

Figure 17b shows that GFCF in tourism (in constant prices), expanded substantially from PHP 295.8 billion in 2012 to a peak of PHP 883.3 billion in 2017, boosting its share of total GFCF

to 19.8%. This reflects a period of strong investor confidence and accelerated development of accommodation, transport equipment, and tourism-support infrastructure. However, the onset of the COVID-19 pandemic triggered a steep contraction in capital investments. Tourism GFCF fell to PHP 292.1 billion in 2021, with its share of total capital formation sharply declining to 7.4%, as mobility restrictions and risk aversion slowed both public and private investments in the sector. From 2022 to 2024, GFCF in tourism began to rebound, reaching PHP 468.2 billion in constant prices and regaining 9.5% of total GFCF. **This upward trend indicates renewed investor confidence, ongoing efforts to restore and expand tourism capacity, and continued government prioritization of infrastructure connectivity and modernization. While still below pre-pandemic peaks, the recovery trajectory highlights the prospect of stronger, more resilient tourism-related investments moving forward.**

Figure 18a. Tourism collective consumption and government final consumption expenditure (at current prices, 2012-2024)



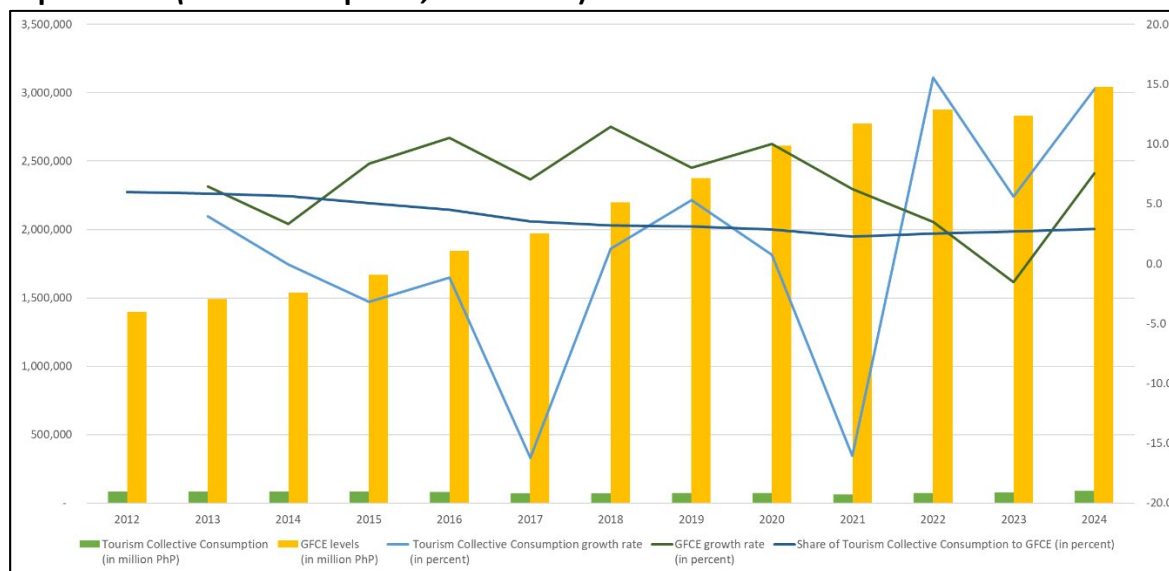
Source: PSA’s PTSA as of June 2025 release.

Figure 18a presents the trends in tourism collective consumption, Government Final Consumption Expenditure (GFCE), and the share of tourism collective spending to total GFCE from 2012 to 2024 (in current prices). Over this 13-year period, tourism collective consumption, which includes government expenditures for tourism policy development, promotions, public tourism infrastructure, cultural preservation, and support services, grew modestly from PHP 71.4 billion in 2012 to PHP 110.8 billion in 2024. In contrast, GFCE expanded more significantly, rising from PHP 1.19 trillion in 2012 to PHP 3.8 trillion in 2024, reflecting broader increases in government spending across sectors such as education, healthcare, and social protection.

Thus, the share of tourism collective consumption in GFCE declined steadily, from a high of 6.0% in 2012 to 2.9% in 2023, with only a slight uptick in 2024. This downtrend in relative government support for tourism, despite overall increases in public spending, suggests a mismatch between tourism’s growing economic importance and the level of fiscal support it receives. This is concerning given tourism’s potential as a major contributor to employment, regional development, and export earnings. Current allocations for tourism-specific public

spending appear insufficient to meet the demands of infrastructure development, capacity-building, digital transformation, and destination marketing.

Figure 18b. Tourism collective consumption and government final consumption expenditure (at constant prices, 2012-2024)



Source: Authors' computation based on PSA's PTSA as of June 2025 release.

To maximize tourism's economic and social returns, it warrants recalibrating public spending priorities, ensuring that tourism receives a more strategic share of the national budget. This includes increasing capital outlays for tourism-enabling infrastructure, scaling up sustainable tourism programs, investing in skills development and workforce training, and enhancing community-based tourism and cultural preservation efforts. Overall, while tourism collective consumption has grown in absolute terms, its declining share of government expenditure signals an urgent policy gap. This requires a coherent, well-financed public investment strategy aligned with the NTDP 2023-2028 and the country's broader economic transformation goals.

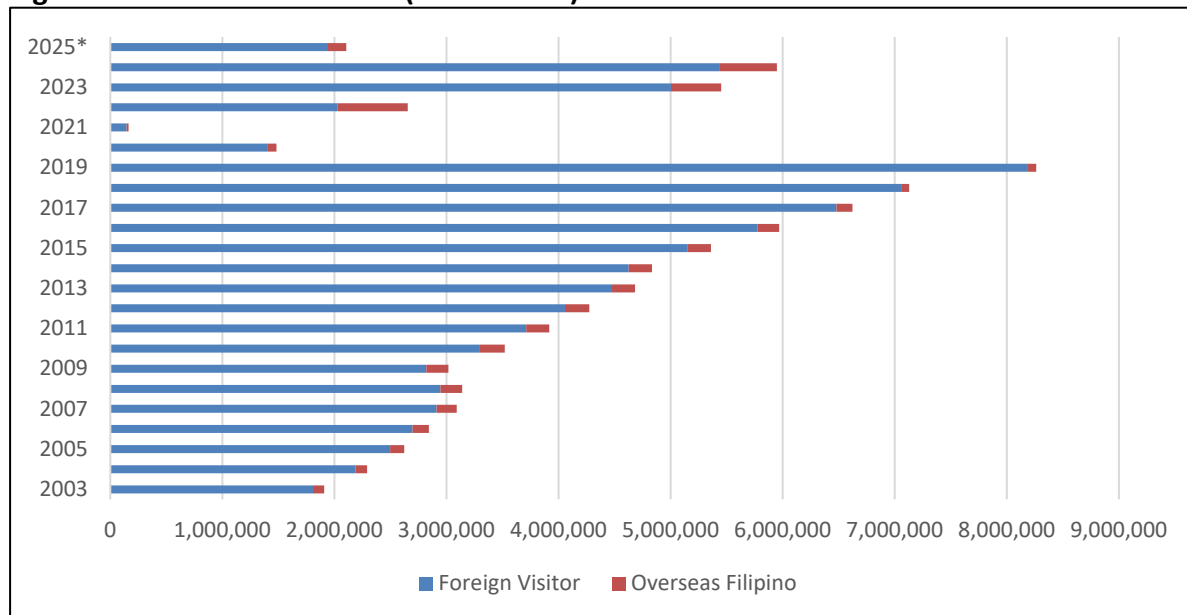
Tourism collective consumption in the Philippines (at constant 2018 prices), as seen in Figure 18b, increased modestly from PHP 83.7 billion in 2012 to PHP 87.9 billion in 2024, indicating relatively slow real growth in government tourism spending over the period. In contrast, overall GFCE grew far more rapidly, from PHP 1.40 trillion to PHP 3.04 trillion, as government resources were increasingly directed toward competing national priorities such as health, social protection, and infrastructure expansion. This divergence resulted in a sharp decline in tourism's share of total GFCE, falling from 6.0% in 2012 to 2.9% in 2024. It signals that while tourism remains a recognized economic driver, its relative fiscal prioritization has weakened over time. In real terms, public spending has not kept pace with the growing scale and complexity of the tourism sector nor with the policy ambitions outlined in the Tourism Act of 2009 and subsequent national plans.

The moderate uptick in tourism allocations beginning in 2023 to 2024 suggests renewed government focus on the sector's recovery and integration into broader economic revitalization programs. However, the constant-price figures underscore that meaningful transformation will require more strategic and targeted investments, particularly in: (1) tourism-enabling infrastructure (i.e., last-mile access, digital systems, green utilities); (2) human capital development (i.e., skills for service excellence, sustainability, and digitalization); (3)

environmental protection and cultural heritage preservation; and (4) visitor management and safety systems aligned with global standards. **Without sustained fiscal commitment, tourism risks underperforming relative to its economic potential, especially given its strong multiplier effects and demonstrated contribution to regional and inclusive development.**

4.1.2. Analysis of key tourism indicators

Figure 19. Number of arrivals (2003-2025*)



*Data as of May 1, 2025

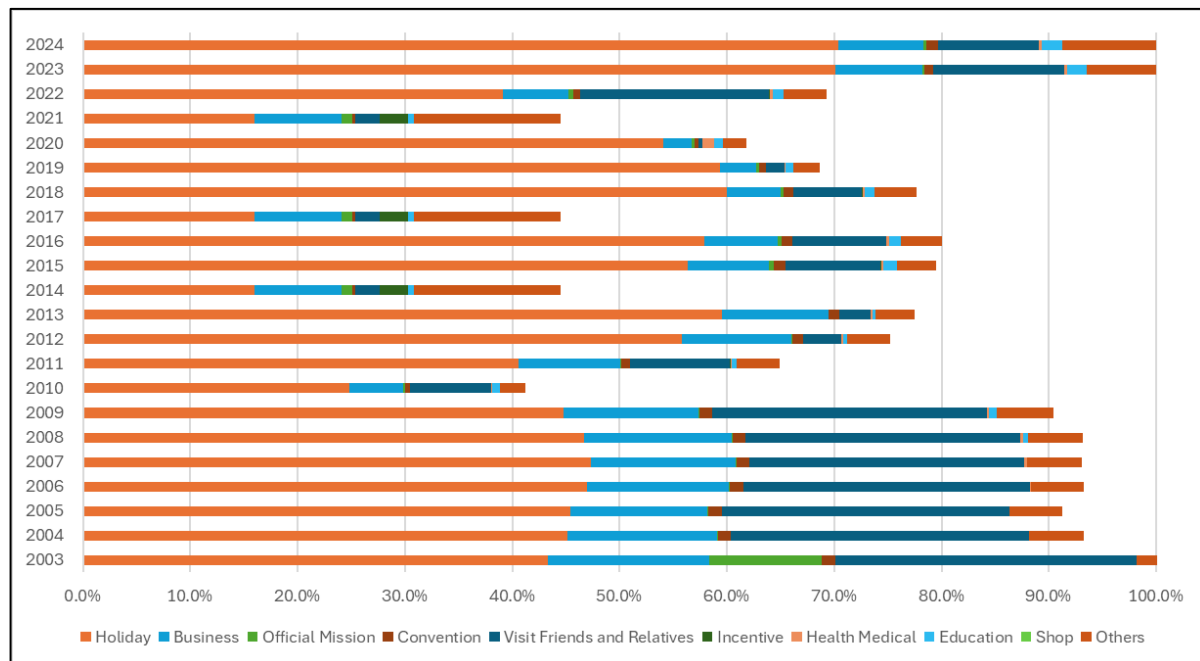
Source: Tourism Demand Statistics, DOT (2025).

Figure 19 shows trends in the number of foreign visitors and OF arrivals to the Philippines from 2003 to May 2025. Recall from Footnote 13 that OFs refer to Filipinos or individuals of Filipino descent residing abroad, while OFWs are a subset of OFs who are temporarily employed in foreign economies. These are tracked separately from foreign visitors, as OFs are treated as “returning Filipinos” (balikbayans), and not counted in the same category as international tourists. Historical data shows that approximately 95% of total arrivals to the Philippines are foreign visitors, while OFs comprise an average of 5%. The lowest recorded share of OFs occurred in 2018 to 2019, when they accounted for just 1% of total arrivals, reflecting strong inbound tourism growth during those years.

However, this dynamic shifted dramatically during the COVID-19 pandemic. In the absence of international leisure travel, OF arrivals rose sharply as a proportion of total arrivals due to government repatriation programs for OFWs and other returning residents. From 6% in 2020, their share rose to 12% in 2021, and further to a peak of 31% in 2022. This period underscores the critical role that OFs played in sustaining visitor arrivals during a time when traditional tourism was virtually halted. By 2023 to 2025, as international travel resumed and foreign visitor numbers recovered, the share of OFs normalized to around 9%. However, note that the 2025 data is only up to May, and may not fully reflect seasonal travel patterns or year-end surges in balikbayan arrivals. This trend highlights several key insights: (1) foreign visitors remain the primary driver of Philippine tourism arrivals, pointing to the importance of continued efforts in international market development; (2) OFs are a resilient and reliable segment, especially in times of crisis, and could be further engaged through targeted marketing (e.g., heritage tourism, family reunification, balikbayan incentives); and (3) the fluctuating

share of OFs also reflects broader global migration trends, government repatriation policies, and the vulnerability of international tourism to external shocks. **Leveraging the OF market, while still expanding foreign visitor arrivals, can provide a balanced and crisis-resilient tourism portfolio.** This approach can support inclusive and sustained tourism growth.

Figure 20. Purpose of travel (2003-2024)



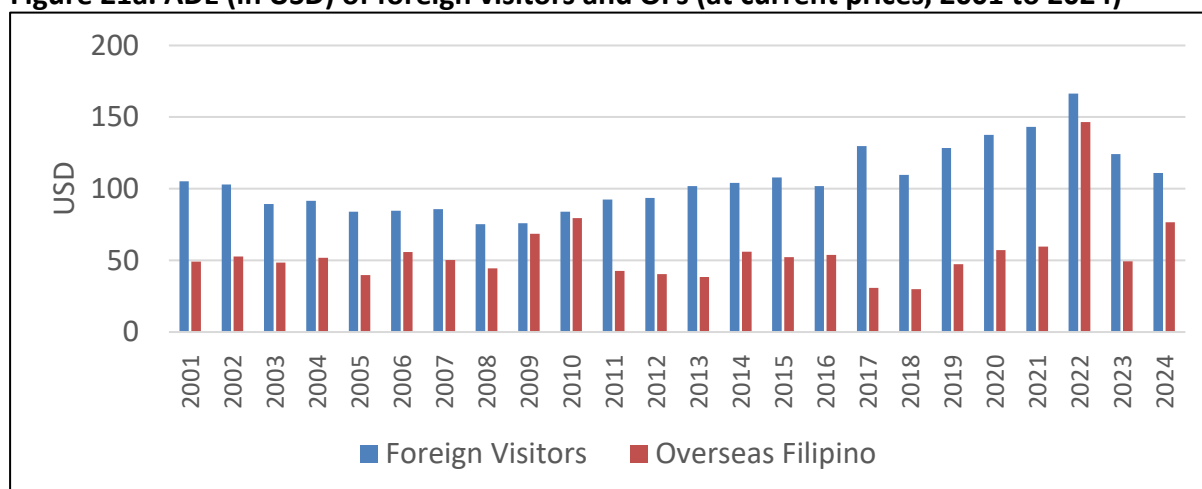
Source: PSA’s Philippine Statistical Yearbook (PSY) (2024); Email communication with DOT on June 20, 2025: Various Statistics (By Purpose, ADE, ALOS, Receipts, Age Group).

Figure 20 presents data on the primary purpose of travel among tourists who entered the Philippines by air from 2003 to 2024. Data highlights that leisure and holiday travel remain the dominant reason for visiting the country, accounting for 46.18% of all reported air arrivals. This is followed by travel to visit friends and relatives (VFR), largely driven by OFs, which comprises 12.78%, and business travel at 9.14%. Other reasons for travel include conventions and conferences (0.88%), education (0.60%), health and medical purposes (0.20%), official government missions (0.77%), and incentive travel (0.4%), suggesting relatively low uptake in these specialized travel segments. Notably, data also reflects unreported purposes (26.2%) and other unspecified reasons (5.72%), which indicate gaps in travel purpose documentation and potential data limitations that could obscure insights into emerging or niche markets.

The peak year for visitor arrivals was 2019, with 8.09 million tourists, of which 4.8 million (59.3%) cited holiday and leisure as their primary purpose. Business travelers numbered 277,613, while 135,857 came for VFR to visit family and friends. The COVID-19 pandemic led to a sharp decline in arrivals in 2020 and 2021, but recovery began in 2022, when the country welcomed 2.65 million visitors, including 1.04 million holiday travelers, 468,417 VFR, and 160,981 business travelers. By 2023 and 2024, tourism purpose composition stabilized, with holiday travel accounting for approximately 70% of all arrivals and visiting family and friends (10%) and business (8%) following as key secondary motivations. These figures suggest that the Philippines has firmly established itself in three core tourism markets: holiday and leisure, VFR, and business tourism. However, **the comparatively low figures for education, health and wellness, incentive travel, and Meetings, Incentives, Conferences, Exhibitions (MICE) underscore untapped opportunities in high-value niche markets.**

To accelerate the country’s tourism transformation, it is crucial to diversify and expand beyond traditional segments. This includes: (1) developing health and wellness tourism, particularly in destinations known for natural healing environments or medical expertise; (2) promoting the Philippines as a MICE hub, capitalizing on its growing infrastructure and strategic location; (3) strengthening education tourism, especially with growing interest in English language learning and international exchange; (4) positioning the country for incentive and luxury travel, especially from high-spending regional markets; and (5) enhancing data capture mechanisms on travel purpose for deeper insights for policy and product development. Overall, **while leisure and OF travel remain the country’s core strengths, the expansion into emerging tourism purposes can unlock additional economic value, generate higher visitor spending, and contribute to more resilient and diversified tourism growth.**

Figure 21a. ADE (in USD) of foreign visitors and OFs (at current prices, 2001 to 2024)



Source: PSA’s PSY (2024); Email communication with DOT on June 20, 2025: Various Statistics (By Purpose, ADE, ALOS, Receipts, Age Group).

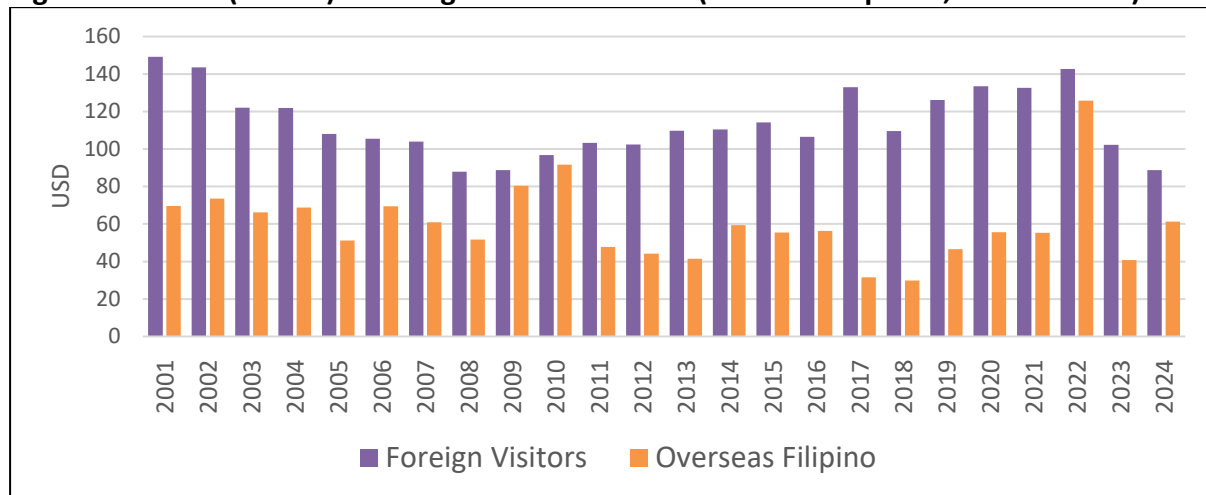
Figure 21a presents the average daily expenditure (ADE) of foreign visitors and OFs from 2001 to 2024 (in current prices). Over this period, foreign visitors consistently spent more daily, with an average of USD 105.45 per day, compared to USD 55.07 per day for OFs. This substantial difference, nearly half, may be attributed to the longer average length of stay among OFs, who typically stay with relatives and spend less on accommodation and packaged services, thereby diluting their daily spending compared to short-staying leisure tourists.

Interestingly, a notable outlier occurred in 2022, when the ADE of OFs spiked to USD 146.52, nearly matching the foreign visitor ADE of USD 166.35 for the same year. This anomaly is best understood in the context of the massive government-led repatriation efforts in 2022, which brought home thousands of OFWs, and other Filipinos stranded abroad during the pandemic. Many of these arrivals were accommodated in quarantine hotels and were subject to organized repatriation protocols, which may have elevated the reported expenditures, especially in lodging, transportation, and health-related services, regardless of whether these were paid by individuals or subsidized by the government.

This unique year highlights the impact of external shocks (e.g., global pandemics) on tourism expenditure patterns, particularly for groups that straddle both visitor and migrant categories. It also demonstrates how extraordinary public sector interventions can influence expenditure data, even if not fully reflective of typical consumption behavior. Moving forward, these

findings suggest a few key insights: (1) foreign visitors remain a higher-value market per day, emphasizing the need to attract quality tourists and enhance high-spend tourism offerings; (2) OFs, while lower in daily spending, may still contribute substantially over longer stays, particularly in family- or community-based spending channels; and (3) expenditure monitoring should factor in the purpose and context of travel, as data anomalies like those in 2022 may otherwise distort long-term trends. **Robust segmentation of visitor profiles and enhanced data collection will enable more nuanced tourism planning, allowing the Philippines to optimize both short-term revenue generation and long-term value capture from all types of visitors.**

Figure 21b. ADE (in USD) of foreign visitors and OFs (at constant prices, 2001 to 2024)



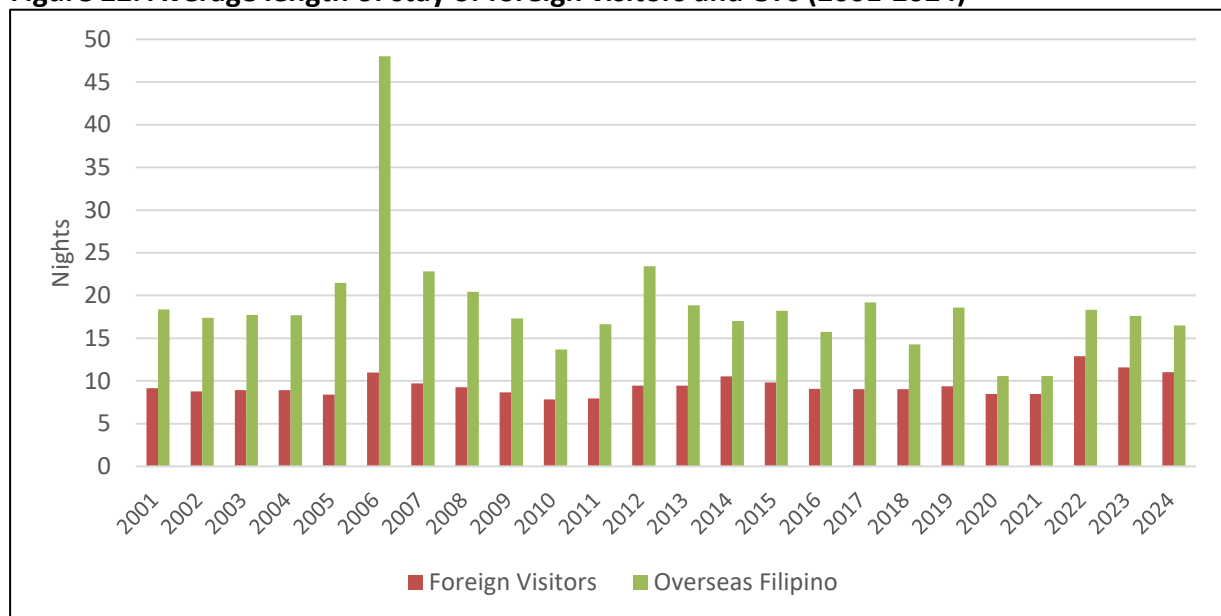
Source: Authors' computation based on PSA's PSY (2024); Email communication with DOT on June 20, 2025: Various Statistics (By Purpose, ADE, ALOS, Receipts, Age Group).

Figure 21b shows that ADE (at constant 2018 prices), indicates foreign visitors consistently outspent OFs from 2001 to 2024. Over this period, foreign visitor ADE ranged from USD 88.82 to USD 149.12, while OF ADE ranged from USD 29.91 to USD 125.72. This underscores the continued importance of long-haul international travelers as a high-value market segment with higher daily purchasing power. A notable deviation occurred in 2022, when OF ADE sharply increased to USD 125.72, nearly matching foreign visitors at USD 142.73. This spike is likely attributable to revenge travel, extended homecoming trips, and increased spending on family-based consumption following prolonged border closures. Despite typically lower daily spend, OFs remain a high-volume and longer-stay market. Their cumulative expenditures significantly support accommodation, retail trade, and personal services, particularly during peak balikbayan travel seasons. Overall, the **data indicate that foreign visitors remain the core high-spend segment on a per-day basis, while OFs contribute strong aggregate value through longer length of stay and consistent travel demand.**

Figure 22 illustrates the trends in average length of stay (ALOS) among foreign visitors and OFs in the Philippines from 2001 to 2024. Data shows a consistently longer stay among OFs, with an average of 18.77 nights, compared to 9.45 nights for foreign visitors. This disparity is likely rooted in the Filipino culture of strong family ties, where OFs returning home, often for the first time in years, maximize their visit duration to spend meaningful time with relatives and communities. This also helps explain why OFs tend to spend less daily, as longer stays often involve staying with family rather than paying for commercial accommodations or tours.

Among foreign visitors, the ALOS varied moderately over the two decades. From an average of 9.16 nights in 2001, it gradually increased to 11.03 nights in 2024, with the highest recorded average of 12.90 nights in 2022, which is a year marked by post-pandemic recovery and potentially longer stays due to lingering uncertainties in travel planning. When averaged by decade, data shows an increase from 9.06 nights (2000 to 2010) to 9.22 nights (2011 to 2020), and then a jump to an average of 11 nights from 2021 to 2024, reflecting growing traveler confidence and a shift toward slower, more immersive travel experiences post-pandemic.

Figure 22. Average length of stay of foreign visitors and OFs (2001-2024)



Source: PSA’s PSY (2024); Email communication with DOT on June 20, 2025: Various Statistics (By Purpose, ADE, ALOS, Receipts, Age Group).

