

## TECHNICAL NOTES

### Introduction

This Special Release presents the preliminary results of the 2014 Survey of Tourism Establishments in the Philippines (STEP).

The 2014 STEP is the second survey round conducted and is a rider to the 2014 Annual Survey of Philippine Business and Industry (ASPBI). Data collected will provide information on the available supply of tourism goods, products and services. The Philippine Tourism Satellite Account (PTSA) provides the framework by which the economic contribution of tourism is measured. Using this account, it is possible to quantify the contribution of tourism industry in the economy within the context of the Philippine Systems of National Accounts (PSNA). Data are valuable inputs in the compilation of the PTSA.

The survey was conducted by the Philippine Statistics Authority (PSA) nationwide in April 2015 with the year 2014 as the reference period..

Tourism Act of 2009 or RA 9593 emphasizes that tourism is an indispensable element of the national economy and an industry of national interest and importance, which must be harnessed as an engine of socio-economic growth and cultural affirmation to generate investment, foreign exchange and sense of national pride for all Filipinos. Moreover, the Philippine Statistical Development Plan provides the blueprint of development of the tourism industry. This is in recognition of the importance, role and impact of tourism on the social and economic development and environment and cultural landscape in the country. Therefore, there is a need to measure the economic contribution of tourism as an input to effective and efficient policy research, monitoring, analysis and development of the tourism industry.

NSCB Resolution No. 4, Series of 2005 – [Approving and Adopting the Philippine Tourism Statistical Classification System (PTSCS)] provides the basis for the generation, consolidation, dissemination and analysis of tourism statistics, specifically in the compilation of the PTSA.

The PTSCS identifies characteristic and connected tourism products (goods and services) and industries. **Tourism characteristic products** are goods and services which **would cease** to exist in meaningful quantity or those for which the **level of consumption** would be **significantly reduced in the absence of visitors** (e.g. accommodation services). Activities from which the products were created are termed as ***tourism characteristic industries***.

On the other hand, ***tourism connected products*** are goods and services that are affected significantly without tourism; or are important to tourism, independent of level of usage of the product by tourists. Similarly, activities from which the products were created are termed as ***tourism connected industries***.

The conduct of 2014 STEP will generate statistics on the availability of supply from tourism industries that will meet the consumption of goods and services of visitors. The 2014 STEP will continuously serve as a source of data on tourism supply.

## Objectives

The general objective of the 2014 STEP is to provide data on tourism characteristic establishments in the country. Specifically, the 2014 STEP aims to:

- provide data on the supply and capacity in terms of facilities and services
- gather data on employment by sex and nationality
- gather data on revenue generated from tourist
- provide information on indicators for future expansion and/or renovation plans

## Legal Authority

The conduct of the 2014 STEP is authorized under Republic Act 10625 known as the Philippine Statistical Act of 2013 - Reorganizing and strengthening of the Philippine Statistical System (PSS), its agencies and instrumentalities.

## Scope and Coverage

The 2014 STEP is a nationwide survey of establishments in the formal sector engaged in tourism characteristic industries. Tourism characteristic industries as defined in the IRTS 2008 (International Recommendation of Tourism Statistics) with grouping according to industry subclass (5-digit) of the 2009 PSIC. (See Table 1)

It shall completely cover the following tourism characteristic industries:

- Accommodation (I55 except I55901- Dormitories/boarding houses); and
- Chartered buses and cars operation (e.g. tourist buses, rent-a-car) (H49204 and H49324).

The other tourism characteristic industries shall be taken on a sampling basis.

Tourism connected industries are excluded from the coverage of the 2014 STEP.

**Table 1 Scope and Coverage of the 2014 STEP**

<b>IRTS 2008 Tourism Industries</b>	<b>2009 PSIC</b>	<b>Industry Description</b>
Accommodation for Visitors	I55101	Hotels and Motels
	I55102	Resort hotels
	I55103	Condotels
	I55104	Pension houses
	I55105	Camping Sites/Facilities
	I55109	Other short term accommodation activities, n.e.c.
	I55909	Other accommodation, n.e.c.

