

PHILIPPINE TOURISM

BENJAMIN B. DOMINGO



VOLUME IV

Philippine Economic Diplomacy Series

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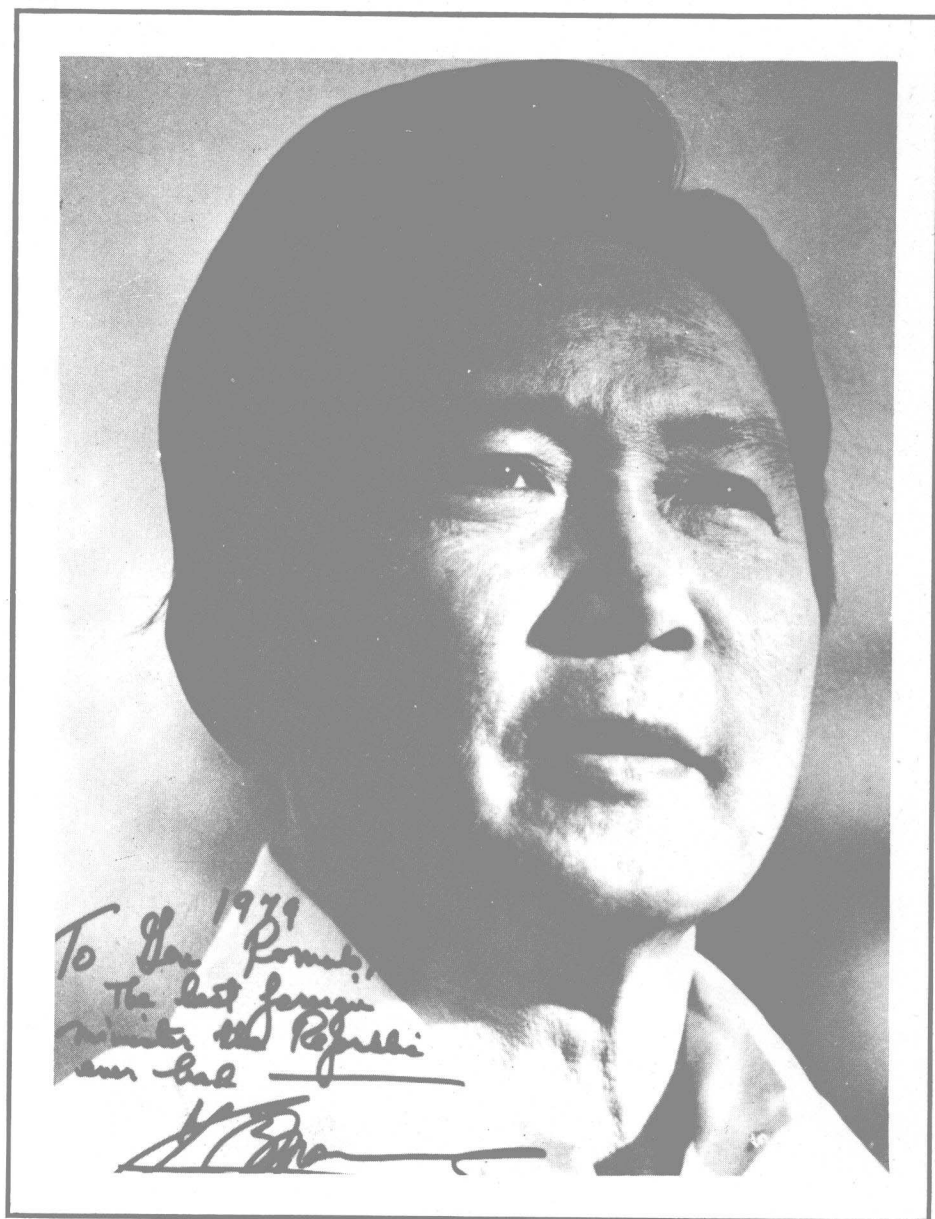
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Head of State and Government of the Republic of the Philippines
FOUNDER OF THE FOREIGN SERVICE INSTITUTE
(Presidential Decree No. 1060)



GENERAL CARLOS P. ROMULO
Minister for Foreign Affairs

INTRODUCTION

Philippine Tourism is Volume IV in the **Philippine Economic Diplomacy Series** published by the Foreign Service Institute.

1980 was the banner year in Philippine tourism when the 1,000,000th tourist arrived in Manila and met the fanfare that fittingly ushered in a new age in the tourism industry in this part of Asia.

Tourism in other countries is the largest source of foreign exchange, bigger than receipts from the export of commodities and even manufactured industrial products. Whether this will be the case for the Philippines depends on many variables. But the givens are here: a friendly people, a sympathetic government, scenic views and beaches which can compare favorably with any seaside resort anywhere in the globe.

