

MAKATI BUSINESS CLUB  
**FORUM**

**THE NEW DEPARTMENT OF TOURISM:  
GOOD GOVERNANCE AND BUSINESS PARTNERSHIPS**

**BERNADETTE ROMULO-PUYAT**

Secretary, Department of Tourism



*Secretary Puyat was the guest speaker at the Annual Meeting of the Makati Business Club held on 19 June 2018 at the Rizal Ballroom of the Shangri-La Hotel in Makati. Published here are excerpts from her keynote speech and the open forum.*



With the business community's continued support, I have no doubt that there can be even more fun in the Philippines—but only the right kind, of course.

### TOURISM GROWTH INDICATORS

Being a former teaching fellow and lecturer at the UP School of Economics, I'd like to get the fun started by giving you some numbers.

As of 2017, the Philippine Statistics Authority reported that the tourism sector contributed 12.2% to the GDP (P1.929 trillion). This was 24.2% higher compared to tourism's contribution in the previous year (P1.554 trillion).

For the same period, employment in tourism was estimated at 5.3 million or 13.06% of total employment. As national figures on employment decreased in 2017, the tourism sector managed to post a modest increase of 0.9% from 2016 of 5.2 million that was 12.79% of total employment.

Our cumulated annual growth rate of total inbound arrivals to the Philippines from 2013 to 2017 was 9.05%. We received 6.62 million in 2017, from 4.6 million foreign visitors in 2013.

Our goal this year is 7.4 million. That will be an 11.3% increase from 2017. We expect the increase to come

from China and emerging markets like Australia. This is driven by more connections, affordable rates, and aggressive market activation, as we work double time in diverting focus on other destinations, given the temporary closure of Boracay Island.

Total tourism receipts in 2017 amounted to P448 billion, recording a 44% increase from 2016. This was driven by increase in arrivals, length of stay, daily expenditure, foreign exchange, and increase in airline receipts. Average daily expenditure in 2017 was pegged at US\$126, with an average length of stay of 9.35 days.

### TOURISM MANDATE AND STRATEGIC DIRECTIONS

The Department of Tourism, through Republic Act 9593, also known as the Tourism Act of 2009, is mandated to serve as the “primary planning, programming, coordinating, implementing, and regulatory government agency in the development and promotion of the tourism industry, both domestic and international.”

The department, together with its 16 regional offices and 8 attached agencies, are tasked to formulate tourism policies, programs, and projects, in order to develop the tourism industry as a major contributor to the economy. This is in



MBC trustee Rizalina Mantaring moderates the Q&A session with Secretary Puyat.

keeping with the Duterte Administration's goal of expanding economic opportunities to reduce poverty and inequality in the country, as stated in our 10 Point Socio-Economic Agenda and articulated in the Philippine Development Plan of 2017–2022.

Anchored with this national objective is the overarching theme of my leadership as DOT Secretary, which is sustainable tourism.

### **SUSTAINABLE TOURISM AS DOT'S ANCHOR**

Taking from my experience as a former agriculture official and policymaker, a sector cannot significantly contribute to the economy if it is not sustainable. That can't be emphasized enough.

We believe that the tourism sector can only be sustainable if we maximize consultations, if all stakeholders can assume responsibility for growing the industry. If we can do this across the archipelago, there will be pockets of tourism that will be catalysts and sustainable sources for economic growth.

In support of sustainability, we are currently reviewing the implementation of the National Tourism Development Plan 2016–2022, and are prioritizing the improvement of policies on environmental protection, access, connectivity, security, and enhancement of tourism products and infrastructure. We are continuously conducting regular consultations with industry groups and our partners in the executive and legislative branches of the government to realize sustainable and inclusive growth.

**CRUZ MARCELO  
& TENEFRANCIA**

9th, 10th, 11th & 12th Floors  
One Orion  
11th Avenue corner  
University Parkway Bonifacio Global City  
Taguig 1634, Metro Manila  
Philippines

Tel.: +632.810.5858  
Fax: +632.810.3838  
info@cruzmarcelo.com  
www.cruzmarcelo.com



*The Makati Business Club invites resource speakers to its General Membership Meetings and Roundtable Discussions to discuss public issues and trends, whether local or global, that have an impact on Philippine development. MBC Forum highlights the speeches and discussions at these gatherings.*

### **MEANINGFUL PUBLIC AND PRIVATE PARTNERSHIPS**

I would like to emphasize the importance of partnerships in the achievement of DOT's objectives under the National Tourism Development Plan, in which we have adopted the "convergence approach" in addressing the needs of the tourism sector.