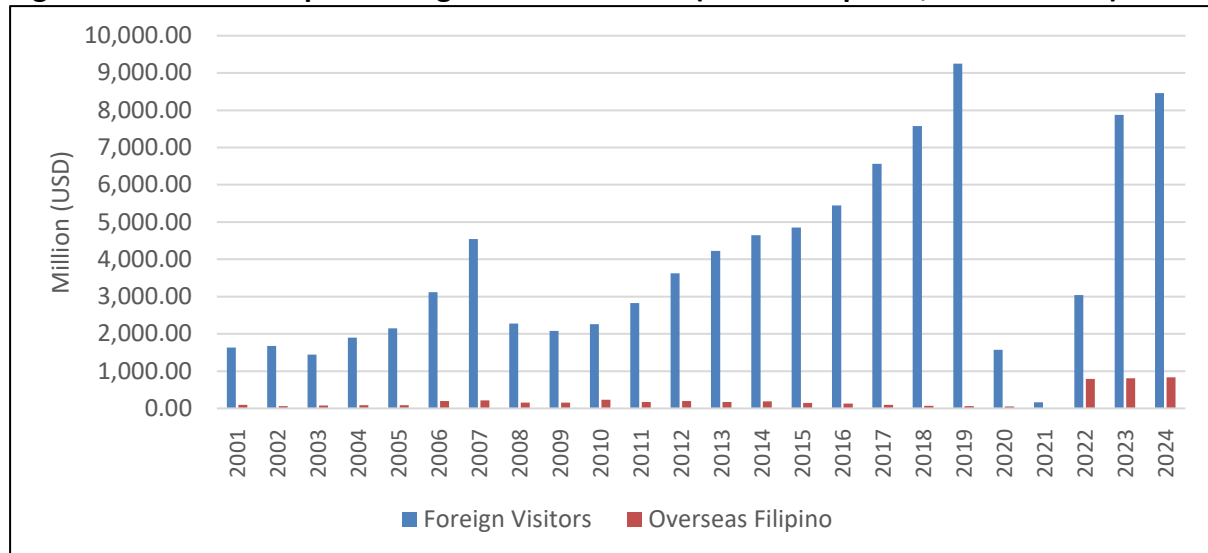
For OFs, the trend is more dynamic. ALOS started at 18.36 nights in 2001 and declined to a low of 13.7 nights in 2010 and further dipped during the pandemic to 10.58 nights in 2020 to 2021, when many OFs returned under emergency repatriation programs or were subject to strict quarantine protocols. However, the ALOS among OFs rebounded significantly in 2022 (18.33 nights), 2023 (17.60 nights), and 2024 (16.48 nights), aligning with both eased travel restrictions and the resumption of longer planned visits after years of mobility disruptions.

These imply: (1) ALOS is a critical dimension of tourism value (i.e., even if OFs spend less per day, their longer stays may result in substantial total expenditures); (2) the country’s appeal for extended stays, particularly among OFs and long-haul travelers, can be further leveraged by promoting slower, experience-rich travel itineraries; (3) post-pandemic travel behavior shows signs of transformation, with both foreign visitors and OFs opting for longer stays to justify cost and complexity of travel in a more cautious global climate. **Understanding unique motivations behind ALOS can help optimize destination planning, service offerings, and marketing strategies to support high-value and longer-term tourism segments.**

Figure 23a plots total receipts from foreign visitors and OFs over a 24-year period, capturing the volatile but upward trajectory of tourism revenues. It reflects external economic shocks and domestic resilience showing tourism’s significant yet vulnerable role in the national economy. Receipts from foreign visitors are generally uptrend. From USD 1.6 billion in 2001, earnings steadily increased until 2007, reaching USD 4.5 billion, with a notable dip in 2003, likely due to the severe acute respiratory syndrome (SARS) outbreak. The 2018 Global Financial Crisis

(GFC) caused a sharp 49.89% decline in 2008, bringing receipts down to USD 2.3 billion, followed by a further dip in 2009 (USD 2.08 billion). Recovery was strong from 2010 to 2019, peaking at USD 9.25 billion in 2019, just before the COVID-19 pandemic, with receipts plunging to USD 1.57 billion in 2020 and a mere USD 160.3 million in 2021. However, the industry began recovering in 2022, registering USD 3.04 billion, surging to USD 7.9 billion in 2023, and reaching USD 8.5 billion in 2024, which is the highest foreign receipts on record.

Figure 23a. Total receipt of foreign visitors and OFs (at current prices, 2001 to 2024)



Source: PSA’s PSY (2024); Email communication with DOT on June 20, 2025: Various Statistics (By Purpose, ADE, ALOS, Receipts, Age Group).

Meanwhile, receipts from OFs demonstrated a dynamic trajectory, starting at USD 94.5 million in 2001 and rising significantly to USD 832 million in 2024, which is a 25-year high. There were notable gains in 2006 (USD 194.7 million) and 2007 (USD 218.4 million), likely tied to longer ALOS and increased OF travel. However, the 2008 GFC brought receipts down to around USD 153 million. Recovery resumed in 2010, but between 2015 and 2021, receipts steadily declined, bottoming out at USD 11.1 million in 2021, likely reflecting reduced travel and the impact of repatriation-focused movement. A strong rebound followed in 2022, with receipts climbing to USD 793 million, then USD 810.6 million in 2023, and USD 832 million in 2024 signaling renewed travel enthusiasm among OFs and increased capacity to spend.

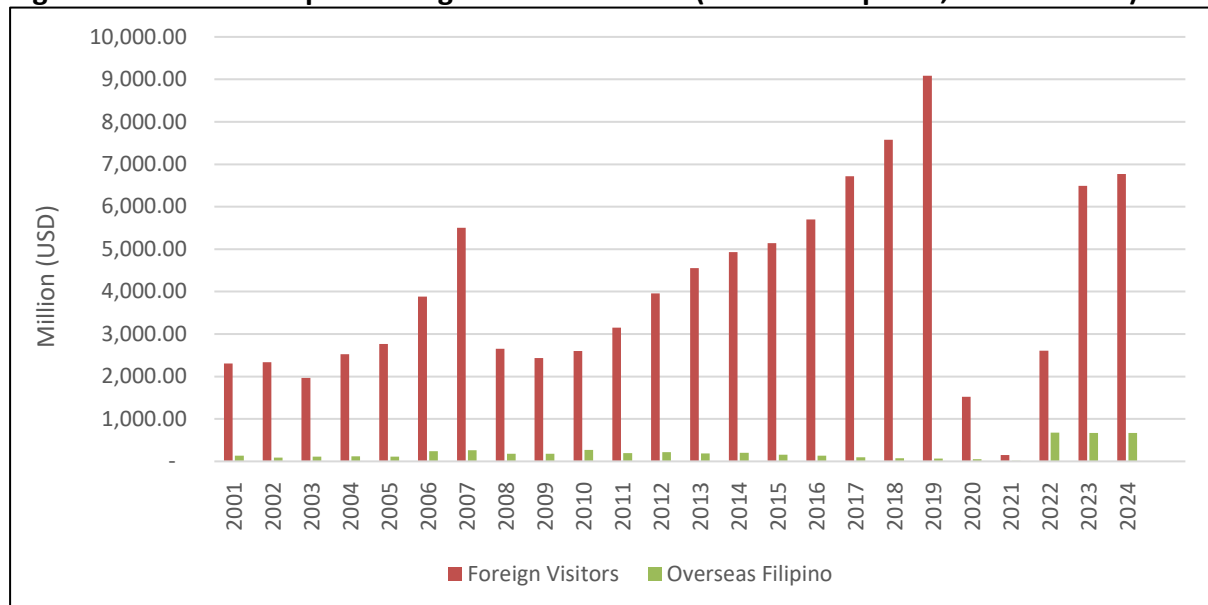
Data shows the significant contribution of both foreign and OF travelers to the Philippine economy. Foreign tourists remain the larger revenue source, especially visible in 2019, when receipts hit USD 9.25 billion, coinciding with the 12.9% share of TDGVA to GDP. While OF receipts are smaller in absolute terms, it represents a reliable source of tourism income, driven by cultural ties, longer visits, and recurring homecomings. Their contribution rose sharply during post-pandemic years, affirming their role in the resilient recovery of Philippine tourism.

Moving forward, **strategies aimed at increasing ADE, such as enhancing shopping experiences, improving visitor services, and offering high-value tourism products, can significantly boost overall tourism receipts.** Thus, higher receipts enhance TDGVA, and contribute more meaningfully to GDP, reinforcing tourism as a key pillar of the economy.

Figure 23b presents total receipts from foreign visitors and OFs (at constant 2018 prices). Receipts from foreign visitors show a general upward trend, starting at USD 2.31 billion in

2001 and expanding almost fourfold by 2019 to USD 9.08 billion. Notable declines occurred in 2003 due to the SARS outbreak and in 2008–2009 following the Global Financial Crisis, but recovery was robust throughout the 2010s. The sharp contraction in 2020 and 2021 amid the COVID-19 pandemic saw receipts plunge to USD 1.52 billion and USD 148.6 million, respectively. By 2022, the industry began to rebound, with receipts reaching USD 2.61 billion, accelerating to USD 6.49 billion in 2023, and USD 6.77 billion in 2024, reflecting a strong, though incomplete, post-pandemic recovery relative to the 2019 peak.

Figure 23b. Total receipt of foreign visitors and OFs (at constant prices, 2001 to 2024)

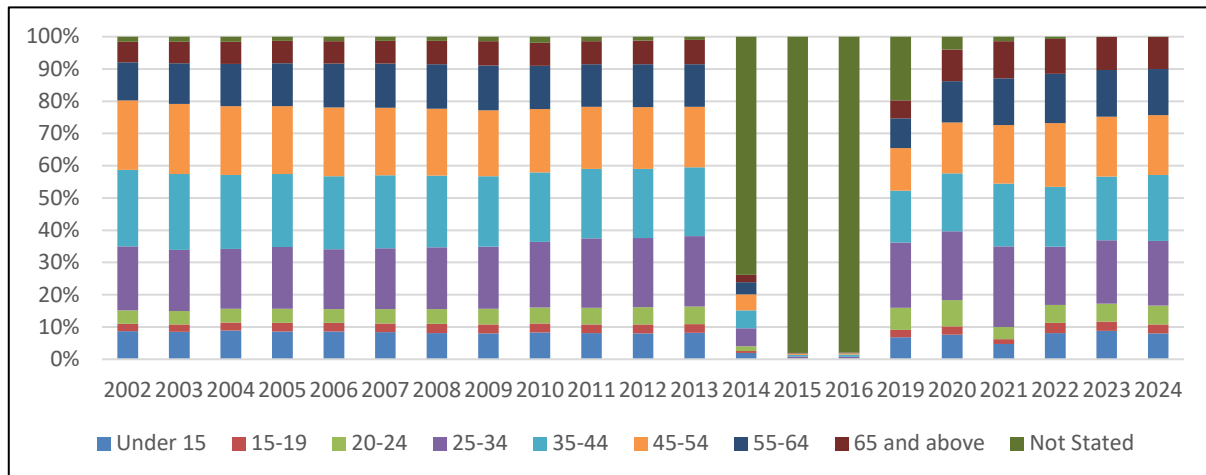


(Base Year 2018 = 251.107; Data from the US Bureau of Labor Statistics)

Source: Authors' computation

Meanwhile, receipts from OFs exhibited more fluctuation but showed an overall long-term increase. Starting at USD 133.6 million in 2001, earnings peaked early in 2007 at USD 264.4 million before declining during the 2008 crisis. The subsequent decade saw modest gains, though receipts gradually declined after 2015, hitting their lowest level of USD 10.3 million in 2021. Similar to the foreign visitor market, OF total receipts rebounded in 2022 to USD 680.4 million, maintaining this level through 2024 (USD 666.0 million). The post-pandemic surge likely reflects pent-up demand for family visits and homecomings. **While smaller in scale compared to foreign receipts, OF spending provides a stable and culturally rooted stream of tourism income.**

Figure 24. Visitor by age group (2002-2024)



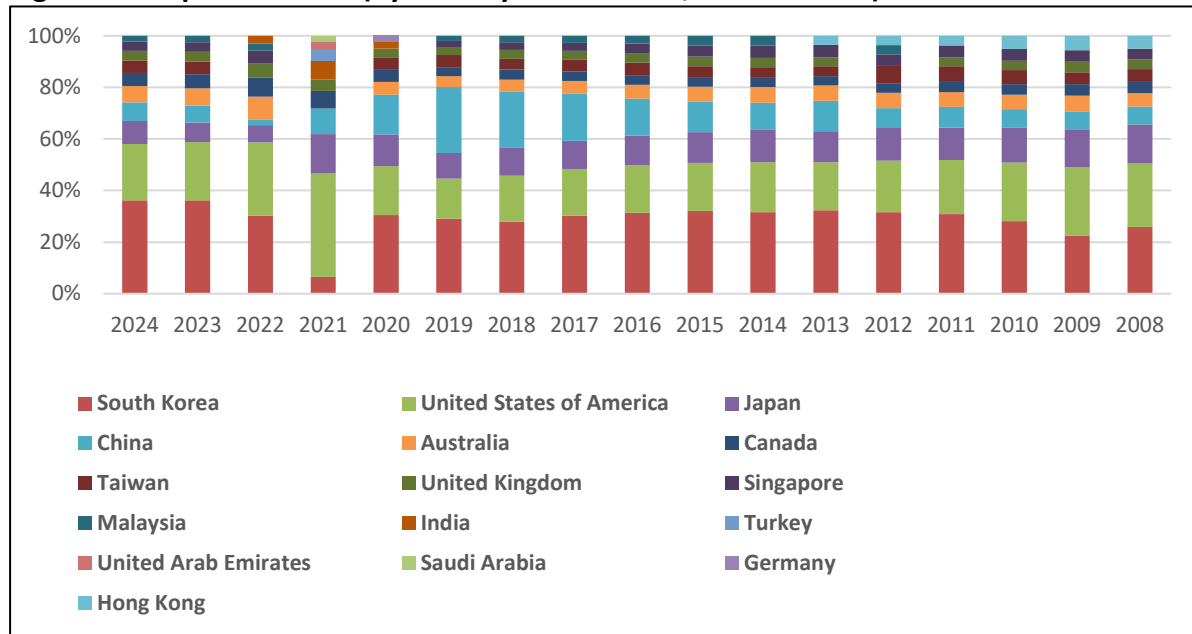
Source: PSA’s Philippine Statistical Yearbook (PSY) (2024); Email communication with DOT on June 20, 2025: Various Statistics (By Purpose, ADE, ALOS, Receipts, Age Group).

Figure 24 presents the age profile of tourists visiting the Philippines between 2002 and 2024. Data shows that the largest segment of visitors falls within the 35 to 44 age group, accounting for 18.43% of all arrivals. This is followed closely by the 25 to 34 age group (17.54%) and the 45 to 54 age group (16.93%). These cohorts collectively make up more than half of total tourist arrivals, highlighting the dominance of working-age adults and mid-career professionals in Philippine tourism demand. Trailing behind are the 55 to 64 age group (11.60%), visitors under 15 years old (6.99%), 65 and older (6.91%), and the 15 to 24 age group (6.73%) implying relatively lower engagement from younger travelers as well as from the senior market, despite their potential for longer stays and higher per-trip spending. Notably, a large share of arrivals, did not report age information, limiting full demographic segmentation analysis.

Data confirms that the Philippines has effectively captured the core adult market (i.e., travelers in their late 20s to mid-40s), who are often financially stable, experience-driven, and have discretionary income for travel. This segment also aligns with global trends travelers drive much of the demand for experiential and sustainable tourism. However, the relatively lower shares of youth (15 to 24) and senior (65+) travelers point to untapped opportunities. The youth market is highly engaged in digital discovery, social media-driven travel trends, and low-budget adventures, which are segments that can be cultivated through affordable travel packages, festival tourism, and university exchanges. The mature travel market offers potential for wellness tourism, heritage and cultural experiences, and medical tourism, provided there is adequate accessibility, safety, and health infrastructure.

To diversify tourist base and support inclusive tourism growth, there is a need to: (1) develop targeted marketing campaigns for younger and boomer travelers; (2) enhance products for multi-generational travel and family-friendly destinations; (3) expand tourism offerings tailored to youth and student travel (e.g., voluntourism, inter-university events, and adventure-based itineraries); and (4) prioritize age-friendly infrastructure and accessibility for the senior market, including health facilities, guided tours, and lower-impact activities. **Capturing broader age demographics would improve tourism resilience and maximize economic impact by appealing to high potential yet currently underserved market segments.**

Figure 25. Top 10 markets (by country of residence, 2008 to 2024)

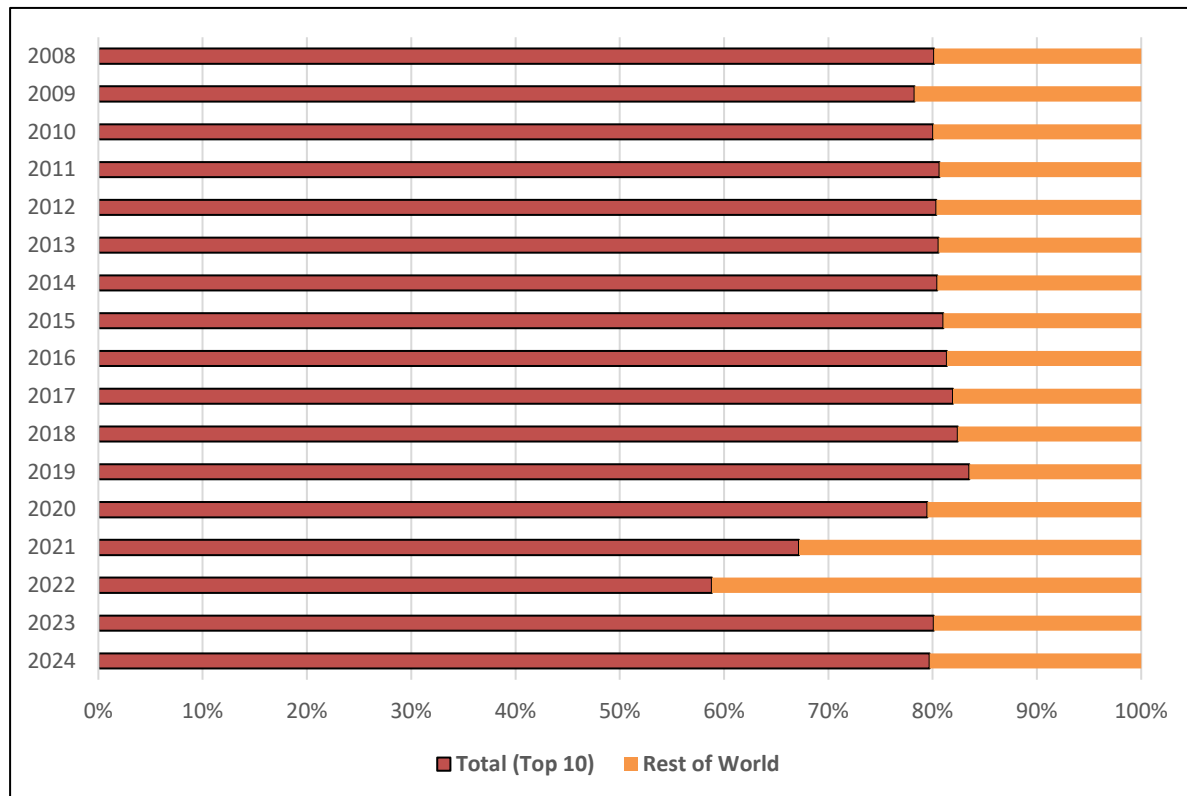


Source: Tourism Demand Statistics, DOT (2025).

Figure 25 illustrates the Philippines’ top international tourism markets over a 17-year period from 2008 to 2024, based on the country of residence of foreign visitors. Data confirms that South Korea has been the leading source market, accounting for 21.9% of total foreign arrivals followed by the United States (US) with 16.1%. It reflects strong and consistent flow of visitors likely driven by historical ties, existing diaspora networks, and a favorable image of the Philippines as a travel destination for both leisure and VFR. They contribute nearly 40% of total international arrivals, demonstrating their pivotal role in Philippine tourism. Japan (8.8%) and China (8.7%) also emerge as major contributors, underscoring the effectiveness of diplomatic relations, air connectivity, and targeted tourism campaigns. However, China's share has experienced fluctuations and decline in recent years due to geopolitical tensions and socio-economic factors. Meanwhile, Australia (4.3%), Taiwan (3.7%), Canada (3.3%), Singapore (3.1%), United Kingdom (2.8%), and Malaysia (2.2%), represent the Philippines’ secondary markets. **While smaller in volume, they represent stable and high-potential segments, especially for niche markets like ecotourism, education, heritage tourism, and VFR.**

The consistent dominance of South Korea and the US highlights the need to maintain and deepen engagement with them through: (1) continued airline partnerships and route expansion; (2) tailored promotions; and (3) visa facilitation and digital marketing strategies. However, growth in secondary and emerging markets (e.g., Middle East, India, and European Union [EU]) will be critical to sustaining long-term resilience. To diversify and expand reach, it requires: (1) developing new tourism products catering to Indian, Middle Eastern, and European tastes (e.g., halal-certified tourism, pilgrimage routes, multi-language guides); (2) participating in international expos beyond traditional markets; and (3) leveraging influence of Filipino diaspora communities as tourism ambassadors.

Figure 26. Top 10 markets vs. rest of world (2008-2024)

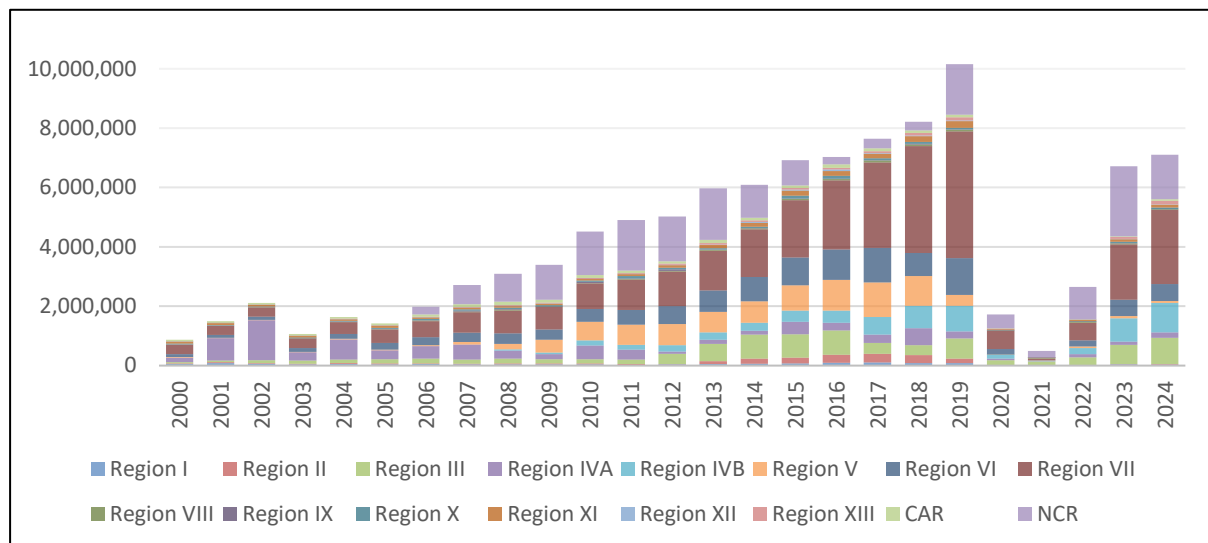


Source: Tourism Demand Statistics, DOT (2025).

Figure 26 compares the Philippines' Top 10 source markets with the rest of the world in terms of total visitor arrivals from 2008 to 2024. Over this 17-year period, the data shows that the Top 10 markets (led by South Korea, the US, Japan, and China) consistently accounted for an average of 78.6% of total international arrivals. In contrast, the rest of the world contributed only 21.4%, indicating a highly concentrated visitor base. This concentration pattern remained steady across most years, with only notable deviations in 2021 and 2022 due to the COVID-19 pandemic that disrupted global travel flows and triggered a temporary realignment of visitor origins. During these years, restrictions and repatriation programs temporarily boosted the share of arrivals from outside the usual top markets, including more OFs and arrivals from countries with earlier reopening strategies.

While the consistency of the Top 10 markets reflects deep market penetration and successful brand recall, it also reveals a potential vulnerability. Heavy reliance on a few source countries makes the tourism sector susceptible to shocks, whether political, economic, or health-related, within those markets. To build resilience and broaden its global appeal, the Philippines can strategically pursue market diversification. This involves: (1) strengthening promotional efforts in underrepresented regions such as the Middle East, South Asia, EU, and Latin America; (2) developing air connectivity to new source markets through partnerships with airlines and tourism boards; (3) enhancing destination readiness to cater to diverse preferences and cultural sensitivities (e.g., halal tourism, language accessibility, long-haul visitor infrastructure); and (4) engaging in bilateral tourism agreements with emerging markets to facilitate travel and joint marketing. Expanding the country's global footprint will not only reduce concentration risk but also tap into growing outbound travel demand from emerging economies. **A more diversified market base strengthens the tourism industry's capacity to weather global disruptions.**

Figure 27. Foreign travelers per region (2000-2024)



Source: Email communication with DOT on June 20, 2025: Regional Distribution of Overnight Travelers (2024)

Figure 27 presents the number of foreign travelers by region²⁶ in the Philippines from 2000 to 2024. The data reveals a clear geographic concentration of arrivals, with Region VII (Central Visayas) as the most visited region by foreign tourists, recording 31.5 million arrivals over the 25-year period. This is followed by the National Capital Region (NCR²⁷) with 19.6 million, although no data was recorded from 2000 to 2005, actual cumulative total may be higher. Region VII, anchored by Cebu, stands out as a premier tourism hub, known for its beaches, diving spots, cultural sites, and international connectivity. NCR, while serving as the country’s primary international gateway and commercial center, also offers compelling urban attractions, including historical landmarks, shopping, dining, and entertainment. Its high arrival numbers reflect both its strategic role in Philippine travel and its appeal as a destination.

Other notable regions include Region VI (Western Visayas) with 11.8 million arrivals, driven largely by Boracay’s global popularity; Region V (Bicol Region) with 8.8 million, buoyed by nature-based attractions such as Mount Mayon and whale shark interactions in Donsol; Region III (Central Luzon) with 8.3 million, which benefits from proximity to NCR and the presence of Clark as a secondary international gateway; Region IV-B (MIMAROPA²⁸) and Region IV-A (CALABARZON²⁹) (formerly Region IV³⁰), which together hosted 8.2 million visitors (Region IV-B with 6.3 million, Region IV-A with 1.9 million). In contrast, regions in Mindanao such as Region XII (SOCCSKSARGEN³¹) and Region IX (Zamboanga Peninsula), received modest foreign arrivals due to persistent challenges related to lingering image concerns. The national government and tourism stakeholders have been active in international marketing efforts, improving transport connectivity, infrastructure, and overall destination readiness, alongside sustained initiatives to enhance the region’s image (Caynila et al 2022; WTTC 2024).

²⁶ The Philippines is divided into 17 administrative regions, grouped under the three major island clusters namely Luzon, Visayas, and Mindanao. Each region comprises several provinces and is used primarily for administrative and statistical purposes.

