



Annual Accomplishment Report 2017

EXECUTIVE SUMMARY





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Period Covered

This report covers projects, activities and programs implemented out of the 2017 appropriations, either exclusively by TPB or in partnership with the DOT and other concerned agencies, towards its 2022 vision.

Content

This report seeks to serve two major functions: 1) to update stakeholders on developments and achievements in relation to TPB's core function of marketing the Philippines as a tourist destination; and, 2) to articulate TPB's efforts towards corporate sustainability.

TPB's core functions are discharged by its Marketing and Promotions departments, namely: International Promotions; Domestic Promotions; Meetings, Incentives, Conferences, Exhibitions (MICE)' and Marketing Communications. Activities conducted in 2017 pursuant to their work programs are discussed in detail in their corresponding sections.

On the other hand, the departments under Corporate Planning and Business Development (CPBD) are concerned with building compliance to international standards of transparency, accountability and efficiency of service delivery. Internally, CPBD is also tasked to implement and execute policies, rules and regulations adopted and approved by the Board of Directors. These departments include: the Finance Department, which consists of the Accounting and Budget Divisions; and the Administrative Departments, under which the Personnel and Human Resources Development Division (PHRDD) and Procurement and General Services Division (PGSD) fall.

Legal, Corporate Planning and Business Development, and Management Information Systems complete the list of support departments. Their contribution to TPB's corporate governance are fully discussed in the latter part of this report.

Theme

This year's report is inspired by the *vinta*, the traditional boat from Mindanao whose colors portray the splendor of our culture. It acknowledges the challenges that the organization has surpassed, and showcases the resiliency that it has built as a result. More importantly, it signifies that TPB is growing in strength and capability. More than ever, and despite the rough start, it is looking towards sailing steadily to its long-term vision for Philippine tourism.



AIME

Asia Pacific Incentives and Meetings Expo

AOM

Audit Observation Memo

APTM

Asia Premium Travel Mart

ASEAN

Association of Southeast Asian Nations

ΔTF

ASEAN Tourism Forum

AVP

Audio-Visual Presentation

B₂B

Business-to-Business

BITF

Busan International Travel Fair

BOI

Board of Investments

COA

Commission on Audit

CPBD

Corporate Planning and **Business Development**

CTX

Cebu Travel Exchange

DBM

Department of Budget and Management

DF17

Dive Fiesta 2017

DICT

Department of Information and Communications Technology

DOT

Department of Tourism

DRT

Diving, Resort and Travel (Show)

FDCP

Film Development Council of the Philippines

GCC

Gulf Cooperation Council GCG

Governance Commission for GOCCs

GCIS

Government Corporate Information Sheet

GDP

Gross Domestic Product

GOCC

Government-Owned and Controlled Corporation

GSIS

Government Service Insurance System

ICESAP

Incentive, Conference and **Event Society Asia Pacific**

ICT

Information and Communications Technology

IMEX

Worldwide Exhibition for Incentive Travel. Meetings and Events

ISSP

Information Systems Strategic Plan

IT&CM

Incentive Travel & Convention, Meetings ITF

International Travel Festival

I GU

Local Government Units

LPPCHEA

Las Piñas Parañaque Protected Critical Habitat and Ecotourism Area

MALT

MICE Arabia and Luxury **Travel Congress**

MICE

Meetings, Incentives, Conferences and Exhibitions

MIS

Management Information System

NAITAS

National Association of Independent Travel Agencies, Inc.

NTTS

NAITAS Travel and Trade Show **OFW**

Overseas Filipino Worker

DOT OPD

Department of Tourism Office of Product Development

PDR

People's Democratic Republic

PGSD

Procurement and General Services Division

PHILTOA

Philippine Tour Operators Association

PHITEX

Philippine Travel Exchange

PHRDD

Personnel and Human Resources Development Division

PIDC

Philippine Independence

Day Council

PR

Public Relations

OMS

Quality Management System

SMS

Short Messaging Service

SOCCSKSARGEN

South Cotabato, Cotabato City, Cotabato Province, Sultan Kudarat, Sarangani, Gener-

al Santos City

SPMS

Strategic Performance Management System

TBEX

Travel Business Exchange

TIEZA

Tourism Infrastructure and Enterprise Zone Authority

TLEX

Travel and Leisure Expo

TPB

Tourism Promotions Board

TVC

Television Commercial

UK

United Kingdom

UNWTO

United Nations World Tourism Organization

US

United States of America

WTM

World Travel Market









MANDATE

The TPB was created by virtue of Republic Act No. 9593, "An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement that Policy, and Appropriating Funds Therefor."

Supervision of Tourism Secretary is for program and policy coordination..

