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# PHILEXPORT NEWS AND FEATURES

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## 1. RP to implement tourism law this year

The country will finally have a strategic, responsible tourism development plan by November this year following the completion of the implementing rules and regulations of the brand new Tourism Development Act of 2009.

Key players in the tourism industry held a two-day conference workshop at the Dusit Hotel in Makati to hammer out private sector suggestions on how the new law, Republic Act 9593 will be put into effect. The workshop, called the National Tourism Dialogue, was organized by the Philippine Chamber of Commerce and Industry (PCCI).

The participants convened in four working groups after plenary presentations on tourism experiences of and challenges faced by other more successful countries in this industry. The working groups were tasked to look into the provisions of the law and submit recommendations for the implementing rules and regulations (IRR).

Towards the end of the conference, the working group on accreditation and standards came out with the following suggestions:

- The coming out with objective basis in the accreditation of tourist enterprises preferably done by a third party;
- Detailing of a system of accrediting primary, secondary and tertiary tourism enterprises;
- Delineating the roles of the Department of Tourism (DOT) to set the direction for the plan and local government units to handle enforcement

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The group that tackled marketing destinations however asked for another week to finalize their recommendations, as they identified 24 critical issues on the subject and were to make suggestions in the operation of tourism enterprise zones akin to those organized for manufacturing firms in special economic zones.

The new law, was hammered out by Congress and signed by the President, according to tourism czar Ace Durano, to build on the competitive strengths of the country in tourism. Speaking before the gathered stakeholders, Durano revealed that in the quarterly exit surveys his office made on leaving foreign visitors, the hospitality of Filipinos was cited as the main reason why the tourists said they will recommend to their relatives and friends to visit the Philippines.

He further explained that the hospitality mentioned was not by hotel and restaurant employees but the natural warmth of ordinary Filipinos in treating foreigners.

Durano further acknowledged that the tourism players made substantial investments in new facilities and expansion projects in the past few years that made the country break the three million visitors target this year despite the global recession and other obstacles to more rapid tourism growth. -- *Abe P. Belena*, [PHILEXPORT News](#) and [Features](#) <--back

## **2. Quick fixes, strategic projects needed by aviation industry – PCCI**

The biggest organization of businessmen has urged President Gloria Macapagal-Arroyo to adopt four easy-to-do decisions to immediately improve the climate for the aviation industry to service the flow of international trade and human traffic.

The call was embodied in a little-noticed resolution passed during the recently concluded Philippine Business Conference anchored by the Philippine Chamber of Commerce and Industry (PCCI) at the Manila Hotel, which called attention to the steady loss of competitiveness of Philippine international airports compared to its neighbors including Vietnam.

For the quick fixes, PCCI urged the President to make the Ninoy Aquino International Airport a 24/7 airport that will accommodate incoming and outgoing aircrafts around the clock.

Also asked was the immediate relieving of airlines from the payment of overtime fees, transportation and meal allowances to Customs, Immigration and Quarantine employees, people who should be paid by the government in the first place.

PCCI likewise sought for the elimination of the common carriers tax and the gross

to prevent overlapping of functions; and

· Involving the private sector in making the new law work. On incentives, one group tackled the issue suggesting that new tourist-oriented industries like the sunrise health and wellness sector and retirement village developers be covered by the incentive system.

It was likewise sought that the IRR should clarify whether the new incentives granted to tourism projects will complement or substitute the present incentives given in special economic zones and granted to new projects by the Board of Investments.

Philippine billings that have increased transport costs and continue to discourage international carriers to landing on Philippine airports in favor of more competitive neighboring ports.

A fourth quick-fix suggestion by the PCCI is for government aviation officials to do their best at correcting the downgrading of Philippine airports from category 1 to category 2 status by the US Federal Aviation Administration which rates the safety and comfort of entering and leaving different airports across the globe.

As the long-term solution to the loss of competitiveness of Philippine international airports, PCCI urged the government to set top priority to investments in airport terminals, runways and communication facilities especially at the NAIA, the main entry and exit airport of the Philippines.

The utter lack of these facilities, it pointed out, has caused frequent operational disruptions and undermined safety in said airport.

It likewise suggested that a master plan must be drawn for the NAIA to form part of the Subic-Clark-Batangas logistics corridor that services the whole of Luzon. -- Abe P. Belena, [PHILEXPORT News](#) and [Features](#) [<--back](#)

### **3. Raise tourism quality, create investor-friendly environment, RP told**

The Philippines must raise tourism quality, make environment conducive to investments and market key tourist destinations to improve the competitiveness of its tourism industry.

This was stressed in an interview by Uwe Sturmman, German Technical Cooperation Agency ([GTZ](#)) corporate manager for private sector, at the sidelines of the recently held National Tourism dialogue in light of the decline in the country's tourism competitiveness ranking.

"The basic thing is that we need to improve tourism quality. Many people I know who come to the Philippines as tourists compare the quality of products and services to other countries where they have been," he said.