<b>IRTS 2008 Tourism Industries</b>	<b>2009 PSIC</b>	<b>Industry Description</b>
Food and Beverage	I56101	Restaurants
	I56102	Fast-food chains
	I56103	Cafeterias
	I56104	Refreshment stands, kiosks and counters
	I56109	Other restaurants and mobile food service activities, n.e.c.
	I56290	Other food service activities
	I56301	Night clubs
	I56302	Bars and cocktail lounges
	I56303	Café or coffee shops
	I56309	Other beverage serving activities, n.e.c.
Road Passenger Transport	H49201	Inter-urban bus line operation
	H49202	Urban and suburban bus line operation
	H49204	Chartered buses operation (e.g. tourist buses)
	H49323	Public utility cars and taxicabs operation
	H49324	Chartered cars operation (rent-a-car)
	H49329	Other land transport operation, n.e.c.
Water Passenger Transport	H50111	Ocean passenger transport
	H50112	Interisland water passenger transport
	H50113	Renting of ship with operator
	H50210	Inland passenger water transport
Air Passenger Transport	H51101	Domestic air passenger transport
	H51102	International air passenger transport
	H51103	Non-scheduled air passenger transport
Transport Equipment Rental	N77100	Renting and leasing of motor vehicles
	N77301	Renting of land transport equipment
	N77302	Renting of water transport equipment
	N77303	Renting of air transport equipment
Travel Agencies and Other Reservation Service Activities	N79110	Travel agency activities
	N79120	Tour operator activities
	N79901	Activities of booking offices
	N79902	Accommodation reservation activities
	N79904	Package tour reservation activities
	N79905	Tourist assistance activities (e.g., tourist guides), n.e.c.
	N79906	Event tickets, entertainment and recreational reservation activities
	N79909	Other reservation service and related activities, n.e.c.

<b>IRTS 2008 Tourism Industries</b>	<b>2009 PSIC</b>	<b>Industry Description</b>
Cultural Activities	R90001	Concerts and opera or dance production
	R90002	Live theatrical presentations and other stage productions
	R90005	Art galleries
	R90006	Operation of concert and theatre halls and other arts facilities
	R90009	Other creative, arts and entertainment activities, n.e.c.
	R91020	Museum activities and preservation of historical sites and buildings
	R91030	Botanical and zoological gardens and nature reserves activities
Sports and Recreational Activities	N77210	Renting and leasing of recreational and sports goods
	R92000	Gambling and betting activities
	R93110	Operation of sports facilities
	R93190	Other sports activities
	R93210	Activities of amusement parks and theme parks
	R93291	Operation of ballrooms, discotheques (disco's)
	R93292	Operation of recreation parks, beaches, including renting of facilities, such as bathhouses, lockers, chairs, etc.
R93299	Other amusement and recreation activities, n.e.c.	
Other Country-specific Tourism Characteristic Activities		
Financial and Insurance Activities	K66130	Foreign exchange dealing
	K66231	Pre-need plan for health
	K66232	Pre-need plan for education
	K66233	Pre-need plan for memorial and interment
	K66234	Pre-need plan for pension
	K66239	Pre-need plan activities, n.e.c.
Health and Wellness	Q86121	Private general hospital activities
	Q86221	Private medical activities
	Q86222	Private dental and laboratory services
	Q86229	Private, medical, dental and other health activities, n.e.c.
	S96101	Spa activities
	S96102	Steam and bath activities
	S96103	Slendering and body building activities

### Unit of Enumeration

The unit of enumeration for the 2014 STEP were the establishments. *An establishment is defined as an economic unit, which engages, under a single ownership or control, in one or predominantly one kind of economic activity at a single fixed physical location.*

## **Classification of Establishments**

An establishment is categorized by its economic organization (EO), legal organization (LO), industrial classification, employment size and geographic location.

