

Country Paper prepared for the

**Second Sub-Regional Workshop on Tourism Statistics
and the Elaboration of a Tourism Satellite Account**

Shangrila Hotel, Makati City Philippines
16 to 18 June 2003

**Status of the Development of the
Philippine Tourism Satellite Account (PTSA)**

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Contents

INTRODUCTION	1
INSTITUTIONAL PLATFORM TO SUPPORT THE PTSA	1
The Philippine Statistical System	1
Inter-Agency Committee on the Development of Satellite Account on Tourism	2
Generation of Tourism Statistics	2
Institutional Arrangements for the Compilation of the PTSA	3
STATISTICAL INVENTORY: WHAT DO WE HAVE?	3
Identifying and Classifying Tourism Products and Industries	3
The Data Sources	4
Surveys and Censuses	4
1. Visitors Sample Survey	
2. Study on Regional Travel (SRT)	
3. Meetings, Incentives, Conventions and Exhibitions (MICE) Study	
4. Census of Philippine Business Industries (CPBI)	
5. Annual Survey of Philippine Business Industries (ASPBI)	
6. Family Income and Expenditures Survey (FIES)	
7. Labor Force Survey (LFS)	
Administrative Records	6
1. Arrival/Departure (A/D) Cards	
2. Annual Financial Report	
3. General Appropriations Act (GAA)	
4. Occupancy Report of Classified Hotels	
5. DOT –Philippine Tourism Authority (PTA) Travel Tax Records	
6. DOT-Accreditation of Tourism-Oriented Establishments	
Frameworks (Statistical Synthesis)	7
1. Philippine System of National Accounts (PSNA)	
2. 1994 Input-Output Account	
3. Balance of Payment (BOP)	
STATISTICAL INVENTORY: WHAT DO WE NEED?	8
Importance of Accessible Metadata	8
Evaluating the Availability of Metadata Among the Sources	8
Identifying Data Gaps and Shortcomings of Existing Sources	8
Addressing The Need To Enhance Tourism Statistics:	9
The Case of Domestic Tourism Statistics	
RECENT CHALLENGES CONFRONTING TOURISM STATISTICS	9
Holiday economics	9
Peace and order	10
Severe Acute Respiratory Syndrome	10
FUTURE DIRECTIONS	10
Statistical Initiatives	10
The Need for Support	11
Inter-organizational Arrangements	11
Capacity Building Among the Main Actors	11
Human Resources	12
Government Commitment to Allocate Financial Resources	12
ACRONYMS	13
APPENDIX TABLES	

List of Appendix Tables

- Appendix Table A: Limitations of the Data Used in the Compilation of the Preliminary PTSA
- Appendix Table B: Data Gaps in the Compilation of the PTSA
- Appendix Table C: Operationalizing the WTO TSA Framework

Status of the Development of the Philippine Tourism Satellite Account (PTSA)¹

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INTRODUCTION

As the Philippines has a natural competitive advantage in tourism because of the warmth of its people and its natural wonders that are yet to be fully harnessed, the government recognizes tourism as a major contributor to the generation of foreign exchange earnings, investments, and revenues, and to the growth of the country's output.³ Such recognition of the importance of tourism in the country is highlighted by the target of the Medium-Term Philippine Development Plan 2001-2004 (MTPDP) that at the end of the plan period, the Philippine Tourism Satellite Account (PTSA) will be completed, operationalized and institutionalized. Toward this end, the National Statistical Coordination Board (NSCB) and the Department of Tourism (DOT), are taking the lead in carrying out activities that will promote the development of the PTSA as a tool designed to enhance planning at the sectoral and national levels, and ultimately, to validly and reliably measure the impact of tourism in the economy.

Efforts to assess the economic significance of tourism in the Philippines have been carried out since 1988 when the NSCB, thru its Grants-in-Aid statistical development program provided funds and technical assistance to the DOT in conducting a study which found that using input-output analysis, tourism accounted for 2.8 percent of the economy in 1987.⁴ In 1996, the NSCB and DOT started collaborating with the World Travel and Tourism Council (WTTC) to come up with a simulated satellite account on tourism for the Philippines, which showed that travel and tourism accounted for 8.7 percent of the GDP in 1997. It was during this collaboration that the NSCB created an Inter-Agency Committee on the Development of a Satellite Account on Tourism (IAC-DSAT) on January 27, 1997. And in July 1999, NSCB and DOT once again worked in partnership to undertake a project to operationalize the TSA framework of the World Tourism Organization (WTO), which produced interim results of the PTSA. This partnership led to the creation of a Development of a Satellite Account on Tourism (DSAT) Team.

This country paper will not dwell on methodologies and results of the PTSA, as these have been documented.⁵ Instead, it will focus on an assessment of what we have done compared to what we need, in line with Theme 3 of this Workshop. . The paper will also discuss some matters related to the other workshop themes, as a way of sharing with the other participants of the workshop some aspects of the development of the TSA, which may be unique to the Philippine experience.

INSTITUTIONAL PLATFORM TO SUPPORT THE PTSA

The Philippine Statistical System (PSS)

The PSS is a decentralized system composed of a policy-making and coordinating body, a general purpose data generating agency, a training and research arm, other data producers, data

¹ A country paper presented during the Second Sub-Regional Workshop on Tourism Statistics and the Elaboration of a Tourism Satellite Account held at the Makati Shangri-la Hotel, Makati City Philippines on 16-18 June 2003.

² Secretary General and Statistical Coordination Officer IV, respectively, of the National Statistical Coordination Board (NSCB) of the Philippines. The authors acknowledge the assistance of Regina S. Reyes and Rey Angelo M. Millendez, both of the NSCB, in the preparation of this paper.

³ The Medium-Term Philippine Development Plan 2001-2004, Chapter 5, Putting the Philippines on the International Tourism Map.