²⁷ Also known as Metro Manila. Note that Metro Manila and Manila are two different places. Manila, whose complete name is the City of Manila, is the official capital of the Philippines. Meanwhile, Metro Manila is the region where the City of Manila is located, together with 15 other cities (i.e., Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Quezon City, San Juan, Taguig, and Valenzuela) and one municipality (i.e., Pateros).

²⁸ Comprised of the provinces of Mindoro, Marinduque, Romblon, and Palawan.

²⁹ Comprised of the provinces of Cavite, Laguna, Batangas, Rizal, and Quezon.

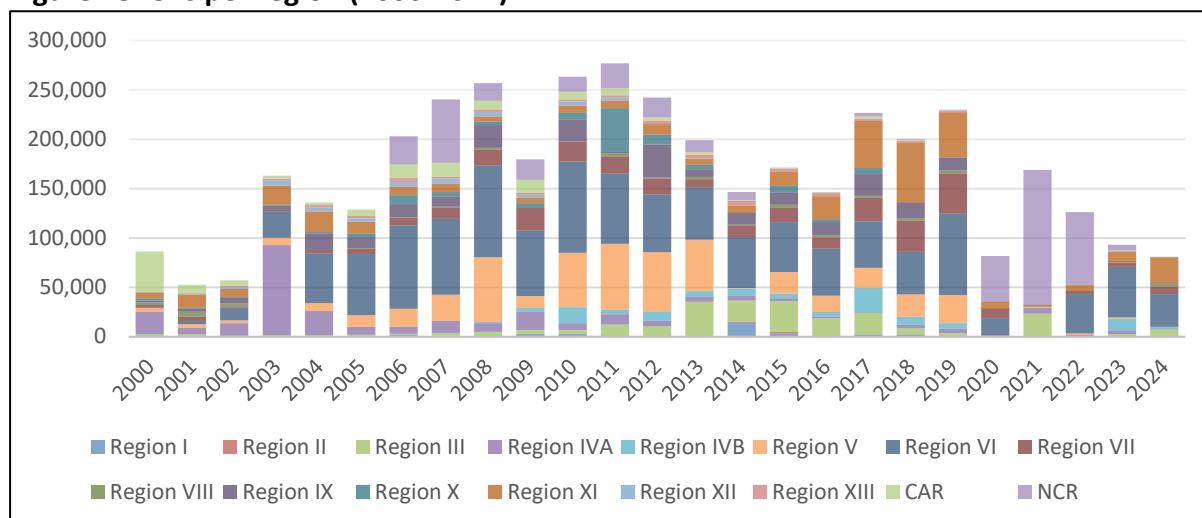
³⁰ Region IVA and Region IVB were officially created with the partitioning of Region IV: Southern Tagalog into the two regions on 17 May 2002 with the issuance of Executive Order No. 103 by President Gloria Macapagal-Arroyo. The partitioning was done to promote efficiency in the government, accelerate social and economic development and improving public services in the provinces covered.

³¹ Comprised of the provinces of South Cotabato, Cotabato, Sultan Kudarat, Sarangani, and General Santos.

Data shows opportunities and challenges: (1) overconcentration risks in Region VII raise concerns about overtourism, sustainability, and unequal tourism development; (2) emerging destinations with untapped tourism potential, especially in Mindanao, Region VIII, and inland Luzon, must be supported with improved connectivity, capacity-building for local stakeholders, and product development; and (3) a balanced regional tourism development strategy is needed to distribute tourism benefits more equitably across the country. Expanding foreign tourism into underrepresented regions aligns with the goals of the NTDP 2023-2028, particularly in fostering inclusive growth and destination diversification. **Investing in tourism infrastructure, peace and security programs, and heritage or ecotourism products could attract new segments of international travelers and elevate the country’s international competitiveness.**

Figure 28 plots the number of OF travelers by region in the Philippines from 2000 to 2024. While the data set shows gaps, most notably for Region II (Cagayan Valley), which was aggregated with foreign traveler data, and for NCR from 2000 to 2005, the data still offer valuable insights into OF travel patterns. Region VI (Western Visayas) emerged as the top destination for OFs, recording approximately 1.2 million arrivals. This is followed by Region V with around 508,500 arrivals, and NCR with 480,000, despite the partial data coverage. These likely reflect the home provinces or familial roots of returning Filipinos, as VFR remains the predominant reason for OF travel, as discussed in Figure 20.

Figure 28. OFs per region (2000-2024)

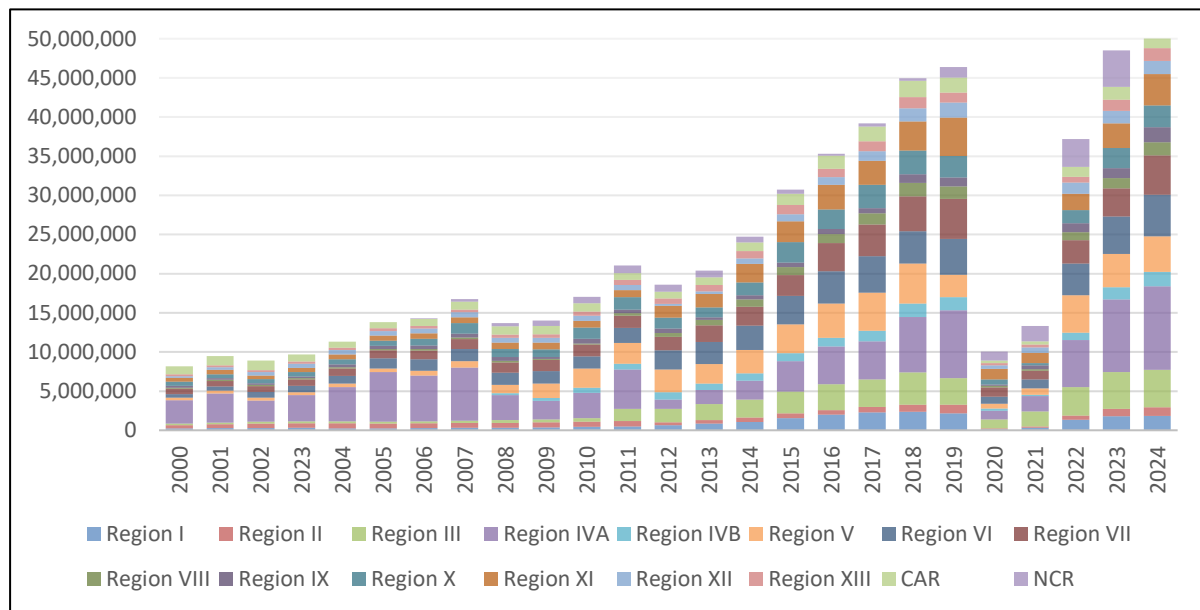


Source: Email communication with DOT on June 20, 2025: Regional Distribution of Overnight Travelers (2024).

Other notable regions visited by OFs include Region XI (Davao Region) with nearly 390,000 arrivals, Region VII with almost 299,000, and Region IX with about 243,000. In contrast, the least visited regions by OFs are Region II (Cagayan Valley) with 4,000 recorded arrivals, Region I (Ilocos Region) with 35,000, and Region VIII (Eastern Visayas) with 37,000.

These patterns **underscore the importance of personal and familial connections in shaping OF travel behavior.** They also present opportunities for less-visited regions to attract more OFs through targeted diaspora engagement, heritage tourism campaigns, and improved connectivity and visitor services, especially in areas where outbound migration is significant but return travel is relatively low.

Figure 29. Domestic travelers per region (2000-2024)



Source: Email communication with DOT on June 20, 2025: Regional Distribution of Overnight Travelers (2024).

Figure 29 illustrates the number of domestic travelers by region from 2000 to 2024. Region IV-A emerged as the most visited region by domestic travelers, with 77.5 million visits recorded from 2008 to 2024. It is worth noting that from 2000 to 2007, Region IV data were not disaggregated between Region IV A and Region IV B, but a combined total of 36 million arrivals was recorded during that period. If we attribute a significant portion of that figure to Region IV-A, given its proximity to NCR, its total domestic arrivals could reach approximately 113.6 million. This underscores the region's advantage as a convenient and accessible destination for short-haul travel, weekend getaways, and day tours from NCR. Following Region IV-A, Region VII recorded 60.1 million domestic travelers, anchored by Cebu and Bohol, both major hubs for leisure, culture, and island tourism. Region V follows closely with 56.1 million, benefiting from its volcanic landscapes, beach destinations, and growing transport connectivity. Region III attracted 44.1 million domestic visitors, driven in part by its theme parks, heritage towns, and increasing infrastructure investment. Region XI rounds out the top five with 43 million, reflecting Mindanao's enhanced connectivity and regional tourism development efforts.

In contrast, some regions remain underexplored by domestic tourists. Region IX, Region VIII, and Region II received relatively fewer domestic arrivals. These areas may benefit from targeted marketing campaigns, improved road and air connectivity, and the development of new tourism products that align with the interests and preferences of domestic travelers. **Bridging regional tourism gaps can help promote more inclusive and equitable tourism growth across the country.**

4.1.3. Issues

Inadequate infrastructure, limited interconnectivity, sustainability pressures, and intensifying global competition are among the complex, interrelated challenges confronting the Philippine tourism industry (Rivera and Andrada 2024; Roxas et al. 2020a; Espiritu and Lawas 2019). Yet, within these challenges lies the opportunity to recalibrate the sector for more inclusive, competitive, and resilient growth.

WEF (2024), in its Travel and Tourism Development Index (TTDI) overall rankings, ranked the Philippines 69 out of 119 countries. Among the 17 pillars evaluated, tourism services and infrastructure received one of the lowest ratings (1.55 out of 7), signaling the need for sustained improvements. Weak transport connectivity does not only increase travel time and visitor inconvenience but also raises travel and logistics costs for operators, affecting package competitiveness and shortening length of stay, an issue particularly felt in island destinations dependent on intermodal transfers (Fansurya et al. 2024; Wardana et al. 2025). Infrastructure bottlenecks and uneven interconnectivity have long been flagged as barriers to tourism growth, particularly in high potential but underserved destinations (Busalla 2025; Gutierrez et al. 2025; Toral 2025). Francisco (2024) noted that current land, sea, and air transport systems continue to lag global efficiency and compliance benchmarks. These constraints, while real, also present a clear opportunity for transformative investments in transport and tourism infrastructure.

The Department of Transportation (DOTr) has made headway in addressing these infrastructure gaps, supported by initiatives under the Build, Better, More program. However, more needs to be done to elevate the country's competitiveness relative to ASEAN peers such as Thailand, Malaysia, and Vietnam who benefitted from extensive infrastructure, seamless connectivity, and cohesive destination marketing (Toral 2025). Thailand, for instance, welcomed around 28 million international tourist arrivals in 2023, compared to the Philippines' 5.45 million in the same year, as seen in Table 3. This stark gap illustrates how infrastructure translates directly into market performance and the capacity to handle visitor volumes. Drawing from their best practices, the Philippines can accelerate its own progress by strengthening inter-agency collaboration, aligning infrastructure projects with tourism clusters, and enhancing last-mile connectivity. These approaches are embedded in the NTDP 2023-2028, which outlines the critical importance of multi-stakeholder cooperation and strategic infrastructure planning.

Uneven infrastructure development has also led to a concentration of tourism activity in a few destinations, resulting in both overtourism and underdevelopment (Busalla 2025). This imbalance underscores the importance of the NTDP's call to diversify tourism products and broaden development across regions. By doing so, the country can unlock new tourism circuits, reduce pressure on established sites, and foster more inclusive regional development. As Benur and Bramwell (2015) emphasized, product diversification mitigates the risks of over-reliance on a single destination or tourism type. This is particularly relevant for the Philippines, where uneven tourist flows have tended to concentrate demand in a few crowded destinations, reinforcing the need to distribute tourism more broadly so that multiple regions can benefit and reduce the sustainability and social pressures on highly visited or overburdened sites (Jiao et al. 2025). To achieve this, enhancing accessibility through upgraded seaports, expanded domestic air links, and better intermodal transport is crucial. Such improvements are already underway, with the DOT, DOTr, and Department of Public Works and Highways (DPWH) working together to modernize airports, improve seaport infrastructure, and develop road networks that link tourism areas (Rosel 2024).

Sustainability is another critical area where constraints offer a compelling opportunity for reform. Given its geographic exposure to climate risks, the Philippines must embrace climate-smart and disaster-resilient tourism planning. Extreme weather events continue to disrupt tourism operations through flight cancellations, damaged infrastructure, and lost bookings, illustrating how climate risks directly affect business continuity (Hsu and Sharma 2022). Gutierrez et al. (2025) and Gutierrez et al. (2023) advocated for long-term strategies that embed resilience, digital innovation, and inclusive governance into tourism development. Community

welfare is equally vital. Infrastructure projects like the Boracay Bridge (Rosales 2025), while potentially beneficial for connectivity, must be implemented with safeguards that protect local livelihoods and cultural identity. Striking this balance ensures that development is both people-centered and place-sensitive.

The call for stronger sustainability programming is echoed by Rodolfo et al. (2023), who emphasized the need for intensified sustainability measures in high-density destinations such as Boracay, Cebu, and Palawan. Persistent waste management issues and environmental degradation increase maintenance costs for tourism operators, impair visitor experience and satisfaction, and risk long-term viability of tourism destinations (Wang et al. 2021). Espiritu and Lawas (2019) also recommended the immediate resolution of persistent urban issues, such as congestion, waste management, and pollution, that could undermine tourism potential. Addressing these macro-level concerns is not only necessary for the long-term viability of tourism hotspots, but also crucial for offering quality, multidimensional visitor experiences.

While the Philippine tourism sector faces enduring infrastructure and sustainability challenges, these very constraints create a roadmap for opportunity. By advancing strategic investments, embracing sustainability, and learning from regional peers (Gössling 2018), the Philippines can reposition itself as a more competitive, inclusive, and resilient tourism destination in Asia. More importantly, addressing infrastructure and environmental challenges at an operational level, gateways, mobility, waste systems, and ecosystem protection, can unlock visitor growth, improve business viability, and enhance overall service quality.

4.1.4. Benchmarking: Regional best practices

Table 3. Visitor arrivals to ASEAN countries (2019, 2022, 2023, 2024, and 2025)³²

Rank	ASEAN Member States (AMS)	2025	2024	2023	2022	2019	Growth rate 2024/2023	Recovery rate 2024/2019
1	Thailand	24,115,328	35,545,713	28,150,016	11,065,226	39,916,251	26.27%	89.05%
2	Malaysia	28,242,804	25,016,698	20,141,846	10,070,964	26,100,784	24.20%	95.85%
3	Vietnam	17,168,498	17,583,901	12,994,575	3,661,222	18,008,591	35.32%	97.64%
4	Singapore	12,875,805	16,590,000	13,610,404	6,305,639	19,114,002	21.89%	86.80%
5	Indonesia	11,430,000	13,876,312	11,677,825	5,889,031	16,106,954	18.83%	86.15%
6	Cambodia	4,377,466	6,700,125	5,453,231	2,276,626	6,610,592	22.87%	101.35%
7	Philippines	4,767,513	5,949,350	5,450,557	2,653,858	8,260,913	9.15%	72.02%
8	Lao PDR	3,061,928	4,120,832	3,417,629	1,298,888	4,791,065	20.58%	86.01%

³² 1. For 2025 figures: Vietnam and Philippines are as of October 2025; Thailand, Singapore, Indonesia, and Cambodia are as of September 2025; Malaysia and Lao PDR are as of August 2025; Brunei Darussalam is as of July 2025; and Myanmar is as of June 2025. 2. Ranking is based on the available data on the volume of visitor arrivals (as of 2024); By country of residence: Cambodia, Philippines, Singapore, Vietnam; By nationality: Indonesia, Malaysia, Myanmar, Thailand, Philippines (2022 data only). 3. Sources: Brunei Tourist Arrival Statistics - <http://www.tourism.gov.bn/SitePages/Statistic.aspx>; Cambodia - Tourism Statistics Report Annual Report 2022, Ministry of Tourism-Cambodia, <https://www.nagacorp.com/eng/ir/tourism.php>; <https://nis.gov.kh/wp-content/uploads/2025/10/CAM092025.pdf>; Laos - Laos Statistical Information Service - <https://laosis.lsb.gov.la/tblInfo/TblInfoList.do>; <https://kpl.gov.la/EN/detail.aspx?id=78073>; <https://laotiantimes.com/2025/01/29/laos-welcomes-over-4-million-tourists-in-2024/>; <https://laotiantimes.com/2025/09/19/tourist-arrivals-in-laos-increased-by-15-percent-in-first-eight-months-of-2025/>; Indonesia - BPS-Statistics Indonesia, <https://www.bps.go.id/indikator/16/1470/1/kunjungan-wisatawan-mancanegara-per-bulan-menurut-kebangsaan.html>; News Article; Malaysia - Malaysia Tourism Promotion Board, <https://mytourismdata.tourism.gov.my/wp-content/uploads/2024/02/TOP-45-TOURIST-ARRIVALS-DECEMBER-2023.pdf>; Myanmar - Ministry of Hotels and Tourism-Myanmar, <https://admin.tourism.gov.mm/storage/attachments/01K3JN1S9A1XZRKVM1Z22Q2TND.pdf>; <https://english.news.cn/20250716/12eca91456b84dada4a57783d0285617/c.html>; Philippines - Bureau of Immigration - eTravel Philippines; <https://www.tourism.gov.ph/tourism/demand-statistics>; Singapore - Singapore Tourism Analytics Network, <https://stan.stb.gov.sg/public/sense/app/877a079c-e05f-4871-8d87-8e6cc1963b02/sheet/3df3802e-2e5b-4c79-950d-d7265c4c07a9/state/analysis>; <https://tablebuilder.singstat.gov.sg/>; Thailand - Ministry of Tourism and Sports-Thailand, <https://www.mots.go.th/news/category/706>; <https://www.straitstimes.com/asia/se-asia/foreign-tourist-arrivals-to-thailand-in-first-9-months-of-2025-drop-7-5>; Vietnam - Ministry of Culture, Sports and Tourism-Vietnam, <https://vietnamtourism.gov.vn/en/statistic/international>; <https://vietnamtourism.gov.vn/en/statistic/international>

Rank	ASEAN Member States (AMS)	2025	2024	2023	2022	2019	Growth rate 2024/2023	Recovery rate 2024/2019
9	Myanmar	500,125	1,063,072	1,284,731	233,487	4,364,101	-17.25%	24.36%
10	Brunei Darussalam	438,344	678,037	2,265,867	664,259	4,449,028	-70.08%	15.24%
TOTAL (ASEAN)		-	144,707,941	116,445,427	47,780,422	165,730,872	23.36%	86.67%

Table 3 presents visitor arrivals in ASEAN from 2019 and 2022 through 2025, with the 2025 figures still subject to variation. In 2024, Thailand remained the regional leader with 35.5 million arrivals, followed by Malaysia (25 million), Vietnam (17.5 million), Singapore (16.5 million), and Indonesia (13.8 million). The Philippines recorded 5.9 million arrivals, ranking 7th among the nine ASEAN economies with available data. Cambodia (6.7 million), Lao PDR (4.1 million), Myanmar (1 million), and Brunei Darussalam (678,000) followed.

When it comes to recovery from pre-pandemic levels, Cambodia led with a 101.35% recovery rate, exceeding its 2019 performance. This was driven by proactive government measures, including health and safety protocols, aggressive marketing, and support for tourism product innovation (Darc 2024). Vietnam trailed closely with 97.64%, attributed to visa reforms (e-visas for all nationalities, extended visa-free stays) (Dezan Shira & Associates 2025). Malaysia achieved a 95.85% recovery, bolstered by initiatives such as the Langkawi International Travel Bubble and the introduction of digital nomad visas, aligning with post-pandemic mobility trends (APEC Tourism Working Group 2024). Thailand, at 89.05%, gained international recognition for its Phuket Sandbox Program, enhanced visa categories (e.g., long-stay and special tourist visas), and strong inter-ministerial collaboration. Its adoption of global safety certifications further reinforced traveler confidence (ASEAN 2024). Indonesia (86.16%) utilized a health-tech approach with its Satu Sehat app for contact tracing, vaccination tracking, and health documentation. Meanwhile, Singapore (86.80%) and Lao PDR (86.01%) benefited from streamlined border protocols and reliable infrastructure readiness. The Philippines posted a 72.02% recovery rate in 2024. Positive initiatives include a digital vaccination certificate recognized by the WHO and the EU and expanded visa-free access for nationals from 12 economies. Relative to ASEAN peers, there remains room for strategic improvement such as modernizing border systems, easing visa requirements, improving inter-island connectivity, and creating more diversified and high-value tourism products. Brunei Darussalam, with a 24.36% recovery rate, experienced a steep drop in arrivals compared to 2023. Myanmar remains the most affected due to civil unrest, high airfare, and political instability, redirecting focus to domestic tourism (Carruthers 2024).

The varying recovery rates show how proactive policies, infrastructure readiness, and innovative visa and health systems can accelerate tourism rebound. For the Philippines, benchmarking best practices from ASEAN leaders (Cambodia, Vietnam, Thailand) presents an opportunity to refine tourism strategy (focus on connectivity, seamless travel, diversified tourism products) to enhance competitiveness, expand share of the regional tourism market, and work toward surpassing its pre-pandemic tourism performance.

Table 4. ASEAN GDP contribution, employment, and international visitor expenditures

AMS	GDP Contributions (In billion USD), 2023	Employment (In millions), 2023	International Visitor Expenditures (In billion USD), 2023
Philippines	78	9.0	11.3
Indonesia	66.1	12.1	15.6
Thailand	53.5	7.6	34.1
Singapore	43.5	0.5	25.8

Malaysia	34.4	2.3	16.1
Viet Nam	28.5	5.6	8.5
Cambodia	5.4	2.3	3.4
Myanmar	2.5	0.4	1.0
Lao PDR	1.2	0.3	0.4
Brunei Darussalam	0.9	0.01	0.2

Source: WTTC (2024).

Table 4 highlights the GDP contribution, employment, and international visitor expenditures across AMS, underscoring the critical role of tourism in driving national and regional development. The Philippines emerged as the top performer in terms of tourism’s GDP contribution, generating USD 78 billion in 2023, the highest among AMS. This reflects the deep economic integration of tourism in the country, not merely as a leisure industry, but as a key engine of inclusive growth, job creation, domestic consumption, and infrastructure investment. The broad reach of tourism in the Philippines spans transportation, accommodation, food services, local crafts, and cultural activities, reinforcing its significance as a cross-cutting sector that stimulates value chains across the archipelago.

This strong GDP performance is largely fueled by a vibrant domestic tourism base, underscored by sustained travel among residents, expanding infrastructure under PPPs, and sustained capital formation in tourism-related assets. It also points to the strategic role of tourism in decentralizing economic activity and promoting regional equity. However, a key structural imbalance emerges in the international tourism segment. Despite its top ranking in GDP contribution, the Philippines placed only fifth in ASEAN in terms of international visitor expenditures, with USD 11.3 billion in receipts. This disparity highlights an underutilization of the country’s potential to attract and benefit from high-spending foreign markets. While ASEAN peers like Thailand and Singapore continue to outperform in foreign receipts, the Philippines remains dependent on volume-based, often budget-conscious arrivals.

Several factors may explain this gap such as limited international air connectivity beyond key hubs, insufficient diversification of tourism circuits, uneven infrastructure development, and lower average spending per tourist. In addition, safety perceptions, destination image, and visa policy rigidity continue to influence traveler decisions and length of stay. Hence, international tourism remains a relatively untapped driver of high-value economic gains.

To address this, the Philippines must pursue deliberate strategies to scale up its global competitiveness, including: (1) diversifying tourism products to cater to niche and premium markets (e.g., wellness, cruise, cultural immersion, and MICE); (2) upgrading infrastructure to support seamless inter-island connectivity and destination readiness; (3) enhancing the visitor experience through quality assurance, safety, and digital innovation; and (4) investing in integrated marketing campaigns that elevate the Philippines' brand as a year-round, high-value destination.

In terms of employment, Indonesia leads the region with 12 million tourism-related jobs, while the Philippines ranks second with 9 million jobs, highlighting the sector’s significant labor absorption capacity. This underscores tourism’s socioeconomic impact, particularly in providing livelihoods for women, youth, and workers in remote and rural areas (Rueda and Gutierrez 2024; Gutierrez 2024; Gutierrez and Vafadari 2023). A stronger international tourism base would not only boost foreign exchange earnings, but also generate more resilient, quality jobs in line with the country’s inclusive development goals.

Thus, the Philippines plays a pivotal role in ASEAN tourism in terms of both economic and employment contributions. However, the data clearly suggests untapped potential in the international visitor market. Bridging this gap through connectivity, product diversification, and visitor-centric reforms will be key to sustaining growth and cementing the Philippines' position as a leading tourism economy in the region.

Table 5 presents the domestic tourism market performance of AMS for 2023 and 2024, highlighting both the scale of receipts and each country's share of the regional domestic tourism economy. The Philippines stands out as the leading domestic tourism market in ASEAN, with receipts reaching USD 52.1 billion in 2023 and a forecasted USD 66.2 billion in 2024, accounting for 32.9% of ASEAN's total domestic tourism receipts. This underscores the robustness and scale of domestic travel in the Philippines, signifying its critical role in driving national economic activity and contributing significantly to regional tourism resilience and demand recovery.

The strong performance of the Philippines' domestic market reflects several enabling factors: a large consumer base, improving interregional mobility, cultural and festival-driven travel, and continued preference for local destinations due to affordability, proximity, and post-pandemic travel confidence. It also points to the deep economic integration of tourism at the grassroots level, stimulating MSMEs, local food and craft industries, and community-based tourism initiatives.

Other AMS also demonstrated positive growth trajectories in domestic tourism. Thailand, the second-highest contributor, accounted for 20.9% of ASEAN's domestic tourism receipts, followed by Indonesia (13.3%), Malaysia (12.1%), Vietnam (11.1%), and Singapore (8.0%). The remainder was shared by Cambodia (1.1%), Lao PDR and Brunei Darussalam (0.3% each), and Myanmar (0.04%). These reflect the diverse stages of domestic tourism development across ASEAN, influenced by factors such as population size, income levels, infrastructure, policy support, and the maturity of internal tourism circuits.

Table 5. Domestic tourism market among AMS

AMS	2023 (in billion USD)**	% Share to ASEAN*	2024 (in billion USD)***
Philippines	52.1	32.9	66.2
Thailand	33.2	20.9	36.8
Indonesia	21.2	13.3	22.6
Malaysia	19.2	12.1	23.4
Viet Nam	17.6	11.1	18.2
Singapore	12.7	8.0	13.7
Cambodia	1.7	1.1	1.9
Lao PDR	0.5	0.3	0.5
Brunei Darussalam	0.4	0.3	0.5
Myanmar	0.1	0.04	0.9

Note: **Actual; ***Forecast; rounded off; all values in constant 2023 prices; exchange rates in 2024.

Source: WTTC (2024).

The Philippines' dominance in this segment presents both an opportunity and a challenge. While it affirms the country's ability to mobilize domestic demand as a buffer against external shocks, it also highlights the need to diversify and strengthen international market linkages. At the ASEAN level, the country's strong domestic base enhances regional tourism stability, but sustaining this momentum will require continued investments in tourism infrastructure, safety, accessibility, and product innovation tailored to evolving domestic preferences.