It is responsible for:

- Marketing and promoting the Philippines domestically and internationally as a major global tourism destination, highlighting the uniqueness and assisting the development of its tourism products and services, with the end in view of increasing tourist arrivals and tourism investments;
- Marketing the Philippines as a major MICE destination;
- Attracting, promoting, facilitating and servicing large-scale events, international fairs and conventions, congresses, sports competitions, expositions and the like;
- Ensuring the regular local and international advertisement of the country's major tourism destinations and other tourism products, including Tourism Enterprise Zones (TEZ); and,
- Providing incentives to travel agencies, tour operators, wholesalers and investors abroad capable of drawing a sizeable number of tourists and tourism investments to the country.



LEADERSHIP

BOARD OF DIRECTORS



Hon. WANDA CORAZON TULFO-TEOSecretary, Department of Tourism
Chairperson, Tourism Promotions Board



CESAR D. MONTANO
Chief Operating Officer
Tourism Promotions Board



Atty. GUILLER B. ASIDO Chief Operating Officer Tourism Infrastructure & Enterprise Zone Authority



Hon. ALAN PETER S. CAYETANO Secretary, Department of Foreign Affairs



Hon. RAMON M. LOPEZSecretary, Department of Trade and Industry



Hon. ARTHUR P. TUGADE Secretary, Department of Transportation and Communication

REPRESENTATIVE DIRECTORS



MS. MARGARITA F. MUNSAYAC Bluewater Maribago Beach Resort Representing Accommodation Enterprises



MS. PAMELA D. PASCUAL World Trade Center Metro Manila Representing Conventions, Meetings, Incentive Travel, Exhibitions, and Events Services and Facilities



MS. MARGARITA F. VILLARICA
Destination Specialists (Cebu) Inc.
Representing Travel
and Tour Services



MR. ISAGANI G. BUENAFLOR
Diamond IGB, Inc.
Representing Land, Air, and Sea
Tourist Transport Services



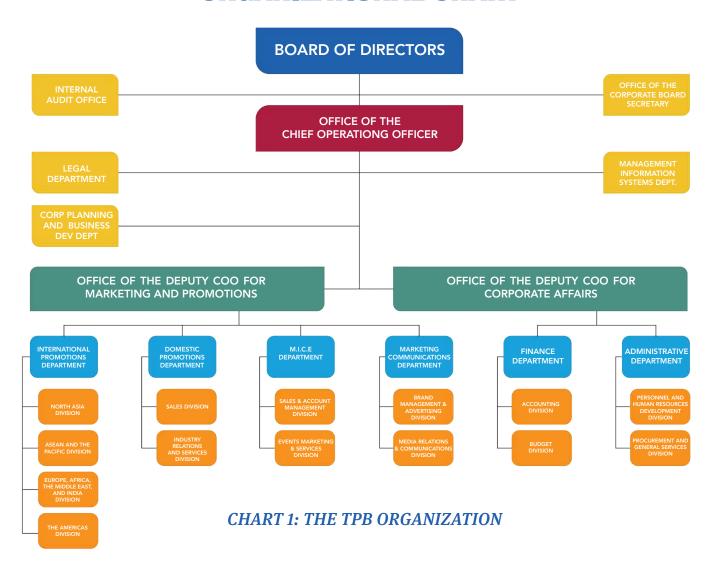
MR. EDWIN VINCENT V. ORTIZ EVO Enviro Solutions / Cebu Solid Waste Management, Inc. Representing Other Accredited Tourism Enterprises



ATTY. MARIAN IVY F. REYES-FAJARDO Corporate Board Secretary Tourism Promotions Board



ORGANIZATIONAL CHART





WORKFORCE

The Organizational Structure and Staffing Pattern approved by the Governance Commission for GOCCs (GCG) provides for 162 plantilla positions. As of reporting date, 89 of these positions have been filled up.

TABLE 1: PLANTILLA POSITIONS

As of December 31, 2017

Position/Level	No. of Filled Positions	No. of Unfilled Positions
Chief Operating Officer	1	0
Deputy Chief Operating Officers	0	2
Department Managers	5	4
Division Heads	4	14
Technical (SG 15-24*)	57	46
Support (SG 1-14)	22	7
TOTAL	89	73

*SG 24 without supervisory function under CPBD and MIS

To augment the workforce, TPB also currently employs 88 job orders. Job-order hires make up 51% of the organization.





PHILIPPINE TOURISM INDUSTRY: KEY FACTS

GDP: Direct Contribution

The direct contribution of Travel & Tourism to GDP was PHP1,377.7bn (USD27.3bn), 8.7% of total GDP in 2017 and is forecast to rise by 6.2% in 2018, and to rise by 5.7% pa, from 2018-2028, to PHP2,547.8bn (USD50.5bn), 9.1% of total GDP in 2028.

GDP: Total Contribution

The total contribution of Travel & Tourism to GDP was PHP3,347.6bn (USD66.3bn), 21.1% of GDP in 2017, and is forecast to rise by 5.9% in 2018, and to rise by 5.8% pa to PHP6,240.6bn (USD123.6bn), 22.4% of GDP in 2028.

