**Review Article** 

# Assessing Government Promotion Strategies for International Tourism and their Impact on the Balance of Payments Surplus in the Philippines

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#### **ABSTRACT**

This systematic literature review using the PRISMA diagram aims to explore strategies for attracting foreign tourists to the Philippines, as seen from the PRISMA diagram. The study looks at the effectiveness of government initiatives and promotional campaigns on international tourism, with a focus on metrics like visitor spending, tourist arrivals and brand recognition that contribute to the balance of payments surplus. It also investigates how tourism promotions influence economic indicators like foreign earnings and job rates. In addition to boosting revenue and employment generation in the country's balance of payments surplus, it emphasizes tourism's role. More so, the research tackles major concerns associated with enhancing global tourism in the Philippines, such as garbage management, crime prevention, easing congestion and improving digital marketing and promotion approaches. The results emphasize strategy importance and recommend a focus on digital infrastructure investments, stakeholder engagement, development of tourism products and sustainable tourism practices. Tourism revenue can be improved by implementing these recommendations which would also have a positive impact on the country's balance of payment surplus in the Philippines.

**Keywords:** Balance of payments surplus; Digital marketing; Economic impact; Government initiatives; Infrastructure; International tourism; Philippines; Policy; PRISMA diagram; Sustainable tourism; Tourism

#### INTRODUCTION

Tourism is a composite commodity to which many industries contribute. It is the world's largest 'industry' in employment and global production. A tourism destination is a combination of places that serve as a storehouse of meanings, generating experiences and capturing values within a set of expectations. International tourism significantly impacts the balance of payments as an invisible export entry, particularly under the entry of international services. This study adds to our knowledge of how government strategies to promote tourism affect the surplus in the balance of payments, shedding light on how tourism policies align with economic objectives and strategies in economic policy analysis and global trade. The function of policy, planning and research, monitoring and delivery standards, public health and safety maintenance, development of tourism infrastructure, capacity building and employment and environmental protection make the government have an active

role in creating a tourism structure focused on gaining international competitiveness in the tourism sector of the country.

Assessing government promotion strategies for international tourism and their impact on balance of payments surplus in the Philippines focuses on understanding the effectiveness of government campaigns in promoting international tourism and their contribution to enhancing the balance of payments surplus, ultimately supporting economic growth and stability in the country [1].

The balance of payments focuses on the description of the economic relationship between residents and non-residents and it includes transactions associated with international tourism, which have been defined based on the concept of residence that is similar to that used in the balance of payments and the system of national accounts. In today's world, many countries pay attention

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to the tourism industry, the so-called 'industry without chimneys', by increasing investments and providing incentives. Governments should continue to encourage and develop the tourism industry in developing countries. In this context, the satisfaction of visitors should be of principal importance. Recent advances in airline transportation will play a significant role in breaking down transportation barriers. However, the broader society should recognize the importance of tourism and raising public awareness will likely lead to further benefits.

National Tourism Organizations (NTOs) play a central role in tourism development in the ASEAN region. There is a literature review on sustainable tourism development, such as national tourism plans in the four Asian countries (Philippines, Malaysia, Singapore and Thailand) with special features like an extension of financial assistance to tourism ventures, decentralization of control for tourism and development of e-commerce for tourism. Economic sustainability refers to maintaining growth rates at manageable levels and promoting tourism while keeping an eye on capacities to handle greater demand to avoid consumer dissatisfaction. In 1973, the Philippines prioritized tourism by establishing a dedicated department of tourism. The Philippine tourism authority was responsible for physical infrastructure and superstructure development, while the Philippine convention bureau was created as the government's marketing arm for conventions. With the advent of a new administration in 1986, executive order no. 120 was issued in January 1987 to reorganize the DOT. The revamped DOT was assigned roles in policy formulation, strategic planning, legislative liaison, inter-agency coordination, regulatory control and support services for tourism promotion [2-4]. Since then, tourism has been recognized as a significant economic activity, contributing substantially to the country's foreign exchange earnings, employment generation and attraction of both foreign and domestic investments (UN. ESCAP). Understanding the effectiveness of government campaigns in promoting international tourism and their contribution to enhancing the balance of payments surplus, ultimately supporting economic growth and stability in the country.

The study was inspired by the need to assess the effectiveness of Philippine government promotion strategies for international tourism and the effects of these strategies on the country's balance of payments surplus. Despite ongoing efforts by the government to stimulate global tourism, it stems from the necessity that there remains a lack of comprehensive evaluation regarding the success of these strategies and their contribution to the nation's balance of payments. This seeks to address this gap by providing insights into the efficacy of government promotion initiatives for international tourism in the Philippines.