Therefore, the Philippines is emerging as the anchor of ASEAN’s domestic tourism recovery, and leveraging this strength strategically, while addressing constraints in the international segment, can position the country as a more balanced and resilient tourism economy within the regional and global context.

Table 6 presents visitor arrivals from five key RCEP economies for the years 2019, 2022, 2024, and 2025. In 2024, China led the group with a cumulative 131 million visitors, followed by Japan (36 million), Australia (nearly 21 million), South Korea (16 million), and New Zealand (3 million).

In terms of recovery from pre-pandemic (2019) levels, Japan emerged as the top performer, achieving a recovery rate of 115.65%, signaling not only a full rebound but also growth beyond baseline volumes. Australia (97.03%) and South Korea (93.54%) closely followed, with strong returns to pre-pandemic travel patterns. China, while still the largest contributor by volume, posted a 90.77% recovery rate, reflecting a more gradual rebound in outbound tourism following prolonged internal travel restrictions. New Zealand, though smaller in volume, recorded the softest recovery at 84.62%, possibly due to geographic distance and more conservative reopening policies.

Table 6. Visitor arrivals to other RCEP economies (2019, 2022, 2023, 2024, and 2025)³³

Rank	RCEP	2025	2024	2023	2022	2019	Growth Rate	Recover Rate
							2024/2023	2024/2019
1	China	38,050,000	131,900,000	82,030,000	25,250,000	145,310,000	60.79%	90.77%
2	Japan	28,383,575	36,870,148	25,066,350	3,832,110	31,882,049	47.09%	115.65%
3	Australia	16,690,000	20,976,000	18,253,870	9,710,170	21,618,800	14.91%	97.03%
4	South Korea	6,500,000	16,370,000	11,030,000	3,200,000	17,500,000	48.41%	93.54%
5	New Zealand	2,147,913	3,286,260	1,698,097	205,447	3,883,335	93.53%	84.62%
TOTAL		-	209,404,432	138,080,340	42,199,749	220,196,203	52%	95%

Note: For 2025 figures: Australia and South Korea are as of September 2025; Japan and New Zealand are as of August 2025; and China is as of June 2025

These recovery trajectories underscore the increasing normalization and renewed confidence in intra-Asia Pacific travel, particularly within the ASEAN-RCEP framework. They also illustrate the critical role of these five markets as tourism drivers for the ASEAN region, contributing significantly to the overall regional rebound.

For the Philippines, this comparative data reveals both progress and untapped potential. While the country has made notable strides in rebuilding its international tourism sector, it still trails in fully capturing the volume and growth momentum seen in other ASEAN destinations. This lag may be attributed to factors such as constrained air connectivity, less aggressive visa and travel facilitation policies, and ongoing perception gaps regarding destination competitiveness.

Given the strategic importance of RCEP economies, which represent some of the world’s most dynamic outbound tourism markets, the Philippines stands to gain significantly by

³³ Sources: Japan - <https://statistics.jnto.go.jp/en/graph/#graph--inbound--travelers--transition>; Australia <https://www.abs.gov.au/statistics/industry/tourism-and-transport/overseas-arrivals-and-departures-australia/latest-release#data-downloads>; China <https://www.unwto.org/tourism-statistics/tourism-data-inbound-tourism>; Statista; New Zealand- <https://www.tourismnewzealand.com/insights/tourism-data/>; South Korea - Statista; https://world.kbs.co.kr/service/news_view.htm?lang=e&Seq_Code=197259

strengthening its market positioning in these countries. This entails deepening diplomatic and trade ties, expanding direct air links, streamlining visa policies, and customizing tourism products to match the preferences of Chinese, Japanese, Korean, Australian, and New Zealand travelers. It also requires leveraging the Philippines’ cultural affinity with many of these countries (e.g., shared values with Japan and Korea or strong diaspora links with Australia and New Zealand) to boost visitor engagement and repeat visits.

In the broader context of ASEAN tourism recovery, increasing arrivals from RCEP markets will help drive more balanced and resilient growth across the region. For the Philippines, aligning more closely with these recovery trends is not just about catching up. It is about securing a stronger share of the future tourism economy in Asia-Pacific, where RCEP countries will remain key sources of both volume and value.

From Table 7, we can see that among RCEP economies, China stands out as the top performer in terms of tourism’s GDP contribution, employment generation, and international visitor expenditures, owing to its massive inbound and outbound tourism volumes. China’s strong domestic demand, robust infrastructure, and sustained investments in tourism have positioned it as a regional powerhouse, significantly influencing travel flows across Asia-Pacific. Other RCEP member economies, such as Japan, South Korea, Australia, and New Zealand, also posted solid figures in these indicators, though not at the same scale as China. These economies continue to leverage high-value tourism, seamless travel infrastructure, and strong regional partnerships to maintain their global competitiveness and support inclusive economic growth.

Table 7. RCEP economies GDP contribution, employment, and international visitor expenditures (2023)

RCEP Economies	GDP Contributions (In billion USD)	Employment (In millions)	International Visitor Expenditures (in billion USD)
China	1.30*	77.5	57.3
Japan	297.0	5.5	40.3
Australia	144.8	1.4	21.0
South Korea	64.9	1.3	18.6
New Zealand	46.0	351.2**	6.4

Note: *Trillion; **Thousands. All values are in constant 2023 prices and exchange rates.

Source: WTTC (2024).

In comparison, the Philippines demonstrates strength in tourism-related employment, ranking among the top in ASEAN, which reflects the sector’s critical role in job creation and livelihood support. However, international visitor expenditures remain comparatively modest, and tourism’s GDP share, while substantial domestically, has room to grow relative to regional RCEP benchmarks. This indicates a structural opportunity to enhance tourism’s economic returns through targeted reforms. To remain competitive with its RCEP peers and contribute meaningfully to the broader ASEAN tourism resurgence, we reiterate that the Philippines must scale up its strategic efforts. These include (1) diversifying and upgrading tourism products to appeal to high-value international markets; (2) enhancing visitor experience and connectivity, particularly through expanded air links and streamlined entry processes; (3) strengthening regional partnerships and travel agreements within RCEP and ASEAN; and (4) investing in infrastructure and sustainability initiatives to increase destination readiness and resilience.

By aligning its tourism development priorities with RCEP-driven trends, the Philippines can amplify its share in regional visitor flows, boost foreign exchange earnings, and reinforce its role as a key player in ASEAN’s tourism-driven growth.

4.1.5. NTDP 2023-2028 key features and alignment with PDP 2022-2028

The NTDP 2023-2028 and the PDP 2022-2028 converge on nine major strategic themes for tourism development, namely (1) improved tourism experience; (2) enhanced connectivity; (3) enriched education and workforce development; (4) authentic tourism experiences; (5) digitalization; (6) high value tourism; (7) enhanced tourism promotions; (8) sustainable and resilient tourism; and (9) greater collaboration between national and LGUs. Together, these themes articulate a unified vision for transforming Philippine tourism into a more competitive, inclusive, and future-ready sector.

Table 8. Key features of the NTDP 2023-2028 and alignment with PDP 2022-2028

Themes	NTDP 2023-2028	PDP 2022-2028
Improved tourism experience	<ul style="list-style-type: none"> Provide the best possible experience for travelers (i.e., showcasing the Filipino culture, clean facilities, reliable services, and hassle-free travel experiences from their arrival to their departure including experiences in transportation modes, hubs, terminals, and rest areas). 	<ul style="list-style-type: none"> Improve the quality of the Philippine tourism experience
Enhanced connectivity	<ul style="list-style-type: none"> Better air and sea connectivity for local and international destinations, transportation networks to link emerging and potential destinations. Barrier-free, frictionless travel (more liberal visa policies). 	<ul style="list-style-type: none"> Focus on infrastructure and transportation networks to link markets to one another; improved local and international connectivity including increased airport capacity, upgrading of ports and maritime safety.
Enriched education and workforce development	<ul style="list-style-type: none"> Enhance the human capital of the Philippine tourism industry through expansive training and education, institutionalizing the FBSE. Opportunities to train in 21st century skills (i.e., digital tourism management, AI, and sustainable tourism practices). 	<ul style="list-style-type: none"> Expansion of scholarship programs, including in technical and vocational education and training institutions.
Authentic tourism experiences	<ul style="list-style-type: none"> Connecting people for authentic experiences (i.e., integrating food and festivals, arts and crafts, traditions, and practices, with farms and heritage sites, developing halal/Muslim-friendly tourism, pilgrimage tourism, and heritage villages for our cultural communities. 	<ul style="list-style-type: none"> Diversification of product offering and improvement of experience by instituting accreditation protocols, improved access to physical and digital infrastructure; and developing technology parks, centers of creative excellence and innovation, creative talent hubs, and improved shared service facilities for MSMEs.
Digitalization	<ul style="list-style-type: none"> Mainstreaming of technological advances, including the development of a tourist lifecycle app and the use of financial technologies. 	<ul style="list-style-type: none"> Digital transformation of government services that will result in more efficient and faster service delivery to the people, more transparency, and

	<ul style="list-style-type: none"> • Improve internet connectivity (digital access) across destinations, enhance skills, systems, and infrastructure for the digitalization, gathering, and use of tourism data and the monitoring of tourism programs. 	fewer opportunities for corruption at various levels.
High value tourism	<ul style="list-style-type: none"> • Focus on domestic tourism, MICE and special events tourism, health wellness and medical tourism, lifestyle shopping and entertainment tourism, and domestic and international cruise tourism. • High value markets such as long- staying visitors: retirement, education, digital nomads, voluntourists, and gap year travelers. 	<ul style="list-style-type: none"> • High dependence on big spender markets (i.e., China market)
Enhanced tourism promotions	<ul style="list-style-type: none"> • Provision of relevant tourism information to domestic and international markets through aggressive and innovative campaigns, promotions, events, and the provision of tourist information centers and tourist rest areas. 	<ul style="list-style-type: none"> • Spearhead the active promotions of tourism, culture, creative industries and information technology and business process management sector.
Sustainable and resilient tourism	<ul style="list-style-type: none"> • Tourism development to more communities while raising industry standards • Resources to provide assistance in terms of disasters and/or rapid onset climate effects (ROCE) • Effective monitoring system for responsible tourism. 	<ul style="list-style-type: none"> • Promote sustainable, inclusive, and resilient multidimensional tourism - climate change commitments.
Greater collaboration between national and LGUs	<ul style="list-style-type: none"> • Strengthen collaborations among local, regional and national agencies and regional and global tourism development partners to enhance tourism development and competitiveness • Prioritization of tourism in the national agenda and rally the support of national agencies to improve industry competitiveness. 	<ul style="list-style-type: none"> • Inter-sectoral linkages to create synergies for more value-adding opportunities, expansion of products and markets, and more efficient delivery networks. • Bring LGUs in as equal partners in the development agenda of the country.

Source: Authors' compilation

Digitalization stands out as a flagship priority across both plans. The NTDP highlights the need to modernize the tourism ecosystem through enhanced digital connectivity, development of a tourist lifecycle app, expanded use of financial technology, and wider adoption of technology for data generation, analytics, and project monitoring. Parallel to this, the PDP underscores digitizing government systems to improve transparency, service efficiency, and public accountability, recognizing that digital transformation is foundational to building a seamless and responsive tourism sector. Both plans affirm that digital readiness is no longer optional. It is a prerequisite for global competitiveness.

Improving the Philippine tourism experience is another shared imperative. Both plans stress the critical role of connectivity, from world-class airports and modern seaports to improved road networks and digital infrastructure. The PDP acknowledges that weak connectivity remains a structural constraint, prompting a strong policy focus on expanding transport infrastructure to support commerce, jobs, and recreation. In alignment, the NTDP calls for

major infrastructure investments (e.g., roads, bridges, drainage, TRAs, primary and secondary gateways, maritime tourism highway). These inform the NTDP's proposal to review and amend the Tourism Act of 2009, particularly to mobilize larger funding streams and incentivize strategic tourism investments. Furthermore, the NTDP's push for barrier-free travel, including frictionless mobility and e-visa systems, reflects a commitment to enhancing ease of travel and improving visitor satisfaction.

Both the NTDP and PDP place substantial emphasis on workforce development. The PDP advances scholarship programs and education reforms, while the NTDP broadens this agenda to include expansive training and upskilling initiatives such as the institutionalization of the FBSE. Recognizing global shifts, the NTDP also identifies opportunities to build 21st century competencies, including digital tourism, AI, sustainable tourism management, and other emerging skills that will define the future tourism workforce.

The plans also converge on the importance of authentic, culturally rooted tourism experiences. Both highlight the Philippines' unique cultural assets (i.e., foodways including halal tourism, festivals, crafts, faith-based routes, heritage towns, indigenous knowledge systems, farm tourism). These priorities echoed Rivera and Andrada (2024), who advocate for linking emerging and potential destinations while sustaining established ones. Such an approach expands tourism's reach, elevates industry standards, and fosters inclusive growth across regions and communities.

Tourism promotion is another shared concern, with both plans calling for more aggressive and strategic marketing efforts, grounded in culture, creativity, and international positioning. The NTDP advocates for state-of-the-art promotions, pop culture leverage, film tourism, and evidence-based market development including MSME participation in campaigns and product development. This aligns with the PDP's focus on strengthening domestic and international visibility through research-backed promotion strategies.

Both plans also underscore the shift toward high-value tourism, recognizing that sector performance should be measured not by the sheer number of arrivals but by the quality of spending, length of stay, and depth of visitor engagement. The NTDP identifies premium segments (e.g., MICE, special events, health and wellness, medical tourism, lifestyle shopping and entertainment, and cruise travel) as priority niches capable of generating higher per-capita receipts. Complementing this, the NTDP also promotes long-staying markets (e.g., retirees, foreign learners, digital nomads, voluntourists, gap-year travelers), whose extended stays support local economies and diversify revenue streams.

Both plans reaffirm the critical role of domestic tourism, which proved to be the sector's stabilizing backbone during the pandemic and continues to drive demand in emerging destinations. Meanwhile, the PDP calls attention to China's pre-pandemic status as one of the world's largest tourism spenders, suggesting an opportunity to tap high-yield segments within this market. However, the re-engagement with China must be strategic and carefully managed focusing on quality-based, niche, and curated experiences rather than mass tourism models that strain destinations and dilute value capture. A calibrated approach ensures that high-value tourism remains aligned with sustainability goals and the carrying capacities of local communities.

Sustainability, resilience, and inclusivity thread consistently through both plans. They envision a tourism sector capable of adapting to crises, whether natural disasters, pandemics, or climate-

related disruptions, while generating jobs, distributing income equitably, and institutionalizing monitoring and accreditation systems that align with global standards. Incentivizing sustainable practices and responsible tourism behaviors is central to this future-ready agenda.

Finally, governance convergence emerges as a critical pillar. The PDP underscores the importance of integrating sectoral linkages and elevating LGUs as equal development partners. The NTDP echoes this by focusing on intergovernmental collaboration (i.e., local, regional, national) alongside strengthened partnerships with global development organizations, private sector, and communities. Stronger regional convergence platforms are envisioned to maximize the country’s full tourism potential.

4.2. Potential tourism product features

4.2.1. Ecotourism

We identify selected potential ecotourism product features and sites across the Philippines that, as of writing, exhibit high ecological, cultural, and community value yet remain underdeveloped or are only emerging in terms of infrastructure, visitor services, and market visibility. These features (i.e., ecotourism, culture and heritage tourism, and newer niche segments) were selected because they reflect strategic opportunities surfaced in the sector’s overall SWOT-TOWS analysis. They capitalize on the Philippines’ inherent strengths (i.e., biodiversity, cultural richness, and community traditions), respond to global shifts toward authentic and nature-based travel, and address persistent challenges such as spatial concentration of tourism, uneven regional development, and exposure to climate and market shocks. While the focus is on emerging and underdeveloped sites, it is equally important to acknowledge that even established destinations have exhibited lackluster performance in recent years. This signals the need to revisit not only new potential product areas but also long-standing tourism hubs whose competitiveness, carrying capacity conditions, and visitor experience quality may be stagnating. Reviewing both emerging and mature destinations allows for a more holistic and strategic recalibration of the national tourism portfolio under the National Ecotourism Strategy and Action Plan (NESAP 2023-2032). Ideally, this assessment should differentiate between new and returning tourists, as understanding the motivations and satisfaction levels of first-time versus repeat visitors provides valuable insights for product refinement, destination loyalty, and long-term market sustainability. However, due to current data limitations (e.g., insufficient disaggregation in visitor statistics, inconsistent monitoring of repeat visitation) such differentiation cannot be undertaken at this time. This underscores the need to strengthen tourism intelligence systems as part of future ecotourism planning and management. By examining the ecological significance, cultural value, community participation, and management readiness of both emerging and established destinations, this analysis identifies promising models for inclusive, sustainable, and scalable ecotourism and heritage development. These insights support diversification of product offerings, revitalization of underperforming sites, reduced pressure on congested attractions, and more regionally balanced growth. Table 9 presents the selected potential ecotourism product features that exemplify these opportunities.

Table 9. Selected potential ecotourism product features in the Philippines

Ecotourism site	Description
Puerto Princesa Underground River, Palawan	A UNESCO World Heritage Site and one of the New Seven Wonders of Nature; exemplifies a managed balance between conservation and visitation; strict carrying-capacity controls and environmental protocols protect its fragile

	cave system and endemic species, showcasing regulatory strength in ecotourism governance.
Iwahig River Firefly Watching, Palawan	Immerses visitors in mangrove ecosystems illuminated by fireflies; community-run operations integrate conservation, livelihood, and education, mirroring initiatives that advance both environmental stewardship and local prosperity.
Mt. Apo Trail and Summit View, Davao Region	Mount Apo is the Philippines' highest peak, anchors adventure-based ecotourism in Mindanao; offers diverse flora and fauna, including the endangered Philippine monkey eating eagle, but faces challenges in waste management and wildfire control, underscoring the need for improved resilience and visitor-impact monitoring.
Vayang Rolling Hills and Morong Beach, Batanes	A declared ecotourism zone, it combines natural beauty with cultural authenticity; traditional <i>Ivatan</i> stone houses and strong communal values underpin sustainable practices, although remoteness and limited connectivity constrain accessibility and visitor flow.
Batad Rice Terraces, Banaue	Carved by the Ifugao people centuries ago, reflect living heritage and ecological engineering; preservation depends on intergenerational knowledge transfer and adaptive agro-ecotourism management to counter youth migration and modernization pressures.
Whale Shark Interaction, Donsol, Sorsogon	Pioneered ethical wildlife tourism with strict "no-touch" and distancing protocols; replication across other regions must uphold these standards to maintain credibility and biodiversity protection.
Danjugan Island Sanctuary, Negros Occidental	Managed by the <i>Philippine Reef and Rainforest Conservation Foundation</i> integrating research, education, and habitat protection; low-volume, high-learning approach is a model for conservation-funded ecotourism; limited accessibility constrains market reach.
Bojo River Cruise, Aloguinsan, Cebu	A best practice in community-based ecotourism (CBET), linking environmental education, mangrove preservation, and livelihood generation through controlled visitor flows and interpretive guiding.
Cambuhad River Tour, Bohol	Jointly managed by LGUs, Non-Government Organizations (NGOs), Department of Environment and Natural Resources (DENR), and DOT, combines oyster aquaculture, river ecology interpretation, and cultural exchange; sustained success since earning the <i>Conservation International Excellence in Ecotourism Award</i> (2000) underscores the longevity of community-driven stewardship.

Source: Tabulated by the authors.

The examples presented above reveal that while the Philippines possesses a wealth of ecotourism assets, ranging from natural wonders and cultural landscapes to community-managed river and farm experiences, these sites vary widely in maturity, governance capacity, and infrastructure readiness. Some destinations (e.g., Palawan and Banaue) represent globally recognized models of sustainable management, while others (e.g., Danjugan Island, Bojo River Cruise) remain localized initiatives with high potential for replication. Collectively, these emerging ecotourism products highlight both the promise and the complexity of developing a truly sustainable tourism system.

To better understand the underlying dynamics shaping their future viability, the following SWOT (as seen in Table 10) and TOWS (as seen in Table 11) analyses outline the sector's internal strengths and weaknesses, external opportunities and threats, and the strategic pathways necessary to transform potential ecotourism resources into globally competitive, yet locally grounded experiences.

Table 10. SWOT analysis of Philippine ecotourism

Dimension	Key insights
Strengths	<ul style="list-style-type: none"> • Vast biodiversity and varied ecosystems • Presence of UNESCO World Heritage Sites and globally recognized ecotourism areas • Strong community participation in CBET • Existing policy backbone through NESAP 2023-2032 • Increasing domestic awareness of sustainable travel
Weaknesses	<ul style="list-style-type: none"> • Fragmented governance across DOT, DENR, and LGUs • Weak enforcement of carrying-capacity and waste-management standards • Infrastructure and access limitations in rural ecotourism zones • Lack of standardized eco-guide training and accreditation • Reliance on seasonal and low-spending markets
Opportunities	<ul style="list-style-type: none"> • Growing global demand for responsible and wellness travel • Integration of climate adaptation and carbon-offset programs • Access to green finance and eco-certification schemes • Digital storytelling for indigenous and heritage destinations • Creation of multi-regional ecotourism circuits
Threats	<ul style="list-style-type: none"> • Climate-related risks (erosion, coral bleaching, biodiversity loss) • Overtourism in fragile areas • Cultural commodification and authenticity loss • Disaster exposure and security concerns • Strong competition from neighboring ASEAN markets

Source: Tabulated by the authors.

Table 11. TOWS analysis of Philippine ecotourism

Strategy	Strategic options	Policy implications
S-O	<ul style="list-style-type: none"> • Utilize globally recognized ecotourism sites as anchors for premium green-travel circuits targeting high-value markets. • Expand community-based models (Bojo, Cambuhat) as national templates under NESAP 2023-2032. • Integrate biodiversity areas into carbon-credit and green-investment initiatives. • Leverage digital marketing to showcase indigenous and conservation narratives. 	<ul style="list-style-type: none"> • Launch national Green Destination Labeling Program. • Strengthen DOT-DENR accreditation linkages. • Develop regional ecotourism investment plans. • Promote eco-heritage storytelling via creative-industry partnerships.
W-O	<ul style="list-style-type: none"> • Address infrastructure gaps through eco-friendly transport and waste-management systems. • Institutionalize eco-guide certification and training. • Harmonize inter-agency data through a National Ecotourism Information System. • Mobilize green finance mechanisms for local enterprises. 	<ul style="list-style-type: none"> • Include ecotourism in the Public Investment Program (PIP). • Activate TIEZA funding for green facilities. • Create blended-finance windows for CBET projects. • Establish national eco-skills standards.
S-T	<ul style="list-style-type: none"> • Apply existing conservation mandates to reinforce climate-resilient destination planning. 	<ul style="list-style-type: none"> • Embed risk-sensitive tourism planning in RDC processes.

	<ul style="list-style-type: none"> • Deploy visitor-management technologies to curb overtourism. • Codify responsible wildlife tourism guidelines based on the Donsol model. • Promote authenticity and local ownership to resist commercialization. 	<ul style="list-style-type: none"> • Implement real-time visitor-tracking systems. • Issue DOT-DENR joint circulars on wildlife interaction standards. • Include climate-risk indicators in accreditation.
W-T	<ul style="list-style-type: none"> • Establish an inter-agency National Ecotourism Council (NEC) to clarify mandates. • Create biodiversity and disaster-response funds for LGUs. • Enhance enforcement to combat illegal trade and habitat loss. • Strengthen community education and behavior-change campaigns. 	<ul style="list-style-type: none"> • Amend RA 9593 and RA 7586 to streamline jurisdictions. • Institutionalize contingency funds in the General Appropriations Act (GAA). • Support citizen-science monitoring programs. • Expand Information, Education, and Communication (IEC) initiatives on responsible tourism.

Source: Tabulated by the authors.

The results of our SWOT and TOWS analyses underscore several critical insights for advancing Philippine ecotourism from a collection of promising projects into an integrated national strategy for inclusive green growth, as seen in Table 12.

Table 12. Strategic takeaways from SWOT-TOWS analysis of ecotourism

Policy direction	National strategy
Leverage natural and cultural capital through differentiation	The Philippines' biodiversity and indigenous heritage offer unmatched storytelling opportunities that can distinguish the country in an increasingly crowded ASEAN ecotourism market; strategic branding that connects ecological conservation with cultural authenticity, such as the <i>Ivatan</i> heritage of Batanes or the <i>Ifugao Rice Terraces</i> , should serve as a foundation for experiential and educational travel.
Institutionalize governance and convergence mechanisms	Sustainable ecotourism requires strong inter-agency coordination among the DOT, DENR, LGUs, and protected-area boards; establishing a NEC or similar coordinating body can harmonize standards, streamline approvals, and ensure coherent policy enforcement from national to local.
Invest in green infrastructure and community competence	Priority should be given to eco-friendly transport, renewable energy, and waste-management systems in ecotourism zones, alongside skills development for eco-guides, homestay operators, and conservation enterprises; such investments improve both environmental performance and visitor satisfaction.
Scale and replicate successful community-based models	Sites like Bojo River and Cambuhat River demonstrate that locally owned tourism enterprises can thrive with institutional support and equitable benefit-sharing; replicating these models through NESAP implementation and targeted TIEZA or Corporate Social Responsibility (CSR) funding will expand the reach of ecotourism's socioeconomic benefits.
Strengthen climate and disaster resilience	Given the Philippines' exposure to climate hazards, destination management plans must integrate risk-sensitive tourism planning, adaptive zoning, and biodiversity monitoring; establishing biodiversity and

	disaster-response funds for LGUs will safeguard both livelihoods and ecosystems.
Promote ethical, market-responsive ecotourism	As global travelers become more discerning, the Philippines must emphasize ethical wildlife interaction, carbon-neutral operations, and sustainability certifications; partnerships with creative industries and digital platforms can amplify these messages through compelling narratives that inspire responsible travel behavior.
Mobilize finance for green growth	Blended financing, through eco-certification incentives, green bonds, and public-private partnerships, can channel investments toward conservation enterprises and infrastructure while reducing fiscal pressures on government budgets.

Source: Tabulated by the authors.

Thus, the Philippine ecotourism landscape is rich in potential but constrained by governance fragmentation, infrastructural limits, and climate risks. A forward-looking policy framework that unites ecological integrity, community participation, and green innovation will enable the country to move beyond isolated success stories (see Appendix 5) and toward a cohesive regenerative tourism model. By aligning national policies with local stewardship and global sustainability standards, the Philippines can emerge not just as a tourism destination but as a regional leader in responsible and climate-resilient ecotourism.