⁴ Measuring the Contribution of Tourism to the Economy: The Philippine Tourism Satellite Account, a paper by Romulo A. Virola, Marriel M. Remulla, Lea H. Amoro and Milagros Y. Say presented during the 8th National Convention on Statistics, Westin Philippine Plaza, Manila, 1-2 October 2001.

⁵ Ibid, and Dealing with Data Shortfalls by Romulo A. Virola, Marriel M. Remulla, Lea H. Amoro and Milagros Y. Say, Best Practice in Tourism Satellite Account Development in APEC Member Economies, Asia-Pacific Economic Tourism Working Group, June 2002.

users and the academe. Carrying out the mandate of a policy-making and coordinating body for the system is the NSCB, which was created in 1987 by virtue of Executive Order No. 121. NSCB is mandated to formulate policies, delineate responsibilities and set priorities and standards on statistics. It administers a one-stop National Statistical Information Center (NSIC) to enhance data dissemination and develops and maintains multi-sectoral frameworks and indicator systems, the most demanded by users of which are those on the Philippine System of National Accounts (PSNA) and on Poverty Statistics. In line with its mandate, the NSCB provides linkages and venues for coordination⁶ between and among the stakeholders of the PSS and serves as the statistical clearinghouse and liaison with international agencies on statistical matters.

The three major data-producing agencies in the Philippines are the National Statistics Office (NSO), the Bureau of Labor and Employment Statistics (BLES) and the Bureau of Agricultural Statistics (BAS). In addition, many agencies and departments in the government generate statistics specific to their primary function, such as the DOT and the Bangko Sentral ng Pilipinas (BSP), among others.

The Statistical Research and Training Center (SRTC) serves as the statistical training and research arm of the PSS. Together with the academic institutions, the SRTC pursues the statistical capacity building efforts of the PSS.

Thru inter-agency collaboration, the NSCB has crafted a Philippine Statistical Development Program (PSDP) that serves as the blueprint of priority programs and activities to be undertaken during the program period to improve the PSS. It also translates and addresses the data requirements of the MTPDP. It is prepared every six years and the current PSDP covers the period 1999-2004.

Inter-Agency Committee on the Development of a Satellite Account on Tourism (IAC-DSAT)

Possibly unique to the Philippine experience in establishing a satellite account for tourism is the existence of an Inter-Agency Committee on the Development of a Satellite Account on Tourism (IAC-DSAT) which was created in 1997 by virtue of NSCB Resolution No. 2-97 and NSCB Memorandum Order No. 3-97. The IAC-DSAT facilitates the drawing up of cooperation and support of the various stakeholders, both from the government and non-government sectors in the development of the PTSA. Based on the Philippine experience, inter-agency committees are effective tools for coordination and provide the fora for meaningful exchanges of views and expertise.

The IAC-DSAT is composed of the NSCB Secretary General as the Chair, the Undersecretary, Planning, Product Development and Coordination, DOT as the Co-Chair, and the following agencies as members: Department of Economic Research of the BSP; Trade, Industry and Utilities Staff of the National Economic and Development Authority (NEDA); the NSO; the University of the Philippines' Asian Institute of Tourism (UP-AIT); the Economic Statistics Office of the NSCB; the UP School of Economics; and, the Philippine Institute of Development Studies (PIDS). If deemed necessary, the membership of the committee may be increased/decreased. The IAC-DSAT is tasked to provide direction and guidance in the development of the account; recommend measures for the institutionalisation of the account and provide assistance for its regular generation; and, resolve issues that may arise in the course of compiling the account. The NSCB Technical Staff acts as the secretariat to the IAC-DSAT.

Working under the guidance of the IAC-DSAT is a Development of a Satellite Account on Tourism (DSAT) Team composed of NSCB and DOT staff. This team is tasked with the drafting of the conceptual framework and the operationalization plan of the PTSA.

In order to promote awareness and appreciation of the PTSA, workshops are conducted to present the results of the work done by the DSAT Team and the IAC-DSAT.

Generation of Tourism Statistics

The DOT is the main data producer of tourism statistics in the country. The focal unit that

⁶ As of June 2003, the NSCB has created fifteen major inter-agency committees and task forces to address improvements in sectoral statistics and PSS-wide concerns.

embarks on the production of tourism statistics is the Tourism Research and Statistics Division of the DOT.

Other agencies such as the BSP, NSO, the Commission on Audit (COA) and the Department of Budget and Management (DBM) generate tourism-related statistics required in establishing the PTSA, which are collected through surveys, censuses and/or administrative reporting systems. The specific details about tourism statistics related to the building up of the PTSA are discussed in the succeeding sections of this paper.

Institutional Arrangements for the Compilation of the PTSA

As the compiler of the Philippine System of National Accounts (PSNA), the NSCB seems to be the logical agency to compile the PTSA. While it is also possible to lodge the PTSA with the DOT as its most important user from the government side and its major data source, the NSCB has advocated the compilation of various satellite accounts such as those on tourism, health, education and the environment outside of the concerned ministries/departments in order to promote the credibility and independence of the accounts in the eyes of the general public. It is thus a tribute to the objectivity of the DOT, the Department of Education, the Department of Health and the Department of Environment and Natural Resources that the satellite accounts on these sectors are all lodged with the NSCB. In particular, the development of the account is lodged at Economic Indicators and Satellite Accounts Division (EISAD) of the Economic Statistics Office of the NSCB.

STATISTICAL INVENTORY: WHAT DO WE HAVE?

The next few sections will discuss the state of the compilation of the PTSA, with particular attention on the information systems that serve the data requirements of the accounts.

Identifying and Classifying Tourism Products and Industries

The classification of industries related to tourism vis-à-vis the goods and services acquired and consumed by the visitors is a central element towards building a coherent and comprehensive framework to produce, organize and report statistical information pertaining to tourism. As tourism refers to activities of persons traveling to and staying outside their usual environment for certain periods of time and for purposes other than for remuneration within the place visited, it is relevant to identify the goods and services acquired and consumed by visitors during these trips and correspondingly, the economic units providing those goods and services. However, there is no sector within existing standards and classification systems that specifically pertains to tourism. Instead, it is embedded in the different economic sectors.