The general objective of this study is to assess government promotion strategies for international tourism and their impact on the balance of payments surplus in the Philippines. In particular, this study aims to address the following questions:

- What government promotion strategies are employed to attract international tourism to the Philippines?
- How effective are these strategies in attracting more international tourists to the country?

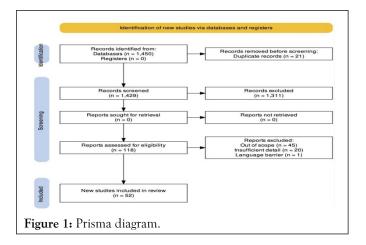
- What is the impact of international tourism promotion efforts on the balance of payments surplus in the Philippines?
- How can the Philippines address the following concerns to enhance the global tourism experience and attract more visitors?
  - Garbage management
  - Crime prevention
  - Heavy traffic
  - Digital marketing and promotion
- What recommendations can be made to enhance the effectiveness of government promotion strategies and maximize the balance of payments surplus in the Philippines?

Assessing government promotion strategies for international tourism aims to help solve the issue by examining how the government promotes tourism in the Philippines through an assessment of the strategies' effectiveness and their impact on the surplus in the balance of payments. These suggestions can guide improvements in tourism promotion methods, ensuring resource utilization and enhancing the contribution of tourism to the country's balance of payments surplus.

#### LITERATURE REVIEW

The researcher reviewed the literature on assessing government promotion strategies for international tourism and their impact on the balance of payments surplus in the Philippines by gathering sources from platforms like Google Scholar, Research Gate, Worldbank.org, doi.org and reputable sites. The literature was comprehensively examined to grasp the status of this issue.

We chose 52 of the relevant search results for our analysis, which were considered appropriate for inclusion in our study. The search was directed by keywords such as surplus in the balance of payments, government promotion of tourism, tourism earnings, international tourism and economic consequences. Throughout the study, the researcher utilized the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) methodology (Figure 1).



#### **RESULTS AND DISCUSSION**

# Government promotion strategies employed to attract international tourism to the Philippines

Tourism is widely recognized as the largest and one of the most rapidly expanding industries globally. The World Tourism Organization (UNWTO), in partnership with the Global Tourism Economy Research Centre (GTERC), presented its Asia tourism trends report at the global tourism economy forum in Macao (China). The report shows Asia and the Pacific have been outperforming all world regions in terms of growth in international arrivals since 2005. Rapid economic growth in a region with over half the world's population, coupled with rising air connectivity, travel facilitation and large infrastructure projects, have boosted international travel in the region. This has greatly impacted Asian destinations' tourism earnings, which have steadily increased from 17% of the world total in 2000 to 29% in 2017. This is equivalent to US\$ 390 billion in tourism receipts. Apart from contributing to economic growth, tourism can be instrumental in pursuing sustainable development. Tourism involves various aspects of life economic, social, cultural and physical. Hence, tourism development should aim to meet the present needs without compromising the ability of the future generation to meet their own needs. Policies are instrumental in achieving sustainable tourism development.

Policies play a crucial role in developing the competitiveness of an industry and in making activities economically viable and sustainable. Government policies shape the overall economic development agenda of the government and send strong signals to the tourism industry on the kind of business and entrepreneurial activities that the government is willing to support. Government policies form part of the overall regulatory component of the country's institutional framework, promoting certain behaviors and restricting others. Concerning the different collaboration theories, we will present keywords such as awareness, involvement, motivation, education, cooperation and leadership, which are important to assessing and planning the Philippines' development as an attractive tourist destination. The campaign aided in generating a budget for marketing and promotions of traditional and new tourism.

The Department of Tourism (DOT) in the Philippines, established in 1973 in its early stages, has not succeeded in its former campaign products. This campaign aided in generating a budget for marketing and promotion of traditional and new tourism products due to the discovery that the Philippines was behind in promoting itself internationally as a tourist destination in comparison with its neighboring countries.

Republic Act No. 9593 serves as an existing promotional strategy for the Philippines' tourism industry. This legislation, also known as the "tourism act of 2009," provides a structured framework aimed at advancing and sustaining the growth of tourism in the country. Key components of this strategy include the establishment of the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), the promotion of Tourism Development Areas (TDAs), incentives for tourism enterprises, emphasis on tourism promotions, human resource

development, environmental protection, tourism standards and accreditation and the collection of tourism statistics and research. Like any other destination, innovative development's ultimate purpose is to improve resource management efficiency, competitiveness, and sustainability. In 2021, the Philippines' transition to a smart destination was one of the strategic goals of the DOT and Tourism Promotions Board (TPB). The agencies aim to incorporate innovation and digitization into smart travel while assuring data-driven planning and expanding other promotional and marketing tools. Transitioning to "SMAR tourism" is one of the DOT and TPB's strategic goals. The agencies aim to incorporate innovation and digitization into smart travel while assuring data-driven planning and expanding other promotional and marketing tools.