4.2.2. Cultural and heritage tourism

Table 13. Selected potential heritage tourism product features in the Philippines

Heritage tourism site	Description
Baroque churches of the Philippines	Comprised of San Agustin (Manila), Paoay (Ilocos Norte), Miag-ao (Iloilo), and Santa Maria (Ilocos Sur); inscribed on the UNESCO World Heritage List in 1993; represent a Filipino adaptation of European Baroque architecture, blending Spanish colonial design with indigenous materials and local craftsmanship; together, they embody a synthesis of faith, architecture, and national identity, and continue to attract cultural pilgrims and scholars worldwide.
Mount Samat National Shrine (Dambana ng Kagitingan), Bataan	Commemorates the heroism of Filipino and American soldiers during World War II; its towering memorial cross and museum complex evoke narratives of bravery and solidarity, offering both educational and commemorative tourism opportunities; complements the nation's heritage trail system linking war sites, monuments, and museums that define the Philippines' struggle for freedom and nationhood.

Local artistry and cultural expressions (Material culture³⁴)

Cultural heritage in the Philippines also thrives through traditional crafts, attire, and performing arts, many of which remain community-based and intergenerationally transmitted; illustrate the country's living heritage, where communities sustain cultural practices that are economically viable, socially inclusive, and environmentally conscious.

- Basey Town, Samar is famed for its *banig* (mat) weaving tradition, soon to be institutionalized through House Bill 6566 declaring it the Banig Capital of the Philippines; integrates creativity, livelihood, and women's empowerment, while forming part of the Tandaya Trail eco-cultural route in Eastern Visayas.
- The Maranao *malong*, a brightly colored tubular garment, represents the cultural identity and dignity of the Maranao people of Mindanao; versatility as clothing, ceremonial attire, or household item reflects the adaptive continuity of indigenous design.
- *T'nalak* weaving, practiced by the T'boli *dreamweavers* of Lake Sebu, South Cotabato, manifests spiritual artistry inspired by ancestral dreams and the guardian spirit Fu Dalu; intricate abaca fabric embodies both sacred tradition and sustainable livelihood.
- Paete, Laguna (the country's woodcarving capital) continues to produce religious and contemporary sculptures, preserving craftsmanship that dates back to the Spanish colonial era; artisans' works are celebrated for their aesthetic precision and cultural symbolism, making Paete an anchor for creative-industry tourism in CALABARZON.

Source: Tabulated by the authors.

We highlight selected potential and emerging cultural and heritage tourism product features in the Philippines that reflect the nation's deep historical roots, artistic traditions, and intangible cultural wealth. While several heritage sites, such as the Baroque Churches of the Philippines, are internationally recognized, many equally valuable cultural landscapes, artisan towns, and indigenous traditions remain underdeveloped, fragmented, or lacking adequate promotion. The discussion focuses on sites and practices that hold promise for inclusion in future cultural and heritage circuits, as envisioned in the Philippine Heritage Tourism Program and the NTDP 2023-2028. These emerging destinations embody the dynamic relationship between culture and tourism, linking preservation, education, and livelihood creation, and demonstrate how cultural assets can become catalysts for inclusive and sustainable local development. Table 13 highlights these selected potential heritage tourism product features.

The foregoing cases demonstrate that Philippine heritage tourism extends beyond static monuments to encompass living traditions, community crafts, and historical narratives that shape Filipino identity. While the country possesses globally recognized heritage icons, its broader cultural landscape remains fragmented, with many potential sites under-marketed or lacking coherent conservation frameworks. To chart a clear path toward developing these assets into inclusive and sustainable tourism products, the following SWOT (as seen in Table 14) and

³⁴ The NTDP explicitly recognizes material culture (i.e., weaving, crafts, cuisine, rituals, indigenous knowledge) as core tourism assets under its pillar on Community-Centered Tourism and Cultural Preservation. It encourages community-led product development to ensure that cultural expressions are safeguarded while generating livelihood opportunities. This recognition is also reflected in various LGU policies. For example, South Cotabato's indigenous people (IP) ordinance requires community consent for the use of traditional weaves; Ifugao has enacted heritage ordinances regulating tourist behavior within ancestral domains; and Bohol implements a heritage code protecting built heritage such as old churches and traditional loom weaving. These national and local measures collectively demonstrate how material culture is formally integrated into tourism governance.

TOWS (as seen in Table 15) analyses assess the internal and external factors influencing the growth of heritage tourism and propose strategic directions for its integration into the national tourism framework.

Table 14. SWOT analysis of Philippine heritage tourism

Dimension	Key Insights
Strengths	<ul style="list-style-type: none"> Rich tangible and intangible heritage (UNESCO sites, crafts, rituals, and architecture). Strong cultural identity and community pride. Presence of national and local heritage institutions (National Commission for Culture and the Arts [NCCA], National Historical Commission of the Philippines [NHCP], DOT). Growing interest in heritage education and pilgrimage tourism. Active creative sector linking arts and tourism.
Weaknesses	<ul style="list-style-type: none"> Fragmented governance and limited coordination among DOT, NCCA, NHCP, and LGUs. Inadequate restoration funding and maintenance skills. Lack of heritage-tourism infrastructure (interpretive centers, signage, digital archives). Weak promotion of emerging heritage towns beyond major UNESCO sites. Limited community capacity for heritage entrepreneurship.
Opportunities	<ul style="list-style-type: none"> Rising global demand for authentic and educational experiences. Digital heritage platforms (virtual tours, Augmented Reality/Virtual Reality [AR/VR] storytelling). Partnerships with creative industries (film, design, gastronomy). Integration with faith tourism and cultural festivals. Potential for UNESCO nomination of additional sites (e.g., Calle Crisologo, Lake Sebu).
Threats	<ul style="list-style-type: none"> Urbanization and unregulated development around heritage zones. Climate-related risks (flooding, earthquakes, typhoons). Loss of traditional skills and craft knowledge due to out-migration. Commercialization and cultural dilution in mass tourism areas. Insufficient disaster-risk management for heritage structures.

Source: Tabulated by the authors.

Table 15. TOWS analysis of Philippine heritage tourism

Strategy	Strategic options	Policy implications
S-O	<ul style="list-style-type: none"> Capitalize on the UNESCO brand and strong cultural identity to develop heritage corridors (e.g., Ilocos-Manila-Visayas routes). Promote digital heritage tours and creative storytelling to reach younger audiences. Use community pride and artistry to expand cultural industries and craft villages. Integrate faith and pilgrimage tourism to sustain religious sites. 	<ul style="list-style-type: none"> Launch the National Heritage Tourism Corridor Program Develop digital archives and AR/VR applications in partnership with creative start-ups. Support heritage-based MSMEs through DOT and Department of Trade and Industry (DTI) grants.

W-O	<ul style="list-style-type: none"> • Address infrastructure gaps through heritage conservation zones and adaptive-reuse projects. • Enhance coordination between heritage and tourism agencies via a joint policy platform. • Institutionalize training for heritage guides, restorers, and interpreters. • Mobilize green finance and CSR funds for restoration. 	<ul style="list-style-type: none"> • Include heritage projects in the PIP. • Create a National Heritage Training Institute • Formulate PPP schemes for adaptive reuse of historic buildings.
S-T	<ul style="list-style-type: none"> • Leverage institutional mandates to strengthen disaster-risk management and climate adaptation plans for heritage sites. • Use cultural identity and creative industries to counter cultural homogenization. • Apply heritage impact assessments before urban development approvals. • Incorporate heritage into national climate and resilience frameworks. 	<ul style="list-style-type: none"> • Develop heritage-specific Disaster Risk Reduction and Management (DRRM) guidelines under NCCA and DOT. • Require impact assessments for infrastructure near heritage zones • Integrate cultural resilience in the Philippine Disaster Risk Reduction Plan.
W-T	<ul style="list-style-type: none"> • Create a Unified Cultural Heritage Authority or Council for policy coherence. • Establish heritage insurance and restoration funds. • Launch awareness campaigns to combat neglect and commercial exploitation. • Implement heritage education curricula in schools and LGU capacity programs. 	<ul style="list-style-type: none"> • Amend RA 10066 (National Cultural Heritage Act) to strengthen tourism linkages. • Institutionalize a Heritage Preservation Fund in the GAA. • Develop citizen-heritage volunteer networks and digital crowdsourcing projects.

Source: Tabulated by the authors.

Our SWOT and TOWS analyses reveal that Philippine cultural and heritage tourism stands at a critical juncture between preservation and modernization. The sector’s greatest asset, its unparalleled diversity of cultural expressions, can become its strongest economic engine if supported by coherent policy and sustainable funding, as seen in Table 16.

Table 16. Strategic takeaways from SWOT-TOWS analysis of heritage tourism

Policy direction	National strategy
Heritage as a development driver	Cultural assets can anchor regional tourism circuits that stimulate MSME growth, heritage-based entrepreneurship, and creative-industry innovation.
Integrated governance	A unified framework linking DOT, NCCA, NHCP, and LGUs is vital for efficient planning, conservation, and promotion.
Digital and creative transformation	Technology-enabled interpretation through virtual museums, interactive archives, and storytelling can broaden access and engage younger audiences.
Resilience and safeguarding	Climate-proofing heritage sites, enforcing heritage-impact assessments, and training local restorers are essential to protect both tangible and intangible assets.

Community empowerment	Cultural tourism should empower custodians (i.e., indigenous artisans, local historians, faith communities) ensuring equitable benefits and cultural integrity.
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Source: Tabulated by the authors.

Hence, Philippine cultural and heritage tourism can evolve into a regenerative pillar of national identity and inclusive growth if cultural preservation, education, and creative innovation are pursued in balance. By valuing heritage not only as memory but also as a living economic resource, the Philippines can position itself as Asia’s center for heritage-based, community-driven tourism.

4.2.3. Emerging niches (culinary, farm, adventure, geo, dark, medical tourism)

The diversification of Philippine tourism beyond traditional sun-and-sea destinations has given rise to several emerging niche markets that appeal to specialized traveler motivations, including gastronomy, farm experiences, adventure activities, heritage remembrance, and health and wellness. These new tourism frontiers reflect changing global trends where visitors seek immersive, educational, and meaningful experiences that connect them with local culture, sustainability, and personal wellbeing. In this section, we focus on potential and developing niche products (i.e., culinary, farm, adventure, dark, and medical tourism) that demonstrate growing domestic and international demand. These niches not only diversify the country’s tourism portfolio but also provide inclusive livelihood opportunities and strengthen regional identities under the broader goals of the NTDP 2023-2028. Table 17 highlights these selected potential emerging niche tourism product features.

Table 17. Selected potential niche tourism product features in the Philippines

Niche site	Description
Culinary tourism	<p>DOT identified gastronomy tourism as a strategic pillar for destination differentiation. Pilot programs were launched in Bohol, Iloilo, and Benguet (provinces with rich culinary traditions, strong agricultural bases, and active creative sectors).</p> <ul style="list-style-type: none"> Iloilo is celebrated for iconic dishes like La Paz Batchoy and Pancit Molo, complemented by local seafood dining and biscocho as a signature pasalubong product. Bohol’s Loboc River Cruise combines dining, music, and nature, offering visitors a holistic sensory experience that ties food to culture and environment. <p>These examples illustrate how gastronomy can serve as a bridge between tourism, agriculture, and cultural identity, making culinary tourism a potential flagship product for regional development.</p>
Farm tourism	<p>Represents a synergy between agriculture and hospitality, enabling visitors to experience rural life while supporting farmers’ livelihoods. Through Department of Agriculture (DA)-DOT collaboration, model destinations such as Garin Farm, Damires Hills, and Ephrathah Farm in Iloilo; La Trinidad Strawberry Farm and Northern Blossom Flower Farm in Benguet; Malagos Garden Resort in Davao; and Costales Nature Farms in Laguna have emerged as rural learning hubs. These sites blend agricultural education with leisure, through activities such as crop picking, farm-to-table dining, agri-craft workshops, and eco-recreation. The integration of sustainable farming practices (e.g., organic and regenerative methods) positions farm tourism as a climate-smart and inclusive subsector.</p>
Adventure tourism	<p>The Philippines’ topography offers limitless opportunities for adventure and outdoor recreation (e.g., canyoneering at Kawasan Falls in Cebu, spelunking in Sagada, All-</p>

	<p>Terrain Vehicle (ATV) rides around Mayon Volcano, ziplining in Batangas). These activities cater to younger and more active markets, aligning with the global post-pandemic shift toward wellness, fitness, and nature-based recreation. Adventure tourism also complements the Philippines’ image as a biodiversity-rich destination but requires strong safety standards and environmental management to prevent resource degradation.</p>
Dark tourism	<p>Emerging interest in dark tourism (i.e., visiting sites linked to tragedy or remembrance) reflects travelers’ growing curiosity about history and collective memory. Notable examples include:</p> <ul style="list-style-type: none"> • The Liberty Shrine in Mactan, Cebu, commemorating Lapu-Lapu’s victory over Magellan; • Camiguin’s Sunken Cemetery, a serene monument to resilience after volcanic eruptions; and • Corregidor Island, a World War II heritage site embodying courage and sacrifice. <p>These destinations offer opportunities for reflection and education, while expanding the scope of Philippine heritage interpretation beyond celebration to remembrance.</p>
Medical tourism	<p>The Philippines continues to build on its reputation as a regional hub for affordable, high-quality healthcare. Facilities such as St. Luke’s Medical Center, The Medical City, and Asia-Pacific Eye Center provide world-class services supported by highly trained English-speaking professionals. DOT-accredited hospitals offer coordinated care for international patients, integrating hospitality, recovery assistance, and travel management. Medical tourism has strong potential to attract affluent, long-staying visitors and generate service exports, especially when linked with wellness, retirement, and spa tourism.</p>

Source: Tabulated by the authors.

The selected emerging tourism niches outlined above reveal the broadening of the Philippine tourism landscape, from conventional leisure destinations to specialized markets driven by culture, wellness, sustainability, and experiential learning. However, while these niches demonstrate strong potential, most remain nascent and unevenly developed, constrained by fragmented regulation, limited market data, and weak infrastructure. The following SWOT (as seen in Table 18) and TOWS (as seen in Table 19) analyses synthesize the internal and external factors affecting these sub-sectors and outline strategic options for scaling them into viable engines of inclusive, resilient, and diversified tourism growth.

Table 18. SWOT analysis of Philippine niche tourism

Dimension	Key insights
Strengths	<ul style="list-style-type: none"> • Expanding portfolio of niche experiences aligned with global trends (culinary, adventure, wellness) • Strong cultural foundations, local creativity, and community participation. • Public–private partnerships (DOT–DA, DOT–DOH) enabling cross-sector collaboration. • High English proficiency and hospitable workforce. • Rich natural and agricultural resources suited to experiential tourism.
Weaknesses	<ul style="list-style-type: none"> • Fragmented promotion and lack of unified branding across niche markets. • Limited safety standards, certifications, and data for adventure and farm tourism. • Insufficient training and quality assurance for culinary and wellness experiences.

	<ul style="list-style-type: none"> • Weak connectivity and infrastructure in rural areas. • Low private investment in niche tourism products outside urban centers.
Opportunities	<ul style="list-style-type: none"> • Rising global demand for authentic, sustainable, and wellness-driven travel. • Integration of gastronomy and farm tourism through local supply chains. • Development of multi-niche tourism circuits (e.g., food + farm + culture). • Increased use of digital platforms and influencer marketing for niche promotion. • Potential for medical and retirement tourism to drive service exports.
Threats	<ul style="list-style-type: none"> • Climate-related disruptions affecting agriculture and adventure destinations. • Market volatility and slow recovery of high-spending tourists. • Competition from established ASEAN niche tourism leaders (Thailand, Vietnam, Malaysia). • Risk of cultural dilution or unsustainable commercialization. • Regulatory overlaps across agencies (DOT, DOH, DA, DTI).

Source: Tabulated by the authors.

Table 19. TOWS analysis of Philippine niche tourism

Strategy	Strategic options	Policy implications
S-O	<ul style="list-style-type: none"> • Package niche experiences into thematic tourism circuits (e.g., “From Farm to Fork,” “Faith and Food Trails,” “Adventure and Wellness Loop”). • Leverage inter-agency partnerships to expand training and investment in farm and medical tourism. • Promote the Philippines as an ASEAN center for sustainable gastronomy and health tourism. • Foster collaboration with creative industries for digital storytelling. 	<ul style="list-style-type: none"> • Develop the National Niche Tourism Program under NTDP. • Create unified branding campaigns (e.g., <i>Flavors of the Philippines, Fields of Wellness</i>). • Strengthen PPP incentives for niche infrastructure.
W-O	<ul style="list-style-type: none"> • Address infrastructure and training gaps in farm and adventure tourism. • Institutionalize certification systems for safety, quality, and sustainability across niche sectors. • Expand market intelligence and data collection for emerging segments. • Encourage MSME participation via grants and digital platforms. 	<ul style="list-style-type: none"> • Establish a National Tourism Observatory for Niche Markets. • Include niche tourism projects in the TEZ pipeline. • Integrate farm-to-fork supply chain programs under DA–DOT collaboration.
S-T	<ul style="list-style-type: none"> • Use strong inter-agency alliances to implement climate adaptation and safety standards. • Differentiate Philippine niche tourism through cultural authenticity and community ownership. • Strengthen destination resilience to protect from climate shocks and overtourism. • Highlight ethical and sustainable practices as unique selling points. 	<ul style="list-style-type: none"> • Integrate risk management and sustainability audits into accreditation. • Adopt green certification for culinary and adventure destinations. • Include resilience targets in NTDP and regional tourism plans.

W-T	<ul style="list-style-type: none"> • Create a multi-agency task force to harmonize niche tourism regulations. • Prioritize disaster preparedness and insurance for high-risk adventure sites. • Launch heritage integrity and culinary authenticity campaigns. • Promote capacity-building for local governments managing rural and medical tourism clusters. 	<ul style="list-style-type: none"> • Institutionalize joint circulars among DOT, DA, DOH, and DTI. • Establish a Tourism Safety Council to oversee adventure activities • Include niche tourism resilience indicators in local planning tools.
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Source: Tabulated by the authors.

The emerging tourism niches of the Philippines showcase its adaptability to evolving global trends and its potential to become a multi-dimensional tourism economy. However, to fully capitalize on these opportunities, the country must invest in coherence, capability, and competitiveness, as indicated in Table 20.

Table 20. Strategic takeaways from SWOT-TOWS analysis of niche tourism

Policy direction	National strategy
Diversification as strength	Niche markets can buffer the tourism industry against shocks by spreading economic benefits across different sectors and regions.
Governance integration	Stronger coordination among DOT, DA, DOH, and DTI is essential to align niche tourism development with agriculture, health, and creative-economy policies.
Quality, safety, and sustainability	Institutionalizing accreditation, certification, and resilience planning will enhance visitor confidence and international competitiveness.
Inclusive growth through community participation	Farm and culinary tourism, in particular, must be designed to empower local producers, women, and small entrepreneurs.
Global positioning	The Philippines can differentiate itself by emphasizing cultural authenticity, wellness, and sustainability, offering immersive experiences that combine recreation, reflection, and regeneration.

Source: Tabulated by the authors.

Therefore, the continued development of culinary, farm, adventure, dark, and medical tourism will not only enrich the country’s tourism portfolio but also advance the national vision of inclusive, resilient, and globally competitive tourism growth.

4.2.4. Digital and experiential innovations (smart, tech-enabled tourism services)

The Philippines’ tourism digitalization push is shifting the visitor journey from analog and fragmented to seamless, data-informed, and experience-centric. Flagship initiatives by the DOT and Tourism Promotions Board (TPB) such as the Travel PH app, platform partnerships (e.g., Klook), Tourist Assistance Call Center/Hotline, and Hop-On Hop-Off (HOHO) mobile platform signal a coordinated move toward smart trip planning, frictionless booking and payments, real-time assistance, and curated, bookable experiences.

Pilots in destinations like Bohol, Iloilo, and Benguet demonstrate how digital tools can amplify gastronomy, farm, and culture-based products, while supporting MSME onboarding, supply-chain integration, and inclusive participation. As DOT explores collaborations on digital payments, MSME capability-building, and data analytics, the next frontier is turning these tools

into an interoperable ecosystem that protects privacy, widens access, and converts travel data into destination intelligence, thereby enhancing the visitor experience.

Early wins are evident in areas like single-window discovery and booking, richer content and curation, responsive helpdesks, and city-scale mobility services. However, implementation remains uneven across regions; standards, data-sharing, and cybersecurity are still maturing, and MSMEs vary widely in digital readiness.

To move from discrete tools to a connected smart-tourism system, the following SWOT (Table 21) and TOWS (Table 22) analyses synthesize internal capabilities and external pressures, translating them into actionable policy and program options (Table 23).

In alignment with the strategic priorities of the NTDP and the PDP, the Philippines has initiated key digitalization efforts in the tourism sector. These include the development of a tourist lifecycle app and the use of financial technology for transactions. However, these efforts have yet to fully capitalize on the potential for robust data collection, quality assurance, and coordinated governance due to a fragmented digital landscape.

The recent passage of the E-Governance Act of 2025 (RA 12254) provides a pivotal policy framework to overcome this challenge by enabling the integration of government systems. This presents a crucial opportunity for the DOT to transition from isolated digital tools to a fully interoperable ecosystem. This shift would facilitate a more strategic approach to gathering tourism statistics, monitoring project value, and ensuring effective governance, ultimately fulfilling a central NTDP goal of implementing frictionless travel policies and promoting a seamless, barrier-free experience for all tourism stakeholders.

Table 21. SWOT analysis of Philippine digital and experiential tourism

Dimension	Key insights
Strengths	<ul style="list-style-type: none"> • Active DOT/TPB leadership and growing suite of tools (Travel PH, Hotline, HOHO). • Strong private-sector platforms and payment rails; high English proficiency and social-media adoption. • Clear demand for curated, bookable experiences (culinary, farm, culture, adventure). • Early MSME onboarding and content pipelines in pilot provinces.
Weaknesses	<ul style="list-style-type: none"> • Fragmented systems (booking, ticketing, CRM, support) and variable data standards. • Uneven connectivity and digital skills outside key urban centers; MSME capability gaps. • Limited shared analytics; nascent data governance, privacy, and consent practices. • Accessibility gaps (User Experience [UX], language, inclusive design) and inconsistent after-sales support.
Opportunities	<ul style="list-style-type: none"> • Interoperability across discovery–booking–payments–mobility–support via open APIs. • AI for trip personalization, demand forecasting, and service recovery; Augmented Reality for interpretation. • Cash-lite/contactless travel; tourism “super-app” bundles and multi-niche circuits.

	<ul style="list-style-type: none"> Public–private data collaboratives for destination management and MSME insight.
Threats	<ul style="list-style-type: none"> Cybersecurity and fraud risks; reputational damage from outages/data breaches. Platform dependency and high commissions squeezing MSME margins. Digital divide excluding rural/indigenous communities; trust and privacy concerns. Rapid tech shifts outpacing regulation and procurement cycles.

Source: Tabulated by the authors.

Table 22. TOWS analysis of Philippine digital and experiential tourism

Strategy	Strategic options	Policy implications
S-O	<ul style="list-style-type: none"> Scale Travel PH into a federated hub that deep-links to HOHO, venue ticketing, protected-area permits, and city passes. Embed open- Application Programming Interface (API) standards so private OTAs, payment providers, transport and attractions plug in easily. Launch Smart Circuits (e.g., Farm-to-Fork Iloilo; Bohol River; Heritage; Benguet Agro-Floral) with bookable bundles and time-slotted capacity. 	<ul style="list-style-type: none"> Issue a DOT Interoperability and Open- API Guideline; require it in funded projects. Create a Digital Circuit Accelerator (content grants, photography, translation, onboarding) Tie HOHO and city passes to dynamic inventory and Quick Response verification.
W-O	<ul style="list-style-type: none"> Stand up a Tourism Data Trust for privacy-preserving analytics across DOT/TPB/LGUs/partners. National Digital Skills for Tourism MSMEs: storefront setup, payment, Customer Relationship Management, reviews, accessibility by design. Rural connectivity and device-sharing pilots; assisted booking kiosks in TRAs and LGU hubs. 	<ul style="list-style-type: none"> Publish a Tourism Data Governance Code (consent, minimization, retention, Data Protection Impact Assessments [DPIA]). Fund MSME micro-grants/vouchers for Point of Sale, booking widgets, accessibility audits. Co-invest with LGUs/TIEZA in Tourism Digital Hubs and last-mile Wi-Fi.
S-T	<ul style="list-style-type: none"> Hardening and business-continuity for Travel PH/Hotline/HOHO; incident response playbooks. Promote multi-homed distribution (official and private channels) to reduce platform risk. Build trust labels (verified operator, inclusive design, secure payments). 	<ul style="list-style-type: none"> Adopt National Institute of Standards and Technology (NIST)-Philippines aligned cybersecurity baselines; require third-party penetration tests. Create a Verified Tourism Operator seal tied to Know Your Client, insurance, and Service-Level Agreement (SLA) metrics. Establish an Uptime and Service Quality Dashboard (public-facing).
W-T	<ul style="list-style-type: none"> Standardize safety and support: 24/7 triage, multilingual chat, offline fallbacks (Short Message Service, kiosks). 	<ul style="list-style-type: none"> Draft Tourism Digital Consumer Protection Rules (pricing transparency, refunds, dark-pattern bans).

<ul style="list-style-type: none"> • Cap commission rates in public-supported marketplaces; promote direct booking widgets for MSMEs. • Regulate dark-pattern UX and abusive data practices; require accessibility compliance. 	<ul style="list-style-type: none"> • Offer a free Direct-Booking Toolkit (widgets, calendars, payment links). • Adopt Web Content Accessibility Guidelines (WCAG)-AA accessibility for all DOT/TPB apps; audit compliance annually.
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Source: Tabulated by the authors.

Table 23. Strategic takeaways from SWOT-TOWS analysis of digital and experiential tourism

Policy direction	National strategy
Interoperability is key	<ul style="list-style-type: none"> • Move from siloed apps to a connected stack (discovery, booking, payment, mobility, support) via open APIs, common identifications, and shared data vocabularies. Make interoperability a condition for public funding.
Data governance builds trust and insight	<ul style="list-style-type: none"> • Establish a Tourism Data Trust with clear consent flows, DPIAs, and role-based access. Use privacy-preserving analytics to inform capacity management, dispersal strategies, and service recovery, without over collecting data.
Level up MSMEs, not just platforms	<ul style="list-style-type: none"> • Pair tech rollouts with skills, content, and capital: micro-grants for onboarding, accessible UX templates, translation/localization, and review-management coaching. Put assisted digital services in TRAs and LGU tourism centers.
Resilience and security are core UX	<ul style="list-style-type: none"> • Bake in cybersecurity, uptime SLAs, offline fallbacks, and multilingual human support. One breach or prolonged outage erodes adoption across the ecosystem.
Measure what matters	<ul style="list-style-type: none"> • Track a small set of outcome KPIs: digital conversion rate, assisted-booking share, MSME revenue uplift, Net Promoter Score/ Customer Satisfaction Score, issue-resolution time, accessibility compliance, uptime, and regional adoption (urban vs rural).
Inclusive by design	<ul style="list-style-type: none"> • Require WCAG-AA accessibility, language support, low-bandwidth modes, and cash-lite and cash-friendly fallbacks. Digital transformation must reduce, not widen, the divide.
De-risk platform dependency	<ul style="list-style-type: none"> • Encourage multi-channel distribution and provide free direct-booking toolkits so MSMEs keep margin and data, while official platforms focus on quality assurance, trust, and wayfinding.