**Economic Organization (EO).** This refers to the organizational structure or role of the establishment in the organization.

**Legal Organization (LO).** This refers to the legal form of the economic entity provides the legal basis for ownership of the establishment.

**Industrial Classification.** The Industrial Classification of an economic unit is determined by the activity from which it derives its major income or revenue. The 2009 PSIC which was approved for adoption by government agencies and instrumentalities through NSCB Resolution No. 2 Series 2010 was utilized to classify economic units according to their economic activities.

**Employment Size.** The size of an economic unit is determined by its total employment (TE) as of specific date. Total employment (TE) refers to the total number of persons who work in or for the establishment. This includes paid employees, working owners, unpaid workers and all employees who work full-time or part-time including seasonal workers. Included also are persons on short term leave such as those on sick, vacation or annual leaves and on strike.

**Geographic Classification.** Establishments are also classified by geographic area using the Philippine Standard Geographic Code (PSGC) classification. The PSGC contains the latest updates on the official number of regions, provinces, cities, municipalities, and barangays in the Philippines. The latest PSGC as of December 31, 2014 was used for the 2014STEP.

## **Frame**

The frame for the 2014 STEP was extracted from the 2014 List of Establishments (LE). This frame was used to draw the sample establishments for the survey. The initial estimate of the 2014 LE shows that there are about 944,000 establishments in operation in the country for the year. About 266,000 establishments (28% of the total establishments) belong to the formal sector of which 39,925 (15%) comprise the frame for the 2014 STEP.

## **Sampling Design**

Selection of sample establishment for the 2014 STEP was done using stratified systematic sampling with 5-digit PSIC serving as industry strata and employment size as the second stratification variable.

## **Questionnaire Design**

### Survey Forms

For the 2014 STEP, five types of questionnaire were used. The 2014 STEP questionnaires are shown in Table 2.

TABLE 2 Types of Questionnaires

Form Number	Form Title	Survey Clearance No.
STEP Form 1	Accommodation	PSA-1508
STEP Form 2	Restaurants	PSA-1508
STEP Form3	Transport Operators; Tour and Travel Agencies	PSA-1508
STEP Form 4	Health and Wellness	PSA-1508
STEP Form 5	Other Tourism Activities	PSA-1508

Data Items

The data items found in the STEP questionnaires are listed in Table 3.

TABLE 3 List of Data Items

Item No.	Description
<b>Cover Page</b>	Name and Address of the establishment and its reporting unit
	Control Panel for Establishment Characteristics (for PSA use Only)
<b>1</b>	Economic Activity or Business in 2014
<b>2</b>	Employment as of 15 November 2014
<b>3</b>	Facilities/Amenities and Usage in 2014
<b>4</b>	Transport Facilities in 2014 (for Form 1 and Form 3 only)
<b>5</b>	Revenue in 2014
<b>6</b>	Plans for Expansion/Renovation Within the Next Five Years
<b>7</b>	DOT Accreditation in 2014
<b>8</b>	Other Information
<b>9</b>	Certification
<b>10</b>	Contact Person
	Processing Information (For PSA use only)

## Response Rate

Total response rate as of 30 September 2016 for all establishments by tourism characteristic industry was 85.2 percent (6,142 out of 7,210 establishments). These include receipts of "good" questionnaires, partially accomplished questionnaires, reports of closed, moved out or out of scope establishments.

Of the total responses, 65 establishments responded online.

Table 4 shows the response rate by industry.

TABLE 4 Response Rates by Industry

Industry	Total Samples	Collected	Response Rate
Philippines	7,210	6,142	85.2
Accommodation	3,706	3,216	86.8
Food and Beverage	1,495	1,259	84.2
Transport Operators, Tour and Travel Agencies	634	548	86.4
Health and Wellness	826	716	86.7
Other Tourism Activities	549	403	73.4

## Concepts and Definitions of Terms

**Accommodation services** – includes Room Service, lodging inn or tourist inn. Room service is an accommodation available at many hotels where workers at the hotel bring food and other items to hotel rooms, by request of the guest and usually for extra charge.