The present administration has identified tourism as one of the pillars of growth. President Ferdinand Marcos Jr., enjoined by the tourism and public works chief to make it more convenient for travelers to go around the country and provide easier access to remote areas and undiscovered tourist spots. Emphasizing plans to enhance tourism by improving road infrastructure for easier access to tourist destinations and upgrading airports, including the creation of more international airports to alleviate congestion at Manila International Airport [5].

Tourism chief Christina Frasco said the department of tourism would further improve tourism policies to adapt to the changes brought about by the pandemic. Upon her appointment, Frasco immediately embarked on "listening tours" to assess the challenges besetting the industry. Among the issues raised by the stakeholders were accessibility to landlocked destinations and the lack of flights and airports, particularly in Luzon [6]. The directive was made as he highlighted the significance of tourism as a tool for economic growth and job creation, particularly benefiting local communities. The tourism promotions board reaches out and assists local government units in significantly underdeveloped destinations.

The department of tourism reclaimed its pole position in the Philippine economy as the 2<sup>nd</sup> top driver of the country's growth and development, employing millions of Filipinos. Their world-renowned brand of warm hospitality has made the world "Love the Philippines," which started on June 27, 2023, bringing a step closer to fulfilling the president's vision of transforming the Philippines into a tourism powerhouse in Asia. In the context of tourism, Secretary Frasco articulated her optimistic outlook, believing that by highlighting the diverse assets of the Philippines, including its natural wonders and cultural heritage, the campaign holds the potential to rejuvenate fondness and admiration for the country [7].

The DOT also launched the country's first tourist assistance call center, a centralized multiplatform assistance center that serves as a hotline and one-stop shop for local and foreign tourists. Since its launch in October, 2,497 transactions have been made as of December 31, 2023. An aggregate of 33,435 app downloads has also been recorded since launching the integrated travel Philippines app, a project of the DOT and its marketing arm, Tourism Promotions Board (TPB) Philippines. With the Philippines being known as one of the most hospitable

countries in the world, 126,343 tourism workers were trained for the Filipino Brand of Service Excellence (FBSE) as of December 31, 2023, surpassing the initial 100,000 set by no less than the tourism chief. Initiated by the DOT, the FBSE training program is rooted in the 7M's of core values that Filipinos are widely known for Malikhain, Makatao, Makakalikasan, Makabansa, Masayahin, May Bayanihan and May Pag-Asa and designed to promote service excellence in all tourism-related establishments.

## Assessing government promotion strategies for international tourism in the Philippines

The "Department of Tourism" (DOT) introduced a new slogan, "Love the Philippines," replacing the long-standing slogan "It's more fun in the Philippines." While there has been significant word-of-mouth and mentions on social networking sites about this change, questions arise about whether Filipino social media users who posted their own efforts or ideas for the slogan on platforms like Facebook and Twitter effectively reached the intended audience. The DOT aimed to create a viral people's campaign to attract travelers from other countries to visit the Philippines. The tourism industry is very important to the economy and is identified as one of the major sources of economic growth [8-10]. Tourism revenues have grown to become the third largest industry after the oil and automobile industries. In 2022, the industry contributed 6.2 percent to the Philippines' Gross Domestic Product (GDP), having churned in PHP1.87 trillion in tourism revenues. The Philippines is one of the largest developing economies in Southeast Asia, with a population of 103 million people and an annual per capita GDP of US\$4100. The services sector accounts for more than 50% of the country's GDP and the tourism sector contributes approximately 6% to GDP annually.

Tourism continues to play a pivotal part in fostering the growth and advancement of economies globally. Marketing efforts in tourism have emerged as a dominant strategy to unlock the full potential of destinations. According to technical notes, Philippine statistics authority, Republic of the Philippines (2023), considering both lengths of stay and travel budget allocation of young travelers, it is important to understand the role of tourism marketing initiatives of destinations. Based on the 2013 travel and tourism competitiveness index from the world economic forum, the Philippines is the most improved country in the Asia pacific region.

The country ranked 17<sup>th</sup> regionally and 82<sup>nd</sup> overall, up by 12 places since 2012. Among the country's comparative strengths are its natural resources (44<sup>th</sup>), its price competitiveness (24<sup>th</sup>), and a very strong and improving prioritization of the travel and tourism industry (this indicator ranks 15<sup>th</sup>), as government spending on the sector (as a percentage of GDP) is now 1<sup>st</sup> in the world. This is also supported by increasingly effective tourism marketing and branding campaigns around the world.