Source: Tabulated by the authors.

Overall, the Philippines’ move toward digital and experiential tourism marks a defining shift in how destinations are managed, promoted, and experienced. Through innovations like the Travel PH app, the Klook partnership, and the Hop-On Hop-Off system, the country is laying the groundwork for a smart tourism ecosystem that connects travelers, businesses, and communities through technology. Yet digitalization must remain human-centered, balancing efficiency with empathy, data with privacy, and automation with authentic connection. By institutionalizing interoperability, strengthening cybersecurity and inclusivity, and capacitating MSMEs across regions, the Philippines can transform digital tourism from a convenience tool into a strategic enabler of competitiveness, inclusivity, and national pride. The challenge ahead lies not only in adopting technology but in using it to tell the Filipino story better, serve travelers smarter, and ensure that innovation empowers every community that welcomes them.

4.3. Mapping tourism circuits and clusters

Tourism circuits and clusters lie at the heart of the Philippines’ evolving spatial tourism strategy. They provide integrated, theme-based travel experiences that connect destinations within and across regions, transforming fragmented attractions into cohesive journeys that reflect shared ecological, cultural, or market identities. By improving connectivity, curating thematic linkages, and engaging local stakeholders, circuits strengthen regional competitiveness, visitor dispersal, and community inclusion. Guided by the NTDP 2023-2028, the DOT, LGUs, and private partners have begun consolidating multiple initiatives, from Luzon’s heritage-eco loops to Visayas’ *One Visayas* integration and Mindanao’s *Colors of Mindanao*, to promote equitable growth through accessible, market-driven, and sustainable tourism routes. These programs align infrastructure and storytelling to stimulate both inclusive growth and destination resilience.

Tourism circuits are curated travel routes connecting destinations that share geography or theme. Table 24 highlights existing and emerging circuits exemplifying these three essentials:

- **Accessibility.** Efficient transport linkages and digital way-finding ensure seamless movement.
- **Thematic linkage.** Shared cultural, ecological, or culinary narratives enrich traveler immersion (e.g., Laguna’s *SaRiLiNa* circuit blending crafts, cuisine, and nature).
- **Market potential.** Bundled regional products attract higher-value and repeat visitors while sustaining local enterprises.

Table 24. Examples of existing and emerging circuits in the Philippines

Circuit	Description
Luzon’s heritage-eco loops	Palawan’s Coron-El Nido-Puerto Princesa route integrates marine ecotourism and heritage; the Ilocos circuit links UNESCO-listed Baroque churches, heritage streets, and sand-dune adventures; the Bicol loop fuses volcano trekking, whale-shark interaction, and culinary tourism; while Greater Manila circuits connect Pampanga’s gastronomy, Tagaytay’s wellness, and Zambales’ beach and surf clusters.
One Visayas Tourism Circuits ³⁵	<p>“One Visayas” synchronizes Central, Western, and Eastern Visayas through three thematic routes:</p> <ol style="list-style-type: none"> 1. <i>Dive Circuit</i> (Bohol, Southern Leyte, Antique): reef, whale-shark, and island conservation tourism. 2. <i>Heritage and Culinary Circuit</i> (Iloilo, Bacolod, Tacloban, Cebu): colonial towns, gastronomy, and festivals. 3. <i>Culture and Living Traditions Circuit</i> (Cebu, Guimaras, Capiz, Samar): community crafts, faith sites, and local art.
Colors of Mindanao ³⁶	Eight circuits highlight Mindanao’s diversity: from Cagayan de Oro-Bukidnon agri-tourism to Camiguin dive and pilgrimage trails. The campaign promotes Muslim-friendly and halal tourism, eco-adventure, and faith-based experiences, advancing inclusivity and cross-cultural understanding.

Source: Tabulated by the authors.

³⁵ This tourism circuit was launched in September 2025 after years of planning. For more information, see <https://www.pna.gov.ph/articles/1258172>.

³⁶ This tourism circuit was launched in 2022. For more information, see <https://newsinfo.inquirer.net/1591846/new-tourism-experience-thru-colors-of-mindanao>.

Circuit development succeeds when local governments co-own planning and implementation. Aligning national goals with local priorities enables infrastructure investments, enterprise growth, and skills development to reinforce one another. Scholars and practitioners (Dumlao-Abadilla 2025; Jurado 2025) emphasize that integrating regional and local offerings, supported by cost-benefit analyses and PPP frameworks, unlocks the potential of emerging areas such as Bataan, Pampanga, Eastern Visayas, and Northern Mindanao, turning them into new growth hubs. This approach operationalizes the NTDP 2023-2028’s call for balanced regional development and a shift from tourism concentration toward equitable, resilient, and community-driven expansion.

While multiple regional circuits demonstrate strong thematic potential and community participation, the national circuit strategy still faces issues of infrastructure disparity, fragmented governance, and limited digital integration. To ensure these routes become sustainable engines of inclusive prosperity, it is essential to analyze internal capacities and external opportunities. The following SWOT (as seen in Table 25) and TOWS (as seen in Table 26) analyses outline key strategic considerations for scaling and sustaining the country’s tourism-circuit model (as seen in Table 27).

Table 25. SWOT analysis of Philippine tourism circuits

Dimension	Key insights
Strengths	<ul style="list-style-type: none"> Rich thematic diversity (heritage, nature, agritourism, adventure, faith). Established inter-agency collaborations (DOT, LGUs, TPB, DA, DOTr). Strong local cultural identity and authentic community participation. Alignment with NTDP 2023-2028 and regional tourism roadmaps.
Weaknesses	<ul style="list-style-type: none"> Infrastructure and transport connectivity gaps between destinations. Inconsistent branding, standards, and visitor-data collection. Uneven LGU capacity and limited private investment in secondary routes. Fragmented digital integration (apps, payment, analytics).
Opportunities	<ul style="list-style-type: none"> Rising demand for multi-thematic experiences (food, farm, culture). Integration of digital mapping, smart payments, and booking apps. Development of green and climate-resilient corridors. Regional clustering for cross-provincial branding and inclusive supply chains.
Threats	<ul style="list-style-type: none"> Climate and disaster risks disrupting transport and attractions. Overtourism in flagship destinations. Uneven development favoring urban centers. Budget constraints and political turnover affecting continuity.

Source: Tabulated by the authors.

Table 26. TOWS analysis of Philippine tourism circuits

Strategy	Strategic options	Policy implications
S-O	<ul style="list-style-type: none"> Leverage rich thematic diversity to create National Circuit Portfolios (heritage, culinary, eco loops). Use inter-agency partnerships to develop smart-mobility and payment integration. Market regional circuits under a unified “Travel the Philippines by Themes” brand. 	<ul style="list-style-type: none"> Establish a National Tourism Circuit Council for coordination. Adopt open-data digital mapping linked to Travel PH and HOHO. Launch “Green Corridor” branding under TIEZA infrastructure funding.
W-O	<ul style="list-style-type: none"> Address connectivity gaps via transport and digital infrastructure PPPs. 	<ul style="list-style-type: none"> Include circuits in the Public Investment Program and Build Better More portfolio.

	<ul style="list-style-type: none"> • Develop LGU and MSME training for destination management and data analytics. • Integrate circuits into regional spatial and investment plans. 	<ul style="list-style-type: none"> • Create a Tourism Circuit Capability Grant Program for LGUs. • Institutionalize a Tourism Data Observatory for performance monitoring.
S-T	<ul style="list-style-type: none"> • Apply NTDP alignment to mainstream climate-resilient infrastructure and risk-sensitive planning. • Disperse demand from congested sites through circuit diversification. • Sustain partnerships despite leadership changes via institutionalized councils. 	<ul style="list-style-type: none"> • Integrate DRRM in circuit planning templates. • Develop alternate routes and off-season promotions. • Formalize regional Circuit Boards through Memorandum of Agreements.
W-T	<ul style="list-style-type: none"> • Create a National Standards and Accreditation Framework for circuits. • Establish funding for maintenance and continuity beyond political cycles. • Strengthen oversight of carrying-capacity and sustainability metrics. 	<ul style="list-style-type: none"> • Amend RA 9593 to include circuit-based accreditation. • Institutionalize multi-year circuit funding in GAA. • Set sustainability and social-impact KPIs in DOT monitoring.

Source: Tabulated by the authors.

Table 27. Strategic takeaways from SWOT-TOWS analysis of tourism circuits

Policy direction	National strategy
Circuits as connective infrastructure	<ul style="list-style-type: none"> • They convert scattered destinations into regional value chains, linking transport, accommodation, and enterprise ecosystems that multiply benefits beyond flagship sites.
Governance coherence matters	<ul style="list-style-type: none"> • Institutionalizing circuit councils or boards under the DOT-LGU framework ensures policy continuity and efficient coordination across jurisdictions.
Digital and data integration	<ul style="list-style-type: none"> • Embedding Travel PH, HOHO, and smart-mobility systems into circuit management allows real-time visitor tracking, demand analytics, and seamless travel experiences.
Resilience and sustainability	<ul style="list-style-type: none"> • All circuit plans should integrate DRRM, climate adaptation, and green-infrastructure design, safeguarding livelihoods and ecosystems.
Inclusive participation	<ul style="list-style-type: none"> • Empowering LGUs, MSMEs, and community enterprises ensures that circuit development drives equitable growth and shared prosperity.

Source: Tabulated by the authors.

Tourism circuits embody the Philippines’ transition from isolated attractions to integrated, intelligent, and inclusive destinations. They represent a platform where digital innovation, cultural preservation, and sustainability converge, advancing the NTDP 2023-2028’ strategic goal of transforming tourism into a key driver for inclusive growth. By scaling these circuit models through institutional coordination, digital tools, and resilient infrastructure, the Philippines can position itself as Asia’s next connected tourism leader, where every journey tells a unified story of people, place, and purpose.

4.4. Tourism Legislations and Slogans

4.4.1. Tourism legislation

Tourism legislation defines the rules of the game for how the sector grows, competes, and sustains itself. Yet despite tourism’s recognized role as a national development pillar, the Philippine legal architecture remains thin, uneven, and outdated, as seen in Table 28. The core framework, RA 9593, continues to serve as the sector’s primary enabling law more than fifteen years later. While it established the TIEZA and strengthened the DOT’s mandate, the absence of a comprehensive update since then highlights a broader policy stagnation. Subsequent measures have focused narrowly on administrative refinements or incentives rather than structural reforms needed for a globally competitive and resilient industry.

Table 28. Tourism related laws passed since 2000

Republic Act (RA)	Summary	Date enacted
RA 9593 (Tourism Act of 2009)	The RA is a major framework law declaring tourism as a national industry of high priority and policy. It strengthens the DOT and its attached agencies; set up TEZs under TIEZA; includes accreditation and standards for tourism enterprises; provides incentives for investment; promotes ecologically sustainable, community-participative, and culturally sensitive development.	May 13, 2009
RA 11262 (An Act Amending Sections 85 and 103 of RA. 9593)	The law amends certain sections (85 and 103) of the Tourism Act of 2009. These amendments typically deal with regulations, fees, or administrative matters connected with tourism enterprise zones or DOT’s operations.	April 10, 2019
RA 12079 (Value-Added Tax [VAT] Refund for Non-Resident Tourists)	The law establishes a mechanism by which foreign tourists (non-resident, with foreign passports) can get refunds of VAT on goods purchased locally (from duly accredited stores), provided certain conditions are met: the goods are taken out of the Philippines within 60 days; the purchase per transaction is at least PHP 3,000; and the store is accredited.	December 6, 2024

Source: Authors’ compilation

From Table 28, these three laws illustrate both progress and paralysis. RA 9593 was visionary for its time, embedding sustainability and community participation within national tourism policy. The 2019 amendment modernized operational aspects but left strategic provisions

untouched. The 2024 VAT-refund law, while useful for improving visitor experience, remains largely fiscal and transactional. Taken together, these statutes lack a comprehensive modernization agenda, one that integrates digital transformation, climate resilience, human-capital development, and local-governance alignment into tourism law.

Unlike other major industries (energy, agriculture, infrastructure), the tourism sector has not benefited from a second-generation policy framework. The result is a mismatch between the industry’s rapid diversification, into farm, culinary, cruise, and medical niches, and a legal environment still anchored in a pre-pandemic paradigm. Key governance tools such as destination-carrying-capacity enforcement, climate-risk insurance, and circuit-investment incentives remain policy or program directives, not statutory mandates.

Table 29. Tourism-related bills filed in Congress and Senate (15th-20th Congress)

Congress	House Bills	Senate Bills
20 th (2025-Present)*	189	15
19 th (2022-2025)	420	51
18 th (2019-2022)	356	31
17 th (2016-2019)	252	12
16 th (2013-2016)	102	30
15 th (2010-2013)	65	15

* As of 16 October 2025.

Source: Authors’ compilation

Moreover, legislative data, as seen in Table 29, reveal an encouraging rise in legislative interest in tourism, especially in the House of Representatives, where filed measures post RA 9593 quadrupled from 65 in the 15th Congress to 420 in the 19th. Yet this numerical increase conceals a qualitative decline. **A vast majority of these bills are site-specific or declaratory (i.e., laws that merely proclaim a waterfall, cave, island, or town as a “tourism zone,” “eco-tourism park,” or “heritage village”). Most carry no funding provision, implementing agency, or sustainability clause. Their chief utility lies in political symbolism (i.e., such designations allow local politicians to advertise legislative accomplishment and stimulate short-term publicity rather than long-term investment).** In effect, Congress has become a factory of place-branding acts, not a source of transformative tourism reform.

This legislative pattern produces three critical consequences: (1) fragmented policy direction wherein the proliferation of local site laws crowds out deliberation on national frameworks addressing competitiveness, labor, digitalization, and sustainability; (2) fiscal inefficiency wherein without implementing budgets, declared tourism sites rely on LGU funds or DOT grants, leading to uneven development and project abandonment; and (3) governance distortion wherein legislation becomes a vehicle for personal branding rather than policy stewardship, undermining institutional credibility and diverting attention from real sectoral needs.

To move from symbolic legislation to systemic reform, future Congresses must craft substantive, enabling laws that confront twenty-first-century tourism realities. These could include: (1) a tourism competitiveness and innovation act, updating RA 9593 to institutionalize digital transformation, green standards, and investment facilitation; (2) a tourism resilience and climate adaptation act, mandating DRRM-integrated destination management plans and risk insurance for operators; (3) a tourism human capital and quality standards act, aligning education, certification, and skills training with ASEAN and global benchmarks; (4) a tourism circuit development and investment act, providing incentives and funding for multi-LGU

tourism clusters and infrastructure corridors; and (5) revisions to the TIEZA Charter to expand PPP models and local investment portfolios. These proposals would shift the emphasis from place designation to policy enablement, ensuring that laws do not merely label tourist spots but actually finance, govern, and sustain them.

Data suggests that Philippine tourism legislation has grown in quantity but not in quality. While Congress has become more active in filing tourism bills, its outputs rarely translate into systemic improvements. The absence of comprehensive reform laws since 2009 contrasts sharply with regional neighbors like Thailand and Vietnam, which regularly revise their tourism codes to reflect emerging global trends. What the Philippines needs is not another round of symbolic designations but a clear, enforceable, and forward-looking policy architecture that institutionalizes sustainability, innovation, and resilience. Only then can tourism legislation move from local branding exercise to national development strategy, transforming a sector too often used for political visibility into a true engine of growth.

4.4.2. Tourism Slogan

Over the decades, as seen in Figure 31, the Philippines has launched several major tourism slogans, each reflecting not only creative marketing choices but also shifts in national mood, leadership priorities, and global context.

“WOW Philippines” (2002) was introduced as a dynamic response to the early 2000s’ challenges of political instability and global uncertainty. The slogan “More Than the Usual” reframed the country’s narrative by celebrating its exuberant diversity. The acronym WOW was cleverly interpreted in multiple ways “Wealth of Wonders,” “Warm Over Winter,” “Wild Over Water,” “Wacko Over Wildlife” allowing the brand to flexibly highlight both natural beauty and cultural vibrancy. It established the Philippines as an emerging Asian gem, full of energy and authenticity (Manila Bulletin, 2023).

A decade later, “It’s More Fun in the Philippines!” (2012) re-centered the focus from scenic attractions to the Filipino people, their humor, warmth, and joy. It humanized Philippine tourism, aligning it with the global rise of social media storytelling. It encouraged visitors and locals alike to co-create the brand through shared experiences and user-generated content. This campaign achieved strong global recall and longevity, remaining the country’s official slogan for over a decade (TPB, n.d.b).

In 2023, the government introduced “Love the Philippines”, emphasizing appreciation, stewardship, and national pride. Rather than merely selling destinations, it sought to evoke an emotional and civic connection, an invitation for Filipinos to “love their home” and for foreigners to “love their experience” (Rocamora, 2023). The message aligns with DOT’s broader sustainability and inclusivity agenda, highlighting nature conservation, heritage preservation, and local community engagement.

While these slogans each had their merits, the recurring issue in Philippine tourism marketing lies in brand continuity. **Frequent changes in slogan with every administration, though politically understandable, have fragmented the country’s global image.** Unlike Thailand’s long-standing “Amazing Thailand” or Malaysia’s “Truly Asia,” the Philippines has yet to sustain a single, coherent message that transcends political cycles.

Figure 31. Key Philippine tourism slogans



Source: Authors' compilation

A country brand should not merely be a marketing tagline. It is a strategic national narrative that encapsulates the nation's identity, values, and promise to the world. For the Philippines, this requires moving from campaign-based branding (which resets every few years) to identity-based branding (which endures across decades). The core challenge, therefore, is not creativity, but continuity. To represent the Philippines consistently, its country brand must:

- **Anchor on Filipino identity.** The strongest differentiator of the Philippines is not just its islands or attractions, but the Filipino people (i.e., warmth, resilience, creativity, and hospitality). The human element should remain the enduring heart of the brand.
- **Integrate sustainability and inclusivity.** Branding must go beyond aesthetics and emphasize responsible tourism, reflecting a country that values its environment and empowers local communities.
- **Ensure inter-agency continuity.** The DOT, TPB, DTI, Department of Foreign Affairs, and private sector must co-own the brand, ensuring consistency in messaging across investment, trade, and culture promotion.
- **Institutionalize the country brand framework.** Rather than allowing each administration to reinvent the slogan, the Philippines can legislate or formally adopt a National Country Brand Strategy, which is a long-term framework that guides brand identity, tone, and storytelling, regardless of leadership transitions.
- **Align domestic and international narratives.** Tourism branding must resonate not only with foreign visitors but also with Filipinos themselves. A cohesive internal narrative fosters national pride and ensures that "loving the Philippines" translates into everyday civic behavior, from sustainable travel to cultural preservation.

Hence, the Philippine tourism brand must evolve from being reactive and campaign-driven to strategic and identity-driven. Sustaining the "Love the Philippines" as a long-term brand requires bipartisan commitment and institutional backing, not merely creative rebranding. A strong, unified country brand reinforces global competitiveness, attracts investment, and strengthens the Philippines' soft power, showcasing a nation that is not only beautiful, but also innovative, inclusive, and proud of its heritage, making it loveable.

4.5. Key findings from FGDs

In our conduct of FGDs across the Philippines, stakeholders from Luzon, Visayas, Mindanao, and the private sector underscored three themes. First, the Philippines must diversify toward high-value experiential niches (eco/adventure, culture/heritage and faith, gastronomy/farm, wellness/education, dive, and creative/MICE) that lengthen stays and increase receipts. Second, destinations must be stitched together into coherent circuits with better access, common standards, shared booking and permits, and capacity management. Third, this only materializes if the system fixes its institutions characterized by clear mandates, stable LGU

teams, predictable funding, credible data, and legislation that enables investment, rather than symbolic site declarations. Moreover, private stakeholders repeatedly stressed a practical point wherein people adopt what they can actually use. Programs and rules that feel complicated, punitive, or “changed every election” would not scale. They want policies that are simple, visible, enforceable, and worth complying with, paired with human capital and digital tools that make good service the default, not the exception. Likewise, the private stakeholders also emphasized that the Philippines’ enduring differentiator is the “Filipino service rationale”, which needs systematic skills, branding, and policy support to translate into receipts, jobs, and repeat visits. Gleaning from the FGD transcripts, Table 30 summarizes common themes, common constraints and institutional challenges, common strategies and emerging good practices, and coordinated and customized policy directions.

Table 30. Common threads from the FGD transcripts

Common themes across Luzon, Visayas, and Mindanao		
<p>Diversification and value creation. <i>All island groups are diversifying beyond traditional sun-and-beach products toward eco-adventure, wellness, farm, faith, gastronomy, and creative tourism. This links tourism to agriculture, culture, and innovation ecosystems, integrating local livelihoods into tourism value chains.</i></p>	<p>Community-centered and experiential tourism. <i>Regions are shifting from sightseeing to immersive and participatory tourism, where visitors engage directly with local communities, traditions, and landscapes. This promotes both cultural preservation and inclusive income generation.</i></p>	<p>Circuit-based connectivity and collaboration. <i>Move from isolated attractions to destination clusters and thematic circuits, linking multiple provinces or regions through shared branding and storylines (e.g., eco-adventure corridors, heritage trails, and farm-to-table routes). This encourages regional cooperation, efficient marketing, and extended visitor stays.</i></p>
<p>Common constraints and institutional challenges <i>Despite the diversity of products and progress across regions, stakeholders identified recurring constraints that cut across all island groups and governance levels.</i></p>	<p>Common strategies and emerging good practices <i>In response to these constraints, regions and stakeholders are converging on adaptive, collaborative strategies that emphasize both top-down alignment and bottom-up innovation.</i></p>	<p>Coordinated and customized policy directions <i>To translate these themes into actionable policy, we recommend an integrated, multi-level governance framework that balances national coherence with local adaptability.</i></p>
<p>Fragmented governance and weak coordination. <i>Overlapping mandates among the DOT, Department of the Interior and Local Government (DILG), LGUs, and national agencies create policy fragmentation and inconsistent implementation. Coordination across administrative boundaries remains weak, particularly for inter-LGU circuits and cross-regional projects.</i></p>	<p>Localized circuit development and clustering. <i>Regional circuits (e.g., Luzon’s eco-adventure corridors, Visayas’ heritage and gastronomy routes, and Mindanao’s agricultural circuits) demonstrate the power of place-based integration. These circuits build on shared assets and expand visitor flow through inter-LGU partnerships.</i></p>	<p>Institutional coordination and convergence. <i>Establish a National–Regional–Local Tourism Convergence Mechanism to harmonize planning, data systems, and funding pipelines across agencies and LGUs. This ensures that tourism circuits and investments are strategically linked.</i></p>

<p>Uneven local capacity and resources. <i>The effectiveness of tourism policies is constrained by disparities in LGU capability, budget allocation, and political will. Many municipalities lack permanent tourism officers, sufficient technical expertise, and stable funding, resulting in discontinuity after leadership changes.</i></p>	<p>Institutional harmonization and policy alignment. <i>Stakeholders advocate stronger alignment between national frameworks and local codes, including standardizing tourism ordinances, accreditation, and data reporting, while allowing for local customization. Luzon’s competitiveness ranking model and Visayas’ “pedestrianized governance” approach offer scalable models.</i></p>	<p>Tourism code harmonization and compliance incentives. <i>Encourage LGUs to update and align their tourism codes with NTDP priorities, supported by performance-based grants or recognition programs for compliant and innovative LGUs.</i></p>
<p>Limited data and statistical capacity. <i>Across Luzon, Visayas, and Mindanao, incomplete and inconsistent data impede evidence-based planning. Weak monitoring systems and unstandardized reporting prevent accurate measurement of arrivals, tourism receipts, and local impacts.</i></p>	<p>Capacity-building and professionalization. <i>Establishing plantilla positions for tourism officers, continuous training, and structured career development are seen as prerequisites for institutional maturity. Mindanao stakeholders emphasize dedicated skills centers and linkages with Technical Education and Skills Development Authority (TESDA) and HEIs to develop a tourism workforce.</i></p>	<p>Investment in tourism infrastructure and connectivity. <i>Prioritize integrated tourism–transport projects (i.e., airports, seaports, digital access) in regional development plans, with co-funding from DPWH, Department of Information and Communications Technology, and DOT to improve circuit accessibility.</i></p>
<p>Policy-to-practice gaps. <i>Although RA 9395 and NTDP provide strong national direction, their local translation is uneven. Many LGUs treat tourism plans as compliance documents rather than actionable frameworks linked to budgets, incentives, or local ordinances.</i></p>	<p>Data-driven decision making. <i>Stakeholders call for the creation of a National Tourism Data and Statistics Center, possibly in partnership with PSA, to unify reporting systems, standardize metrics, and improve accountability. This would enable responsive and transparent policy planning across all levels.</i></p>	<p>Data and research partnerships. <i>Institutionalize partnerships between the DOT, PSA, academia, and the private sector to strengthen evidence-based policy and innovation-driven tourism management.</i></p>
<p>Sustainability and enforcement issues. <i>Weak enforcement of accreditation and environmental regulations, especially in coastal and wildlife sites, reflects insufficient technical capacity and incentives for compliance. Policies tend to be punitive rather than enabling,</i></p>	<p>Public–private and inter-agency convergence. <i>Effective tourism growth depends on shared governance, where the public sector provides enabling conditions and the private sector drives innovation and market readiness. Examples include circuit commercialization in Region</i></p>	<p>Human capital and MSME development. <i>Strengthen education, training, and financing for micro and community-based enterprises to embed inclusivity in the tourism value chain and ensure that growth reaches local communities.</i></p>

<i>discouraging participation by small operators.</i>	<i>VII and community-led branding in La Union and Tupa.</i>	
Infrastructure and accessibility constraints. <i>Gaps in connectivity, physical (roads, ports, airports) and digital, limit circuit viability, especially in rural and island destinations. Lack of integrated planning between tourism and transport infrastructure agencies hinders regional synergies.</i>	Inclusivity and cultural branding. <i>Tourism narratives are becoming more inclusive, representing diverse regional identities and cultural expressions, from Region V's gastronomy initiatives to Region XII's indigenous wellness tourism. Such inclusivity reinforces The FBSE while promoting balanced regional development.</i>	Unified branding and marketing. <i>Align national campaigns with regional strengths through shared storytelling, positioning the Philippines not just as a destination of islands, but as a network of interconnected, living cultures and experiences.</i>

Source: Tabulated by the authors.

That is, overall, our FGD findings highlight that while regional tourism development in the Philippines is diverse, the underlying issues are systemic and shared. The key to accelerating transformation lies in coordinated governance, data-driven management, and inclusive capacity building. Strengthening these foundations will allow the country to move from fragmented progress to an integrated, resilient, and people-centered tourism ecosystem, one that is regionally distinctive yet nationally cohesive.

Luzon FGD common themes. The FGD with key regional tourism stakeholders in Luzon revealed a highly diversified product mix, demonstrating how regions are building distinct identities while facing shared structural constraints in connectivity, digitalization, and last-mile delivery. Across Luzon, eco-adventure and heritage corridors have emerged as the backbone of tourism development. Stakeholders from Region II and Region III highlighted that their “backcountry-river-coast” and “farm-MICE-cruise-heritage” combinations have significantly improved visitor flow and expenditure by linking previously isolated attractions into coherent travel experiences. These corridors not only maximize the use of regional assets (e.g., Sierra Madre’s rugged landscapes, Cagayan River routes, Central Luzon’s agricultural hinterlands) but also distribute tourism benefits across rural communities. However, key stakeholders noted that despite strong destination clustering, bottlenecks persist in inter-provincial accessibility and logistics integration. The absence of seamless intermodal transport and poor coordination in scheduling public and private transfers undermine circuit continuity.