Sturmman said the country thus needs to implement strict standards to improve the quality of its tourism products and services.

He also cited the importance of bringing in more tourism investments by creating an investor-friendly environment.

"What is more important is that an investor does not only look at investment incentives. They want to have less bureaucracy, less red tape and services are in place. And if the infrastructure is not keeping up, no tourism investments would come in," he stressed.

Sturmman also urged the country to market its key tourist destinations both at the local and national levels.

He noted that the Philippines have great but underutilized potential in tourism compared to neighboring countries.

"I'm not saying that the Philippines should spend as much like Malaysia. But if you look at the promotional materials that the DOT and many others offer, there is no corporate identity saying Philippines. You have 10 different brochures, leaflets and posters and you don't even notice that we belong to the same country," he said.

Sturmman said the Tourism Act of 2009 is a good starting point in raising the tourism quality levels and in marketing key tourist destinations.

"But it needs to be a public-private partnership," he said. "...You need to listen to business people who know a lot better."

For his part, Ruy Moreno, executive director of the National Competitiveness Council (NCC), believes that policy rules and regulations and their continued implementation are equally important to improving the country's tourism competitiveness ranking.

"Sometimes we do misunderstand that it is said we are consistent in implementation. That is because we the people who are implementing are changing the rules or the policies as they move along. We should have some kind of a roadmap that should help provide such kind of continuity and the private sector is important," he said. -- Danielle Venz, [PHILEXPORT News](#) and [Features](#) <--back

#### 4. Regulations constraint some universities in adjusting their curriculum

Curriculum regulations are constraining some universities and colleges from developing courses which could provide graduates with competencies demanded by the industry.

Dr. Vincent Fabella, president of Jose Rizal University (JRU), in a recent business conference, identified curriculum regulations among the challenges of education competitiveness.

Fabella said it is actually easy for some universities to change their courses or subjects based on competencies and skills needed by the industry.

However, most colleges and universities have to get permission from the government to do so, he added.

For instance, Fabella pointed that most schools will have difficulty replicating the JRU's Education towards Guaranteed Employment (EdGE) program.

EdGE offers curriculum that meets the training needs of the university's industry partners. In exchange, the industry partner is asked to guarantee employment slots for those who passed through the program, he explained.

"A lot of schools will have a hard time replicating this because they need to get approval from the government and the approvals take a lot of time. So, there is a need for flexibility," he said.

Fabella noted there are a lot of constraints on how the universities can adjust their curriculum.

"These are in the form of CHED (Commission on Higher Education) memos. But the problem is, these things are get updated every four years or so," he said.

With this, Fabella cited the need to develop a curriculum embedding basic competencies and skills needed by the industry. These are competencies in spoken and written English, analytical/conceptual thinking and initiative.

To this end, he said the People Management Association of the Philippines (PMAP) is focusing on developing these competencies in the first two years of college.

"They are doing a nationwide orientation to the freshman level where it is most important to develop these competencies. Schools usually call this the general educational part of the university experiences. If these things are not developed in the first two years, the probability of them being developed in the junior and senior years is much slower," he explained. -- Danielle Venz, [PHILEXPORT News](#) and [Features](#) <--back

#### 5. Foundation appeals for funds for typhoon-affected small firms

Social investors are encouraged to infuse more money into the Social Investment Fund (SIF) managed by non-profit PinoyME Foundation to help microenterprises recover from the adverse effect of typhoon Pepeng on their business.

"We are in the process of helping a number of micro-enterprises that were affected by typhoon Pepeng in northern part of Luzon where we have an accredited MFI (microfinance institutions)," said the Foundation's credit and investment officer Andres B. Ruba, Jr.

Ruba said these MFIs are located in Subic with typhoon-affected client firms in Botolan, Zambales; in Cabanatuan City serving companies based in Pangasinan; and in Vigan City, Ilocos Sur.

Social investments may be made in the form of a donation, non-profit deposit or directed trust. The Fund is channeled to the poor through accredited MFIs, non-profit organizations and cooperative, he explained.

Ruba said beneficiaries of the SIF are poor entrepreneurs who are located in rural or hard-to-reach areas that have limited access to capital.

Microenterprises eligible for SIF are those engaged in value-adding activities such as production and processing.

Such loans carry an interest of two to three percent per month to direct borrowers, he said.

Ruba said they expect to increase the fund in the coming months to also reach as many microenterprises, depending on the money the Foundation will be able to generate from the SIF campaign.

Apart from financial support to disadvantaged MFIs and microentrepreneurs who have extremely limited access to funding, Ruba said, the Foundation is providing them capacity building support.

This is through technical assistance in the form of business development services (DBS), such as management training, financial advisory, information technology support and links to market.

"This (DBS) program aims to link microentrepreneurs to the mainstream market. The (PinoyME Consortium) makes full use of the existing network and unlocks the rich resources within the consortium to deliver significant DBS," Ruba noted. -- *Danielle Venz*, [PHILEXPORT News](#) and [Features](#) <--back

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