

PERFORMANCE OF THE PHILIPPINE TOURISM INDUSTRIES, 2019 - APRIL 2022

As alert levels for the Covid-19 pandemic were downgraded, local travel restrictions have also been eased. Gradual resumption of tourism operations in the second quarter of 2021 resulted in the reopening of more establishments and an uptick in the number of domestic travelers to major tourist destinations.

Tourism Direct Gross Value Added (TDGVA). TDGVA is defined by the World Trade Organization as the part of gross value added generated by tourism industries and other industries that directly serve visitors for tourism consumption.

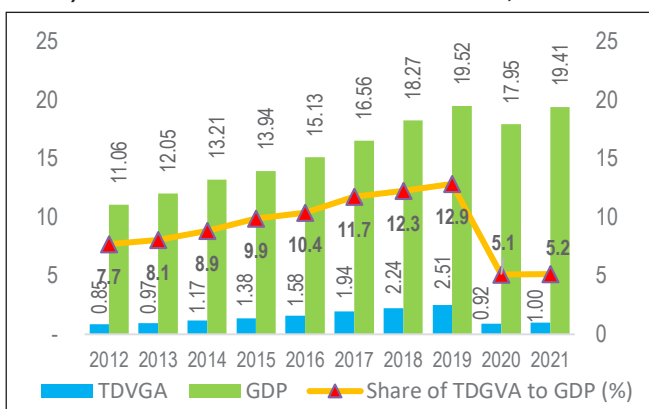
TABLE 1. TDGVA AT CURRENT PRICES, GROWTH RATE (%), 2019-2021

	2019-2020	2020-2021
I. Tourism Characteristic products	-78.4	11.8
Accommodation services	-90.6	-10.8
Food & beverage services	-74.0	4.6
Transport services	-36.4	3.8
Travel agencies	-83.1	38.4
Entertainment services	-71.7	-39.3
Shopping	-78.7	32.9
Miscellaneous	-75.6	33.4
II. Other products	2.4	6.7
TOTAL TDGVA	-63.4	9.2

Source: Philippine Statistics Authority (PSA)

Philippine Statistics Authority (PSA) data indicate Philippine tourism has started recovering based on TDGVA figures. Table 1 and Figure 1 show that TDGVA rebounded by 9.2% in 2021 to breach the trillion-peso mark. This is a recovery from the 63.4% drop between 2019 (P2.5 trillion) and 2020 (P0.92 trillion), which has offset the country's nominal TDGVA growth for eight (8) consecutive years (Figure 2).

FIGURE 1. TDGVA AT CURRENT PRICES (IN TRILLION PHP) AND AS PERCENTAGE SHARE OF GDP, 2012-2021



Source: Philippine Statistics Authority (PSA)

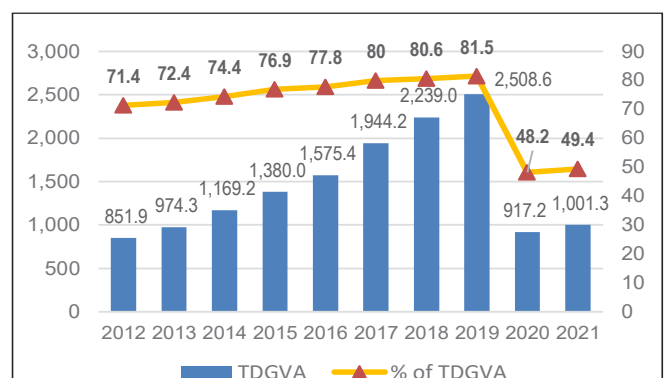
Facts in Figures

Congressional Policy and Budget Research Department
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Almost all tourism-related industries have rebounded except for those offering accommodation and entertainment services whose outputs continued to contract in 2021 (Table 1).

In terms of the share of TDGVA to the gross domestic product (GDP), it slightly increased from 5.1% in 2020 to 5.2% in 2021. These two recorded figures are still considered the lowest in the past ten years (Figure 1).

FIGURE 2. TOURISM CHARACTERISTIC PRODUCTS AS PERCENT OF TDGVA AT CURRENT PRICES (IN%), 2012-2021



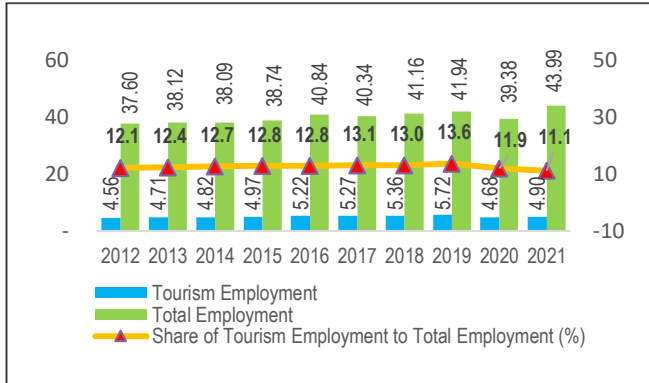
Source: Philippine Statistics Authority (PSA)

Tourism characteristic products (products/services produced by activities in the tourism industry) account for 49.4% of the total amounting to P1.0 billion of TDGVA in 2021, a slight increase from 48.2% in 2020, but still far from the 81.5% recorded in 2019. In terms of TDGVA at current prices, the tourism industry has generally improved as it posted a positive growth rate from 2020 to 2021 (Figure 2).

Employment in Tourism Industries. With the gradual reopening of tourism, the number of people employed in this sector slightly rose to 4.9 million in 2021 from 4.68 million in 2020, but still far from the 5.72 million recorded in 2019 (Figure 3).