In Region IV-A and Region V, tourism diversification has advanced through creative bundling of weekend and short-haul circuits tailored for domestic travelers from NCR. Region IV-A stakeholders emphasized the success of dive-pilgrimage-farm-to-table experiences that combine quick-access leisure with cultural immersion. Likewise, Region V is branding its tourism offer around gastronomy and artisan initiatives, such as the *SIRAM Pagkaon Bicolnon* movement, which integrates culinary identity with handicraft industries and community tourism. Both regions are refining their value proposition through culinary authenticity and craft-based entrepreneurship, underscoring that tourism can serve as a platform for MSME development and cultural continuity. Yet participants pointed out that these initiatives remain fragmented, with overlapping LGU promotions and limited packaging support from national agencies. A unified market strategy, particularly digital promotion and data-driven targeting, was cited as critical to scale these localized successes.

In Cordillera Administrative Region (CAR) and Region I, stakeholders underscored the importance of mountain, indigenous wellness, and surf-agri-faith loops as anchors for their sustainable tourism agenda. CAR's mountain retreats, forest-bathing sites, and community-based weaving villages represent authentic cultural immersion models that align with global trends toward regenerative and experiential tourism. In Region I, the blending of surf culture in La Union with agri- and faith-based tourism, linking pilgrimage sites, farm experiences, and beach destinations, illustrates how diverse markets can be unified through narrative-driven circuits. These experiences appeal to the post-pandemic traveler's desire for health, authenticity, and local connection. However, both regions identified capacity constraints in data management, training, and the professionalization of guides as key barriers to expanding market reach.

Meanwhile, NCR remains the primary gateway and urban tourism hub, serving as the convergence point for MICE, heritage, creative, and lifestyle circuits. NCR's tourism ecosystem benefits from international connectivity, convention infrastructure, and a vibrant creative economy encompassing gastronomy, entertainment, and fashion. However, key stakeholders acknowledged that despite its maturity, NCR still struggles with urban congestion, inconsistent tourism zoning, and the underutilization of heritage districts like *Intramuros* and *Escolta*. Private operators also emphasized the need to modernize booking platforms, enable integrated ticketing, and strengthen digital navigation systems for tourists.

A recurring theme across Luzon's stakeholders was the urgent call for "last-mile fixes" and "functional digital wayfinding." As one participant put it "if visitors cannot book it or find it, it does not exist." This sentiment reflects widespread frustration with outdated information systems, non-interoperable booking platforms, and lack of offline navigation tools in low-signal destinations. Stakeholders recommended DOT to invest in interoperable digital infrastructure (i.e., reservations, accreditation, permits), while supporting LGUs in deploying standardized signage, QR-based wayfinding, and multilingual content. They also advocated for policies that streamline local permitting processes across interconnected destinations, reduce redundant fees, and harmonize data-sharing protocols to ensure smoother traveler experiences.

Beyond infrastructure, Luzon's stakeholders underscored a deeper governance concern: the lack of vertical and horizontal policy coherence. While regions have made strides in developing thematic circuits and tourism codes, many LGUs still operate in silos without integrated plans or shared monitoring systems. Participants proposed the institutionalization of inter-LGU tourism councils per circuit, backed by joint investment promotion and marketing funds, to ensure equitable benefits and long-term collaboration. They also called for sustained engagement with private operators, whose digital capabilities and market insights could accelerate product packaging and branding consistency.

In sum, Luzon's tourism landscape is vibrant but uneven, anchored by strong regional differentiation yet constrained by fragmented systems and weak digital interoperability. The region's potential to serve as the Philippines' "model tourism corridor" depends on addressing connectivity gaps, harmonizing governance structures, and investing in data-driven and digitally enabled management tools that transform its circuits into coherent, bookable, and world-class tourism products.

Gleaning from the FGD transcripts, Table 31 summarizes common constraints and institutional challenges, common strategies and emerging good practices, and coordinated and customized

policy directions, because despite alignment with RA 9593 and NTDP, Luzon’s local implementation is uneven.

Table 31. Common threads from the Luzon FGD transcripts

Common constraints and institutional challenges	Common strategies and emerging good practices	Coordinated and customized policy directions
Institutional fragmentation persists, with overlapping mandates between DOT, DILG, and LGUs.	Localization of tourism circuits such as eco-adventure corridors, gastronomy and faith trails, and coastal-agrifarm clusters.	Standardize and update local tourism codes with built-in enforcement mechanisms and data compliance incentives.
Data gaps and limited monitoring systems hinder evidence-based decisions.	Institutional innovation, like La Union’s inclusion of penal clauses for compliance and Region IV-A’s competitiveness ranking system.	Institutionalize tourism statistics units or PSA partnerships for reliable data generation.
Tourism officers’ non-permanent status and uneven LGU budgets reduce policy continuity.	Cultural and culinary integration, positioning food heritage and creative industries as tourism anchors.	Create a Luzon Tourism Council to coordinate inter-LGU circuits and shared marketing efforts.
Enforcement mechanisms for accreditation and data compliance remain weak, while smaller LGUs still treat tourism as secondary to agriculture.	Partnership-driven capacity building between DOT, DILG, and HEIs for professionalizing tourism offices.	Reinvest tourism fees into destination management and capacity building; strengthen cultural branding linking gastronomy, heritage, and creative tourism under a unified Luzon identity.

Source: Tabulated by the authors.

Visayas FGD common themes. The Visayas regional stakeholders presented a dynamic and innovation-driven tourism landscape that reflects both the region’s deep cultural roots and its progressive response to post-pandemic shifts in traveler behavior. The FGD emphasized that the Visayas regions (Regions VI, VII, VIII, Negros Island Region [NIR]), are steadily repositioning itself as the country’s laboratory of experiential, wellness, educational, and now cruise-based tourism, grounded in sustainability and inter-regional collaboration.

In Region VI, stakeholders highlighted a strategic reorientation toward wellness and holistic tourism, envisioned under the concept of a “Filipino brand of wellness.” This initiative integrates indigenous healing practices, nature-based retreats, and community-managed wellness spaces, signaling a transition from conventional medical tourism to a broader, inclusive model of “well-being tourism.” Local governments in Bacolod and Iloilo have begun transforming public spaces such as the Bacolod Government Center and San Carlos City Plaza into inclusive “wellness commons,” where physical, emotional, and social rejuvenation are accessible to residents and visitors alike. This democratization of wellness, which merges tourism with public health and livelihood creation, exemplifies a unique form of social tourism, where communities are both participants and beneficiaries of the visitor economy.

The region’s culinary and cultural renaissance further strengthens its international visibility. With Iloilo’s UNESCO Creative City of Gastronomy designation, Region VI leverages its heritage food culture through gastronomic circuits, food crawls, and community-led farm-to-

table experiences. Initiatives such as the proposed Sugar Heritage Trail, which links Negros Occidental, Panay, and Guimaras, reinterpret the region’s colonial legacy into narratives of resilience and cultural pride. However, participants raised concerns about fragmented marketing and weak private sector coordination, noting that the absence of a regional Destination Marketing Organization (DMO) or multi-stakeholder governance mechanism prevents the standardization of visitor experiences, quality assurance, and brand continuity. Stakeholders called for a regional cooperative marketing platform and targeted incentives for MSMEs to participate in destination branding and circuit development.

Meanwhile, Region VII showcased a high degree of institutional maturity and inter-LGU collaboration, positioning itself as a regional benchmark for structured circuit design and product validation. Stakeholders emphasized the growing diversification toward education-, culture-, and skill-based tourism, transforming the region into a global learning destination. Cebu’s reputation as a hub for Filipino Martial Arts (FMA), specifically *arnis/eskrima*, attracts international practitioners who stay for long-term cultural immersion and training programs. Similarly, the English as a Second Language (ESL) and medical education tourism segments continue to grow, catering to students from Asia, Africa, and the Middle East seeking internationally accredited programs in resort-type campuses. Beyond education, the region’s Farm for Fitness circuits, *Culinaria sa Norte*, and *Dive 7 Trails* embody innovative product design, blending agritourism, gastronomy, and outdoor recreation in one holistic experience. Yet, despite its creative strength, stakeholders lamented that many DOT-endorsed circuits remain “conceptual,” lacking market-ready booking platforms, standardized pricing, and sustained promotional funding. They emphasized that tourism products must “graduate from PowerPoint to product,” calling for strengthened DOT-private sector co-management to fast-track commercialization, data-driven marketing, and cross-sector integration with transport, education, and environment programs.

In Region VIII, stakeholders conveyed an emerging yet ambitious vision of becoming the cruise tourism capital of the central Philippines. Leveraging its strategic location, maritime heritage, and growing port infrastructure, the region is positioning itself within the broader Philippine Cruise Tourism Development Strategy. The provinces of Samar, Leyte, and Biliran are particularly keen to develop cruise tourism circuits that link heritage towns, natural wonders, and cultural attractions accessible via sea. Tacloban City, identified as a key port of call, is enhancing its waterfront and connectivity to accommodate medium-sized cruise vessels, while Samar is being promoted for eco-adventure excursions such as cave exploration, waterfall treks, and community-based crafts. Stakeholders emphasized that this development should follow a “responsible cruise tourism framework”, prioritizing community engagement, waste management, and environmental safeguards to prevent the over-tourism experienced in other island destinations. They also highlighted the need for capacity-building among port authorities, LGUs, and tourism frontliners to ensure that cruise arrivals translate into tangible benefits for local enterprises. Participants called for stronger DOT-TIEZA collaboration to accelerate port readiness assessments, attract private investment in shore facilities, and align regional infrastructure plans with the NTDP 2023-2028’s connectivity pillar.

Across the Visayas, a shared insight emerged, which is the call for “pedestrianized governance.” This term, coined during the FGD, encapsulates the aspiration for a governance model that is simple, transparent, and inclusive, ensuring that tourism programs are comprehensible and accessible to local actors. Stakeholders argued that complex bureaucratic processes and disjointed agency mandates alienate small operators and communities, hindering innovation and participation. They proposed more “human-scale governance”, plain-language

policies, digitized regulatory systems, and open data sharing, to empower MSMEs, cooperatives, and youth entrepreneurs as co-creators of regional tourism.

Collectively, Visayas regions represent the creative and connective heart of Philippine tourism. The Visayas’ evolution from leisure-centered destinations to hubs of wellness, learning, gastronomy, and cruise travel reflects a deepening understanding of inclusivity, sustainability, and innovation. However, realizing this potential hinges on institutional reforms: establishing regional DMOs, strengthening public–private partnerships, and harmonizing infrastructure and digital investments to support inter-island connectivity. In doing so, the Visayas can anchor the Philippines’ ambition to become a multi-nodal, experience-driven tourism destination, one that celebrates culture and community while welcoming the world through both land and sea.

Gleaning from the FGD transcripts, Table 32 summarizes common constraints and institutional challenges, common strategies and emerging good practices, and coordinated and customized policy directions.

Table 32. Common threads from the Visayas FGD transcripts

Common constraints and institutional challenges	Common strategies and emerging good practices	Coordinated and customized policy directions
Fragmented coordination among LGUs and national agencies causes overlap in projects and inefficiency.	Promotion of “pedestrianized governance,” simplifying tourism systems so policies are understandable and accessible.	Establish regional convergence platforms linking DOT, DTI, and DOST programs for integrated tourism innovation.
Weak enforcement of environmental and accreditation policies persists, with regulations lacking penalties and incentives.	Inclusive approaches supporting micro-operators and community enterprises through digital literacy and incentives.	Institutionalize incentive-based compliance (e.g., reduced fees, grants) for sustainable operators.
Resource inequality between large and small destinations limits participation of MSMEs.	Data modernization, exploring AI and PPPs for real-time visitor tracking.	Streamline business and accreditation processes to lower barriers for MSMEs.
Overly technical and bureaucratic governance alienates local communities from tourism processes.	Unified branding combining faith, food, adventure, and wellness into coherent regional narratives.	Enhance data systems through digital visitor registries and shared analytics across LGUs; Mainstream the FBSE through education, hospitality training, and public awareness.

Source: Tabulated by the authors.

Mindanao FGD common themes. Our FGD with Mindanao’s regional tourism stakeholders showcased a tourism landscape grounded in diversity, where nature, culture, and community-based enterprises converge as vehicles for peace, sustainability, and inclusive growth. The discussions emphasized that Mindanao’s tourism development is not just an economic strategy but a nation-building imperative, a pathway for local empowerment and image transformation. Despite immense potential, stakeholders repeatedly underscored that the island’s success hinges on improving institutional coordination, connectivity, and brand perception.

In Region IX, local governments and operators have embraced eco-cultural circuits such as the Sta. Cruz Island and Once Islas Circuit, blending marine biodiversity conservation with

Subanen indigenous heritage. The ZamPen Norte-Sur and Sibugay Eco-Agri circuits were cited as promising models for inclusive tourism, where communities act as stewards and direct beneficiaries. However, participants lamented that most local tourism codes remain outdated, with minimal enforcement capacity and limited technical personnel. The absence of standardized data systems and inconsistent accreditation also hinders performance measurement and investment promotion.

Region X emerged as one of the most organized and forward-looking subregions in terms of tourism governance and circuit integration. Through the Colors of Mindanao campaign, Northern Mindanao has positioned itself as an eco-adventure and agritourism hub, anchored in sustainability and community participation. Stakeholders cited Cagayan de Oro City as a critical logistics and MICE center that connects surrounding eco-destinations such as Bukidnon, Camiguin, and Iligan City. The region's Buda-Bukidnon-Camiguin agri-ecotourism loop integrates mountain resorts, strawberry farms, waterfalls, and hot springs, catering to travelers seeking adventure and serenity. Meanwhile, Camiguin is diversifying its offerings from beach and dive tourism toward wellness, gastronomy, and heritage-based travel, showcasing its *lanzones* culture, old churches, and eco-sanctuaries. Stakeholders emphasized that Northern Mindanao's competitive edge lies in its balance of accessibility, safety, and environmental consciousness, yet they cautioned that infrastructure gaps and limited marketing budgets constrain scalability. They proposed a Mindanao Tourism Corridor Initiative linking Region X with other regions emphasizing inter-regional connectivity, digital marketing alignment, and joint investment promotion.

In Region XI, tourism development continues to mature through a blend of sun, beach, nature, and wellness products, supported by a strong policy environment. Stakeholders identified the region's role as the "gateway to Southern Mindanao's diversified tourism economy," offering thematic circuits such as the Samal Island Sun and Beach Route, the Highland Adventure Circuit in Davao Oriental featuring Mount Hamiguitan, and the Cacao and Coffee Heritage Trails linking farm visits with culinary experiences. These circuits, developed under the PEP and the Regional Tourism Development Plan, are backed by a growing ecosystem of resorts, convention centers, and educational institutions. However, participants called for more equitable national promotion, noting that Mindanao's consistent peace and security improvements are still overshadowed by outdated perceptions. They urged the DOT to launch a dedicated "Mindanao Reframed" marketing campaign to highlight the region's stability and appeal to international investors and travelers.

In Region XII, tourism is increasingly defined by its deep connection to agriculture, heritage, and indigenous culture. The region's identity as the "Agri-Cultural Heart of Mindanao" is being realized through the integration of farm-to-market tourism, eco-adventure circuits, and indigenous wellness experiences. The municipalities of Tupi and Polomolok, for example, are branding themselves as the "Fruit, Vegetable, and Flower Basket of the South," capitalizing on their proximity to Mount Matutum and their high-value crops such as pineapples, coffee, and bamboo. These efforts are complemented by curated wellness and healing experiences inspired by T'boli and Blaan traditions, where visitors engage in rituals combining spiritual, herbal, and cultural healing practices. However, local officials stressed the urgent need for national support in developing market-ready tour packages, marketing materials, and digital platforms to sustain visibility and attract investment. The gap between rich cultural products and weak institutional packaging was a recurring concern.

In Region XIII (Caraga), it continues to expand its tourism base beyond the globally renowned surf island of Siargao. Stakeholders from Surigao del Sur and Agusan del Norte highlighted the development of eco-adventure and community-based circuits designed to disperse visitor arrivals and promote equitable growth across the region. The Tinuy-an Falls-Enchanted River-Britania Islands circuit exemplifies how Caraga leverages its natural wonders to create immersive outdoor experiences, while mountain trekking in Lake Mainit and Mount Hilong-Hilong, alongside ethnic crafts in Agusan, diversify the region’s product mix. Key stakeholders stressed that while Siargao remains a global magnet, the lack of infrastructure in secondary destinations and limited ferry and flight connectivity impede inclusive growth. They also called for sustainable tourism management mechanisms, noting the environmental pressures of over-tourism in Siargao and the need to replicate the island’s sustainability model across the region. Caraga’s leaders envision a “Balanced Tourism Blueprint”, where economic vibrancy coexists with ecological preservation and community resilience.

Stakeholders from the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) offered a more nuanced view. While destinations like Tawi-Tawi and Cotabato City are witnessing surges in visitor arrivals, local officials cautioned that these numbers have not yet translated into meaningful local income. BARMM’s tourism leaders emphasized the need to move from “arrivals-based success” to “receipts-based prosperity,” advocating for performance metrics that reflect income distribution, employment generation, and local enterprise development. They also called for sustained investment in Muslim-friendly tourism infrastructure, training for halal certification, and culturally grounded storytelling that aligns tourism with heritage and faith.

A unifying concern across Mindanao was the lack of fiscal autonomy and institutional continuity at the LGU level. Many tourism officers remain on contractual or job order status, limiting program sustainability. Frequent turnover after elections disrupts long-term planning, while low local revenue retention prevents reinvestment in tourism. Participants collectively called for the amendment of RA 9593 to mandate the creation of permanent plantilla positions for tourism officers, require functional tourism codes in all LGUs, and earmark a share of local tourism revenues for reinvestment in conservation and infrastructure.

Ultimately, Mindanao’s stakeholders envision a tourism transformation anchored on connectivity, convergence, and cultural integrity. They see tourism not just as an industry, but as a peace dividend, a means to foster regional pride, promote cross-cultural understanding, and build inclusive prosperity. With appropriate policy support, digital tools, and sustained inter-agency collaboration, Mindanao can evolve from being an under-tapped frontier into a central pillar of the Philippines’ tourism transformation strategy.

Gleaning from the FGD transcripts, Table 33 summarizes common constraints and institutional challenges, common strategies and emerging good practices, and coordinated and customized policy directions.

Table 33. Common threads from the Mindanao FGD transcripts

Common constraints and institutional challenges	Common strategies and emerging good practices	Coordinated and customized policy directions
Limited manpower, technical expertise, and funding at the municipal level.	Updating tourism codes with clearer guidelines and accountability measures.	Institutionalize the Mindanao Tourism Corridor Program to promote inter-regional

		cooperation and infrastructure investment.
Outdated local tourism codes lacking clarity on fees, compliance, and reporting.	Convergence and corridor approaches, such as the proposed Mindanao Tourism Corridor linking multiple regions.	Mandate regular updates of local tourism codes aligned with NTDP 2023-2028.
Political influence and job-order status of officers disrupt continuity.	Integration of tourism with agriculture, crafts, and cultural industries, aligning with local economic priorities.	Allocate targeted fiscal transfers or grants to strengthen LGU tourism capacity.
Weak inter-agency linkages and absence of dedicated funding for regional implementation.	Capacity building and skills training centers in partnership with TESDA and HEIs.	Embed tourism in broader development agendas (i.e., agriculture, climate resilience, digital transformation).
Infrastructure and connectivity gaps, limiting equitable access and circuit viability.	Community empowerment through branding initiatives (e.g., “Fruit, Flower, and Coffee Basket of the South”) and indigenous wellness tourism.	Promote peace and cultural understanding through heritage and community tourism in BARMM.

Source: Tabulated by the authors.

Private stakeholders FGD common themes. Our discussions with private sector stakeholders revealed several consistent themes that reflect both optimism and frustration about the current state of Philippine tourism. While key stakeholders acknowledged the sector’s vast potential, they underscored that realizing this potential requires a stronger, more predictable policy environment, genuine public–private collaboration, and the professionalization of tourism governance at all levels.

Stakeholders repeatedly highlighted the **fragmented nature of tourism governance, noting that national, regional, and local plans often operate in isolation rather than in synergy.** While the NTDP sets the strategic direction for the sector, its objectives are not always mirrored in Local Tourism Development Plans. Many LGUs, especially those with limited technical capacity, draft their plans independently or as mere compliance documents, without reference to national priorities or measurable indicators. Conversely, national planning remains largely top-down, with limited consultation of regional realities. This results in a “disconnect between those who plan and those who implement,” leading to inefficiencies and duplication of efforts.

Private stakeholders emphasized that **tourism development must be market-driven and institutionally coherent.** They argued that unless the DOT and LGUs align strategies, particularly in destination promotion, data reporting, and regulatory enforcement, tourism initiatives will remain fragmented and unsustainable. One key stakeholder aptly summarized that “we have too many plans and too little integration.”

Another common theme was the weak institutional foundation of local tourism offices. **Many tourism officers hold non-permanent appointments and lack structured career paths or technical training.** This results in discontinuity whenever local administrations change, erasing institutional memory and halting long-term projects. Participants described tourism as often “personality-driven rather than system-driven,” reliant on individual champions rather

than institutionalized mechanisms. This weakness extends to financing. Tourism offices, especially in smaller municipalities, operate with minimal or no dedicated budgets, limiting their ability to create tourism products, maintain facilities, or participate in trade fairs. Moreover, fees collected from tourism activities are often absorbed into general local revenues instead of being earmarked for reinvestment in tourism or environmental management. Stakeholders stressed that sustainable tourism requires predictable funding and the establishment of local tourism funds protected by ordinance.

Key stakeholders also agreed that one of the most critical gaps in the sector is the absence of reliable tourism data. Many regions lack systematic visitor tracking, standardized reporting templates, or real-time digital platforms for analytics. Without accurate data, marketing becomes speculative, resource allocation arbitrary, and policy evaluation nearly impossible. Private operators noted that the Philippines lags behind regional peers like Thailand and Malaysia in developing centralized, interoperable tourism data systems.

Stakeholders strongly endorsed the establishment of a National Tourism Data Center (NTDC), either within the DOT or in partnership with the PSA, to harmonize data collection, integrate LGU submissions, and provide evidence for planning and investment. They emphasized that “policy should follow data, not the other way around,” and that evidence-based governance is key to building investor confidence.

Despite institutional challenges, private stakeholders unanimously affirmed that the Philippines’ most valuable tourism asset is its people. They described the Filipino service principle, marked by warmth, empathy, and attentiveness, as an intrinsic competitive advantage that no other destination can replicate. This human capital, they argued, is the cornerstone of the FBSE and should be institutionalized nationwide through education, industry certification, and community-based training. They also emphasized that the FBSE should not be confined to hotels or airports but extended to tricycle drivers, vendors, guides, and artisans, who are often the first and most authentic points of contact for visitors. Investing in human development, therefore, is not only a labor issue but a branding strategy that reinforces the Philippines’ identity as a destination defined by people, not just places.

The private sector also expressed frustration with frequent policy and branding changes accompanying shifts in political leadership. Participants cited that every new administration’s tendency to launch new slogans, reorganize agencies, or redirect funds undermines continuity and long-term investment confidence. They called for institutionalized mechanisms for stakeholder consultation and a clear, multi-administration roadmap to avoid “starting over every six years.” Moreover, stakeholders emphasized that effective tourism development requires genuine partnerships rather than transactional relationships between government and business. They proposed the creation of regional DMOs co-managed by public and private entities to oversee product development, marketing, and quality assurance. These DMOs, supported by DOT, could serve as neutral platforms that align local innovation with national branding.

Finally, private stakeholders outlined a set of priority reforms to strengthen governance and competitiveness:

- Update RA 9593 to include stronger enforcement provisions, clearer LGU roles, and mandatory reinvestment of tourism revenues.
- Institutionalize the NTDC to enhance data-driven policymaking and attract evidence-based investment.

- Establish career and training pathways for tourism officers, supported by Commission on Higher Education, TESDA, and LGUs, to ensure professionalization and continuity.
- Develop a tiered destination prioritization framework, focusing resources on high-impact, investment-ready areas before gradual expansion.
- Institutionalize the FBSE across all education levels and industries to unify service quality and national identity.
- Ensure consistency in branding and leadership transitions through multi-year policy continuity commitments, avoiding wasteful rebranding and program discontinuity.

In conclusion, **private sector stakeholders envision a tourism system that is cohesive, data-driven, and people-centered.** They emphasized that world-class destinations alone cannot sustain the Philippines’ competitiveness; what will distinguish the country in the long run is its ability to build institutions as resilient as its people. Bridging national-local gaps, empowering tourism officers, and embedding hospitality excellence in every level of governance will enable the Philippines not only to attract visitors but to inspire returnees and advocates. As one key stakeholder said: “our people are already world-class, the system just needs to catch up.”

Gleaning from the FGD transcripts, Table 34 summarizes common constraints and institutional challenges, common strategies and emerging good practices, and coordinated and customized policy directions.

Table 34. Common threads from the private sector FGD transcripts

Common constraints and institutional challenges	Common strategies and emerging good practices	Coordinated and customized policy directions
Policy misalignment among national, regional, and local plans, leading to inefficiencies and resource dilution.	Focus investments on ready and sustainable destinations, expanding gradually to emerging ones.	Institutionalize a National Tourism Council with balanced public–private representation for policy co-creation.
Frequent policy shifts and branding changes undermine investor confidence.	Advocate for institutional reforms such as a National Tourism Data Center and an updated RA 9593.	Stabilize tourism branding and policy direction to provide predictability for investors.
Limited communication and consultation between the private sector and government planners.	Promote continuous dialogue through formal public–private councils to ensure the NTDP reflects ground realities.	Operationalize a National Tourism Data Center for transparent, real-time metrics.
Weak data sharing and performance tracking hinder coordinated action and market responsiveness.	Invest in human capital, emphasizing training, service excellence, and local community partnerships.	Support MSMEs and local operators with access to finance, incentives, and digital tools; leverage the FBSE as a unifying, competitive identity across all markets.

Source: Tabulated by the authors.

Therefore, across Luzon, Visayas, Mindanao, and the private sector, a clear convergence emerges and it is the need for stronger institutional coordination, data-driven governance, inclusive participation, and place-based innovation.

Tourism transformation in the Philippines requires coherence across government levels, collaboration with communities and enterprises, and customization to regional strengths. When

aligned under one strategic narrative, sustainable, inclusive, and authentically Filipino tourism, these regional and sectoral efforts can collectively propel the Philippines toward its vision of becoming a tourism powerhouse in Asia.