In establishing the classification system for the PTSA, both the industries and the products (goods and services) were considered. The tourism industries were identified and classified using the 1994 Philippine Standard Industrial Classification (PSIC) in tandem with the WTO's proposed list of Tourism Characteristic Activities (TSA/TCA)⁷. On the other hand, the identification and classification of tourism products took off from the 2002 Philippine Central Product Classification (PCPC) and the WTO's proposed lists of Tourism Specific Products (TSP) and Tourism Characteristic Products (TSA/TCP)⁸ and the WTO's list of Tourism Durable Goods⁹. Presently, 61 tourism industries have been identified out of the 1,005 industries in the 1994 PSIC and 153 tourism products out of the 5,458 products in the 2002 PCPC.

The development of a standard classification system for PTSA purposes is, of course, an evolving undertaking. As the PTSA itself is work-in-progress, the classification system thus far established will continuously be improved and refined as the concepts become more clearly articulated and as more data become available.

⁷ *Tourism Satellite Account (TSA): Methodological References*, (World Tourism Organization, April 2000).

⁸ *Ibid.*

⁹ *General Guidelines for Developing the Tourism Satellite Account (TSA): Volume 1 – Measuring Total Tourism Demand*, (World Tourism Organization).

The Data Sources

Following the efforts on understanding the framework and fundamental concepts of a TSA, several undertakings were carried out by the DSAT Team to assess the data currently being generated by the PSS that can support the compilation of the PTSA. The assessment identified data and their sources that can either be immediately utilized or those deemed to be critical in the compilation of the account. The data include those obtained from (a) Surveys and/or Censuses, (b) Administrative Records and (c) Statistical Frameworks (Statistical Syntheses).

The assessment and evaluation of the data sources by the DSAT Team was conducted through a number of consultative meetings followed by a Data Assessment Workshop, which was attended, by a bigger group of participants from the data producing agencies.

Surveys and/or Censuses

1. Visitors Sample Survey (VSS)

The VSS¹⁰ of the DOT is the primary data source for inbound tourism in the Philippines. It generates statistics on the duration of stay and per capita average daily expenditures on major items of inbound tourists. The other information the survey generates pertains to the propensity to visit the country and the profiles of the inbound tourists.

The VSS was first conducted in 1992 by the DOT in coordination with the NSCB and the Asia-Pacific Center for Research (ACRE). In 1994, the DOT took full charge in undertaking the survey.

The VSS is conducted every month through personal interviews among at least 500¹¹ inbound tourists awaiting their flights out of the country at the pre-departure areas of the country's international airports, namely: Ninoy Aquino International Airport (NAIA), Mactan-Cebu International Airport (MCIA), Davao International Airport (DIA) and Laoag International Airport (LIA).

Thirty (30) days after the reference month, the results of the VSS are made available and disseminated through "*Visitor Arrivals to the Philippines*," a monthly publication of the DOT. The annual publication of the DOT, the "*Annual Statistical Report*", likewise features the VSS results.

2. Study on Regional Travel (SRT)

The SRT provides the data needed in the compilation of tourism consumption expenditures of domestic tourists in the country. Among the statistics it provides and are needed in the compilation of the PTSA are the duration of stay, per capita average daily expenditure on major items and the number of arrivals of domestic tourists. The SRT also provides data for some of the non-monetary indicators in TSA Table 10.

The SRT is intended to be conducted every three (3) years by the DOT and is primarily aimed at collecting statistics on the extent, distribution and nature of travel within and among the different regions in the Philippines. It is composed of three survey components. The first one is the "*Survey on Regional Distribution of Travelers by Accommodation Establishments*" to determine visitor arrivals to the region that will help the DOT in identifying the required accommodation facilities in terms of volume and variety. The second survey component, the "*Survey on Accommodation Facilities*", generates statistics on the inventory of accommodation facilities and services that are available to the tourists in the region. The "*Survey of Regional Travelers in Accommodation Establishments*", the third survey component, produces the profile of tourists specifically availing of accommodation services from commercial accommodation establishments in the key areas of the different regions in the country.

¹⁰ A more complete description of the survey design of the VSS and other surveys is available in the NSCB publication "*Profile of Censuses and Surveys Conducted by the Philippine Statistical System*", May 2000.

¹¹ The average number for 2002 was 588.

The study was initially conducted in 1982 for the DOT by the University of the Philippines' Asian Institute of Tourism (UP-AIT) and the latest SRT was carried out by the DOT in 1997. The first and second survey components of the study made use of a mailed questionnaire, while the third survey utilized both the self-completion and personal interview approach. The results of the 1982 study were released through a DOT publication entitled "*Study on Regional Travel in the Philippines: An Integrated Report*"; the 1997 SRT results were published in June 1998. For the 1997 survey, 2846 establishments were covered with a response rate of 38.5% for Surveys A and B, while 4620 tourists were sampled for Survey C.

3. Meetings, Incentives, Conventions and Exhibitions (MICE) Study

The MICE generates statistics that are essential to the compilation of business expenditures for tourism such as those on average daily expenditure of delegates, host associations and exhibitors. The MICE also provides non-monetary data such as the number of delegates, length of stay and duration of the events.

The MICE Study is being conducted every year and has three survey components. The first component is the "*Survey on Convention Utilization*," which gathers data on the number of events and participants. The "*Survey on Convention Income and Expenditure*," on the other hand, generates statistics on expenditures on conventions in the country. The third component, the "*Survey on Incentive Travel*", produces data on the profiles of incentive travelers coming to the Philippines.

The DOT started conducting the study in 1987 thru the Philippine Convention and Visitors Corporation (PCVC). The survey is being carried out through mailed questionnaires combined with personal interviews. The results are published six (6) months after the reference period. For the 2001 MICE, the first component had a response rate of 66%, the second had 20-40% for associations and 47-75% for delegates, and the third had a very low response rate of 4%.