We have existing partnerships with LGUs, government agencies, and the private sector in terms of transport infrastructure development, product development, travel facilitation, and tourism investments.

Two weeks ago, President Rodrigo Duterte inaugurated the new terminal of the Mactan-Cebu International Airport, with a capacity of 12 million passengers. It is an example of the public-private partnership that we can emulate for the expansion of international gateways all over the country, in pursuit of our partnership with the Department of Transportation. Meanwhile, our Tourism Road Infrastructure Prioritization Project or TRIPP, together with the Department of Public Works and Highways, has allocated P30.9 billion in 2018 to develop 1,236 kilometers of roads leading to tourist destinations. This is in addition to the P84.6 billion we have invested so far since 2011 for 1,578 kilometers of national and local roads.

### **FIRST 100 DAYS**

Our first 100 days at the helm of the department will be defined as thorough housekeeping. That will

include key projects and programs, such as:

- The review and realignment of programs and projects to tourism and tourism-related laws and strategic development plans;
- Consultation and learning sessions with tourism stakeholders, government and private sector partners, and markets;
- Leadership in the post-rehabilitation phase of Boracay Island;
- Implementation of the Farm Tourism Development Act; and
- Refreshing and updating of our “Its More Fun in the Philippines” global campaign.

### CLEANING HOUSE

Since assuming my post last month, we have been closely working with the various offices in the department in reviewing the implementation of programs and projects, as well as strict adherence to agreements and contracts. We are also in close coordination with the Commission on Audit and the Office of the Solicitor General for their sound advice on systems and controls, as well as other agencies such as the Career Executive Service Board and the Civil Service Commission on relevant matters pertaining to human capital and standards of professionalism.

Behind this thorough house-cleaning is the bigger mission to continue directing the department towards deeper engagement in delivering honest and sincere service to our customers.

Good governance is the key to a successful development agenda. It is imperative that as the sole department in charge of leading a top export and vibrant business-oriented industry that generates significant employment, the DOT leads with integrity.

Tourism is a multi-faceted industry, and the only way to enhance it is through a holistic development of the sector. We will be advocates for an ecosystem of responsible tourists and destinations. And we will be champions of sustainable tourism to create a dependable source of income for Filipinos.

### PRIVATE SECTOR AS PARTNERS FOR POSITIVE CHANGE

With all the positive changes that we aim to bring forth in the next four years, we invite the private sector to be our partners in responsibly developing tourism products, infrastructure, and services. We invite you to support and be part of an industry that not only helps the economic standing of the poorest in our society, but also encourages every Filipino to be both the best tour guides and tourists in our beloved country.

As the late Susan Calo Medina once told us every week, *“Huwag maging dayuhan sa sariling bayan.”*

Let us all be citizens proud of the beauty of our islands and its natural attractions. Let us all be citizens proud of a diverse and rich culture that is not only unique in Asia but the world over. Let us all be citizens proud of the fact that we are without doubt the most fun people in the world.

Thank you. *Mabuhay ang Pilipinas.* ■



**CELEBRATING 30 YEARS** **ICCP GROUP**  
SHINING WITH INTEGRITY

**INTEGRITY IS OUR BEST ASSET.**

A wide range of businesses could be built on one single value: Integrity. In partnering with our clients and customers, it is the one true asset that has yielded excellent results in investment banking, venture capital, industrial estates, residential developments, and exhibition complex management. Thriving for 30 years is compelling proof. It will be the same story for the next 30. We're the ICCP Group.

