

THE TOURISM INDUSTRY IS NOT SPARED FROM THE ECONOMIC DOWNTURN THAT IS CURRENTLY A GLOBAL SCENARIO. IN THE MIDST OF IT ALL, THE TOURISM INDUSTRY IS JUST HEADED FOR GREATER CHALLENGES OF THE TIMES.

WITH CONTINUING PROMOTIONAL ACTIVITIES, OUR TOURISM PRODUCTS AND SERVICES REMAINED TO BE SOUGHT AFTER IN THE INTERNATIONAL ARENA. THE PHILIPPINES IS BEGINNING TO BE RECOGNIZED AS A MEDICAL TOURISM DESTINATION IN THE REGION WITH ITS VERY COMPETITIVE PRICING AND WIDE RANGE OF SERVICES OFFERED. LAST YEAR, THE DEPARTMENT OF HEALTH ESTIMATED THAT 100,000 FOREIGN TOURISTS ARRIVED FOR MEDICAL TOURISM, SPENDING AN AVERAGE OF US\$ 1,500 DURING THEIR STAY. EDUCATION TOURISM - ESPECIALLY THE ENGLISH AS A SECOND LANGUAGE (ESL) PROGRAM HAS GENERATED SOME PHP180.8 MILLION IN REVENUES FOR EDUCATIONAL INSTITUTIONS IN METRO MANILA, BACOLOD, BAGUIO AND CEBU IN 2008. ADVENTURE TOURISM WHICH WE LAUNCHED EARLY LAST YEAR ENABLED US TO ATTRACT TODAY A MIXED OF YOUNG AND OLD TOURISTS ALIKE WHO ENGAGE IN SOFT AND HARD ADVENTURE ACTIVITIES SUCH AS BIRDWATCHING, KAYAKING, TREKKING, SPELUNKING, AMONG OTHERS. BEYOND THESE PRODUCTS, THE WELCOMING ATTITUDE AND HOSPITALITY OF THE FILIPINO PEOPLE CONTINUE TO DRAW TOURISTS TO THE COUNTRY.

WHILE OUR TRADITIONAL SOURCE MARKETS – KOREA, JAPAN AND THE USA – HAVE SUFFERED FROM ECONOMIC RECESSION, OUR INITIATIVE IN THE PAST YEARS TO DIVERSIFY THE TOURIST MARKETS TO CHINA, INDIA, RUSSIA, FRANCE AND THE MIDDLE EAST HAVE PAVED THE WAY TO MINIMIZE THE IMPACT OF CURRENT SCENARIO TO THE TOTAL VOLUME OF FOREIGN ARRIVALS. BY YEAR-END, WE ESTIMATE THAT FOREIGN VISITORS WILL GROW BY 0% TO 2% WHILE OUR NEIGHBORS IN THE REGION EXPERIENCE DOUBLE DIGIT DECLINE.

THE STRONG PARTNERSHIP AND COOPERATION OF THE PRIVATE SECTOR LEAD BY THE HOTEL AND AIRLINE SECTORS, AND THE LOCAL GOVERNMENT UNITS HAVE ALLOWED US TO OPEN AND PROMOTE NEW TOURIST DESTINATIONS THAT OFFER DIVERSED PRODUCTS AND SERVICES. THESE INCLUDED CAMARINES SUR, DONSOL IN SORSOGON, HUNDRED ISLANDS IN PANGASILAN, AND GUIAN IN EASTERN SAMAR, TO NAME A FEW. IN ADDITION, THERE IS NO BETTER TOURIST MOBILITY THAN TODAY WITH THE EXPANSION AND INCREASE OF FLIGHT FREQUENCIES BY OUR LOCAL AIRLINES IN TRADITIONAL AND NEW TOURIST AREAS, LIKE BORACAY, CORON AND BUSUANGA IN PALAWAN, THE BICOL REGION AND THE NORTH PHILIPPINES. THE FILIPINOS CHANGING LIFESTYLE HAVE ALSO GIVEN IMPETUS FOR INDUSTRY PLAYERS TO DEVELOP NEW ACTIVITIES TO MATCH THE GROWING SOPHISTICATION AND DESIRE FOR TRAVELLING OVER THE PAST YEARS.