4. Census of Philippine Business and Industry (CPBI)

The CPBI (previously known as the Census of Establishments (CE)) conducted by the National Statistics Office (NSO), is one of the primary sources for benchmark estimates on the supply side as well as for the tourism gross fixed capital formation (GFCF) of the private sector. Certain parameters pertaining to tourism employment may also be obtained from the CPBI.

The census, covering all the establishments in the Philippines regardless of ownership type and economic organization, was first conducted in 1903 and is normally carried out every five (5) years. The CPBI generates statistics that provide the basis for measuring economic growth and benchmark information pertaining to establishments. The latest census data¹² are those for the 1994 CE, which were made available three (3) years after the reference year through a publication "*Census of Establishments*" published in separate volumes by sector. The preliminary results were disseminated by the NSO through "*Special Releases*" two (2) years after the reference year.

5. Annual Survey of Philippine Business and Industry (ASPBI)

The ASPBI, previously known as the Annual Survey of Establishments (ASE), is another data source providing annual dimension in the compilation of tourism production account and tourism GFCF.

The ASPBI is conducted by the NSO. The ASPBI complements the CPBI as it gathers all the information collected in the CPBI in between census years. The earliest survey conducted was in 1956, which then covered only the Manufacturing industry. The latest survey results available are for the 1998 ASE¹³, which were made available to the public three (3) years after the reference year through the NSO publication "*Annual Survey of Establishments*" published in separate volumes by sector. The preliminary results were published through "*Special Releases*" two (2) years after the reference year.

¹² The results of the 2000 CPBI with 1999 as reference year have not been published by the NSO.

¹³ The latest ASPBI was conducted in 2002 with 2001 as the reference year. No results have been published.

6. Family Income and Expenditures Survey (FIES)

The FIES is a potential major data source for the improved compilation of domestic tourism consumption expenditures, which together with the SRT, can be used to generate statistics on domestic tourism in the country.

The FIES is a nationwide survey of households on income and expenditures of Filipino families. The survey, which was first undertaken by the NSO in March 1957, is normally conducted every three (3) years with the preliminary and final results made available six (6) months and one (1) year after the reference period, respectively. The most recent FIES survey is being conducted this year, with the first survey round covering the first semester of 2003 to be started in July. The second survey round, which will take into account the second semester of 2003, will be undertaken in January 2004.

7. Labor Force Survey (LFS)

The household-based LFS is a principal data source to account for the employment generated by industries related to tourism.

The LFS, which started in 1956, is being conducted every quarter with the "past week" as the reference period. The LFS is designed to produce statistics pertaining to the country's labor force with national and subnational disaggregation. The results are released six (6) weeks after the end of the reference quarter and disseminated through the NSO quarterly press release and a publication entitled "*Integrated Survey on Households Bulletin*".

Administrative Records

1. Arrival/Departure (A/D) Cards

The A/D Cards of incoming tourists in the Philippines serve as the principal data source for the number of inbound tourists used to estimate the inbound tourism consumption expenditures.

Monitoring the movements of incoming and outgoing air passengers in the country's international airports through the A/D Cards is a joint undertaking of the DOT and the Bureau of Immigration. The processed A/D cards generate statistics on visitor arrivals in terms of the country of origin, length of stay in the country, port of entry, etc.

Results are made available by the DOT every month and published annually through their publication entitled "*Statistical Report*".

2. Commission of Audit (COA) Annual Financial Report

The Annual Financial Report of the COA provides the data for the compilation of the Collective Consumption Expenditure on tourism and the Gross Fixed Capital Formation (GFCF) for tourism of the Philippine government at an aggregate level (global totals).

The annual financial report, which the COA submits to the President and the Congress in compliance with its mandate, covers the consolidated financial statements on the results of operation and financial condition of the Philippine Government. It is composed of three volumes showing details of COA's audit of the performance of the national government, the local government and the government corporations.

3. General Appropriations Act (GAA)

Statistics available from the GAA are used to generate parameters to be able to compile tourism collective consumption expenditure by function and level of government, and tourism GFCF of the government by industry, for purposes of TSA Tables 8 and 9. The global totals from the COA are disaggregated into the TSA's levels of disaggregation using structures derived from the GAA.

4. Occupancy Report of Hotels

The DOT gathers statistics on the use of various accommodation establishments in Metro Manila through the Occupancy Report. The establishments submit the report to the DOT through fax every month. Data on occupancy rates and number of rooms available for the tourists are being provided through this report. These data are disseminated by the DOT through its annual publication "Statistical Report", and are used to compile Table 10 of the TSA.

5. DOT Philippine Tourism Authority (PTA) Travel Tax Records

The travel tax records of the PTA are used by the NSCB in estimating the travel component of import of non-factor services, which can be used to compile outbound tourism expenditures.

6. DOT-Accreditation of Tourism-Oriented Establishments

The DOT encourages tourism-oriented establishments, including those outside of Metro Manila to apply for accreditation. The accreditation process is implemented by the DOT to ensure that these establishments provide facilities and services within prescribed quality standards. Statistics on employment derived from the application forms can serve as additional inputs in compiling TSA Table 7 by providing levels of disaggregation not available in the LFS.

Statistical Frameworks (Statistical Syntheses)

1. Philippine System of National Accounts (PSNA)

The PSNA serves as the fundamental framework for compiling tourism value added (TVA) and tourism gross domestic product (TGDP). It is therefore a big advantage that the NSCB is compiling both the PSNA and the PTSA, in terms of ensuring internal consistency between the two frameworks.

In addition, the PSNA estimates for the travel component of the import of non-factor services are being considered for estimating the outbound tourism consumption expenditures.

2. The Input-Output Account

The Input-Output (IO) Accounts for the country, which are also compiled by the NSCB as part of the PSNA, provide a basis to establish the benchmark production account for tourism. Furthermore, the IO is the primary data source in computing tourism ratios, which can be used to estimate TVA. The first benchmark IO table for the Philippines was compiled in 1961. Succeeding benchmark IO tables were compiled for the years 1965, 1969, 1974, 1979, 1985 and 1988 and 1994. In-between benchmark IO years, the IOs are updated with the latest update available for 1990.