Employment: Direct Contribution

In 2017, Travel & Tourism directly supported 2,348,000 jobs (5.8% of total employment). This is expected to rise by 6.6% in 2028.

Employment: Total Contribution

In 2017, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 19.2% of total employment (7,796,500 jobs). This is expected to rise by 6.2% in 2018 to 8,289,000 jobs and rise by 2.4% pa to 10,540,000 jobs in 2028 (19.9% of total).

Visitor Exports

Visitor exports generated PHP379.7bn (USD7.5bn), 8.0% of total exports in 2017. This is forecast to grow by 3.4% in 2018, and grow by 5.4% pa from 2018 to 2028, to PHP665.obn (USD13.2bn) in 2028, 8.7% of total.

Investment

Travel & Tourism investment in 2017 was PHP95.1bn, 8.0% of total investment (USD1.9bn). It should rise by 4.5% in 2018, and rise by 5.2% pa over the next ten years to PHP164.5bn (USD3.3bn) in 2028, 2.4% of total.



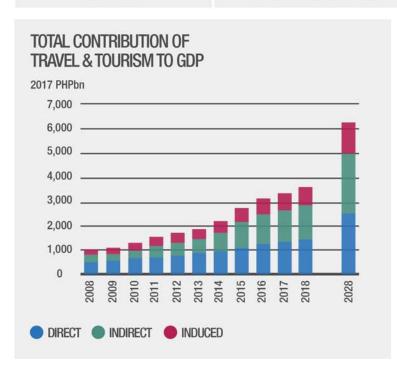
WORLD RANKING (OUT OF 185 COUNTRIES):

Relative importance of Travel & Tourism's total contribution to GDP

18 ABSOLUTE Size in 2017

RELATIVE SIZE
Contribution to GDP in 2017

36 GROWTH 2018 forecast 19 LONG-TERM GROWTH forecast 2018-2028



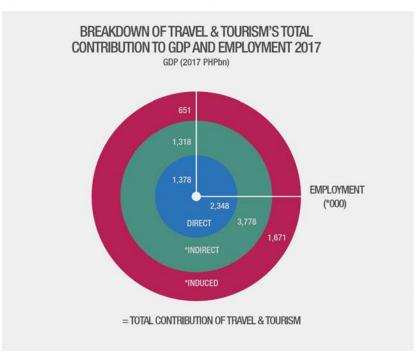


CHART 1: TOTAL CONTRIBUTION OF TRAVEL & TOURISM TO GDP

CHART 2: BREAKDOWN OF TRAVEL AND TOURISM'S TOTAL CONTRIBUTION TO GDP AND EMPLOYMENT 2017



OUR CORE VALUES

TRBPHL

OUR VISION

THE PHILIPPINES IS ONE OF THE MOST PREFERRED TOURIST DESTINATIONS IN ASIA PACIFIC IN 2022

PASSIONATELY DRIVEN TEAM OUTSTANDING LEADERS WELL-BALANCED **WORK-LIFE**

EMPOWERED

RESPONSIVE **PARTNERS**

ORGANIZATION

CUSTOMERS

- TOP OF MIND TRAVEL DESTINATION
- INCREASE NUMBER OF EVENTS
- IMPROVE CUSTOMER SATISFACTION RATING

FINANCIALS

- EFFICIENT UTILIZATION OF CORPORATE OPERATING BUDGET
- DEVELOP SUPPLEMENTAL REVENUE SOURCES

INTERNAL PROCESSES

- ALIGNMENT WITH NATIONAL TOURISM DEVELOPMENT PLAN

LEARNING & GROWTH

DEVELOP HIGHLY COMPETENT AND PROFESSIONAL WORKFORCE

OUR MISSION

WE CREATIVELY MARKET AND PROMOTE A UNIQUE AND HIGH VALUE EXPERIENCE FOR VISITORS



TPB had a rough 2017, coming from a period of adjustment in 2016 with the change in administration, and major organizational developments in the latter part. Despite these setbacks, TPB's employees remained focus on the organization's goals. On year-end, TPB narrowly missed its 5.7-million target, posting only 5,647,199 arrivals from its 12 key markets.

OUR MISSION

To creatively market and promote the Philippines domestically and internationally as a world-class tourism and MICE destination, in strategic partnership with private and public stakeholders to deliver a unique high-value experience for visitors, significantly contributing to increased arrivals, receipts and investments to the country.

OUR VISION

Country: Philippines is one of the most preferred tourist destinations in Asia Pacific. Corporate: To be recognized as the authority in marketing the Philippines as a tourism destination.







OUR CORE VALUES

PASSIONATELY DRIVEN TEAM

We respond enthusiastically and with dedication to the needs of the industry stakeholders.

OUTSTANDING LEADERS

We act as an enabler in embracing challenges to create breakthrough ideas, exercise good governance, transparency and judicious management of resources.

WELL-BALANCED WORK-LIFE

We create a healthy work environment to promote a balanced professional and personal well-being of the workforce.