**Accreditation** – a certification issued by the Department of Tourism (DOT) which recognizes the holder to having complied with its minimum standards in the operation of the establishment concerned.

**Economic activity or business** is the activity of the establishment as classified under the amended 1994 Philippine Standard Industrial Classification (PSIC). Generally, the main activity of the establishment is the establishment's principal source of income. If the establishment is engaged in several activities, its main activity is that which earns the biggest income or revenue.

**Electronic payment** (e.g. credit card, ATM) refers to money paid electronically. Also known as e-money, electronic cash, electronic currency, digital money, digital cash or digital currency.

**Employment** is the number of persons who worked in or for this establishment as of 15 November 2014.

**Foreign exchange counter** is a business establishment whose customers exchange one currency for another.

**Health and Wellness Tourism** refers to the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for health and wellness purpose not related to the exercise of an activity remunerated from within the place visited.

**Package Tour** – refers to a set of products and services offered to the visitors that is composed of varieties of tourism characteristic products (such as transport, accommodation, food services, recreation, etc.). The component of a package tour might be pre-established, or can result from an "a la carte" procedure where the visitor decides the combination of products/services he/she wishes to acquire. This can be synonymously used with "package travel and/or package holiday".

**Revenue generated from tourists** refers to the percentage of total cash received and receivables for goods/products and by-products sold and services rendered generated from tourists.

**Seasonal Workers** refer to individuals who were hired for a specific period of time to augment the regular employees due to high demand of clients and/or increased work demands during peak months.

**Tour** – refers to any arranged journey intended for purposes of tourism to one or more places and back to the point of origin. The arranged journey may not necessarily be pre-paid.

**Tour packaging services** – a **package holiday** or **package tour** consists of transport and accommodation advertised and sold together by a vendor known as a tour operator. Other services may be provided like a car rental, activities or outings during the holiday. Transport can be via charter airline to a foreign country. Package holidays are a form of product bundling. Package holidays are organized by a tour operator and sold to a consumer by a travel agent. Some travel agents are employees of tour operators, others are independent.

**Tourism** refers to activities of foreign and domestic visitors traveling to and staying in places outside their usual environment for not more than one continuous year for leisure, business and other purposes not related to employment with pay from within the place visited. Traveling for the purpose of conducting businesses, for education and training, etc., can also be part of tourism. Both foreign visitors (country of residence is other than the Philippines) and domestic visitors (Philippine residents) are covered in the survey.

**Tourism activities** encompass all that foreign and domestic visitors do for a trip or while on a trip. It is not restricted to what could be considered as "typical" tourism activities such as sightseeing, sunbathing, visiting site, etc. From an economic point of view, the basic activity of foreign and domestic visitors is consumption, that is, the acquisition of consumption goods and services to satisfy individual or collective needs and wants.

**Tourism characteristic products** are goods and services which would cease to exist in meaningful quantity or those for which the level of consumption would be significantly reduced

in the absence of visitors (e.g. accommodation services). Activities from which the products were created are termed as **tourism characteristic industries**.

**Tourism connected products** are goods and services that are affected significantly without tourism; or are important to tourism, independent of level of usage of the product by tourists. Similarly, activities from which the products were created are termed as **tourism connected industries**.

**Wireless internet connection (Wi-Fi)** is a trademark of the Wi-Fi Alliance. A Wi-Fi enabled device such as a personal computer, video game console, mobile phone, MP3 player or personal digital assistant can connect to the Internet when within range of a wireless network connected to the Internet. The coverage of one or more interconnected access points which is called a hotspot that can comprise an area as small as a few rooms or as large as many square miles covered by a group of access points with overlapping coverage.