As part of the larger Foreign Economic Policy of the Philippines, tourism is one area to which the concerted efforts of all officials and personnel of the Foreign Service can be immediately and effectively applied.

President Marcos in 1979 ordered the restructuring of the Ministry of Foreign Affairs so that, like all other Ministries in the national government, it can contribute its maximum participation in achieving the National Development Goals. Export promotion, tourism promotion, investments promotion and manpower export promotion are the identified areas of activities where the Ministry of Foreign Affairs and the Foreign Service can contribute their efforts in achieving a more favorable balance of payments and balance of trade.

It is of course the Ministry of Tourism that has the principal responsibility of promoting the industry domestically and overseas. But with the intensified cooperative efforts of Ambassadors, Consuls General and Tourism Attachés in the Foreign Service, a formidable machinery can systematically and unceasingly make marketing strategies and adopt specific programs that can be calculated to attract more tourists to the Philippines. There is no tourist-rich

capital in the world that has no Philippine Ambassador, Consul General or Honorary Consul within reach. They can be the first line of contact between the Philippine Government and the potential tourists and the professional tourism promoters.

Another area of cooperation can be the joint marketing programs with all foreign airlines and leading hotels with a view to making the clients of the latter make Manila and the Provinces their next tourist destinations.

Therefore an understanding of the functions, objectives and programs of the Ministry of Tourism is essential. A study of their budget will indicate areas of priority and emphasis. A directory of officials is necessary in establishing contacts with their counterparts abroad.

In making tourism promotion goals and strategies, the help of statistical reports is critical. Specific information on investments incentives in tourist-related industries can pay dividends in attracting not only tourists but investors in tourism industries.

Embassies and consulates are the first places of inquiry for tourism facilities, hotel accommodations, rates of hotels, transportation and so forth. It is always useful to have these information at hand.

To emphasize that Tourism is a major industry and the most likely to increase in volume in the future, the 10-Year Plan, the 5-Year Plan and the Tourism Plan for the Year 2000 are included for further study.

In making **Philippine Tourism** available in all Philippine Embassies and Consulates General abroad, and in the hands of all Foreign Service Officers of the Philippines, it is hoped that each one can take time and effort to invite more tourists to Manila in the true tradition of Filipino hospitality.

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CHAPTER I

MINISTRY OF FOREIGN AFFAIRS

President Marcos on 11 February 1979 signed Executive Order 523 for "the Restructuring of the Foreign Service of the Philippines" and thereby required the Ministry of Foreign Affairs to provide a set of clearly defined goals and objectives particularly for the promotion and expansion of Philippine exports, *the attraction of foreign tourists to visit the Philippines*, the promotion of investments into Philippines enterprises, and the protection and advancement of the interests of Filipino migrant workers within the jurisdiction of the missions.

Accordingly, the Ministry of Foreign Affairs responded and reorganized the Ministry along geographical areas rather than functional lines to be able to be more responsive to the requirements of the new Philippine Economic Diplomacy.

On 24 February 1983, General Carlos P. Romulo promulgated the *Philippine Foreign Service Code of 1983* which was published by the Foreign Service Institute (FSI). It clearly defined the goals and objectives of the Ministry of Foreign Affairs.

The following Sections of the Code which are reproduced here now serve as basic guidelines on how the Ministry of Foreign Affairs would implement, along with the Ministry of Tourism, the program to attract foreign tourists to the Philippines.

ECONOMIC INTERESTS FUNCTIONS

SEC. 86. Economic Activities — The diplomatic mission or the consulate shall have primary responsibility for the direction and coordination of all economic activities of offices in its area of jurisdiction. The mission shall prepare economic reports on a national

scale but may call upon consular officers for supporting regional reports. Consular offices shall, however, submit economic reports covering their respective districts furnishing copy thereof to the diplomatic mission.

Economic activities involve efforts toward improving the balance of payments position of the Philippines or promotion of its economic growth and development. These activities include:

- a. promotion of Philippine exports;
- b. export of Philippine manpower services;
- c. promotion of Philippine management services (such as in construction and development projects);
- d. promotion of investments into the Philippines;
- e. promotion of tourism;
- f. from donor countries, securing appropriate foreign aid assistance and technical assistance programs.

SEC. 87. Promotion of Exports, a Principal Economic Function — The promotion of Philippine export trade is a principal economic function of Foreign Service posts. Officers will, in a large measure, be rated as to their efficiency in this particular field by the extent to which they succeed in creating or increasing the demand therein for Philippine products. Cooperation in this field shall be done with attachés or representatives, if any, of the Ministry of Trade and Industry and the Philippine International Trading Corporation (PITC).