EMPOWERED ORGANIZATION

We strive to be superior by improving performance through continued learning in all levels of the organization.

RESPONSIVE PARTNERS

We commit to build and nurture a just and sustainable development for the society.













WORKING WEBSITES



PLACEMENTS FOR TACTICAL







RECIPIENTS OF







INVITATIONAL AND FAMILIARIZATIONTRIPS ORGANIZED



3 OPERATIONAL SHOWROOMS





975 ARTICLES PUBLISHED

5 SOCIAL NETWORKING ACCOUNTS



KINDS OF PRINT MATERIALS PRODUCED











OUTPUT





SELLER COMPANIES
PARTICIPATING IN JOINT





1218% RETURN ON MARKETING INVESTMENT FOR DOMESTIC AND INTERNATIONAL MARKETING AND PROMOTIONS PROJECTS

OUTCOME

IMPACT

11%

5,647,199

INCREASE FROM 2016 ARRIVALS FROM 12 KEY MARKETS

P448.6 B

TOURIST RECEIPTS

INCREASE FROM 2016 RECEIPTS

6,620,908

INCREASE FROM 2016 ARRIVALS

TOURIST ARRIVALS FROM 12 KEY MARKETS AND OFWS



ASEAN TOURISM FORUM (ATF) 2017

ATF 2017 is a cooperative regional effort to promote the ASEAN region as one tourist destination. Each year, the hosting of the ATF is rotated among the member countries (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam). In 2017, it took place at the Sands Expo and Convention Centre, Marina Bay Sands, and was organized by the Singapore Tourism Board and supported by Singapore Exhibition & Convention Bureau. This was the 36th edition of the ATF since its inauguration in Malaysia in 1981, and the third time in Singapore.



FEBRUARY

FLIGHT CENTRE TRAVEL EXPO 2017

The Travel Expo is the biggest and most diverse expo organized by Australia's largest tour retailer, the Flight Center Travel Group. It is usually held over the months of January and February each year and presented in 13 cities across the country. It is also seen as a great way to kick off travel plans of Australians for the year. This time, it was extended to March to cover Darwin. The DOT Sydney joined the annual expo covering the top three major cities, namely, Sydney, Melbourne and Brisbane.



TRAVEL BLOG EXCHANGE (TBEX) 2017

TBEX is the largest conference and networking event for travel bloggers, online travel journalists, new media content creators, travel brands and industry professionals. TPB signed up for gold sponsorships for two (2) TBEX events: TBEX International 2017 in Jerusalem and TBEX Europe 2017. As a participant in TBEX Jerusalem, the Philippine exhibitors gave away flyers featuring quotes from different travel bloggers and writers on why "It's More Fun in the Philippines" and showcased upcoming major events.

Photo courtesy of TBEX



3RD NATIONAL ASSOCIATION OF INDEPENDENT TRAVEL AGENCIES, INC. (NAITAS) TRAVEL AND TRADE SHOW (NTTS)

NAITAS is the biggest and the largest travel association in the Philippines with more than 400 members and 13 chapters nationwide. NTTS is the country's newest and liveliest travel, tourism, technology and trade fair promoting outbound and inbound destinations, products and services. This year, TPB featured the Mindanao Region in its exhibit to promote positive perception about the region. Exhibited regions include: Region IX (Zamboanga Peninsula); Region X (Northern Mindanao); Region XI (Davao Region); Region XII (12th Paradise SOCCSKSARGEN); Region XIII (CARAGA Region).



WORLD STREET FOOD CONGRESS (WSFC) 2017

The fourth installation of the WSFC, an event by Singapore-based Makansutra (S) Pte Ltd, returned to the Philippines at the SM Mall of Asia Concert Grounds in Pasay City. This year's WSFC was bigger, bolder and better than its 2016 inauguration with a fresh theme: "Re-imagine Possibilities". The event aimed to attract more global attention to Manila's gastronomic and cultural treats. It also promoted the Philippines as one of the most dynamic and growing gastro cities in Asia, not only in street food but also in its wide offering of local cuisines.



119TH CELEBRATION OF THE PROCLAMATION OF THE PHILIPPINE INDEPENDENCE

The nation celebrated the 119th Anniversary of the Proclamation of Philippine Independence on 12 June 2017 at the Rizal National Monument, Rizal Park, City of Manila. This year's theme was "Kalayaan 2017: Pagbabagong Sama-samang Balikatin" ("Independence 2017: A United Struggle towards Change").



JULY

11TH AMBASSADORS' TOUR

The 11th Ambassadors' Tour in Manila and Davao was led by the Department of Foreign Affairs (DFA), in cooperation with the TPB and Rajah Tours. The itinerary of the tour combined the best of Metropolitan Manila up North and the sprawling city of Davao in the South into one adventure-packed and enriching vacation experience featuring the beauty of the Philippines' top tourist destinations. This year's tour attracted 194 participants.



