



# THE **MinD**ANAO EXPERIENCE

**Lessons and Experiences: From Emergency Response to Post-Pandemic Recovery**

**6 July 2023 | Nanning, People's Republic of China**

# Background

*T*ourism is one of the biggest and fast-growing industries in the Country

*T*he biggest employer, the tourism sector employs around 5.7 million (2019)

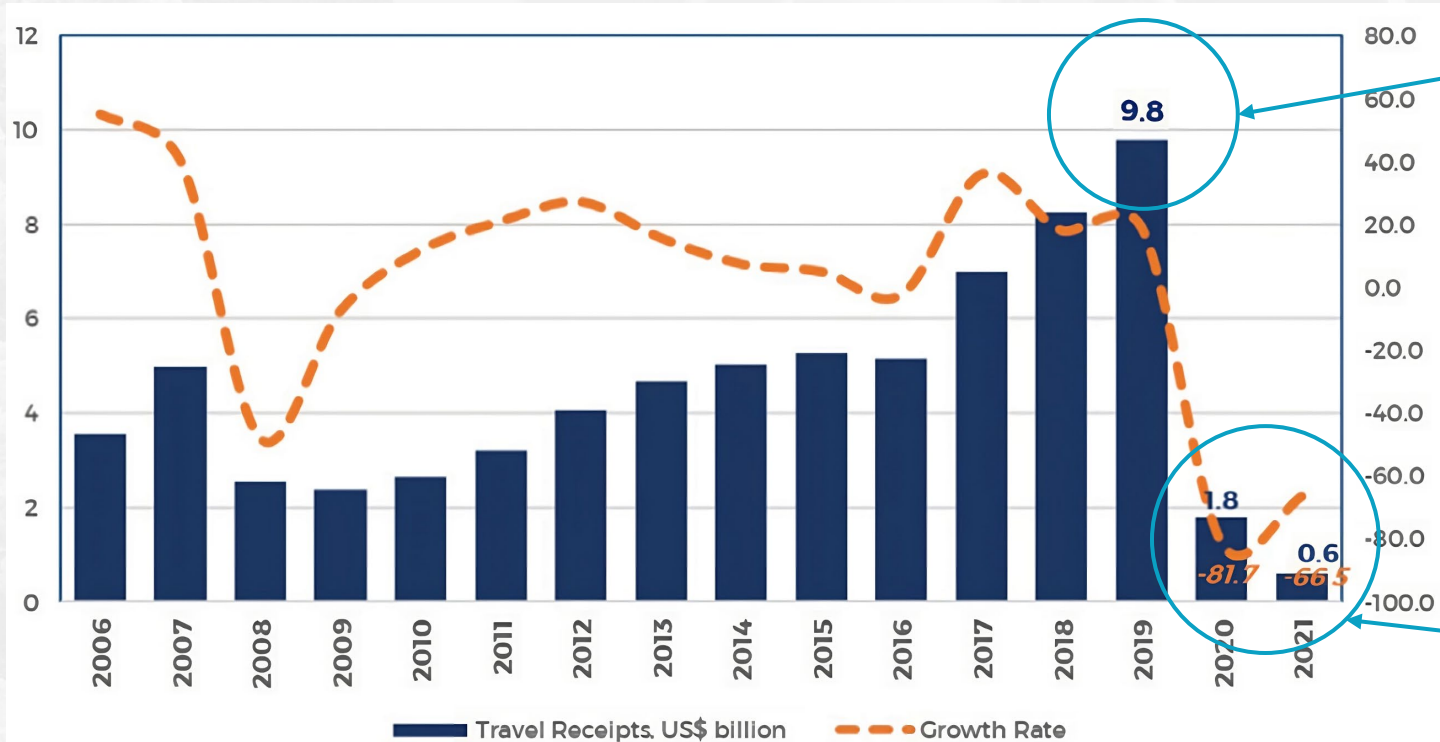
*13.6%* of the country's total employment

*I*ncrease of 6.6% - 2018 tourism employment level of 5.4 million

Source: *Philippine Statistics Authority*  
*Banko Sentral ng Pilipinas in their May 2022 report*