3. Balance of Payment (BOP)

The travel component of the import of services generated by the BOP being compiled by the Bangko Sentral ng Pilipinas (BSP) is another possible data source for estimating the outbound tourism consumption expenditures. The BOP and the PSNA figures differ because the BOP is based on reports from the foreign exchange transactions of the banks while the PSNA is based on DOT reports on travel taxes.

The BOP is available with monthly disaggregation and is disseminated by the Bangko Sentral ng Pilipinas (BSP) three (3) months after the reference month.¹⁴ This is also disseminated through the BSP monthly publication entitled "Selected Philippine Economic Indicators".

¹⁴ The Philippines is a subscriber to the Special Data Dissemination Standards (SDDS) of the IMF, which prescribe a time lag of 10 weeks after the reference quarter for quarterly BOP data.

STATISTICAL INVENTORY: WHAT DO WE NEED?

Importance of Accessible Metadata

Based on the Philippine experience, taking stock of possible data sources necessary for building a TSA is a tedious task. One cannot therefore overemphasize the importance of metadata that are made available and easily accessible to the public. Important dimensions of metadata or “data about data”¹⁵ include data source, frequency of data collection, levels of disaggregation, time lag in the release of the results, data tabulations generated and of course methodological issues particularly on concepts and definitions used.

The availability of good metadata facilitates the search for the possible data source agencies and in assessing the appropriateness of the data they generate for TSA purposes, specifically for the compilation of the 10 TSA tables.

On a different note, a well-established system of metadata protects the data sources from the loss of important information/knowledge as a consequence of employee turnover. In the coordination of a decentralized statistical system like the PSS, good metadata are also useful in eliminating or minimizing the duplication of data collection efforts.

In this regard, the seven (7) standard formats being proposed by the WTO constitute an excellent starting point in establishing the metadata system for tourism statistics and the TSA.

Evaluating the Availability of Metadata Among the Sources

While some agencies of the PSS have imbibed the culture of providing metadata together with the statistics being generated, the goal of universal practice of metadata dissemination in the PSS remains unfulfilled. But in the case of the identified data requirements in building a TSA, majority of the data sources have readily available metadata. However, these metadata come out at varying levels of detail and in a variety of forms. In the case of the NSCB, its website at www.nscb.gov.ph includes metadata in accordance with the Special Data Dissemination Standards (SDDS) of the IMF. Other agencies like the DOT, BSP and NSO have similar practices in compliance with the General Standards for Statistical Information Dissemination, a component of the Government Statistics Accessibility Program, which has been implemented by the NSCB in the PSS.¹⁶

There is also an NSCB publication on the profiles of surveys and censuses conducted by the PSS¹⁷. This publication highlights the outputs of the Statistical Survey Review and Clearance System (SSRCS) in the country, a mechanism designed to promote the quality of surveys and censuses. This publication presents information for each of the surveys and census that are useful in assessing the appropriateness of the data generated for various purposes. Featured in this publication among others, are the VSS and SRT of the DOT; and the CPBI, ASPBI, FIES and LFS of the NSO.

The individual publications of many PSS agencies including the NSCB, the DOT, the NSO, COA and the BSP are also rich sources of metadata. It is very common to find within the publications of these agencies a section where concepts, methodologies and operational practices in collecting the data are described in detail.

Identifying Data Gaps and Shortcomings of Existing Sources

In the initial attempt to compile a TSA for the Philippines, a number of limitations of the data sources were readily identified. Notwithstanding these limitations, the Philippine effort has produced the PTSA version of the 10 TSA tables to the extent that available data can provide. Except for TSA Table 3, all of the TSA tables were compiled, with a number of limitations. TSA Tables 1, 2 and 4 are

¹⁵ Hart, David and H. Philips, Metadata Primer-A "How To" Guide on Metadata Implementation, National States Geographic Information Council, 1998.

¹⁶ “Coordinating the Philippine Statistical System” by Romulo A. Virola and Leticia D. De Leon, Workshop on Good Practices in the Organization and Management of Statistical Systems, Yangon, Myanmar, 11-13 December 2002.

¹⁷ NSCB, Profile of Surveys and Censuses Conducted by the Philippine Statistical System, 2000.

combined under PTSA Table 2. TSA Tables 5 and 6, on the other hand, are exhibited as PTSA Tables 6 and 7, respectively. TSA Table 7 is shown as PTSA Table 9, while TSA Table 8 is shown as PTSA Table 4. TSA Table 9 is PTSA Table 3 whereas TSA Table 10 corresponds to PTSA Table 10. A number of tables for the PTSA were also established to highlight certain dimensions of the account. These are: PTSA Table 1 which summarizes the component of tourism final demand; PTSA Table 5 showing the estimates for the value added on tourism industries (VATI); PTSA Table 8 exhibiting the estimated tourism ratio based on the tourism final demand; and, PTSA Table 11 which compares the WTTC and PTSA results for 1994 on selected aggregates. Details on the limitations of each of these PTSA Tables can be found in another technical report¹⁸ while Appendix Table C further elaborates the PTSA Tables as an initial attempt of the Philippines to operationalize the WTO TSA Tables.

This paper will dwell on the more significant data gaps that need to be addressed in the near future. The limitations were grouped into those referring to data that were utilized in the initial compilation, which are shown in Appendix Table A and those referring to data which will be utilized in expanding the current coverage of the estimates, as shown in Appendix Table B. Obvious strategies to address these data gaps and the shortcomings of existing data sources include the improvement of existing systems of administrative records including the revision of existing forms to provide the desired levels of disaggregation, more timely dissemination of survey results, the conduct of new surveys or the enhancement of existing surveys to capture information and details needed by the PTSA or to expand survey coverage, search for other existing data sources, the processing of data which have been collected but have not erstwhile been processed and seeking greater cooperation of data suppliers.