AUGUST

PHILIPPINE TRAVEL EXCHANGE (PHITEX) 2017

PHITEX is the biggest government organized travel trade event in the country. First held in 1996, it is patterned after the ASEAN Tourism Forum. Qualified international buyer delegates from all over the world are hosted to participate in table-top business appointments with accredited Philippine tourism suppliers.

MABUHAY FESTIVAL CANADA

The Mabuhay Philippine Festival, a partnership of the DOT and the TPB, is an annual two-day event in Toronto, Canada, showcasing Philippine trade, tourism and talent. Now on its 19th year, the event was coordinated by the Philippine Independence Day Council (PIDC), a volunteer-based umbrella organization primarily tasked with the celebration of Philippine Independence Day.



SEPTEMBER

28TH PHILIPPINE TRAVEL MART

The 28th edition of the annual Philippine Travel Mart was participated in by 238 companies, including the DOT through TPB. DOT occupied the biggest area with 354 square meters, equivalent to five pavilions. The area housed all the regional offices and attached agencies of the DOT and showcased Philippine beach destinations.

20TH BUSAN INTERNATIONAL TRAVEL FAIR (BITF2017)

BITF is the biggest annual travel show in Busan, Korea's second largest source of Korean outbound travelers. It is organized by the Busan Metropolitan City, Busan Tourism Association and KOTFA Co., Ltd. The Philippines was among the exhibitors, with a total of 90 square meters in exhibit floor area.



- IPPINES - IPPINES

OCTOBER

DIVE BIRMINGHAM 2017

Dive Birmingham is one of the biggest dive shows in the UK. The event is visited by thousands of experienced and aspiring divers from the UK, Europe and all over the world. The Philippines participated with a 65 square-meter booth space that featured major Philippine dive destinations showcasing the richness and diversity of marine life found in the country.

DIVE FIESTA PHILIPPINES 2017 (DF17)

DF17 was conceptualized as a hard-line venture to directly attract international buyers of dive travel packages into business engagements with Philippine dive resorts and outfitters. DF17's served as a venue for table-top discussions between the international operators and their local counterparts.

NOVEMBER

WORLD TRAVEL MARKET (WTM) 2017

The Philippines secured an exhibit area of 366 square meters for WTM 2017. In line with the 2017 theme, "Romantic Philippines," the Philippine pavilion featured the best beaches the country has to offer for honeymoon destinations. To kick-start the annual Regional Festival at the Philippine pavilion, the world-renowned Filipino musicians, the Ryan Cayabyab Singers, sang their greatest hits, including the original composition "Da Coconut Song." The group stole the hearts of the visitors and travel trade agents with their rendition of the greatest love songs.

DECEMBER

DRT HONG KONG 2017

The DRT Show is considered to be the largest gathering for diving enthusiasts, marine conservationists and anyone with a passion for the underwater world. The DRT Show in Hong Kong was met with an overwhelming response as an important regional event. The show is supported by top-level exhibitors and leading dive equipment manufacturers, water sport equipment manufacturers, dive resorts, tourism boards, marine conservation and diving organizations.

Executive SUMMARY

2017 RESULTS

As the primary marketing arm of the DOT, the TPB sustained efforts to raise the profile of the Philippines as a top destination in 2017. Aside from aggressively promoting the Philippines to key markets, TPB also explored emerging markets in 2017, opening the possibility of raising the tourist arrivals from the Middle East and Europe.

In 2016, TPB underwent a period of adjustment that came with the change in administration. Unfortunately, just as the organization was starting to settle down in 2017, major organizational shake-ups happened, which affected the momentum and caused planned projects to be put on hold. Despite the changes, the organization soldiered on to try to meet the target tourist arrivals of 5.7 million. TPB missed it by a small margin, but the challenges have strengthened the teams and made them better positioned to meet the long-term objectives.

MARKETING AND PROMOTIONS

International Promotions

The Philippines breached the 6-million mark for international tourist. For 2017, TPB sustained international promotions to the arrivals in 2017, registering a record-high 6,620,908 international tourists by end of the year. This represents an 11% increase from 2016 figures. In its Balanced Scorecard, TPB committed to a five-year cumulative target ending at 5.7 million visitors from the 12 key markets by 2017 while the target set by the DOT for 2017 was 6.5 million total tourist arrivals.

TPB conducted strategic and intensive market engagement activities to contribute to this achievement. Of the total tourist arrivals in 2017, 5,647,199 or 85.29% came from TPB's 12 key markets (i.e., Australia, Canada, China, Germany, Hong Kong, Japan, South Korea, Malaysia, Singapore, Taiwan, UK and the US).

