Investing in the Philippines’ Tourism Development

Atty. GUILLER B. ASIDO
Tourism Infrastructure and Enterprise Zone Authority
PHILIPPINE TOURISM
The Story of Philippine Tourism.

Tourism is emerging as our country’s economic sector with the highest potential to create inclusive growth through employment generation and economic development in remote areas across our archipelago. It is a key growth driver of the Philippine economy today.
Philippine Tourism

Introduction

Positive Numbers

Tourism Industry, the Powerhouse

Directions and Strategies

National Tourism Development Plan 2016–2022 (NTDP)

The TEZ Model

Tourism Enterprise Zones

Investment Facilitation Services

More than One-Stop-Shops

The Economy and Tourism

Rates beyond expectations

Japan-Philippines Investment Forum 2016
POSITIVE NUMBERS
Tourism in the Philippines is growing faster than global and Asian average.

The World Economic Forum’s (WEF) Travel and Tourism Competitiveness Report for 2015 reported that the Philippine is the most improved Asia-Pacific economy, rising to a rank of 74 among 141 economies from 82 out of 140 in 2013.

All our numbers in terms of arrivals, employment direct contribution and total contribution, visitor exports are in the upswing.
Investments

Travel and Tourism investment in 2015 was Php75.9bn, (USD$1.6bn) or 2.7% of total investment. It should rise by 8.3% in 2016, and rise by 5.5% p.a., over the next ten years to Php 139.9bn (USD 2.9bn) in 2026 (2.8% of total).

Tourist Spending

The money spent by visitors in our country (or visitor exports) generated Php294.4 Bn. This is expected to grow by 3.6% in 2016. By 2026, we are expecting expenditures of Php 579.8 bn, an increase of 6.6% p.a.

More Rooms!

Expecting to have a room gap of 120,000 to serve the 12.0 Million inbound or foreign visitors and 89.2 Million domestic tourist in the country by 2022.
National Tourism Development Plan

The National Tourism Development Plan (NTDP) for year 2016–2022 calls for “Investing in a Competitive and Inclusive Tourism.” And the vision is to “Develop a highly competitive, environmentally sustainable and socially responsible tourism that promotes inclusive growth through employment generation and equitable distribution of income.
Calling for the development and promotion of Tourism Enterprise Zones (TEZs) that will provide more value for business.

NTDP 2016-2022

“Investing in a Competitive and Inclusive Tourism.”
20 Tourism Clusters in the Northern, Central and Southern Philippines

9 Gateway Clusters with International Airports and 49 Developmental Areas

Tourism Clusters

The NTDP adopts a cluster and convergence approach, to ensure participatory governance and strengthen capacity of the stakeholders capacity.
The TEZ Model

Tourism Enterprise Zone
Investors availing of fiscal and non-fiscal incentives for their investment in tourism infrastructure within and outside designated Tourism Enterprise Zones (TEZs).
Incentivizing will lead to the development of destination clusters that meet international visitors’ expectations, including accommodation, activities, utilities and other secondary services.
TEZs & NTDP Clusters

The TEZs is a paradigm shift and offers a unique opportunity to develop tourism clusters that integrate international standards with exceptional supplementary services and a high level of security.
INCENTIVES

- Income Tax Holiday
- 5% Gross Income Taxation Rate
- Tax and Duty Free Importation of Capital Investment and Equipment
- Tax and Duty Free Importation of Transportation Equipment and Spare Parts
- Tax and Duty Free Importation of Goods and Services
- Special Responsibility Incentive
- Net Loss Carry Over
Non-Fiscal INCENTIVES

• Employment of Foreign Nationals
• Special Investors Resident Visa
• Foreign Currency Transactions
• Exemption from requisition of investment
• Lease and ownership of land
Flagship Tourism Enterprise Zones

- **San Vicente**, Province of Palawan
- **Rizal Park**, City of Manila
- **Mt. Samat**, Province of Bataan
- **Panglao Island**, Province of Bohol
- **Bucas Grande**, Province of Surigao del Norte
Private Tourism Enterprise Zones

- Ciudad de Victoria, Province of Bulacan
- Bravo Golf Resort, City of Dumaguete
- Hijo Resort, Davao
- Queens Castle, Province of Cebu
- Resorts World, City of Manila
Example, San Vicente Flagship TEZ
Example, San Vicente Flagship TEZ
FTEZs are master planned, these are also initially funded for horizontal developments, which includes utilities, i.e., water and power supply systems.
INVESTMENT FACILITATION SERVICES
Investment Facilitation Services

More than One-Stop-Shops

ASSISTANCE
Answers inquiries by Clientele; Conducts TEZ presentations to prospective investors and/or upon request of applicants and/or concerned government agencies; Assists TEZ applicants in their application to other concerned government agencies (TEZ documentary requirements), and Assists TEZ Operators and RTEs in following up of the status of their applications.

EXPANSION
Hold meetings with investor locators to explore the possibility of expanding their business within the zone or locate a branch within other zones.

RETENTION
Ensures that all applications of Clients are acted upon on time (e.g. TEZ procedure timeline, certificates are issued on time; Ensures that permits, licenses, certifications and other TEZ documents and issuances are released on time. Ensures that inspections are done properly and efficiently; Appropriately act upon the issues and concerns of TEZ Operators and Registered Tourism Enterprises (RTEs)

Japan-Philippines Investment Forum 2016
It is our intention therefore that, the relationship begins not just from the formal entry and operation of your business, but even during the planning stage proper itself, and before any formal investment is made.
THE ECONOMY & TOURISM
Empirical evidence shows that tourism contributes to poverty reduction as every 1% increase in tourist arrivals is associated with a 0.12% reduction in the number of the poor.
The investment that you will be making is not just a business proposition but also, an initiative for social and progressive development, and inclusive growth.
Thank You

TIEZA: tieza.gov.ph
DOT: tourism.gov.ph
+63.2.831.0779

Photos: flickr.com/ansfav
Template: Jun Akizaki - thepop.com