Addressing the Need to Enhance Tourism Statistics: *The Case of Domestic Tourism Statistics*

Considering the limitations of the available data sources as cited in the preceding section vis-à-vis the importance of the tourism statistics to be compiled for a given period, the initial stages of the PTSA compilation point to the need to give priority attention to statistics on domestic tourism.

The SRT as the primary data source for domestic tourism in the country is faced with a number of challenges. The SRT is conducted only every three (3) years, a frequency which does not appreciate the highly dynamic and cross-sectoral nature of tourism. The concern for more timely data for domestic tourism is, however, confronted by resource constraints making the 1997 SRT the latest data source for domestic tourism available.

On the surface, this situation poses problems in the compilation of domestic tourism consumption expenditures as proposed in the TSA; more importantly, however, it has significant impact on the pursuit of the over-all thrust for tourism development in the country. Recognizing this difficulty, the IAC- DSAT recommended the conduct of a survey on domestic tourism as a rider survey to the FIES. Accordingly, the NSCB, DOT and NSO had a series of consultative meetings to discuss the matter. But while initial steps have been undertaken by the concerned agencies to establish institutional arrangements needed to carry out the IAC-DSAT recommendation, resource constraints again became a stumbling block. In addition, efforts must continue to be exerted to address the concern for more frequent generation of data on domestic tourism.

RECENT CHALLENGES CONFRONTING TOURISM STATISTICS

Recently, a number of events both local and international occurred that highlighted the importance of and the need for more relevant tourism statistics.

Holiday economics

Domestic tourism has been recognized by the government, particularly by the current administration, as one of the country's key drivers of economic growth. In line with this, the government has been pursuing what has been referred to as "holiday economics". The holiday

¹⁸ Measuring the Contribution of Tourism to the Economy: The Philippine Tourism Satellite Account, a paper by Romulo A. Virola, Marriel M. Remulla, Lea H. Amoro and Milagros Y. Say presented during the 8th National Convention on Statistics, Westin Philippine Plaza, Manila, 1-2 October 2001.

economics has been implemented by having four (4) longer working days in a week instead of five (5) among government employees and by moving holidays that fall on days like Thursdays to Friday so that people can enjoy long weekends which it is hoped would be spent on holiday vacation. In support of the holiday economics, the DOT and various tourism agencies embarked on aggressive promotional thrusts and implemented various strategies to promote domestic tourism in the country.

To empirically measure the effect of holiday economics on the overall performance of the economy, the NSCB¹⁹ was asked to undertake an assessment of the impact of household spending for domestic tourism on the different industries in the economy. This was approached through an IO impact analysis and price cost analysis, using a set of assumptions.

The result of the IO impact analysis showed that a 10 percent increase in the consumption of tourism specific products boosted the country's PCE by 4.9 percent, the final demand by 3.5 percent, the output by 3.8 percent and the gross value added by 3.5 percent. The price cost analysis, on the other hand, showed a 6.4 percent increase in the consumer price index and a 3.0 percent increase in the producer price index as a result of the 10 percent increase in domestic tourism consumption expenditures.

While these exercises provided some indicators, which planners, decision-makers and other stakeholders can use in formulating programs and policies, it must be stressed that the reliability of the indicators depends on the validity of the assumptions of the static IO model as well as on the quality of the data used to compile the IO. The availability of timely and high-quality tourism statistics can therefore enhance analyses of this nature and contribute towards better-informed decisions.

Peace and order

As the government seriously pursues initiatives to place the country on the international tourism map, threats of global crimes and international terrorism hinder the country's overall economic progress. These threats have contributed to the global crisis with repercussions on domestic and international tourism. In order to fully quantify the economic impact of these threats, and provide inputs to decision-makers in managing them, good tourism statistics are again necessary.

Severe Acute Respiratory Syndrome (SARS)

The SARS has hit Asia hard and while the Philippines has been removed from the list of countries with local transmission of SARS, the fear of possible contact with SARS-infected persons through travel continues to haunt both domestic and international tourism. According to a newspaper article²⁰, the growth of the country can expect a weakening of from 0.2 percent to 1.4 percent within a span of six (6) months following the expected decline in the performance of transportation, hotel and trade industries due to SARS. Although domestic tourism in the Philippines may have benefited from the decline in outbound tourism due to the SARS virus, inbound tourism has suffered and only through good tourism statistics can the full impact of SARS be definitively established.

FUTURE DIRECTIONS

Statistical Initiatives

Based on the initial experience in the compilation of the PTSA, the following activities are expected to be undertaken within the next two (2) to three (3) years:

- Development and sustained enhancement of standard classification systems for tourism;
- Improved coverage taking into account the developed classification systems on tourism products and industries;
- Improved existing data sources and availability of new data sources, both survey- and administrative-based;

¹⁹ NSCB, Effects of Holiday Economics on the Philippine Economy (February, 2003).

²⁰ Professor Ofelia M. Templo, International Air Passenger Industry in the Philippines: Recent Trends and Challenges, April 2003.

- Refined estimates in consideration of improved data availability and resolved conceptual issues;
- More frequent and more regular compilation of PTSA aggregates;
- Organized PTSA metadata considering the WTO-proposed standard formats; and
- Continuous strengthening of inter-agency coordination.

Parallel to these undertakings is the commitment of the concerned agencies to advocate and promote tourism within the country as well as in the global environment. In this light, the NSCB and the DOT are spearheading the celebration of the 14th National Statistics Month in the Philippines in October 2003, which will center on tourism statistics. The over-all theme of the month-long celebration is “*Sustaining Tourism’s Competitive Edge Through Statistics*” with the DOT as the host of the opening ceremonies on October 1. The observance of this event is with the end view of furthering nationwide awareness and appreciation of the value of tourism statistics and a strengthened cooperation among all stakeholders for better quality tourism statistics.