Tourism has become one of the fastest-growing industries in the world economy, with nations, states and communities funding boards of tourism to promote their locations and attract further investment. Relative to other forms of international trade,

tourism has proved to be consistent and significant in its growth. With a global market potential of billions of tourists spending trillions of dollars

Worldwide, even a modest increase in tourist numbers could have significant benefits for the Philippines. Currently, the country attracts less than half a percent of this market share despite its abundant natural wonders compared to the manmade attractions in other countries. Diversifying revenue streams from tourism could complement major sources of foreign receipts such as exports and remittances from overseas Filipino workers.

According to UNWTO, 360.7 million international tourists arrived in Asia-Pacific in 2019, an increase of 4.1% over 2018. The top five destinations were China, Thailand, Japan, Malaysia, Hong Kong, Macau, Vietnam, India, South Korea and Indonesia. The Philippines has not been in the top ten but has improved to attract around 8.26 million foreign tourists in 2019.

According to the department of tourism's monitoring data, a total of 5,450,557 international visitors arrived in the Philippines from January 1 until December 31. The majority of these arrivals, constituting 91.80 percent or 5,003,475 visitors, were foreigners, while the remaining 8.20 percent or 447,082 were overseas Filipinos. This figure exceeded the projected target of 4.8 million international visitors for the year by approximately 650,000. South Korea remained the top source of international visitors, accounting for 26.41 percent of the total arrivals with 1,439,336 tourists. Following South Korea were the United States with 903,299 tourists (16.57 percent), Japan with 305,580 tourists (5.61 percent), Australia with 266,551 tourists (4.89 percent) and China with 263,836 tourists (4.84 percent). Other significant source markets included Canada, Taiwan, the United Kingdom, Singapore and Malaysia.

In addition to the influx of tourists, the Philippine tourism industry also generated significant revenue from international and local business-to-business and promotional events in 2023. The Tourism Promotions Board (TPB) Philippines, a DOT-attached agency, facilitated an estimated PHP6.317 billion in total sales leads through marketing activities, travel fairs and participation in expos. The Philippines further solidified its presence in global tourism, with Secretary Frasco elected as Vice President of the 25<sup>th</sup> general assembly of the United Nations World Tourism Organization (UNWTO) and chair of the commission for east Asia and the Pacific. The country also received over 15 travel and tourism awards in various categories, affirming its status as a premier destination for diving, beach, cruise, culinary, retirement and Muslim-friendly tourism.

# Impact of tourism promotion on Philippines' balance of payments surplus

The Bangko Sentral ng Pilipinas describes the Balance of Payments (BOP) as a record of the nation's economic transactions with the rest of the world in a given period. It is essentially an account of economic relations between residents and non-residents in a country. The components that comprise the balance of payments consist of merchandise trade, services, primary income, secondary income and travel. Trade in goods

includes exports and imports (notably electronic products), mineral fuels, capital goods such as machinery, foodstuff and beverages, raw materials for industry, intermediate goods, consumer goods mainly durable goods that last over time while also being able to be consumed by households or individuals like clothes shoes, etc., lubricants and other petroleum products. Furthermore, this encompasses technical service transactions such as IT consulting or architectural design services along with many other business services besides those provided under contracts about Business Process Outsourcing (BPO). Other internationally traded services include manufacturing services, transport, travel (i.e., expenditures on international trips by residents less receipts from foreign travelers within the national territory), maintenance and repair, telecommunications, computer and information, construction, insurance, pensions, financial intermediation including central banking, fees for intellectual property utilization, personal, cultural, recreational and government services.

The primary income sub-account records receipts from resident Overseas Filipino Workers (OFWs) and profits from Philippine investments abroad, while disbursements include interest payments to foreign creditors. Remittances from non-resident OFWs and other current transfers, such as gifts, grants, donations and tourism-related receipts, are categorized under the secondary income sub-account. These transfers may occur in cash or in kind. When total exports or receipts exceed total imports or payments, the current account experiences a surplus. Conversely, the current account is in deficit if total imports or payments surpass total exports or receipts. A surplus in the current account indicates that the country is a "net lender" to the rest of the world, with the surplus representing the excess in current account transactions. This surplus reflects a situation where national saving exceeds the country's investment in real assets. On the other hand, a deficit in the current account implies that the country is a "user of funds" and is considered a net borrower from abroad to compensate for the shortfall. In this scenario, the country has invested more than what its national savings can finance.

Bhatia explains that most countries could experience a weak balance of payment if they do not rely on international tourism. The continued existence of the deficit balance of payments will result in the country becoming highly indebted, while imbalances, a result of surplus, will result in the country accumulating more wealth and hence, growth in the economy. The main source of information on the income gained from the tourism sector is indicated in the balance of payment account. The travel part of the balance of the payment account indicates the receipts in amount obtained from the tourism industry. This account also shows the position of the total inflows and outflows in terms of the income from the tourism industry. The balance of payments obtained from the tourism sector is known as the invisible balance of payments. This is because tourism is an invisible service. The balance of payments encompasses both visible and invisible transactions, with tourism contributing to the latter category.