As expected, South Korea brought in the most number of tourists at 1.6 million. Chinaemergedasthemostimprovedmarketat968,447touristarrivals, overtaking the US, which posted 963,557 arrivals. In 2016, China was third with a contribution of 675,663 to total tourist arrivals. Several factors led to the 43.33% increase in tourist arrivals from China. These include: the improved diplomatic relations between the Philippines and China, the additional flight routes between the countries, and the Visa Upon Arrival (VUA) option for Chinese nationals. Japan and Australia added 584,180 and 333,179 tourist arrivals, respectfully, capping off the top five source countries.

said markets by ensuring consistent visibility in major trade and consumerevents, as well as in interest-specific shows such as dive and water sports, golf, and travel blogging. Sales missions and targeted familiarization tours also intensified campaigns in key markets.

Aside from this, 2017 saw TPB expanding its horizons in terms of geography and tourism themes. Inroads to emerging markets such as the Middle East and Europe were built through participation and involvement in different shows. These include the Arabian Travel Mart in Dubai and the East Mediterranean International Tourism and Travel Exhibition in Istanbul, Turkey.

This year, TPB proactively promoted the Philippines as a film tourism destination with its participation in the Hong Kong Filmart 2017, Asia's largest film and entertainment market. In partnership with the Film Development Council of the Philippines (FDCP), TPB has committed to jointly undertake promotional activities to push for filming in the Philippines and offer our various destinations for location shoots.



Domestic Promotions

As a major part of domestic promotions strategy, TPB sustained its participation in local trade and consumer fairs. At the 24th Travel Tour Expo, held in February, TPB was a major exhibitor with a 300 square-meter pavilion that featured various destinations such as Batanes, Calle Real in Iloilo, and Lake Sebu in Mindanao. At the 28th Philippine Travel Mart held in September, TPB was also a major participant with the biggest exhibition area. The 354-square-meter area combined five pavilions and housed all the regional offices and attached agencies of the DOT to showcase beach destinations.

TPB's Domestic Promotions Department is also tasked with improving local capability to support tourism expansion. To this end, two regional branding seminar-workshops were conducted in 2017. One was held in General Santos City and and the other one was in Clark, Pampanga. These interventions are meant to teach local tourism officers the basics of place branding and its practical applications in this digital age.

TPB 2017, continued supporting consumer shows in regional hubs. TPB participated in the Cebu Travel Exchange 2017, which, on its third year, served as a venue for international trade fair exhibitors to meet with local travel agents and tour operators. TPB also provided support for the 1st Travel and Leisure Expo Davao, a groundbreaking private initiative to promote Mindanao tourism and address negative perceptions on safety and security. Finally, TPB spent resources in 2017 to ensure the continued viability of destinations. Teams went to Western Visayas and Central for product update trips. The aim of these trips is to make an inventory of new destinations that are now ready for promotions and could be included in the tour packages of the participating tour operators. The trip to Western Visayas took the party to Roxas, Iloilo and Bacolod, while the Central Luzon leg included Bataan, Tarlac and Baler in the Province of Aurora.



MICE Promotion

In line with the TPB's strategic direction to explore new markets, TPB's MICE Promotions Department likewise initiated activities to market the Philippines as a MICE destination to countries outside the 12 key markets. For example, sales missions were organized and deployed to Paris, France, Poland, and Dubai in the United Arab Emirates. MICE agents from promising markets were also hosted in familiarization tours to local MICE hubs.

TPB also participated in the 5th MICE Arabia and Luxury Travel Congress (MALT). An exclusive, by-invitation congress held in Dubai, MALT provided local suppliers with the opportunity to meet seniorlevel executives from the Gulf Cooperation Council who make procurement decisions for MICE and luxury travel.

Aside from these initiatives, TPB brought the Philippines to major international MICE shows all over the world. In February, the Philippines participated in the Asia Pacific Incentives and Meetings Expo (AIME) in Australia. AIME is one of the largest international business event exhibitions in the country. TPB's participation as one of the 700 exhibitors therein connected us to 275 buyers.

TPB also continued to intensify MICE promotions activities in key markets. For China, for example, TPB participated in the 11th Incentive Travel & Convention, Meetings (IT&CM) China, bringing 10 private sector partners to meet and network with potential buyers. The Philippines was also present at the 4th Incentive, Conference and Event Society Asia Pacific (ICESAP) Conference in Shanghai, which was attended by 150 delegates.

Other major shows where the Philippines participated in include Australia's Luxperience 2017, a by-invitation travel trade forum for companies specializing in luxury travel and business events; the IT&CM Asia in Thailand, the leading trade show for the international MICE industry in the Asia Pacific; IMEX America 2017, America's worldwide exhibition for incentive travel. meetings and events; and the Incentives, Business Travel & Meetings World 2017 in Spain, the leading global event for the MICE and business travel industry.

Aside from exposure in global events, TPB also continued to provide assistance to companies and organizations that were bidding for international conferences and events, and supported them in the execution of won bids.