The Need for Support

But while the importance of a reliable tourism statistical system and a sound TSA for the country are no doubt a commitment of the PSS, a steady support from the various stakeholders is essential towards the realization of these goals. Starting from a continuous strengthening of the local statistical infrastructure of the PSS down to the provision of financial resources and technical assistance and continuous manpower training, the successful compilation of the PTSA can be achieved only through phasic stages of implementation.

Inter-Organizational Arrangements

At the onset of developing a satellite account on tourism, the Philippines benefited from the healthy institutional arrangements among the concerned agencies within the PSS. The decentralized statistical system that the PSS is, the presence of a strong culture of coordination and collaboration among the PSS agencies truly facilitated an efficient organization of the inter-agency committee for the development of a TSA in the country. It surely helped that the DOT, being the main user from government of the information that will be generated by the TSA, has recognized its importance and has been giving full support to its development.

But while an efficient networking system exists among the key agencies, there is definitely a need to reach out to the other stakeholders of tourism in the country, such as the industry associations and other non-government organizations and even individual travellers to give their support to the PTSA. These other players are crucial in the generation of more reliable and complete sets of statistics necessary in the compilation of the PTSA as the quality of the data support to the PTSA depends on the quality of data that they supply to the data collection agencies.

Not to be forgotten is the fundamental need for the country to establish an effective mechanism of correspondence with the international organizations, such as the WTO and the concerned offices of the United Nations among others, in order to benefit from the technical expertise that resides in these organizations. Likewise, it is desirable to network with the other economies especially within the region to facilitate a smooth exchange of information and experiences.

Capacity Building Among the Main Actors

Given that the TSA in an evolving and relatively new paradigm within the System of National Accounts (SNA) , continuous training must be provided to the compiler, the data producers and the users of the TSA and tourism statistics. Educating the stakeholders of tourism will go a long way towards better quality of information that can be generated by the TSA. The compiler must be equipped with greater appreciation not only of the concepts of the TSA but of its policy applications as well, to enable them to package the results that suit their use in policy- and decision-making. On the other hand, the training of data producers will allow the enrichment of their capability to identify better or alternative means of generating data needed by the PTSA. At the same time, the users of the

PTSA should be educated towards meaningful uses of the PTSA and its integration in their planning and policy-making as well as in the implementation of programs and projects.

Human Resources

Parallel to the need for the sustained capacity building of the key players is the issue of the usually limited manpower available to undertake the compilation of the account amidst demands for the regular and timely generation of data. While there are units within the organization structure of the concerned agencies that have been identified to undertake the development of the PTSA, the number of personnel to carry out the undertakings is generally very limited. There is therefore a need to allocate sufficient manpower resources to get the work on the TSA done.

Government Commitment to Allocate Financial Resources

Crucial to the pursuit of statistical initiatives, establishing linkages among agencies, capability building of the personnel and the provision of sufficient manpower is the availability of funds to support the activities of the TSA. The conduct of new surveys, the improvement of existing administrative records, the processing of new data and other similar efforts for the continuing development of the PTSA all require resources.

For a developing economy faced with heavy budgetary constraints such as the Philippines, domestic sources of funds for statistical activities are generally hard to come by. Thus, the availability of financial assistance from international organizations increases the chances for a successful and timely institutionalization of the PTSA. But even external sources of funds are drying up. Therefore, a strong desire by government to produce a TSA must be coupled with a strong political will of the government to invest the necessary resources and must be supported by a strong commitment from the private sector to cooperate.

ACRONYMS

A/D	Arrival Departure
ASE	Annual Survey of Establishments
ASPBI	Annual Survey of Philippine Business and Industry
BOP	Balance of Payments
BSP	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)
CE	Census of Establishments
COA	Commission on Audit
CPBI	Census of Philippine Business and Industry
DBM	Department of Budget and Management
DOT	Department of Tourism
DSAT	Development of a Satellite Account on Tourism
FIES	Family Income and Expenditures Survey
GAA	General Appropriations Act
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
IAC-DSAT	Inter-Agency Committee for the Development of a Satellite Account on Tourism
IO	Input Output
LFS	Labor Force Survey
MICE	Meetings, Incentives, Conventions and Exhibitions
MTPDP	Medium-Term Philippine Development Plan
NSCB	National Statistical Coordination Board
PCE	Personal Consumption Expenditures
NSO	National Statistics Office
PCPC	Philippine Central Product Classification
PSDP	Philippine Statistical Development Program
PSIC	Philippine Standard Industrial Classification
PSNA	Philippine System of National Accounts
PSS	Philippine Statistical System
PTSA	Philippine Tourism Satellite Account
SARS	Severe Acute Respiratory Syndrome
SDDS	Special Data Dissemination Standards
SRT	Study on Regional Travel
SNA	System of National Accounts
TSA	Tourism Satellite Account
TCA	Tourism Characteristic Activities
TCP	Tourism Characteristic Products
TSP	Tourism Specific Products
TVA	Tourism Value Added
VSS	Visitors Sample Survey
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council

APPENDIX TABLE A
Limitations of the Data Used in the Compilation of the Preliminary PTSA

