


THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'04 JUN 30 PM 1:13

SENATE

S.B. No. 923

RECEIVED BY: 

Introduced by Senator JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Tourism has been regarded as an important growth industry in many countries. Travel and tourism is now the world's largest industry and one of the fastest-growing sectors of the service economy. Vibrant tourism activity in any country has resulted to economic growth, as tourism serves as a major source of foreign exchange and domestic incomes by generating employment and government revenues, as well as serving as a medium for opening new markets abroad for domestic products.

However, the relatively smaller growth rate of the Philippines' tourism sector is a clear manifestation of the inadequate maximization of the country's tourism potential compared to that of our Asian neighbors.

There is still a need to embark on tourism-related projects in order to make the Philippines a viable tourist destination for travelers. World-class accommodations in identified destination areas of the Department of Tourism must be developed, and support facilities and accessibility through the local transport system must still be improved. Furthermore, there is a need to engage in more aggressive marketing and sales blitzes to better promote the Philippines as a viable tourist destination in Asia.

However, constraints in funding have kept our country's tourism industry from fully taking off and from realizing its optimal growth. It is unfortunate to note that to this day, we do not even have a Comprehensive Philippine handbook to guide prospective tourists to their areas of interest in the country, nor do we have enough brochures and maps of our country's prime destinations for dissemination to both foreign and local tourists.

As such, there is a need to tap alternative sources of funding to finance the above, as well as other projects that are necessary to further enhance our many tourist attractions.

This proposed measure seeks to institute the collection of a Tourism Development Fee of US \$10.00 for all international tickets issued that are bound for or originating from the Philippines. The fund generated from the collection of such fees shall be administered by a National Tourism Development Council, composed of representatives from both the government and the private sector. This body shall likewise oversee the allocation of funds for qualified tourism-related projects.

The approval of this measure will greatly help in attracting more tourists to the country, as it provides the tourism sector the capacity to develop the Philippines in becoming more competitive, thereby paving the way for the country to be a viable tourist destination in the world.

In view of the foregoing, approval of this bill is strongly urged.



JINGGOY EJERCITO ESTRADA
Senator

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AN ACT
PROVIDING FOR THE COLLECTION OF A TOURISM DEVELOPMENT FEE AND
THE ESTABLISHMENT OF A NATIONAL TOURISM DEVELOPMENT COUNCIL,
AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. **Title.** – This Act shall be known as the “**National Tourism Development Fund Act of 2004.**”

SECTION 2. **Declaration of Policy.** – It is the declared policy of the State to recognize tourism as a primary national endeavor that shall be actively pursued. Hence, the State must take positive steps to promote tourism development in the country, actively seeking the participation of the private sector in the development of tourism-related projects, as it takes cognizance of the debilitating financial resources of the country's tourism industry.

SECTION 3. **National Tourism Development Fee.** – A National Tourism Development Fee of Ten United State Dollars (US \$10.00), herein after referred to as the Fee, is hereby mandated to be collected from all international passengers, except traveling overseas Filipino Workers, who have been issued a ticket bound for or originating from the Philippines. Such fee shall be incorporated in the amount of airfare charged by any carrier or any agency accredited by the International Association of Travel Agencies (IATA), and shall be remitted to the National Tourism Development Fund.

SECTION 4. **National Tourism Development Fund.** – There is hereby created a National Tourism Development Fund, herein after referred to as the Fund. The Fund

shall constitute all the remittances from the National Tourism Development Fee, and shall be used for financing qualified projects for tourism as determined by the National .

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SECTION 5. *National Tourism Development Council.* – The National Tourism Development Council, herein after referred to as the Council, is hereby crated. The Council shall be mandated to be the primary body in charge of overseeing and managing the Fund.

SECTION 6. *Composition of the Council.* - The Council shall be composed of the Secretary of the Department of Tourism as Chairperson and the following ex-officio members:

- (a) The Secretary of the Department of Budget and Management;
- (b) The Secretary of the Department of Environment and Natural Resources;
- (c) The Secretary of the Department of Transportation and Communications;
- (d) The Secretary of the Department of Public Works and Highways;
- (e) The Secretary of the Department of Interior and Local Government;
- (f) The Commissioner of the Commission on Immigration and Deportation;
- (g) The Commissioner of the Bureau of Customs; and

In addition, four (4) members to be appointed by the President shall come from the private sector the three (3) shall be the heads of the following duly-recognized national organizations involved in the tourism industry;

- (a) Hotel and Restaurant Association of the Philippines (HRAP);
- (b) Philippine Tour Operators (PHILTOA);
- (c) Philippine Travel Agencies Association (PTAA); and
- (d) A Representative from the Regional Tourism Councils.

SECTION 7. *Terms of Office and Compensation.* - The non-ex-officio members of the Council shall serve for a term of three (3) years, and shall not serve for more than two (2) successive terms. Non-ex-officio members shall each receive a per diem of Two Thousand Pesos (P2,000.00) for actual attendance in the meetings of the Council but not to exceed Ten Thousand Pesos (P10,000.00) a month, and shall be reimbursed travel expenses incurred for actual attendance of meetings.

Ex-officio members of the Council shall receive representations and travel allowances (RATA) in accordance with rates allowed by existing laws.

SECTION 8. *Powers and Functions of the Council.* - The Council shall have the following powers and functions:

- a) Devise an appropriate collection and remittance scheme for the Fund;
- b) Oversee the collection and remittance of fees that will constitute the Fund;
- c) Establish a list of priority tourism-related projects that shall be financed by the Fund;

SECTION 9. **Secretariat.** – The Council shall organize a secretariat headed by an Executive Director to be appointed by the President. The Council shall fix its staffing pattern, determine the duties, qualifications, responsibilities and functions as well as the compensation scheme for the positions to be created upon the recommendation of the Executive Director. The staffing pattern shall be approved and prescribed by the Council within one hundred twenty (120) days from approval of the Act.

SECTION 10. **Separability Clause.** – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions thereof.

SECTION 11. **Effectivity.** – This Act shall take effect fifteen (15) days following its complete publication in at least two (2) newspapers of general circulation.

Approved,