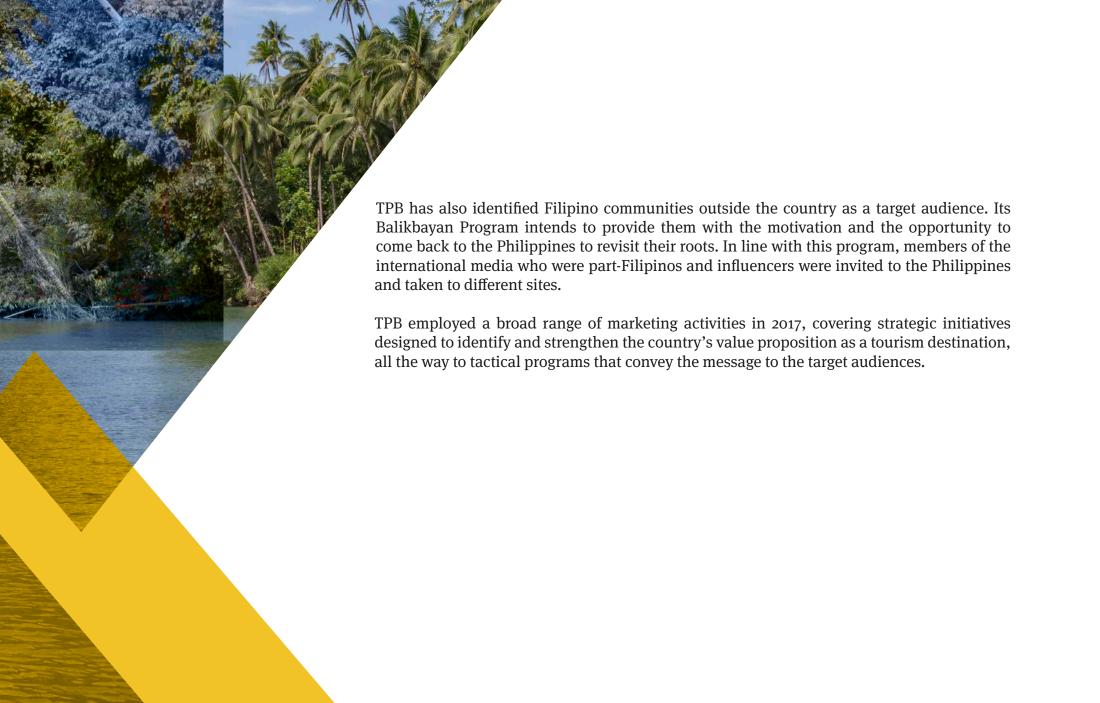
Marketing Communications

In 2017, TPB's Marketing Communications Department aggressively pursued opportunities for sustaining the Philippines' visibility through multiple platforms.

Recognizing the impact of the digital platform, TPB continued its shift towards more intensive marketing on the internet and social media. TPB maintained its presence on Facebook, Instagram and Twitter by posting promotional content regularly. Partnerships with high-traffic web properties were also pursued.

TPB also consistently hosted media from different markets as part of its marketing strategy. Aside from bringing them to the usual tourist attractions, foreign media from key markets were immersed in a rich experience of culture, nature, food and festivities. The Philippines played host to Internet celebrities as well, bringing the Philippines to a whole new platform through internet influencers.













10

The respondents consisted of 100 randomly selected TPB partners and customers from the following categories:





35

20

20

15

CUSTOMER SATISFACTION

In compliance with its performance agreement with the GCG and the DBM, the TPB once again conducted a customer satisfaction survey in 2017. The survey, conducted by third-party consultant PSRC Research International, aimed to determine the level of satisfaction of stakeholders that TPB engages with during events, and how this may be improved.

The survey found that customer satisfaction for TPB was consistently high overall, as well as for pre-event and event proper. For overall satisfaction, 92% of respondents gave TPB either of the top 2 ratings. For pre-event and event proper satisfaction, 90% and 94% ticked the top two boxes, respectively. These figures were the same as last year's ratings.

The respondents were also asked what drives pre-event and event proper satisfaction. The top drivers are enumerated below, along with the satisfaction rating that TPB got.

For pre-event:

- 1. Timeliness of response: 78%
- 2. Timely information dissemination: 71%
- 3. Flexibility in helping find a solution to customer concerns: 86%
- 4. Consistency of information provided: 82%
- 5. Coordination with client: 75%