The tourism balance of payments records the money that comes into and leaves a country as a result of foreigners coming in and

locals going out. This balance is important because it determines whether the value of a country's currency will rise or fall compared to the currencies of other countries. If tourism receipts exceed expenditure, this enhances the national balance of payments, but on the other hand, disparities may cause oscillations in exchange rates. Thus, income from tourism plays a significant role in stabilizing the economy and ensuring currency stability. Bhatia outlines several key components of the tourism balance of payments, including international tourism receipts such as payments to national carriers, international fare credits, international tourism expenditures and international fare expenditures.

Additionally, the impact of tourism on the economy can be categorized into four main areas: Income, employment, balance of payments and investment income. The influence of promotional campaigns aimed at international tourism on the balance of payments surplus in the Philippines is substantial. Successful strategies in promoting tourism can draw more international visitors, leading to higher tourism receipts. These earnings play a crucial role in bolstering the balance of payments surplus by generating foreign exchange.

A dynamic tourism industry is required to create jobs and improve economic growth to add to the surplus in the balance of payment. Higher revenues from international tourism have the potential to support balance of payment surpluses *via* many channels. One channel through which surplus arises is by way of increased tourism revenue that directly leads to current account surplus through increased receipts from services export. This comprises spending on accommodation, eating out, transport, entertainment as well as other activities associated with tourists. The inflow of foreign exchange in an economy can be facilitated through international tourism, which helps to finance imports and reduce dependency on external borrowing. This inflow of foreign exchange strengthens the country's external position and contributes to an overall surplus in the balance of payments.

The Philippine's Balance of Payments (BOP) position registered a surplus of US\$3.5 billion in Q1 2023, higher than the US \$495 million surplus in the same quarter in the previous year 1, according to the department of statistics. This outcome came about on the back of higher net inflows (or net borrowing by domestic residents from abroad) in the financial account, particularly from other investments, alongside the reversal of portfolio investments to net inflows. Meanwhile, the current account deficit widened during the period, driven by the higher trade-in goods deficit and lower net receipts in the primary income account. The tourism industry plays a significant role in the resilience of the Philippines' external payments position and overall economic development, alongside Overseas Filipino (OF) remittances and business process outsourcing. Travel services are one of the main sources of FX inflows in the country's Balance of Payments (BOP) accounts for about 20 percent of total services exports, reflecting an average of 15 percent sustained growth over the past decade (from 2010 to 2019, pre-pandemic).

The increasing demand for tourism and travel-related services in the country in recent years is partly due to the rapid growth in the hotel and resort industry and the expansion in the casino and gaming sectors. International cruise and nautical tourism have also been growing, with the country tagged as one of Asia's top destinations for cruise ships. Similarly, the Philippines ranked eighth among the top medical tourism destinations globally. According to standard insights, before the pandemic, the tourism industry was one of the key contributors to the sustained growth of the Philippine economy.

According to Caynila, et al., over the past decade, the country's tourism direct gross value added in current prices grew by almost five-fold, from P460 billion (5.7 percent of GDP) in 2008, it reached P2.5 trillion (12.8 percent of GDP) in 2019. The significant improvements in tourism infrastructure, particularly airports, land transport and hotels during the said period spurred this growth. The gross value added of tourism industries, which includes all establishments in tourism industries, regardless of whether they serve tourists or not, amounted to P3.3 trillion in 2019. The 2019 sum of all gross value-added levels represents 16.9 percent of the country's GDP.

## Enhancing global tourism in the Philippines by addressing key concerns

In enhancing the global tourism experience in the Philippines, the following strategies can be implemented:

Garbage management: The Philippines ranks as the third-largest generator of solid waste annually among southeast Asian countries. Projections suggest that by 2030, each Filipino will produce an additional five kilograms of solid waste per year, leading to a 39.9 percent increase from 2014. Waste management issues have been hounding both urban and rural communities for decades. To enhance the global tourism experience and attract more visitors, the Philippines can address the concern of garbage through comprehensive waste management programs.

The passing of republic act 9003, or the ecological solid waste management act of 2000, was meant to ensure the protection of public health and the environment while encouraging resource conservation and recovery and public cooperation and responsibility. Among its critical provisions were the formal devolution of waste management to local levels, including forced closure of illegal dumpsites, investment in facilities and reduction and proper treatment of solid wastes. Some great examples of effective waste management strategies include changing the Payatas dumpsite to a legal waste facility in Quezon city, with some efforts to formalize its informal economy. Similarly, the clustering of waste management services in Teresa Rizal and province-wide incentive programs and relationships with building companies has been successful.