**Figure 1. Travel Services, 2006-2021 Levels in US\$ Billion, Growth Rates in Percent**



*In 2019, Travel services reached 9.8 billion (USD)*

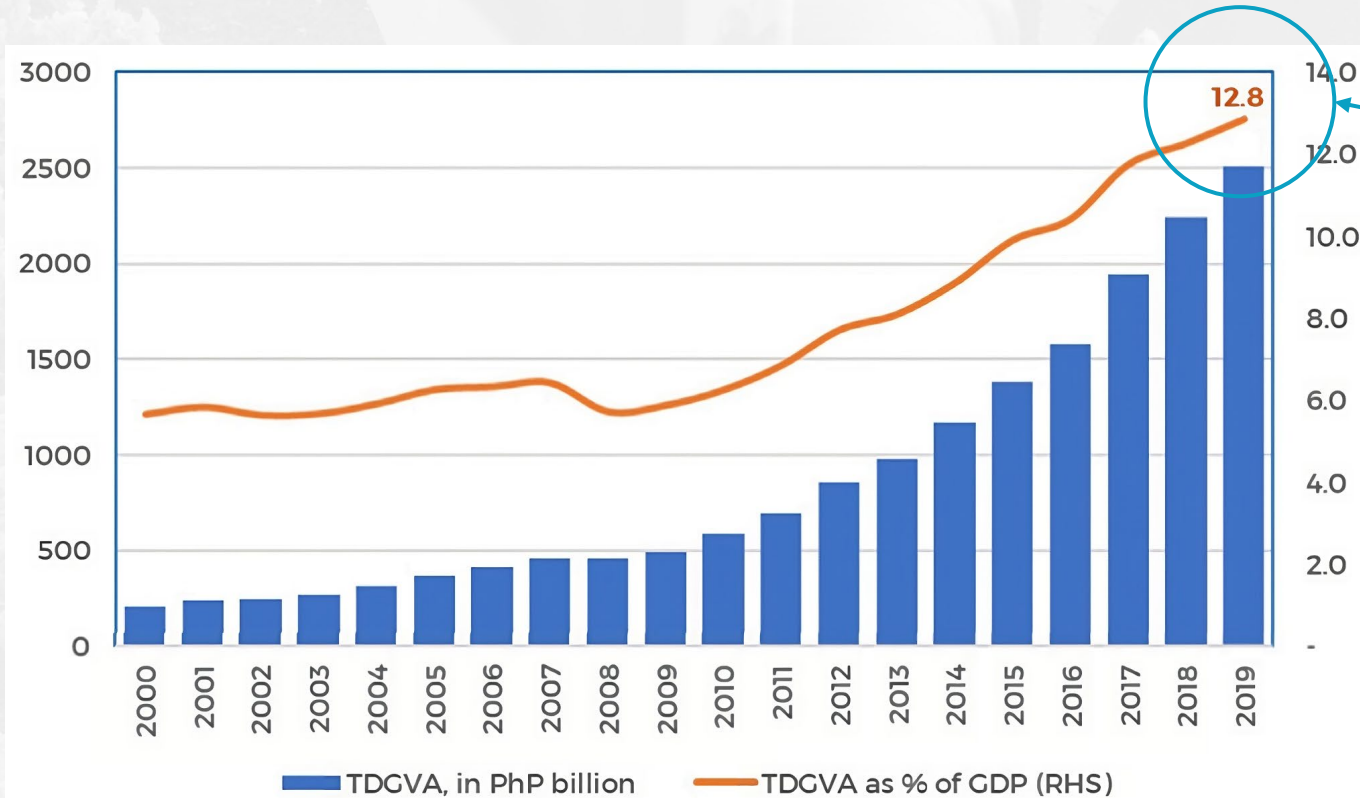
*Growth of 18.7% year-on-year*

*9.3 billion USD, or 95% of tourism receipts*

*Travel services declined by 81.7% in 2020, and by another 66.5% in 2021 (US\$600 million) – Covid Pandemic*

Source: *Philippine Statistics Authority*  
*Banko Sentral ng Pilipinas in their May 2022 report*

**Figure 2. Tourism Direct Gross Value Added (TDGVA), 2000 to 2019 Levels in Php Billion**



*From P460 billion (5.7 percent of GDP) in 2008, it reached P2.5 trillion (12.8 percent of GDP) in 2019*

*Tourism industry key contributor to sustaining the growth of the Philippine economy.*

*Over the past decade, the country's tourism direct gross value added (TDGVA) in current prices grew by almost five-fold*

Source: *Philippine Statistics Authority*  
*Banko Sentral ng Pilipinas in their May 2022 report*