PTSA AGGREGATES	DATA VARIABLES	TSA TABLES		DATA SOURCE		LIMITATIONS OF THE AVAILABLE DATA	PROPOSED ACTIVITIES TO ADDRESS CONCERNS
		WTO-TSA	PTSA	Agency	Publication		
1. Inbound tourism consumption expenditures	a. Expenditure of inbound tourists on the service charge for packaged tours	Table 1	Table 2	DOT	VSS (survey)/ Statistical Report (admin-based data)	a. Data are not disaggregated into the service charge of the packaged tour operators and the other components of tourism consumption expenditures (e.g., air fare, hotels, tour visits, etc.) b. No breakdown as to land, water or air in the DOT publication	a. survey the travel agencies and/or tour operators b. Since available in the VSS database, for the DOT to process
	DOT			VSS (survey)/ Statistical Report (admin-based data)			
2. Domestic tourism consumption expenditures	a. Expenditure of domestic tourists by item	Table 2	Table 2	DOT	SRT (survey) Statistical Report (admin-based data)	a. Basic data for the 1998 estimates were extrapolated based on the 1994 and 1997 results of the survey Respondents of the survey are limited to DOT accredited accommodation establishments only b. No further breakdown as to land, water or air	a. For the DOT to include in future SRT surveys the non-accredited concerned establishments b. For the DOT to provide the disaggregation of the data
	b. Expenditure of domestic tourists on passenger transport			DOT	SRT (survey) Statistical Report (admin-based data)		
3. Tourism consumption expenditures in kind (transfers)	a. Expenditures of tourists on cultural services	Table 4	Table 2	Nayong Filipino, Intramuros, Fort Santiago	Financial Statements	a. There is no breakdown of entrance fees reported in the FS into inbound and domestic tourism	a. Request the agencies to provide the data properly disaggregated
4. Tourism Gross Fixed Capital Formation	a. Program of expenditures for government agencies with tourism capital formation	Table 8	Table 4	DBM	GAA (admin-based data)	a. The budget does not reflect the actual expenditures for the government's capital formation b. The account for 1998 has not been estimated pending the availability of the 1998 ASE results	a. Obtain from DBM the data on the actual expenditures on tourism capital formation of concerned agencies b. For NSCB to incorporate the data from the 1998 ASE
	b. Capital formation of entities/ establishments from the private sector for 1998			NSO	ASE/ASPBI (survey based data)		
5. Tourism collective consumption expenditures	a. Program of expenditures on PS and MOOE of government agencies whose mandates are for tourism-related services	Table 9	Table 3	DBM	GAA (admin-based data)	a. The data on budget does not properly reflect the actual expenditures of the government b. The available data are not disaggregated in accordance with the WTO requirements	a. Obtain from DBM the data on the actual expenditures on tourism collective services of concerned agencies b. - do -
	b. Actual expenditures on PS and MOOE			COA	AFR (admin-based data)		

APPENDIX TABLE B
Data Gaps in the Compilation of the PTSA

DATA GAPS TO BE ADDRESSED	VARIABLES	TSA TABLES		REMARKS
		WTO-TSA	PTSA	
<ul style="list-style-type: none"> Undercoverage on the estimation of internal tourism consumption expenditures 	1. Inbound tourism consumption expenditures of tourists on equipment rental services	Table 1	Table 2	Not currently captured by the DOT's VSS
	2. Tourism expenditures of same-day visitors (domestic and if any, inbound visitors)	Table 2	None yet	May be integrated into the existing surveys of the DOT
	3. Pre-travel consumption expenditures of residents going abroad	Table 2	None yet	The A/D cards will be an unlikely source; an outbound tourism survey is a possibility
	4. Tourism expenditures of households on behalf of tourists	Table 4	None yet	May be requested to form part of the FIES (with additional cost)
	5. Tourism business expenses	Table 4	None yet	Data are already collected by the MICE Study but with low response rate
	6. Other tourism consumption expenditures on social transfers in kind	Table 4	None yet	Other than the individual non-market services which are already captured in the PTSA estimates
	7. Outbound tourism consumption expenditures	Table 3	None yet	May be sourced from the WTO database, BOP of the Philippines or the PSNA
<ul style="list-style-type: none"> No estimate of TVA yet 	1. Variables from the national accounts and input-output account	Table 6	None yet	Need to be studied

APPENDIX TABLE C
Operationalizing the WTO TSA Framework

WTO TSA Tables		PTSA Tables	
Tables 1	Inbound Tourism Consumption By Products and Categories of Visitors	}	Table 2 Tourism Consumption Expenditures in the Philippines, 1994 and 1998
Table 2	Domestic Tourism Consumption By Products and Ad Hoc Sets of Resident Visitors		
Table 4	Internal Tourism Consumption By Products and Types of Tourism		
Table 3	Outbound Tourism Consumption By Products and Categories of Visitors	Not compiled	
Table 5	Production Accounts of Tourism Industries and Other Industries	Table 6	Production Accounts of the Tourism Industries and Non-Tourism Industries in the Philippines, 1994 and 1998
Table 6	Domestic Supply and Internal Tourism Consumption	Table 7	Supply and Use Table of Tourism and Non-Tourism Industries in the Philippines, 1994 and 1998
Table 7	Employment in Tourism Industries	Table 9	Employment Generated by the Tourism Industries in the Philippines, 1994 and 1998
Table 8	Tourism Gross Fixed Capital Formation of Tourism Industries and Other Industries	Table 4	Gross Fixed Capital Formation of Tourism Industries in the Philippines, 1994 and 1998
Table 9	Tourism Collective Consumption by Functions and Levels of Government	Table 3	Tourism Collective Consumption Expenditures in the Philippines, 1994 and 1998
Table 10	Non-Monetary Indicators	Table 10	Non-Monetary Indicators
a	Number of trips and overnights by type of tourism and categories if visitors	a	Tourist Arrivals in the Philippines by Country of Origin, 1994 & 1998
b	Inbound Tourism: Number of Arrivals and Overnights by Means of Transportation	b	Inbound Tourist Arrivals in the Philippines by Length of Stays, 1994 and 1998
c	Number of Establishments and capacity by Forms of Accommodation	c	Main Means of Transportation of Inbound Tourists by Country of Residence and Port of Entry in the Philippines, 1994 and 1998
d	Number of Establishments In Tourism Characteristics and Tourism Connected Activities Classified According to Number of Employed Persons	d	Forms of Accommodations Available for Tourists in the Philippines, 1994 & 1998
		Table 1	Tourism Demand in the Philippines, 1994 and 1998
		Table 5	Estimated Value Added of Tourism Industries in the Philippines, 1994 and 1998
		Table 8	Estimated Tourism Ratio Based on the Tourism Final Demand, 1994 and 1998
		Table 11	Comparison of the WTO and WTTC Results on Selected Expenditure Items for 1994