Market linkages for revenue generation and robust collaborations between Local Government Units (LGUs) and civil society organizations can be cited as initiatives that have resulted in positive outcomes. However, the tendency of LGUs to disproportionately engage them in garbage management has led to less than optimum policy results over the last two decades. Investments can be made in infrastructure for waste treatment and disposal facilities so that this problem of accumulation can be mitigated. There is a need to expedite transition timelines, enhance coordination between national and local governments,

invest in appropriate technologies and facilities and sustain partnerships between the public and private sectors.

In the context of e-waste management in the Philippines, while a few DENR-accredited facilities exist, the informal sector predominantly handles e-waste, comprising scavengers, waste pickers and junk shop operators. Despite the classification of e-waste under DENR administrative order no. 2013-22, the country lacks a formal and comprehensive e-waste management system.

Despite the fact that, attempts have been made to address it through draft guidelines like "guidelines on the Environmentally Sound Management (ESM) of Waste Electrical and Electronic Equipment (WEEE)" by the Environment Management Bureau (EMB), a legislation is required. Some of these include senate bill no. 568 (e-waste and cellular phone recycling act) and house bill no. 5901 (e-waste management act) though they still have not been approved in their respective committees of the 17<sup>th</sup> Congress.

Crime prevention: The tourism sector in the Philippines has expanded quickly over the past years because of extensive marketing programs that have promoted its diverse range of attractions. The industry shows prospects for income generation and contribution to economic development; however, it is not without challenges. Among them is a high incidence of crimes related to tourism activities. Such crimes encompass various types of criminal conduct, such as felony theft, fraud and even more serious offenses like physical attacks. Although these offenses pose risks to the safety and well-being of tourists, they also negatively affect the life quality of those who live in tourist destinations.

Addressing crime in these areas is crucial not only for ensuring the safety of visitors but also for safeguarding the reputation and sustainability of the tourism industry as a whole. Tourists are perceived as "suitable targets" for criminal activities due to characteristics such as carrying money and valuable objects, being in a holiday mood and being less likely to report crimes to the police. According to Matakovic and Cunjak Matakovic, to prevent crime and to create a safe environment for tourists, it is necessary to ensure the cooperation of all stakeholders involved in tourism: The tourism industry, local community, national authorities, police and state agencies. NCR, Central Visayas, Bicol and Western Visayas draw the highest concentration of foreign tourists, with Metro Manila and Cebu serving as their primary entry points. These regions, particularly Central Visayas (Cebu and Bohol), Bicol (Camsur) and Western Visayas (Boracay), are renowned for their white sand beaches and historical sites, making them especially appealing to international visitors.

In answer to the need for tighter security, the Philippine National Police (PNP) leadership has ordered that there be increased visibility and enforcement of crime prevention in all provinces and cities especially tourist destinations. In this context, the directive emphasizes the commitment to public safety and security in places visited by tourists. According to the research foreign tourism shows a positive correlation with robbery and theft, whereas tourism among overseas Filipinos

exhibits a negative relationship with robbery. Every province and city across the Philippines is equipped with numerous police stations, ensuring local accessibility to law enforcement. Additionally, individuals can swiftly access local emergency services by dialing the police national operations center.

Alleviating heavy traffic: Urban transport systems have seen major changes in many eastern Asian cities lately. Some cities have been praised for having efficient transport systems while others are grappling with heavy traffic congestion, which hinders their environmental sustainability as well as economic strength. This is exacerbated in developing countries where local factors interact with traffic issues to require unique mitigation solutions from other nations. In response, the Metro Manila Development Authority (MMDA) has introduced several schemes aimed at addressing traffic congestion. These initiatives, implemented through an experimental framework, have elicited diverse responses from the public.

The increasing number of Filipinos purchasing cars has led to a shortage of road space accommodating, over 11 million vehicles. Flooding is a problem in parts of the Philippines, mainly due to an insufficient drainage system, worsened by the country's exposure to around 20 typhoons annually. Metro Manila, in particular, is highly prone to flooding because of its lying geography. Even light rainfall can flood streets in the city, causing traffic disruptions. The situation is also worsened by settlements and street vendors that narrow roads and worsen traffic congestion.

According to the international trade administration, the Marcos administration has identified 197 projects as part of its infrastructure flagship projects as of July 2023. Among these, 71 projects are currently in various stages of construction, while 30 have received approval for implementation.

Additionally, eight projects are awaiting government approval, 52 are in the preparation phase, and 36 are in pre-project preparation stages. Notably, transportation-related projects comprise 40 out of the 71 ongoing flagship infrastructure projects, highlighting a significant emphasis on enhancing transportation networks. Furthermore, among the 30 projects approved for implementation, only six fall outside the realm of transportation projects.