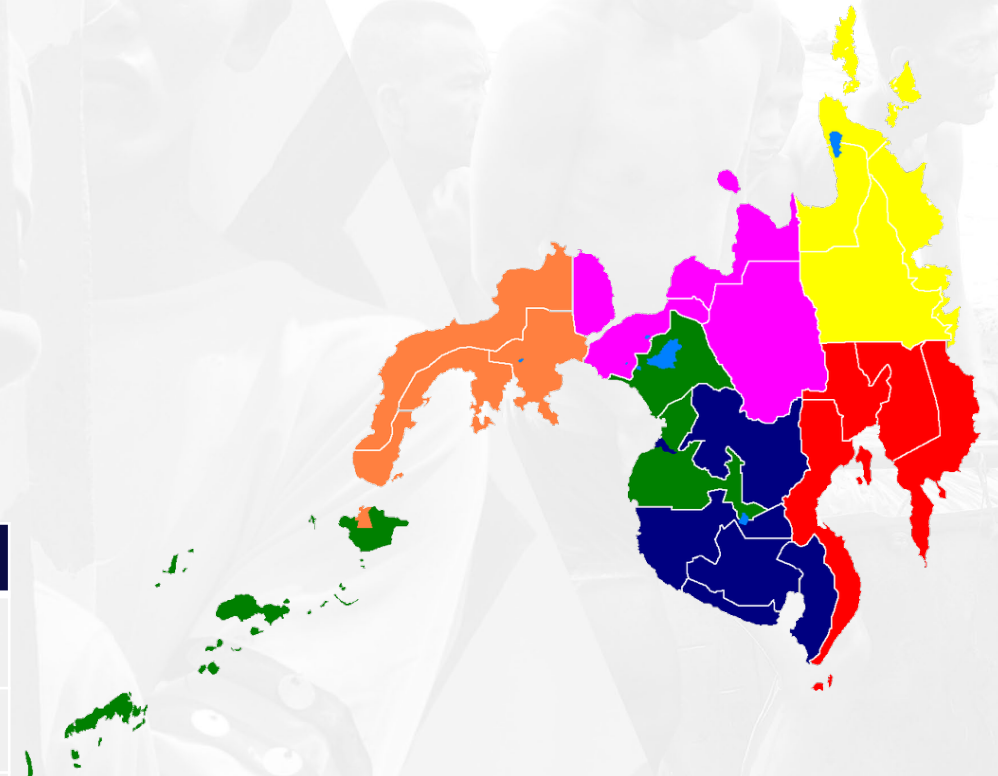


# COVID-19 Socio-Economic Impact Assessment in Mindanao

## Methodology:

Focus Group Discussions, and phone interviews with enterprise owners, associations, cooperatives, farmers, and fisherfolk through online surveys via Facebook with supplementary phone interviews.

Household	1,805 Households with 9,014 HH members
Business Survey	209 business establishments
Enablers Survey	108 stakeholders from government and private sector organizations interviewed including umbrella groups representing 10,000 members



- Region IX
- Region X
- Region XI
- Region XII
- Region XIII (CARAGA)
- BARMM

# Selected Impacts on the Mindanao Economy

	Indicators	Evidence of Impact	Est. Losses
GRDP	Growth rates of major sectors Agriculture Forestry and Fishing (AFF) rose	<i>(2019 - 2020)</i> AFF ▲ +4.9% Industry ▼ -12.8% Services ▼ -4.4%	<i>(2019 - 2020)</i> AFF ▲ USD 233.6 M Industry ▼ USD 2.414 B Services ▼ USD 3.271 B
Tourism	Lower Occupancy Rates Lower passenger traffic	Food services & accommodation across regions ▼ 28.6%-49.6% Passengers: <i>(2019-2020)</i> Air ▼ 75% Sea ▼ 85%	R-IX Tourism Receipts 2020: ▼ USD 52.1 M R-XI Tourism Receipts Q1 2020: ▼ USD 253.4 M
MSME	MSME: 99.5% of all Mindanao business establishments and 68.5% -90.8% of total employment	Q1-2, 2020 R-IX: 16,000 MSME ( <i>partially or totally closed</i> ); Q2, 2020 R-XI: 48,000 businesses ( <i>affected partially or totally</i> ) R-XIII: 71% of MSMEs ( <i>closed partially or totally</i> )	Q3 2020 R-IX: ▼ USD 147.4 M April 2020 R-XIII: ▼ USD 82.1 M