5. Conclusions and recommendations

The Philippine tourism sector has demonstrated resilience and an ability to reposition in response to shocks. Long-term trends in TDGVA, domestic tourism, and inbound expenditures (as shown in Figures 4a to 17b) illustrate that prior to the pandemic, recovery patterns were strong and tourism's real economic contribution steadily expanded. However, post-COVID data shows that many indicators have yet to return to their pre-pandemic trajectory. Growth in visitor spending, value added, and sectoral investments remains tempered, suggesting that full recovery has not been realized despite the reopening of borders and improvements in mobility. This creates an important context for interpreting current sector performance and identifying areas requiring strategic intervention.

At the same time, regional FGDs with key tourism stakeholders reveal a sector that is actively innovating from the ground up. Luzon stakeholders are strengthening eco-adventure and heritage corridors; Visayas stakeholders are developing wellness, experiential, and education tourism clusters; while Mindanao stakeholders are advancing agro-cultural, faith-based, and indigenous wellness products. These developments demonstrate that while national-level data may show slower-than-expected improvement, local initiatives and product diversification are accelerating in many parts of the country. Collectively, these innovations align with the NTDP 2023-2028 directions for multi-regional, high-value, and inclusive tourism.

However, FGDs revealed systemic issues that require structural policy attention. Stakeholders highlighted weak domestic linkages, particularly between tourism and agriculture, manufacturing, and creative industries, where deeper value-chain integration could enhance resilience, reduce leakages, and increase overall value added. They also underscored persistent coordination and implementation gaps across national and local agencies, affecting data governance, infrastructure delivery, accreditation, and tourism circuit development. Importantly, many of these binding constraints lie outside the DOT's mandate, reinforcing the need for whole-of-government convergence rather than tourism-specific reforms alone.

These insights affirm the relevance of modernizing RA 9593. We provide evidence-based grounding for proposed amendments that consider global megatrends, current sector realities, and evolving traveler behaviors. Recommended priorities for modernization include: (1) upgrading provisions on infrastructure and connectivity, both digital and physical; (2) strengthening inter-agency coordination and communication mechanisms; and (3) embedding community engagement and domestic value-chain integration into the core mandate of tourism development.

Accreditation also emerged as a critical issue, particularly its value proposition, the administrative burdens associated with compliance, and the low uptake among MSMEs, which comprise 99 percent of the industry. Potential amendments may include tiered and incentive-based accreditation models, digitalized compliance systems, and expanded capacity-building programs to support MSMEs in transitioning toward a digitally enabled, AI-ready tourism ecosystem.

Building on this policy context and the momentum observed across island groups, the following roadmap positions DOT, its attached agencies, professional organizations, industry associations, and development partners to accelerate transformation through stronger governance, diversified products, and future-ready capabilities.

The roadmap, presented in Table 35, strengthens the NTDP pillars by embedding structural reforms, particularly in data governance, convergence, digitalization, and MSME support, while sequencing actions based on feasibility, resource requirements, and expected impact.

Table 35. Policy roadmap to 2028 and beyond

Period / Theme	Focus	Approach	Reform agenda
Short-run (2024-2026) / Fixing and strengthening the foundations	Low-cost/high-impact convergence and service upgrades	<i>Fix the basics for seamless travel</i> (offline-enabled wayfinding, interoperable booking/ticketing, strengthened port processes; prioritize last-mile access in top-performing circuits from Regions III, IV-A, VII, XI, and XIII, as seen in Section 4.3).	Lay the groundwork for an upgraded Tourism Act by building data systems, harmonizing accreditation processes, and piloting convergence mechanisms in top-performing regions.
		<i>Institutionalize data governance and monitoring</i> (standardize LGU reporting aligned with the TSA; introduce incentives, not penalties, for data compliance, as in Table 30).	
		<i>Fast-track visitor experience enhancements</i> (scale FBSE and MSME support programs; improve cleanliness, mobility, safety culture as tourism is every Filipino’s business).	
Medium-run (2026-2028) / Scale competitive and inclusive products	Market expansion and circuit commercialization	<i>Strengthen continuity of tourism branding</i> (ensure “Love the Philippines” is integrated with regional identities (Section 4.4.2)).	Scale sustainable circuits, deepen domestic linkages, expand high-value source markets, and commercialize validated products (outcomes that will benefit from revised provisions on inter-agency coordination and investment incentives).
		<i>Upgrading validated circuits to commercially-ready products</i> (prioritize market-tested models in Visayas and Mindanao)	
		<i>Advance sustainability systems</i> (carrying capacity management for ecotourism and UNESCO sites; reinforce climate-resilient tourism infrastructure)	
		<i>Market diversification</i> (expand ASEAN, Middle East, and India source markets as seen in Figure 26; grow domestic high-value travel segments: wellness, creative, learning, cruise)	
Long-run (2028 onwards) / Future-proofing transformation	Smart destination systems and globally recognized tourism excellence	Private-sector empowerment (commercialization pathways for regional DOT-initiated circuits; investment incentives for green facilities, digital adoption, and accessibility)	Institutionalize smart-destination systems, AI-enabled tourism services, and resilient community-based value chains
		<i>Digital transformation of the full visitor economy</i> (real-time visitor management and demand forecasting; tourism innovation labs such as AI-assisted trip design and AR heritage experiences)	
		<i>Strengthening workforce pipelines</i> (integrate tourism in lifelong learning pathways such as in medical, MICE, FMA, cruise, ESL; create	

mobility programs for world-class Filipino tourism talent	(strategic directions that a modernized RA 9593 must explicitly support).
Balanced regional prosperity (tourism-centered value chains such as agro-tourism and creative industries; Mindanao cruise and cultural corridor; and Northern Luzon heritage arc, as gleaned from the FGD).	

Source: Tabulated by the authors.

Key stakeholders were unanimous in saying that the Filipino people remain the nation’s greatest tourism differentiator. Thus, service excellence must be continuously nurtured, celebrated, and professionalized, as seen in Table 34. Thus, we show in Table 36 coordinated policy directions for DOT, private sector, development partners, and the academia.

Table 36. Coordinated policy directions

Stakeholder	Policy direction	Key benefit
DOT and NGAs	Harmonize national and local branding and planning; strengthen infrastructure coordination	Unified destination story for a smoother travel flow
LGUs	Reinvest tourism/environment fees in conservation and product upgrades	Direct community benefit towards sustainability assurance
Private sector	Lead in commercializing validated circuits; MSME digital onboarding	Economic scale resulting to competitiveness
Academia	Research on wellness, creative, and education tourism; service excellence training	Skills pipeline generates innovation
Development organizations	Climate-smart tourism planning and inclusive enterprise support	Global alignment drives resilience

Source: Tabulated by the authors.

Further studies are recommended to examine the behavior and growth potential of emerging visitor markets, including ASEAN travelers, the rapidly expanding Indian outbound segment, and the Filipino diaspora, particularly those traveling for family reunions and cultural experiences. These studies should assess how travelers perceive the value of Philippine products such as wellness tourism, medical services, culinary heritage, and cultural immersion. A deeper insight into these markets will enable product refinement, more precise marketing strategies, and expanded connectivity in high-potential international corridors.

Moreover, as the Philippines accelerates tourism digitalization, future studies should evaluate the effectiveness and user experience of government-led tools such as the Travel PH app, the HOHO bus system, and wider digital payment and visitor assistance platforms. Equally important is examining how MSMEs, especially in rural and community-based destinations, are adopting digital solutions, and the barriers they face in onboarding and interoperability. Studies in this area will help ensure that technological transformation remains inclusive, scalable, and aligned with the needs of local enterprises.

Finally, there is considerable opportunity for future studies on shifts in traveler motivations toward well-being tourism, slower-paced experiences, and purpose-driven travel such as voluntourism, segments where Western and Central Visayas already show promising early pilots. Understanding community attitudes toward tourism resurgence, including perceived

benefits and social safeguards, will be crucial in ensuring that recovery remains equitable, culturally respectful, and risk-informed. These will help guide the development of a tourism sector that not only rebounds, but emerges stronger, more resilient, and aligned with long-term sustainability goals.

Our findings affirm that **the Philippines is well-positioned to move from recovery to reinvention, with regions actively pioneering innovations that align strongly with the NTDP 2023-2028 agenda.** By accelerating digital transformation, nurturing community-centered and sustainability-focused tourism, and investing in the strengths of people and places across all island groups, the country can build a tourism future that is confident, competitive, and opportunity-rich. This is a future where progress is shared, benefits reach communities at the grassroots, and every Filipino can proudly say: we are part of what makes the Philippines worth traveling for.

At the same time, the policy roadmap and research directions we have outlined are far from theoretical. They are **strategic investments in knowledge and governance that will enable Philippine tourism to continuously adapt to shifting markets, unlock its fullest potential, and assert its rightful place as a creative, innovative, and community-powered leader in global travel.** The Philippines is not merely recovering. It is rising with purpose, guided by evidence, strengthened by partnerships, and driven by the character and hospitality of its people. With this momentum, the Philippines stands ready to show the world that now more than ever, why it is always worth the journey.

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8. Appendix

Appendix 1. Literature matrix (Theme: Tourism competitiveness and regional positioning)

Authors	Research Locale	Key findings
Rivera and Gutierrez (2018)	Philippines, Thailand, Japan	<ul style="list-style-type: none"> Degree of awareness of a country brand, and demographic variables (age, gender, marital status, educational attainment) have shown varying relationships with the length of stay and travel budget allocation. Findings have implications in developing effective tourism marketing initiatives.
Gutierrez et al. (2025, 2023)	Philippines	<ul style="list-style-type: none"> Tourism stakeholders have a positive outlook on increased tourism liberalization. Effective planning strategies, capacity-building initiatives, and infrastructure development are necessary to ensure the readiness of the Philippine tourism industry for further trade liberalization.
WEF (2024)	119 economies	<ul style="list-style-type: none"> Tourism sector continues to recover from the COVID-19 pandemic, but the recovery has been uneven, and operating conditions remain challenging. There is a general improvement in tourism enabling conditions in developing economies, but more is needed to close the gap with high-income economies. Tourism sector has seen increased ICT readiness and benefits from pandemic-era business and labor policies, but challenges remain in areas such as workforce resilience and equality.
OECD (2024)	General	<ul style="list-style-type: none"> AI is a transformative force in tourism, with the potential to drive innovation and address challenges in the sector. Adoption of AI in tourism can enhance the visitor experience, improve market intelligence, optimize visitor flows, support price/cost optimization, and automate internal processes. Risks associated with AI adoption, including data quality, security concerns, and potential negative impacts on employment. Policy considerations include the need for robust data protection measures, monitoring the impact of AI on jobs, supporting enterprises in adopting AI, and promoting a dynamic environment for innovation.

Source: Authors' tabulation.

Appendix 2. Literature matrix (Theme: Tourism product diversification and circuit development)

Authors	Research Locale	Key findings
Benur and Bramwell (2015)	General	<ul style="list-style-type: none"> Primary tourism products are key draw cards which attract tourists to particular destinations. The diversification, intensification and linkage of these products can be crucial for the competitiveness and sustainable development of destinations. Developed two conceptual frameworks which assist with analyzing and understanding the features, relationships and strategic options associated with tourism product development, concentration, diversification and intensification in destinations. Tourism product features and options considered here include the development of niche and mass tourism products, parallel and integrative diversification, and thematic and spatial synergies between products.
Goryushkina et al. (2019)	Russia	<ul style="list-style-type: none"> Diversification in the hospitality industry involves expanding the range of services, identifying and developing strengths, optimizing

Authors	Research Locale	Key findings
		<p>resource use, applying new technologies, expanding the market, and creating hotel chains.</p> <ul style="list-style-type: none"> • Diversification is considered a means of enhancing the competitive advantages of a hotel. • Diversification enables hotels to ensure survival by securing a guaranteed level of profit and establishing a sustainable position in the hotel services market.
Ranjbar et al. (2024)	General	<ul style="list-style-type: none"> • Tourism development positively and significantly influences export product diversification. • Suggested that policies aimed at promoting tourism development could also lead to a more diversified export base, which can have positive implications for economic stability and growth
Solarin et al. (2024)	General	<ul style="list-style-type: none"> • Diversification of tourism activities is a driver of economic growth. • Diversification of European markets leads to positive economic growth. • Enhancing tourism diversification from European markets can increase the positive economic impact of the tourism sector.
Roxas et al. (2020a)	Philippines	<ul style="list-style-type: none"> • Highlighted the relationships between ecotourism, profitable businesses, job creation, stakeholder motivation for sustainability, tourist satisfaction, increased tourist arrivals, environmental stress, and the role of regulation, community leadership, and capacity management in ensuring sustainable
DOT (2023a)	Philippines	<ul style="list-style-type: none"> • To transform the Philippines into an Asian tourism powerhouse
Rivera et al. (2022)	Philippines	<ul style="list-style-type: none"> • COVID-19 pandemic disrupted the tourism industry, causing significant losses in revenue and employment. • The pandemic also presented an opportunity to incorporate better practices and governance structures for a more proactive, responsive, and resilient industry. • The concept of sustainability in the tourism industry has evolved to include disaster risk reduction and resilience, as well as the enhancement of stakeholder health and well-being.
Lew and Cheer (2017)	General	<ul style="list-style-type: none"> • Underscored the significance of resilience theory in understanding how tourism communities and economies adapt to various environmental changes, encompassing rapid occurrences (natural disasters, gradual shifts). • Identified a notable gap in tourism scholarship, pointing out that despite the pressing need for new frameworks, tourism scholars have been slow to adopt and apply resilience concepts. • Offered original empirical and theoretical insights, based on international research, to explore the complexities of environmental change encounters and the practicalities of resilience planning in diverse tourism contexts.

Appendix 3. Literature matrix (Theme: Sustainable Tourism)

Authors	Research Locale	Key findings
Aquino and Rivera (2018)	Rizal, Philippines	<ul style="list-style-type: none"> • Proposed a sustainable geopark development framework based on a public-private partnership (PPP). • Emphasized the importance of balancing risks, advantages, responsibilities, investments, and profits for stakeholders in such partnerships. • Framework aims to utilize the strengths of both the government and private sectors to improve geopark development, especially in developing countries.

Authors	Research Locale	Key findings
Ackaradejruan gsri and Rivera (2017)	Amphawa, Thailand	<ul style="list-style-type: none"> • Found that the Amphawa Chaipattananurak Conservation Project exemplifies how CBT can balance cultural preservation with sustainable development. • Despite strong community participation, visionary leadership, and diverse heritage attractions, the project faces marketing, skills, and resource challenges. • Additionally, rapid tourism growth has triggered gentrification, weakened community cohesion, and created risks of cultural commodification. • Emphasizes that without regulation and proper planning, these developments may compromise the project's long-term sustainability.
Rivera and Tuazon (2019)	Philippines	<ul style="list-style-type: none"> • Empirically establishes that tourism contributes to poverty alleviation in the Philippines. • Contingent on factors like the creation of local jobs, strengthening the tourism value chain, and community involvement to prevent elite capture. The results indicate that the impact of tourism on poverty alleviation is not instantaneous and requires a scale effect to take place over time.
Rivera (2019)	Philippines	<ul style="list-style-type: none"> • Emphasized the vital role of access to capital funding and financing for the sustainability and competitiveness of SMEs, particularly in the tourism industry. • Indicated the need to build the capacity of SMEs to become financially sustainable, which will help in crafting policy recommendations on how SMEs can gain and increase their access to financing.
Rivera and Gutierrez (2019)	Philippines	<ul style="list-style-type: none"> • Aimed to provide a framework for a sustainable ecotourism value chain in the Philippines, emphasizing the importance of balancing economic, social, environmental, and organizational development.
Roxas et al. (2020a)	Philippines	<ul style="list-style-type: none"> • Highlighted the relationships between ecotourism, profitable businesses, job creation, stakeholder motivation for sustainability, tourist satisfaction, increased tourist arrivals, environmental stress, and the role of regulation, community leadership, and capacity management in ensuring sustainable tourism.
Roxas et al. (2020b)	Philippines	<ul style="list-style-type: none"> • Proposed a framework to explain how tourism stakeholders can harness their roles and collaborative advantages in governing destinations through regulation, conservation, and livelihood. • Framework is designed to facilitate cooperation and interaction among stakeholders and can be translated into policies and tourism engagement strategies to guide governments in improving harmonization among stakeholders in managing destinations and implementing sustainable tourism initiatives, especially in a post-pandemic situation.
Gutierrez et al. (2021)	Philippines	<ul style="list-style-type: none"> • Identified local sustainability indicators relevant to the Philippines, emphasizing the importance of incorporating local perspectives in evaluating and promoting sustainable tourism.
Cortez and Rivera (2016)	Philippines	<ul style="list-style-type: none"> • Emphasized the need for a multi-stakeholder approach to sustainable tourism in the Philippines, with enhanced government participation and active community involvement. • It also highlights the importance of understanding tourist preferences to sustain their interest in Philippine tourism.
Espiritu and Lawas (2019)	Cebu and Bohol, Philippines	<ul style="list-style-type: none"> • Cebu and Bohol are among the top ten tourist destinations in the Philippines.

Authors	Research Locale	Key findings
		<ul style="list-style-type: none"> Common concerns include tourism-induced prostitution, climate change, disaster risk preparedness, traffic congestion, water sustainability, solid waste management, air pollution, and preservation of marine resources.
Rivera and Andrada (2024)	Philippines	<ul style="list-style-type: none"> Advocated for a pivot in the government's role from being primarily regulatory to being more developmental in fostering tourism sustainability. It emphasizes that this can be achieved by stimulating the market through value creation, manpower capacitation, ensuring health and safety, and protecting the environment, rather than merely fixing the market.
Rodolfo et al. (2023)	Asia and Philippines	<ul style="list-style-type: none"> Explored the theoretical, conceptual, and empirical issues in sustainable tourism, with a focus on the perspectives of various stakeholders and the application of management principles.

Appendix 4. Literature matrix (Theme: Digital transformation and smart tourism)

Authors	Research Locale	Key findings
Wang (2024)	China	<ul style="list-style-type: none"> Highlighted the positive impact of big data on tourism management. Offered a structured approach for implementing big data to foster sustainable growth in the tourism sector.
Xu et al. (2024)	China	<ul style="list-style-type: none"> Formulated a data-driven knowledge framework for digital innovation in smart tourism destinations, pinpointing core components such as digital organizational innovation, smart data platforms, multi-stakeholder digital collaborative ecosystems, and smart tourism scenario systems. Found that smart tourism scene innovation can be achieved through two main approaches: either closed innovation, which is driven by smart data platforms, or open innovation, which is propelled by a multi-stakeholder digital collaborative ecosystem.
ADB (2023)	Asia Pacific	<ul style="list-style-type: none"> Examined how to enhance regional digital cooperation to advance the tourism industry, moving it from traditional models to smart tourism. It categorizes activities by tourism value chains and analyzes digital technology through three perspectives: Core Information and Communication Technologies (ICTs), a narrow focus on the digital economy, and a broader view of the digitalized economy. Digitalization has led to a "digital divide" among countries, categorized into basic, intermediate, and advanced stages. Addressing this divide and fostering smart tourism are key priorities for regional and international collaboration
DOT (2023a)	Philippines	<ul style="list-style-type: none"> To transform the Philippines into an Asian tourism powerhouse.
Lapuz (2023)	Philippines	<ul style="list-style-type: none"> Digital transformation empowers residents in individual, gender, political, and social aspects. Individual empowerment improves technical capabilities and goal setting. Political empowerment increases residents' influence and decision-making roles.
Valencia (2019)	Philippines	<ul style="list-style-type: none"> Greater digitization and the use of emerging technologies have significantly boosted operations in key tourism areas and are expected to create more opportunities for the sector.
Sustacha et al. (2023)	Spain	<ul style="list-style-type: none"> Smart technology has a positive effect on the tourism experience in smart destinations. Informativeness and interactivity are the most influential attributes of smart technology.

Authors	Research Locale	Key findings
		<ul style="list-style-type: none"> • Security and privacy concerns have a negative relationship with the tourism experience.
Susilo and Santo (2023)	Philippines	<ul style="list-style-type: none"> • Philippine tourism shows a strong humanity combination in their content. • Even though they suffered damage from the COVID-19 crisis, the humanity union still exists.
Nadee et al. (2024)	Thailand	<ul style="list-style-type: none"> • Attitudes have a stronger effect on behavioral intention than self-efficacy. • Interactivity has the strongest effect on attitudes. • Tourist type (domestic vs. international) moderates the effects of interactivity and personalization on attitudes towards smart tourism technologies.

Appendix 5. Philippine success stories

Boracay rehabilitation programs. In compliance with Executive Order 53, the Boracay Inter-agency Task Force (BIATF) was ordered to rehabilitate the island of Boracay to ensure ecological sustainability and welfare of the local people. In retrospect, the island’s rehabilitation program which happened from April 26 – October 26, 2018 (a 6-month closure) aimed to address seven key areas: (1) provision of social safety nets to the local community through training, livelihood and employment assistance, (2) health and sanitation, (3) decongestion, (4) ease of traffic flow, (5) rule of law in Boracay, (6) engagement of stakeholders and the public, and (7) medium-term comprehensive rehabilitation and recovery program. On top of this, the Department of Environment and Natural Resources noted some other best practices such as the SMART-BIMS project which allowed port digitalization and unification of key players and a seamless tourist experience for the end-user. There were also water quality monitoring procedures and sewage treatment plants (STP) following the memorandum order 2018-04 (DENR, 2020, pp. 42-45). A positive behavioral change was also observed among the local community following the closure of the island. This was rooted from the strict regulatory measure and inter-agency collaborative efforts. Despite the foreseen challenges, Boracay was still successful in restoring its environment’s health, while improving the quality of life of the locals and restoring the beauty of the island (Sabandal & Gumban, 2024). In the long run, DENR (2020, as cited in DENR BIATF Secretariat, n.d.) suggested that a certain entity must manage the development of a new island plan, monitor its progress, harmonize existing and potential policies and ensure a robust inter-agency collaboration among stakeholders.

The Case of Intramuros. Also coined as the Walled City of Manila, was once again recognized as the Asia’s Leading Tourist Attraction at the 31st Annual World Travel Awards (WTA). The destination had received the same award in years 2016, 2020 and 2022. Subsequently, the destination also received the award as the World’s Leading Tourist Attraction in 2020. The current administrator corroborates that their success is due to the collaboration of the community, stakeholders and visitors. The Intramuros Administration (IA) is also committed to preserving Intramuros as a premier tourist destination (Intramuros Administration, 2024).

The success of Intramuros may be traced back from the Presidential Decree No. 1616 that was amended by the Presidential Decree No. 1748 of Former President Ferdinand Marcos in 1979. The decree stated the importance of Philippine major cultural landmarks such as Intramuros and how it must be preserved, developed and administered to ensure that the appearance

conforms with the Spanish architecture of the 16th – 19th century. The decree also specified the establishment of the Intramuros Administration as the sole entity to control and supervise the restoration and development of Intramuros, Manila. In line with this, a national historical consciousness program was stipulated to enhance, preserve and maintain destinations that enrich the rich culture and heritage of the country (Intramuros Administration, n.d.).

Recio (2017) stated some of the projects undertaken by the Intramuros Administration to safeguard its cultural significance such as the rehabilitation of walls and cobblestone streets, restoration of Spanish fortifications, establishment of light and sounds show and other related events. Furthermore, the former administrator of the IA publicized other projects under his administration such as the completion of the Maestranza project, improvement of the traffic plan including the pedestrian and no parking zones and designated parking areas, repairment of national and local roads in Intramuros and rehabilitation of drainage systems to eliminate floodings. Moreover, Recio (2017) concluded with the development of Conservation Management Plan (CMP) of Intramuros which indicates the management strategy for Intramuros' historical assets to ensure conservation and retention of cultural significance (Intramuros Administration, 2010).

Finally, UNESCO (n.d.) noted that while Intramuros had a fair share of challenges in restoration and the influx of informal settlers, the formal mandate in 1979 (stated above) allowed the city's grid, layout of the central plaza and the churches to be intact up to date (UNESCO, n.d.). Besides, the IA is continuously making collaborative efforts to conserve the destination's cultural significance and value.

Appendix 6. KII Instrument

Modality: Onsite / Online via Zoom

Time: at most 70 minutes

I. Introduction and consent (3 minutes)

1. Briefly introduce the research project and its objectives.
2. Ensure voluntary participation, confidentiality, and consent to record (if applicable).

This interview is part of a national tourism sectoral review led by the Philippine Institute for Development Studies (PIDS). We aim to understand the current state, challenges, and future direction of tourism in the Philippines. Your insights will help shape strategic recommendations. Your identity will be kept confidential unless you allow us to attribute quotes. May we proceed?

II. Profile of the key informant (2 minutes)

1. Name (optional):
2. Affiliation:
3. Position:
4. Years of experience in tourism or related sectors:
5. Location (region, province, or tourism circuit covered):
6. Email address (optional):

III. Core questions (60 minutes)

A. On tourism products and services

1. What tourism products and services in your area or scope have the greatest potential for growth?
2. How would you assess the quality and competitiveness of these offerings (e.g., hospitality, experience, value)?
3. Are there untapped niche tourism markets (e.g., wellness, cultural heritage, adventure) you think the country should focus on?

B. On tourism circuits and connectivity

1. Are there functional or emerging tourism circuits in your region/province/municipality? How are they performing?
2. What are the main challenges in terms of physical and digital interconnectivity?
3. How can we strengthen linkages between destinations within a circuit or across regions?

C. On policy and institutional landscape

1. How would you assess current national or local tourism policies? Are they effectively implemented in your area?
2. What policy gaps or regulatory bottlenecks do you frequently encounter?
3. How do political or administrative factors, such as changes in the Local Chief Executive (LCE) or shifting local priorities, affect the continuity or implementation of tourism programs and policies?
4. To what extent are local communities or stakeholders engaged in planning and decision-making for tourism programs? Are there mechanisms for participatory governance in your area?
5. How are tourism programs and projects monitored and evaluated in your jurisdiction? Are there standard tools or frameworks in place? What challenges do you encounter in implementing monitoring and evaluation (M&E) systems?

D. On investment and infrastructure

1. What are the biggest infrastructure constraints facing tourism in your locality or scope (e.g., roads, ports, digital infrastructure)?
2. What types of tourism-related investments are most needed?
3. Are private sector and LGUs actively investing in tourism? If not, what are the barriers?

E. On sustainability and resilience

1. How are sustainability and environmental protection addressed in tourism development?
2. Are there risks of overtourism or climate vulnerabilities in your area?
3. What resilience or risk-reduction strategies are being implemented or should be prioritized?
4. Are there monitoring and evaluation mechanisms specifically geared toward assessing sustainability outcomes of tourism programs (e.g., environmental impact, social inclusion, disaster preparedness, risk management)?

F. On market trends and digital transformation

1. How have tourist preferences or behaviors changed since the pandemic?
2. Is your destination or institution adopting digital tools (e.g., marketing, data collection, visitor management)?
3. What are the barriers to digital transformation in the tourism sector?

IV. Final words (3 minutes)

1. What would it take for the Philippines to truly become a tourism powerhouse in Asia?
2. What specific policies, programs, or investments would you recommend to make tourism more inclusive and competitive?

V. Closing (2 minutes)

Thank the respondent and ask for permission to follow up or share key findings. Offer to send a summary of the final report.