The 2021 tourism employment is just 11.1% of the total employment in the Philippines, the lowest in the past 10 years. It peaked at 5.72 million or 13.6% of the country's total 41.94 million employed workers in 2019 before sliding to 11.9% in 2020 due to the pandemic.

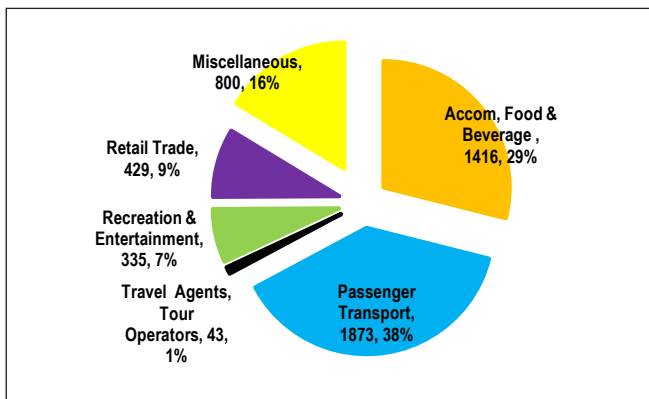
FIGURE 3. SHARE OF TOURISM EMPLOYMENT TO TOTAL EMPLOYMENT (IN %), 2012 TO 2021



Source: Philippine Statistics Authority (PSA)

Of the 4.9 million employed in the tourism sector in 2021, majority were working in establishments that provide passenger transport (38%), accommodation, food & beverage (29%), and miscellaneous services (16%) (Figure 4).

FIGURE 4. EMPLOYMENT IN TOURISM INDUSTRIES (IN THOUSAND PERSON), 2021

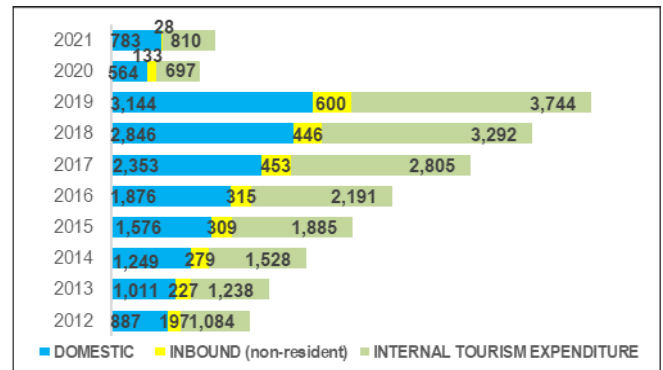


Source: Philippine Statistics Authority (PSA)

Tourism expenditures which is comprised of inbound and domestic tourism expenditures, grew by 16% in 2021 valued at P810 million from P697 million in the previous year. Inbound tourism expenditure - which refers to the expenditure of non-resident visitors (i.e. foreign visitors and Filipinos permanently residing abroad) within the Philippines declined sharply by 79.2% to settle at P28 million in 2021 from P133 million in 2020. Meanwhile, domestic tourism expenditure, which covers expenditures of resident visitors within the country either as a domestic trip or part of an international trip, considerably increased by 38.7% valued at P783 million in 2021 from P564 million in 2020 (Figure 5). Outbound tourism expenditure, which refers to the spending of Filipino visitors while traveling outside the country,

amounted to P100.4 million, or an increase of 27.1% from P79 million in 2020.

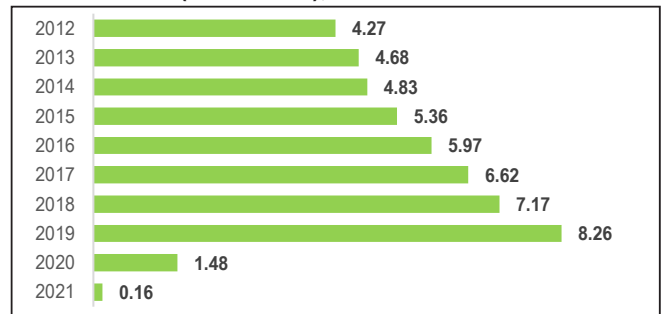
FIGURE 5. INTERNAL TOURISM EXPENDITURE AT CURRENT PRICES, (IN MILLION PHP), 2012 TO 2021



Source: Philippine Statistics Authority (PSA)

Inbound Visitor Arrivals. From a strong 8.26 million foreign tourists in 2019, the number dropped significantly to 1.48 million in 2020, and further dipping to 0.16 million in 2021. The decline in 2020 by 82.1% broke the country's year-on-year rise in inbound visitor arrivals since 2012 (Figure 6).

FIGURE 6. INBOUND VISITOR ARRIVALS (IN MILLION), 2012 TO 2021



Source: Philippine Statistics Authority (PSA)

In February 2022, the Philippines started reopening its borders and loosening travel restrictions to foreign leisure tourists. As of April 30, the influx of foreign tourist arrivals in the country has reached 211,460 and already surpassed the 2021 figure of 24,549 by as much as 761%. Visitor arrivals from the US (72,409), South Korea (16,814), Canada (16,663), Australia (15,956), and Great England (14,869) contributed greatly to these improved numbers during this period (Table 2).

TABLE 2. FOREIGN TOURIST ARRIVALS, FEBRUARY-APRIL 2021 & 2022

	Foreign Tourists by Nationality	Feb-April 2021	Feb-April 2022	Growth Rate (%)
1	American	5,516	72,409	1,213%
2	South Korean	1,107	16,814	1,419%
3	Canadian	600	16,663	2,677%
4	Australian	267	15,956	5,876%
5	Other Nationalities	6,187	89,618	1,348%
	TOTAL	24,549	211,460	761%

Source: Department of Tourism (DOT)