Source: Philippine Statistics Authority

1 USD = 55.65 Php

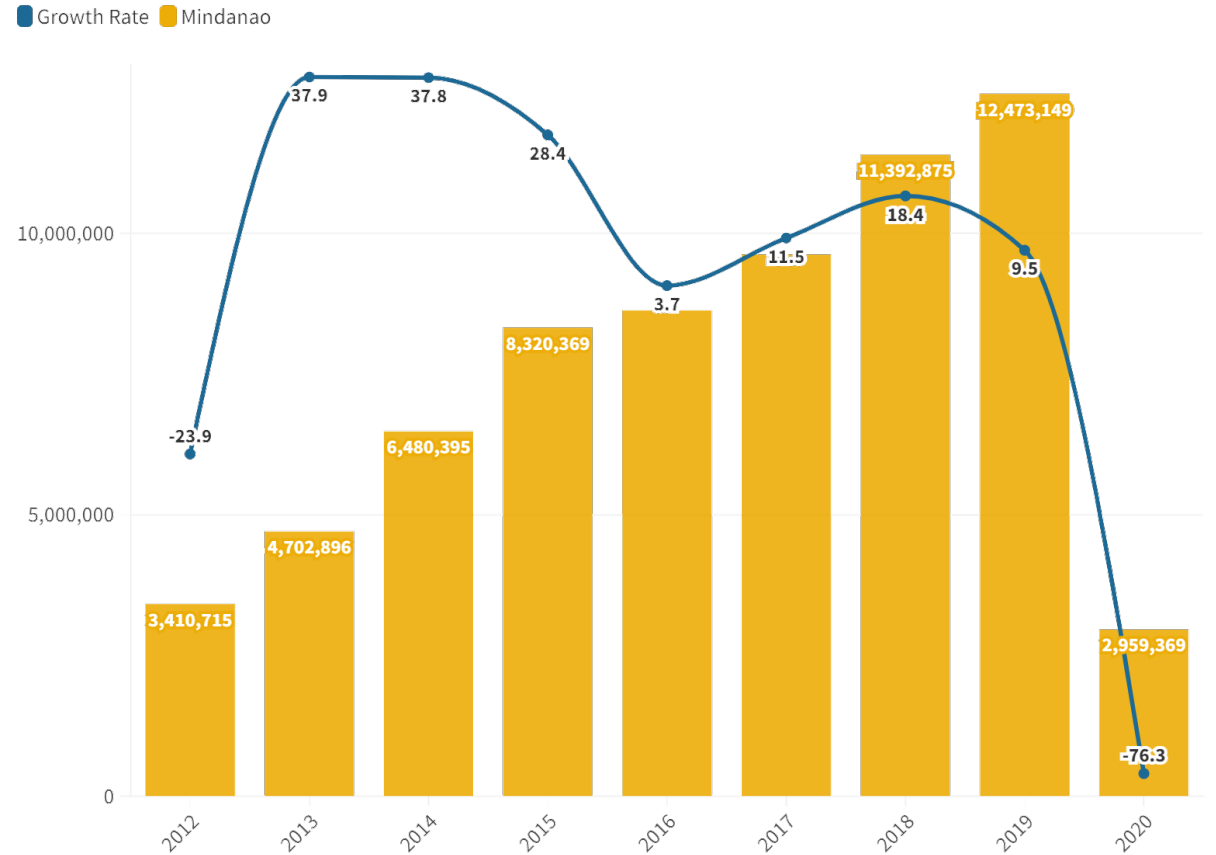


# Tourism Arrivals

Mindanao Tourist Arrivals: International and Domestic Markets by Region (Source DOT)



12 Million international and domestic tourist arrivals trebled from the 3,410,715 visitors in 2012  
*But Down to 2,959,369 in 2020*