**INVESTMENT & CAPITAL CORPORATION OF THE PHILIPPINES** **PUEBLO DE ORO DEVELOPMENT CORPORATION**  
*The Gold Standard in Community Living*

**SCIENCE PARK OF THE PHILIPPINES, INC.** **ICCP RED PEAK**

**WORLD TRADE CENTER® METRO MANILA** **ICCP SBI VENTURE PARTNERS, INC.**

ICCP Group, 17F Robinsons Summit Center, 6783 Ayala Avenue, 1226 Makati City, Philippines  
Tel.: +(632) 790 2200 / Fax: +(632) 856 6623  
[www.iccpgroup.com.ph](http://www.iccpgroup.com.ph)





## Q&A

**Q: What would you consider as the three pillars of your sustainable development track for the department?**

These are already in the National Tourism Development Plan. First is environmental protection; we need to boost tourism without harming the environment. Two, we need government support to prioritize programs and policies to improve access, connectivity, security, and the enhancement of tourism products. Third, we need to promote responsible tourists and responsible industry stakeholders.

**Q: As you've pointed out, tourism is one of the biggest contributors to the economy. How is the department working with other agencies in improving transportation infrastructure and environmental sustainability?**

Right now, specifically for Boracay, we have the Rehabilitation Task Force Group headed by the Department of Environment and Natural Resources, where we are also working with the Departments of the Interior and Local Government, Public Works and Highways, and Health. As long as

all environmental laws are complied with, we are pushing for the re-opening of Boracay by October 26.

For environmental sustainability, we are working directly with local government units. In Cebu, for example, stakeholders are worried that they will be closed down next. But what I noticed is they are already policing themselves, saying they will follow the mandated easement guidelines.

With regards to infrastructure, access, and transportation, we are scheduled to meet [Transportation] Secretary Tugade, [Justice] Secretary Guevarra, [Public Works and Highways] Secretary Villar, and [Customs] Commissioner Lapeña to discuss improvements to road access and airports. I was planning to visit their offices one by one, but after the last Cabinet meeting, they all offered to go to my office for a meeting.

[Finance] Secretary Dominguez has also included the DOT in the Economic Managers team. That shows that my colleagues in the government give importance to tourism as a driver for economic growth.

**Q: In the last World Economic Forum Global Competitiveness Report, we were ranked 79th out of 136, and the main issues they pointed out were infrastructure and safety and security. What would be your priority in improving our competitiveness?**

We are addressing environmental protection with the DILG. A lot of what happened in Boracay was because LGUs were issuing business permits without the environment compliance certificate, and right now, the DILG is being very strict with mayors giving out permits.

For safety and security, we are meeting with the Philippine National Police to address concerns regarding incidents and issues in tourist safety. We are working with the Bureau of Customs and the Department of Justice regarding immigration, as we want tourists to avoid long lines in immigration. We have also been talking with the Bureau of Customs to address issues against Customs officials and reports of harassment. And I have been told that they will be adding CCTV cameras in our airports to ensure that complaints are verified.

**Q: What are your plans to increase transparency and root out corruption in the Department?**

We are in close contact with the Commission on Audit. Based on the latest circular, CoA does only post-audit of DOT projects. But I approached Chairman Aguinaldo to report that

all our contracts should go through their pre-audit, and he agreed. CoA will now be sending a team to review all the department's contracts, especially those with no bidding, because I will not move without the CoA's approval.

CoA will also be helping us strengthen our internal control systems to make sure that money is not wasted and is effectively used. I am also in touch with the office of the Solicitor General.

**Q: Earlier, you mentioned the need for partnerships between the Department of Tourism and the private sector. Aside from funding, can you give specific points on what we can work on together?**

We are happy to note that Cebu Pacific and Philippine Airlines have agreed to make commercials for the department and place ads for promotion. Both have also agreed to help us with the main thrust of the department in promoting sustainable tourism and responsible tourists.

In addition, Oishi, whose market is China, has agreed to do commercials for us and place ads in China. And Ben Chan of BENCH, who previously had a campaign that was geared towards another country, has decided to feature the Philippines in their upcoming campaigns. ■