IN 2007, DOMESTIC TOURISTS VOLUME GREW BY 17% TO 14 MILLION. LAST YEAR, THERE WERE 19 MILLION DOMESTIC TRAVELERS POSTING 13% INCREMENT. ABOUT 28% OF DOMESTIC TOURISTS WENT ON PLEASURE AND HOLIDAY TRIPS SPENDING ABOUT 3 TO 5 DAYS. TOWARDS THE YEAR-END, WE ESTIMATE THAT DOMESTIC TRAVEL MOVEMENT WILL GROW BY 5% TO 10% AS THE FILIPINO LIFESTYLE AND TRAVEL HABIT CONTINUOUS TO CHANGE AND EVOLVE.

WITH THESE EFFORTS TO DIVERSIFY THE INTERNATIONAL TOURIST MARKETS AND TO STIMULATE GREATER DOMESTIC TRAVEL MOVEMENT, IT HAS ALLOWED US TO SEE THROUGH THE TOURISM INDUSTRY CONTINUING TO ENJOY A VIBRANT, ALIVE AND SUSTAINED PERFORMANCE IN THE MIDST OF PRESENT CHALLENGES.

THIS DEVELOPMENT HAS ALSO FACILITATED THE ENTRY OF MORE INVESTMENTS EITHER THROUGH THE CONSTRUCTION OF NEW FACILITIES AS WELL AS EXPANSION AND UPGRADING OF EXISTING STRUCTURES TO COPE WITH MARKET DEMAND. THIS YEAR, SOME P 20 BILLION IN TOURISM INVESTMENT WILL INCREASE THE ROOM SUPPLY IN KEY DESTINATIONS BY 2,089 ROOMS AND EMPLOYING SOME 2,912 PEOPLE. THESE INCLUDE THE OPENING OF SHANGRI-LA'S BORACAY RESORT AND SPA IN BORACAY ISLAND. THIS PROJECT WILL EXPAND THE ROOM SUPPLY IN THE ISLAND BY 217 ROOMS AND EMPLOY 488 PEOPLE. SEVEN LOCATORS HAVE ALSO OPENED RESORTS IN THE AMANPULO TOURISM ENTERPRISE ZONE IN PALAWAN WITH A TOTAL COST OF P 761.9 MILLION. IN METRO MANILA, THE OPENING OF THE LEGEND

INTERNATIONAL'S PARK, BED AND BREAKFAST HOTEL, EUROTEL HOTEL BRANCH IN MAKATI AND EXPANSION OF OAKWOOD SERVICED RESIDENCES INCREASED THE TOTAL ROOM SUPPLY BY 320.

THE GRASSROOTS ARE ALSO ENJOINING THE BENEFITS OF TOURISM GROWTH WITH MORE LOCAL RESIDENTS GENERATING LIVELIHOOD AND JOBS IN VARIOUS TOURISM ACTIVITIES. DONSOL IS A CLASSIC EXAMPLE OF MORE INCOME BEING RETAINED IN THE COMMUNITY AS THE GROUP OF FISHERMEN AND HOUSEWIVES ARE ORGANIZED TO PROVIDE TOUR GUIDING AND FOOD HANDLING SERVICES AS WELL AS TO PRODUCE SOUVENIR ITEMS FOR TOURISTS. IN OTHER AREAS, COMMUNITIES SERVE AS SUPPLIERS TO THE RESORTS AND HOTELS FOR AGRICULTURAL PRODUCTS, ARTS AND CRAFTS, AND LAUNDRY SERVICES.

AS IN THE PREVIOUS EVENTS, THE CRISIS FACED TODAY BY THE TOURISM INDUSTRY HAS ONCE AGAIN OPEN DOORS FOR MORE OPPORTUNITIES. THERE IS NO BETTER TIME THAN TODAY TO CONSOLIDATE OUR EFFORTS, PLAN AHEAD AND RESPOND VERY QUICKLY.