Source: Philippine Statistics Authority



# Impact



Demand  
Channel



## Temporary or permanent business closures

98% of businesses experienced business disruption

Reduction/Loss of  
revenues

Staff lay-off

New work  
arrangement

Scaled down  
operations



Supply  
Channel



## Job Loss or Decrease in Source of Income

40% of households experienced job loss and/or  
decrease in source of income

Reduction of  
expenditures

Threat to Food  
Security

Feeling of  
Vulnerability

Threat to Education  
Health and other basic  
needs



# Impact

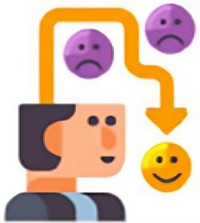


Uncertainties



## Perceptions of security and trust

Mixed perception of cohesion, public trust and security

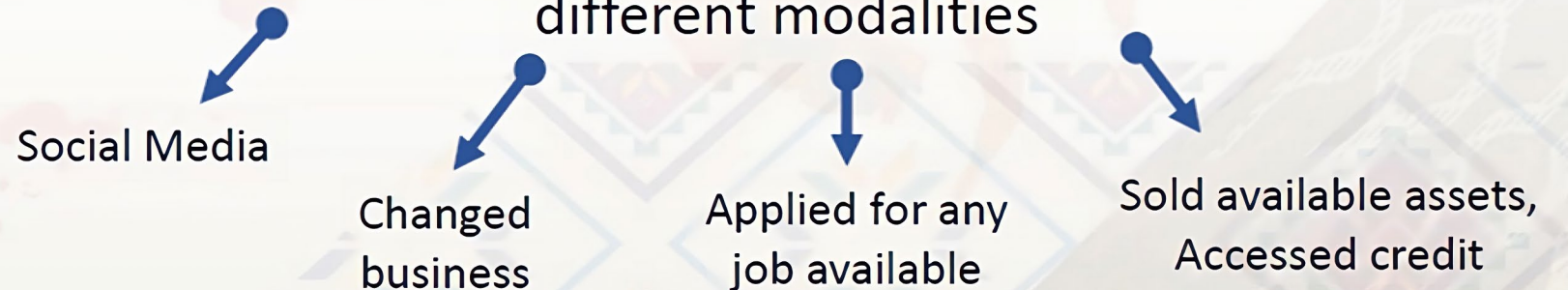


Coping Mechanism



## Different channels to generate revenue

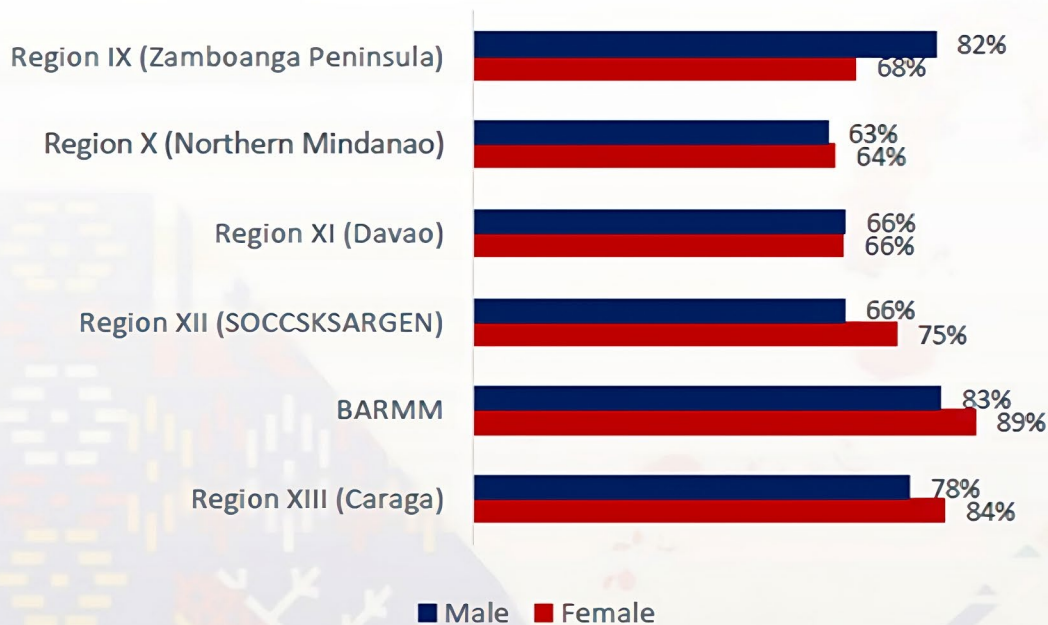
Majority of businesses/households explored different modalities