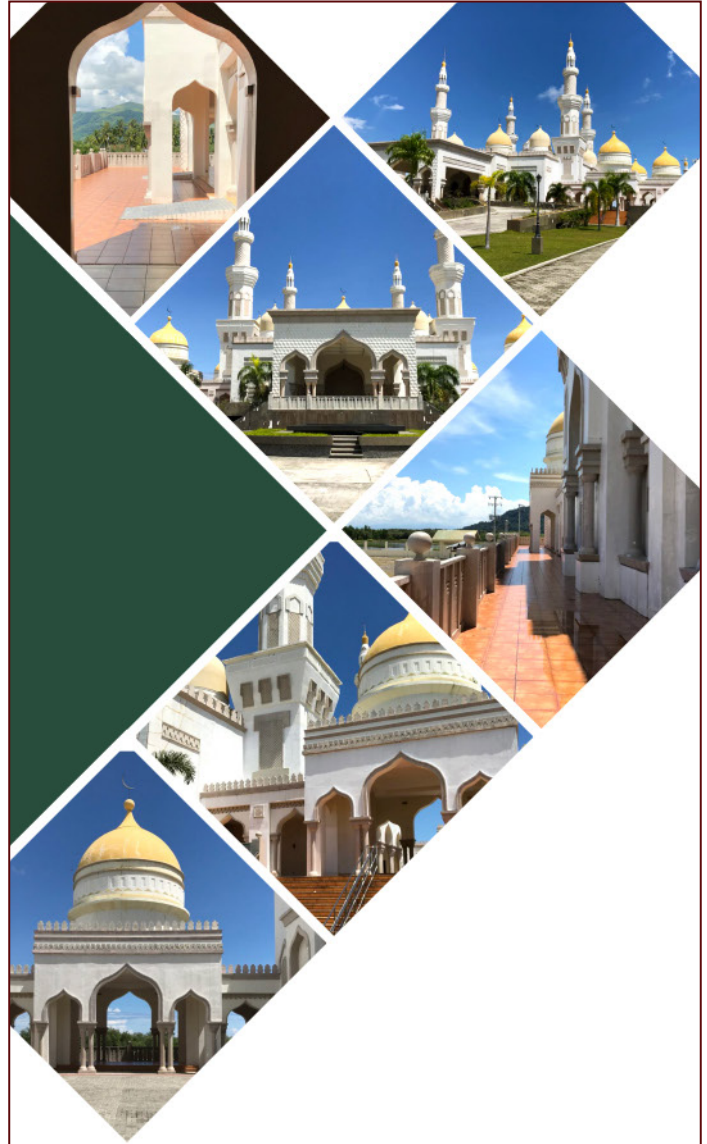
## ABOUT THE SPEAKER

**Secretary Bernadette Romulo-Puyat** earned her bachelor and graduate degrees in economics from the University of the Philippines in Diliman, where she became a lecturer from 1994 to 2006.

She was an economic consultant for the Housing and Urban Development Coordinating Council from 2001 to 2002, and then for the Presidential Management Staff from 2005 to 2006. She also served as Deputy Cabinet Secretary at the Office of the President in 2006.

In 2007, she was appointed as Undersecretary for Special Concerns at the Department of Agriculture, in charge of rural credit, trade promotion, development assistance, international cooperation, and foreign investments. In 2016, she was appointed as Undersecretary for Agribusiness, Marketing, and Regional Engagement, supervising market-linkage activities and the promotion of trade and investment opportunities in agri-fisheries and local agricultural products.

In May 2018, she was appointed as Secretary of the Department of Tourism, where her current work program includes the intensification of the promotion of farm and culinary tourism. ■



Planning a sustainable future for all and creating value in every place, building, and community that we design

# PALAFox

[www.palafoxassociates.com](http://www.palafoxassociates.com) | [www.palafoxarchitecture.com](http://www.palafoxarchitecture.com)



**C.M. PANCHO CONSTRUCTION, INC.**

71 -A Scout Borromeo St., Diliman Quezon City  
Tel. Nos. (02) 924-2456 • 924-2467 • 927-3237  
Fax: (02) 924-2442  
Email: [cm\\_pancho@pltdsl.net](mailto:cm_pancho@pltdsl.net) • [info@cmpancho.com](mailto:info@cmpancho.com)  
website: [www.cmpancho.com](http://www.cmpancho.com)

**ENGINEERS - ARCHITECTS - REAL ESTATE DEVELOPERS  
CONTRACTORS - EQUIPMENT RENTALS**



MEMBER  

**“Preserve your wealth  
for the real treasures in your life.”**

- Ms. Charo Santos-Concio



**Talk to a Sun Life Advisor today**



**Sun Life**