Executive order no. 292 mandated the Department of Transportation (DOTr) as the primary policy, planning, programming, coordinating, implementing and administrative entity of the executive branch of the government for promoting, developing and regulating a dependable coordinated network of transportation and fast, safe, efficient and reliable transportation services.

The public utility vehicle modernization program was designed by the department of transportation in 2017 to renovate the country's public transportation system for efficiency and environmental sustainability in the future. PUVMP intends to modernize public vehicle fleets, streamline franchise issuance processes, restructure/optimize public transport routes or corridors and promote industry consolidation and professionalism to raise service standards. This move seeks to replace old jeepneys with new models that are more ecologically

friendly, like electric vehicles (e-jeepneys). Operators are given incentives to switch over to electric or low-emission vehicles so as to improve air quality and reduce pollution. The government facilitates fleet modernization through financial assistance such as subsidies and loans. Several cities, notably in Metro Manila, have already adopted electric jeepneys, benefiting from lower operating costs, reduced noise and improved passenger comfort Malasique, et al. It is crucial for agencies responsible for infrastructure and policy decisions to fully grasp the potential of advanced techniques and tools.

Improving digital marketing and promotion strategies: The evolution of technology has changed how tourism businesses promote their products and services and the nature of marketing from traditional to digital. The use of digital marketing in the era of the digital economy industry plays a very important role in increasing tourism promotion. Digital marketing is a must because this generation often uses it, whether consciously or not.

Digital marketing has revolutionized international business operations, capitalizing on the widespread adoption of information and communication technologies. Within the tourism sector, these tools are indispensable for acquiring, retaining and nurturing customer relationships to promote and sell products and services effectively. In today's fast-paced world, digital marketing plays a role in helping tourism brands reach their full potential. Utilizing tools such as websites, social media platforms, digital ads, online forums and mobile apps is key to success. The recent impact of the COVID-19 pandemic has pushed the travel sector towards embracing innovations, providing a chance for the Philippines to elevate the visitor journey using technology. The rise of reservation services for lodging, attractions and experiences gives travelers safe alternatives to traditional booking methods.

Also, virtual tours, augmented reality experiences and interactive digital content are being developed to engage and educate prospective travelers on the country's diverse offerings. Accepting technology, not only improves accessibility of travel but also exposes the beauty of the country as well as its cultural dynamics to a wider audience. Another significant factor shaping the future of Philippine tourism is the resurgence of domestic travel, driven by international travel restrictions and heightened health and safety concerns, leading Filipinos to rediscover the beauty of their own country. The formulation of a creative marketing strategy for tourism on social media platforms is crucial for nations. Emotionally engaging with customers on a deeper level and providing comprehensive information about a destination in a single click is considered an optimal approach.

The Philippine department of tourism has recognized the capability for tourism even in the face of financial constraints. In 2023, The "Love the Philippines" campaign was launched to showcase the nation's beaches, pleasant weather and friendly people. When COVID-19 began closing down countries, including tourist destinations, like many other industry players, the tourism department introduced "Love the Philippines" as its answer to changing needs within tourism. This change is important since traveler behaviors

and preferences have changed due to health challenges. With a 1.4 million Facebook followership, this shows how tourism departments' success underlines why companies should come up with structured branding and marketing strategies with plug-andplay content creation and sharing platforms. Therefore, the Philippines adopted promotional techniques like the use of social media platforms, websites and mobile applications to advance its travel sector via digital marketing strategies. With a following of 1.4 million on Facebook, the tourism department's success underscores the importance of a planned branding and marketing approach that includes an easy-to-use content creation and sharing platform. This strategy demonstrates how usergenerated content marketing can be effective and emphasizes the role of crowd participation in promoting tourism. The Philippines has embraced marketing strategies to enhance tourism by utilizing social media platforms, websites and mobile applications.

The Department of Tourism (DOT) showcases the country's attractions and hospitality through engaging content and visuals, reaching potential travelers worldwide. Collaborations with influencers and content creators further expand the reach. By utilizing digital technology, the Philippines enhances personalized travel experiences and attracts more visitors.

# Recommendations for maximizing government tourism promotion in the Philippines

Every nation places importance on boosting tourism as it plays a role in bolstering the economy and generating income. Yet drawing in tourists comes with its set of hurdles, particularly in an ever evolving landscape. Hence promoting tourism is recognized as a tactic to overcome these obstacles and draw a crowd of visitors. It is crucial to address the challenges by crafting national tourism strategies. This can be accomplished through studies and by considering the viewpoints of stakeholders in addition to technical evaluations. By prioritizing stakeholder involvement and utilizing comprehensive research questions, countries can optimize strategies for maximizing tourism's economic and ecological benefits. This strategy will help shape policies that are not only efficient but also considerate encouraging the sustainable advancement of tourism. The policies aim to achieve four goals: Maximizing advantages and profits from tourism, boosting economic progress in local communities through tourism, reducing adverse environmental effects associated with tourism endeavors and using tourism earnings to protect important natural sites like forests and wildlife habitats even if some destinations may not be very popular, among tourists.