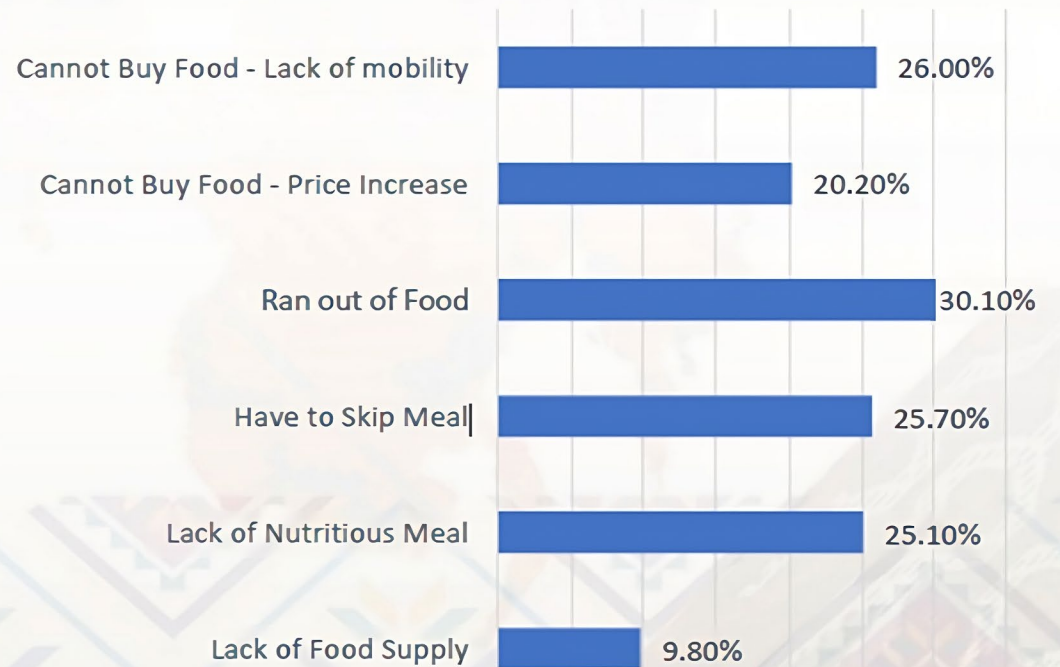
Many were able to get financial assistance but almost a third ran out of food or cannot buy food; 26% had to skip meals.

## Access to Financial Assistance

### Received Financial Assistance in March 2020



## Food Insecurity among respondents



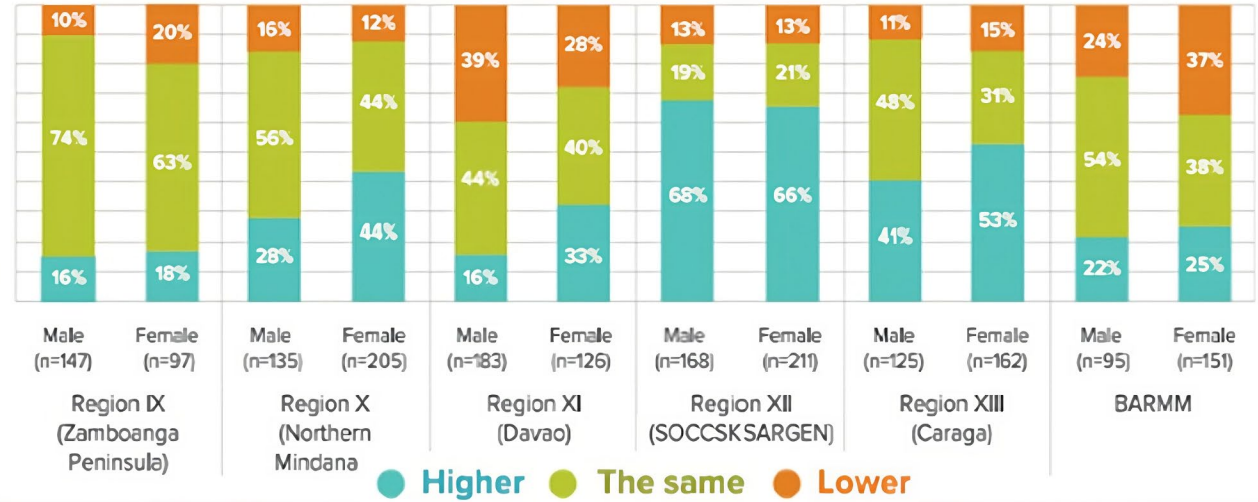
# Most regions had more than half of respondents have the same or lower budget for medicines and hospitals