SEC. 88. Reports on Increases or Decreases of Exports — Officers shall embody in the periodic economic reports required by the Code statistics showing changes in the volume of Philippine exports in their respective districts. In case of decrease in exports, the reason therefor such as lowered prices of competing products, difficulties in exchange payments, tariff increases, etc., shall be stated in the reports and recommendations shall be made as to possible remedial measures.

SEC. 89. Exhibition of Products — Since one of the most effective ways of creating demand for Philippine products is their actual exhibition and demonstration thereof, a part of the chancery or office may be used as a permanent display of Philippine products to which local businessmen may from time to time be invited to view. In case of lack of budgetary outlays for the purchase and display of said products, they may be solicited from interested Philippine firms with the assistance of the Ministry. Chiefs of Missions should be guided by Ministry Order No. 54, Series of 1982 of the Ministry of Trade and Industry relative to the Philippine Participation in International Trade Fairs.

Whenever feasible, Foreign Service posts shall seek to acquire quantities of Philippine products such as rum, beer, cigarettes, canned goods, and food preserves to be served at receptions and to be offered to guests by way of introducing them to our products.

SEC. 90. Ready Economic Literature — Foreign Service posts shall have up-to-date economic literature in the form of commercial directories, trade pamphlets, commodity indices with prices and specifications, names of reputable Philippine firms dealing in particular products, and such other informative materials as may be of use to prospective importers.

They should file and index for ready reference economic and trade information obtained from pamphlets, books, yearbooks, periodicals and more especially, reports and publications of the Central Bank, the Ministry of Trade and Industry, the National Economic & Development Authority and other similar agencies.

SEC. 91. Familiarity with Saleable Products — Officers shall be familiar with Philippine products most likely to be sold in their respective districts and should be able to discuss intelligently all points in relation thereto. Focus should be given to seven new-type of exports, namely: handicrafts, electronics, garments and textile, leather goods and footwear, processed food, furniture and wood-works and overseas construction services. These seven priority products and services are being developed and expanded by the government through the Bureau of Foreign Trade of the Ministry of Trade and Industry, and should be given proper emphasis by all Foreign Service posts.

Likewise, they shall endeavor to keep in touch with the general developments in agriculture and industry in the Philippines to ascertain which products would be available for the market in their districts.

SEC. 92. Contact with Business Personalities and Entities — Diplomatic and Consular Officers should maintain contacts with businessmen, importers, and other leaders in the business community, and also government officials dealing with trade and economic matters in their country of assignment. When in contact with said persons, the opportunity should always be availed of to ask probing questions on matters pertinent to Philippine trade and business.

The Chief of Mission or principal officer shall see to it that officers in charge of trade promotion, including those belonging to other Ministries of the government, are provided representation allowance and adequate funds to cover at least membership fees in business organizations and expenses in attending their luncheon or dinner meetings.

SEC. 93. Market Survey — The officer in charge of trade promotion shall endeavor to attain a good background of his district as potential market for Philippine exports and as a competitor of Philippine products in international trade. Once the necessary background is acquired, the officer shall thereafter keep himself with updated information on all phases of trade and economic developments in the district.

Information may be obtained from any of the following sources, namely: reports, if any, of his predecessor particularly those submitted during the year previous to his arrival; published reports, mimeographs, books of dependable character with information concerning the country or district; statistical and other reports published currently by the local government; reliable newspapers and trade journals; also leading local businessmen, government officials and business organizations.

To implement the objectives of the KKK program to spur economic and social development in the country, all Foreign Service posts are directed to monitor and evaluate demand for the products of the following livelihood projects in their respective jurisdiction:

1. agricultural and aqua-culture enterprises;
2. development of forest products; and
3. development of livestock and cottage industries.

They shall likewise provide timely and comprehensive marketing information to these livelihood enterprises. Thus, every post shall submit a separate monthly report addressed to the Marketing Coordination Center, KKK through the Ministry's MFA Task Force-KKK.

SEC. 94. Prompt Reports on Trade Opportunities – Officers in charge of economic activities of a post shall always be on the alert for concrete trade opportunities and shall send prompt communications thereon to the Ministry.

SEC. 95. Promotion of Tourism and other Items in Invisible Trade – Promotion of Philippine exports shall include tourism, overseas shipping and air transport, international insurance, etc.

Foreign Service posts shall have brochures, pamphlets and other literature, including pictures and maps of tourist centers in the Philippines together with such information on hotel rates, transportation costs, as may be of interest to tourists.

In addition to the promotion of Philippine export products, tourism, overseas shipping, etc., Foreign Service Officers shall likewise promote the investment opportunities in the Philippines as enunciated in Investment Priorities Plans.

SEC. 96. Unfavorable Trade Balance – In countries where the balance of trade is unfavorable to the Philippines, advantage should be taken of the situation to bargain for increased local imports of Philippine products.