The transformation of the tourism industry due to globalization has shifted its focus from relying on natural attractions to emphasizing unique and meaningful experiences among tourists. Currently, tourism destinations are trying to create innovative products that include cultural experiences, entertainment as well as local services instead of concentrating on physical landmarks alone. To compete effectively in the global market, destinations must provide creative, attractive and distinctive products to their guests. These products are, however, delivered by frontline staff such as tour guides and hotel

employees who also enhance visitor experience in general. Empowering frontline staff to be customer-focused and creative is essential for improving the quality of tourism products.

When discussing tourism planning and policy, power and politics should be regarded as limiting factors while at the same time encouraging the effective implementation of the Philippine tourism act of 2009. In order to guide future attempts towards sustainable tourism growth, the progress of the Philippines' tourism industry, along with initiatives taken by government departments, Non-Governmental Organizations (NGOs) and the private sector, have to be investigated. It is important that priority is given to enhancing transport connections such as roads, sea links and airports leading to far-flung tourist sites.

Economic and environmental parameters of tourism, such as tourist arrivals, tourism employment rate and travel price, should be monitored and managed to ensure sustainable growth. According to Roperto Jr Deluna and Jeon, more direct flights should be established to countries that pose potential demand for Philippine tourism. It's also important for low-cost carriers like Cebu Pacific and Air Asia to step up their efforts to attract inbound tourists, which are in line with the initiatives of the Department of Tourism (DOT) and the Tourism Promotion Board (TPB) overseas.

It is also necessary that the LGUs promote and support international agents and media through their tourist offices by arranging tours that will familiarize them with the destination. Technology has been a game changer in travel as it made people from all over the world more tech-savvy than before. The internet has revolutionized tourism more than any other factor in the last few decades. The development and use of digital technologies are fundamentally altering how people live, work, travel and conduct business and they are also reshaping and revolutionizing the tourism industry. The advantage of technological proliferation is that it engages other mediums like television, radio and other media, aside from social networks, which have been an effective arena of the campaign through promotion to increase involvement.

With advancements in technology, especially in more developed countries, Artificial Intelligence (AI) is becoming increasingly integrated into the hospitality and travel sectors. Nonetheless, it is crucial that a balance is struck between retaining the human elements and using technology to improve customer experience. We need to keep our natural beauty and constructed objects for us to one day become one of the best tourist destinations in the world. The government should give its full support to ensure that they will achieve the target goals.

Tourism in the Philippines plays a key role in boosting the balance of payments surplus through foreign exchange earnings from international visitors spending on accommodations, dining and attractions. It also serves as an export of services, creating income and employment opportunities for locals while attracting investments in infrastructure, further strengthening the surplus.

According to the research even as the country moves forward in getting the right momentum to grow by continuing to pursue the development program (principally the public spending

program of investing in the country's infrastructure), it is important to stabilize the inflationary tendencies. The DOT is revising its National Tourism Development Plan (NTDP) (2022-2027) to reflect pandemic-induced changes in the industry, refocus priorities, adapt to the "new normal" and prepare for similar adversities in the future. The DOT's NTDP is a three-pronged thrust to promote safe, fun and competitive tourism, pursue sustainable, inclusive and resilient tourism and strengthen governance and destination management Bangko Sentral ng Pilipinas. Implementing recommendations to boost international tourism can positively impact the balance of payment surplus by attracting more foreign visitors. This increase results in higher earnings from tourism and greater foreign exchange revenue.

#### CONCLUSION

Based on the discussion, the Philippines has actively been using tourism to foster its economy as experienced in the effects on its balance of payment surplus. Tourism balance of payment refers to inflows and outflows that result from foreign tourists visiting a country and locals traveling out for holiday purposes. This ensures that our currency is not devalued compared to foreign currencies. Although various governmental promotion campaigns and initiatives have helped the country in attracting international tourists, there are still issues that need attention. These encompass insufficient infrastructure, environmental problems as well as digitalization needs. To enhance the global tourism experience and further elevate the balance of payments surplus, it is imperative to prioritize stakeholder involvement, enhance tourism product development, embrace digital technologies and ensure sustainable tourism practices. By implementing these recommendations, the Philippines can strengthen its position as a leading tourism destination while maximizing the economic benefits derived from the tourism industry.

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