Overall, 25% of respondents had **limited access to medical professionals**, less access to medicine and medical facilities; expenses for medicine and hospitals were higher for 38% and 42% of respondents respectively

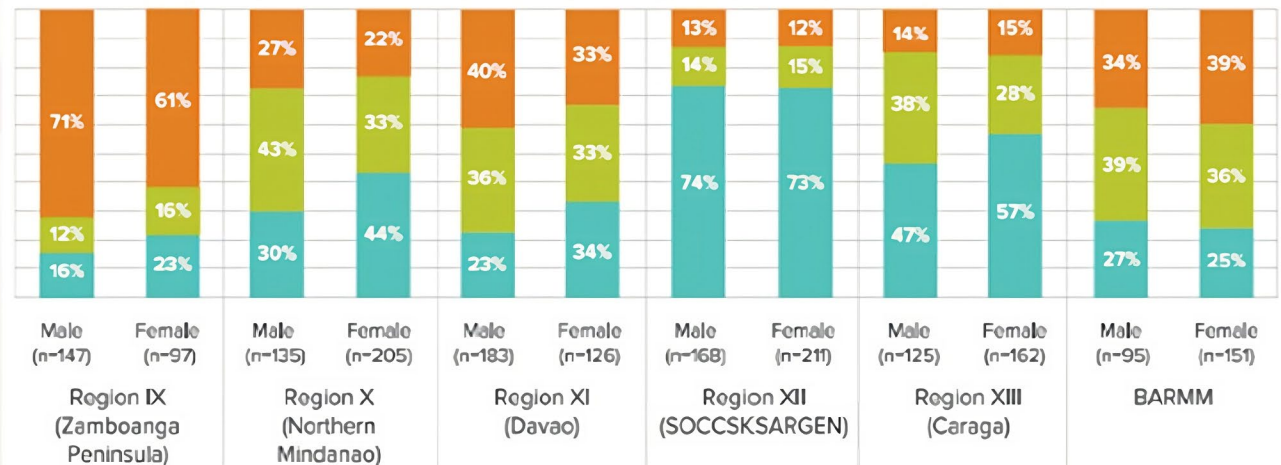
Social security payments became difficult and financial support was not available.

- 41% of respondents either did not want to be vaccinated or had not yet decided; up to half the eligible Seniors (A2) were still unvaccinated by end September 2021

Budget for Medicines



Budget for Hospitals





# Issuances and Policy Instruments

- 🌀 Guidelines and protocols to ensure the health and safety of tourists and tourism workers
- 🌀 Inter-Agency Task Force (IATF) Guidelines
- 🌀 The Bayanihan to Heal as One Act (Bayanihan Act I) and Bayanihan to Recover as One Act  
(Bayanihan Act II)
- 🌀 Tax incentives, grants, and loan
- 🌀 Programs to enhance the digital capabilities of tourism stakeholders and promote online platforms for tourism promotions and transactions.
- 🌀 Joint initiatives between the government, tourism stakeholders, and local communities to  
promote sustainable tourism practices, develop tourism infrastructure, and enhance

# Government Support



**National Government and National Government Agencies**

## Responses to Mitigate Losses

Strategies, Policies and Approaches

Fiscal Measures (Bayanihan I and II)

Tax Incentives (CREATE)

Bangko Sentral Monetary Measures

Structural Policy on Strategic Projects



**Local Government**

## Majority of LGUs cooperated with stakeholders

COVID-19 Information Dissemination platform

Re-alignment of budget

Cooperated with private sector

Coordinated with National Government Agencies



# Conclusions

**Restricted movements and closed businesses caused losses of income and jobs.** Business recovery requires access to fresh funds through borrowing because businesses have low financial reserves.

**Feelings of increased vulnerability and loss of confidence or trust in local and national government officials need to be addressed** quickly even though the restrictions have been eased.

**Medical professionals were available locally, but access to medical facilities and medicines is much harder during the pandemic** and the necessary budget for medicines and hospital treatment has increased.

**Too many people, including the vulnerable, have yet to get fully vaccinated.** DOH and local government have a lot of issues that remain to be addressed and should continue their publicity campaigns in 2021-2022 but particularly improve access to medical facilities.