SEC. 97. Master Plan for Export Promotion – The Philippine Government accords a high priority to the expansion of its export trade and considers the rapid growth and diversification of its inter-nation trade as one of its engines of growth.

To encourage the growth of markets for Philippine products worldwide, LOI No. 217 was promulgated directing all Government personnel assigned in diplomatic and consular posts to take a more direct hand in the Government's export promotion campaign.

As a forward thrust to trade promotion efforts, all Foreign Service posts shall create a trade promotion unit (TPU) composed of the chief of mission/principal officer as chairman, commercial attaché/foreign trade representative as vice-chairman, representatives from other service attachés, first/second/third secretaries, the PITC representative, PNB representative, the staff of the commercial attachés as members.

The TPU shall work in close cooperation with the existing offices to better exploit the potentials of the government's program in the area. The TPU shall harness the best resources of the Philippine government available at the post to provide some conceptual changes and act as a catalyst in initiating or accelerating a master plan for export promotion.

All Foreign Service posts shall submit at the beginning of each calendar year, a master plan for export promotion, giving in facts and figures the potential of local market for Philippine major export products. The implementation of the plan shall be monitored on a monthly basis.

PROTECTION OF ECONOMIC INTERESTS

SEC. 98. In General — Officers shall protect trade and other economic rights and interests of the Philippines, and in this connection shall, among others:

- a. Report and, upon request of party concerned, protest against imitation of Philippine products or use of labels or marks copied from Philippine originals;
- b. Guard against the infringements of rights of Philippine citizens in matters relating to commerce and navigation including air transport which are based on treaty, custom or international law;

- c. Observe and report on laws, agreements, decrees, and practices infringing or tending to infringe on commercial, agricultural and financial rights and interests of Philippine citizens and entities in countries to which they are assigned;
- d. Protect the commercial reputation of the Philippines and its products.

SEC. 99. Protection of Rights Secured by Treaty or International Comity. — Officers should be thoroughly familiar with the rights of Filipino citizens in relation to commerce and navigation including air transport which are secured to them by treaty, international law or customs in the country of their assignment. When rights of this nature are infringed upon, and if the officers are authorized to do so by treaty, local usage, or by virtue of their official position, they shall protest to the local authorities against such infraction, and shall immediately submit a report to the Ministry.

SEC. 100. Protection Against Discriminatory Agreements, Laws and Practices — Officers shall constantly appraise and evaluate the effect on the industrial, agricultural, financial, commercial and shipping and air transport interests of the Philippines of:

- a. All treaties, trade agreements, barter and compensation arrangements to which the country of their assignment is a party;
- b. All national and local laws and administrative regulations relating to taxation, tariffs, customs, import and export control, foreign exchange control, post administration, parcel post, warehousing, transportation, quarantine of animals, plants and other products, as well as the sanitary control of drugs and foodstuffs;
- c. Governmental and private monopolies which operate in restraint of trade and restrictions on commercial travelers.

SEC. 101. Protecting Commercial Reputation of Philippine Products — Adverse propaganda or rumors against Philippine products, specially those designated to lower their reputation and value in local markets, shall be promptly counteracted and reported to the Ministry.

SEC. 102. Ineffectiveness of Local Representations — If it appears that Philippine industrial, commercial, agricultural, financial or shipping interests are being discriminated against and the situation is one which cannot be corrected by representation with the local authorities, a report containing an objective estimate of the extent of the damage actually done or that will probably be done together with recommendations, shall be submitted to the Ministry of Foreign Affairs.

SEC. 103. Discrimination from Other Sources — The foregoing rules may be applied, in so far as practicable, in case of infringement of rights of, or discrimination against, Philippine economic or commercial interests, by regional economic blocs or customs unions. Diplomatic representations in this regard shall be made in close collaboration with the Ministry.

SERVICES TO PHILIPPINE BUSINESS ENTITIES

SEC. 104. In General — Officers shall render services to Philippine citizens and business organizations in connection with the conduct of foreign trade such as:

- a. Answer trade and other business inquiries;
- b. Lend assistance in establishment of business contacts;
- c. Encourage and support the establishment of Philippine chambers of commerce or similar organizations.

SEC. 105. Replying to Trade Inquiries — Officers shall answer all trade inquiries promptly and, unless otherwise provided for in this Code, their answer shall be specific and complete. If the inquiry comes from the Philippines, the reply should be coursed through the Ministry except in extremely urgent cases, when advance copy of the reply may be sent direct to the inquirer.

SEC. 106. Philippine Inquiries on Foreign Trade or Agency Connections — On receipt of an inquiry from a Philippine firm or individual concerning a possible joint venture with foreign firms, or a market survey involving the recommendation of a foreign agent or dis-