**Increased poverty caused serious food insecurity and led to the withdrawal of some children from education but** social support programs only offer temporary amelioration.

Source: *Covid-19 Socio-Economic Impact Assessment Report*





# Conclusions

**MSMEs indicated that finance is one of their main obstacles in recovery**, particularly because business savings have been run down; bank loans are not normally designed as “business recovery” loans nor available in the smaller quantities that many MSMEs would need.

**Tourism and Hospitality were worst affected by mass closures** over long periods and losses can never be recovered, but airlines have yet to resume flights at similar pre-pandemic levels. Special business loans, and sanitary and cleanliness standards.

**Prioritized the health and safety of tourists**, to restore confidence among travelers

**Financial assistance, subsidies, and loan programs** help mitigate the economic impact on the tourism industry

**Digital transformation** promoted the long-term sustainability, inclusivity, and resiliency of the tourism industry

**Shared responsibility for sustainable tourism development** fostered collaboration between public-private sector

Source: *Covid-19 Socio-Economic Impact Assessment Report*



# Recommendations

- 🌀 Leadership assessment and learning program certification for LCEs on data-and evidence-based crisis management and decision-making
- 🌀 Permanent policy on job preservation and income protection for qualified sectors/ industries
- 🌀 Broaden availability and accessibility to socialized credit/ finance programs for MSMEs
- 🌀 Improvement in targeting social amelioration beneficiaries using current data and analytics
- 🌀 The digital revolution of services



# Community-based Local Government Led Best Practices



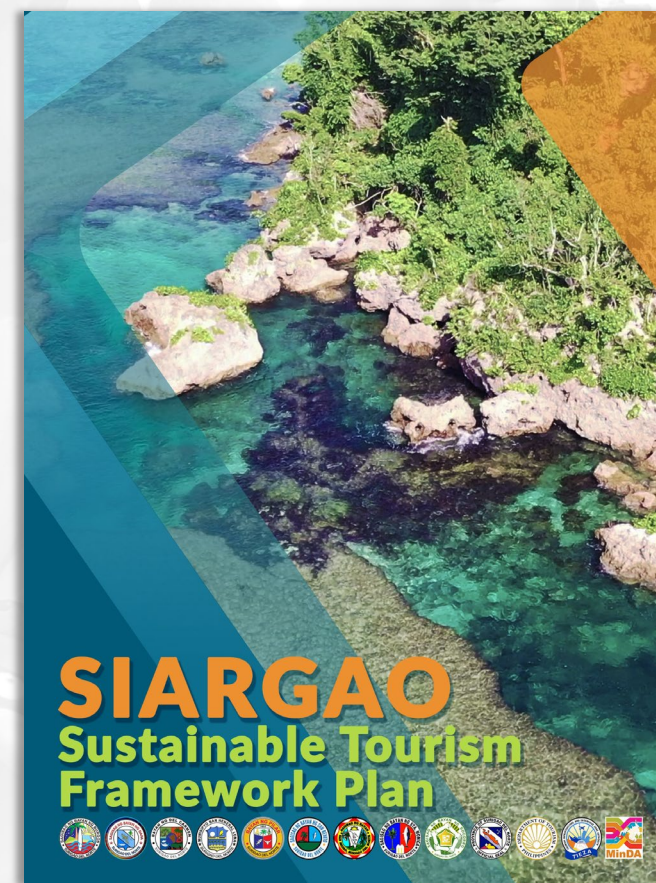
Kalawit, Zamboanga Del Norte



Talakag, Bukidnon

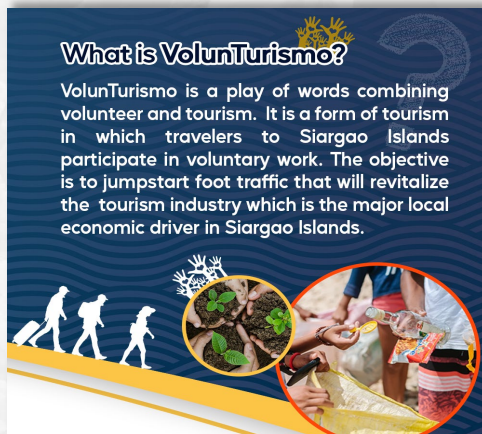


Kabasalan, Zamboanga Sibugay



Siargao, Surigao Del Norte

# Community-based Local Government Led Best Practices





# Thank You!

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