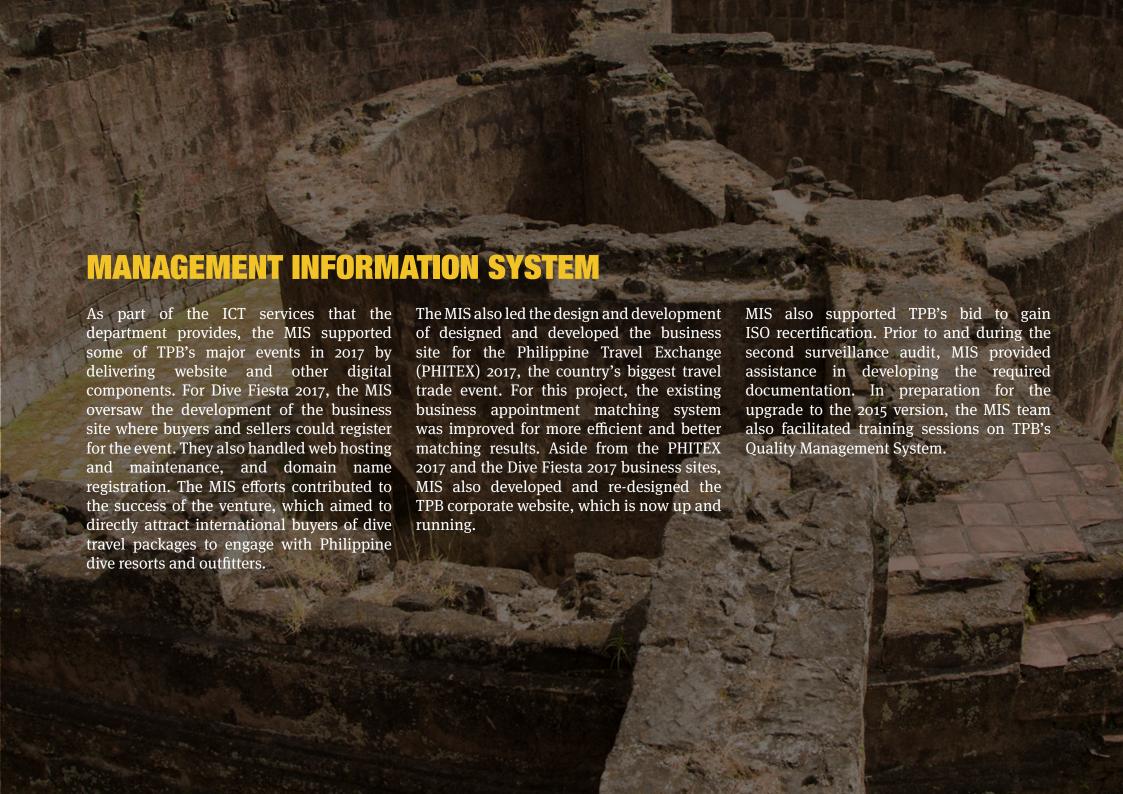
For post-event proper:

- 1. Timeliness in providing service and assistance: 80%
- 2. Availability of information: 99%
- 3. Clarity and consistency of information given: 98%

Finally, the survey also endeavored to gauge the loyalty of TPB's customers. The results are as follows:

- Two out of three TPB customers are satisfied and loyal while about a fifth are not satisfied and do not feel any loyalty.
- Nine in 10 will recommend TPB events to their colleagues and they will likewise participate in these events.

Based on the survey results, TPB will focus on improving the top drivers where it got relatively low rates, namely: coordination with client, timeliness of response and timely information dissemination.





CORPORATE PLANNING AND BUSINESS DEVELOPMENT

While the Marketing and Promotions Division handle TPB's core functions, the task of ensuring organizational stability, preserving corporate culture, and improving efficiencies fall under the Corporate Planning and Business Development Division (CPBD).

The year 2017 was a balancing act for CPBD. Aside from managing personnel movements, there was also the need for constant monitoring to ensure that the strategic objectives were being met.



ISO Compliance

Pursuant to Executive Order No. 605, series of 2007, institutionalizing the structure, mechanisms and standards to implement the government quality management program, TPB pursued an ISO 9001:2008 for its Quality Management System (QMS) and was granted certification on January 2016. In 2017, the organization successfully went through the recertification process. The surveillance audit identified areas for continual improvement, which the TPB is seriously considering in order to escalate the effectiveness of its QMS as a guide to meeting organizational performance objectives.



Strategic Performance Management System

TPB is also in the process of institutionalizing its Strategic Performance Management System (SPMS), which will align individual employee performance with organizational performance based on its strategic plan. This will ensure that the compensation system in the organization is also performance-based. In 2017, three workshops and two writeshops were organized, which led to the finalization of the SPMS Manual and the target performance rating for 2018.





Personnel and Human Resources Development Division (PHRDD)

As a support division, the PHRDD was mostly concerned with hiring competent people to fill vacancies, planning and implementing interventions to raise competencies, and making available a comprehensive benefits program to promote personnel welfare and motivation.

In 2017, PHRDD took to the task of establishing the competency profile of TPB employees. This served as the basis for developing a competency-based learning and development initiatives, and for planning training sessions and other interventions for personnel. In relation to this, PHRDD also successfully consolidated the performance evaluation of all 89 plantilla employees for timely submission to the GCG.

PHRDD also sustained its comprehensive range of employee engagement programs and activities. The division led the organization's participation in the Women's Month Celebration. Medical services were made available to employees, alongside opportunities for sports and other physical activities. PHRDD likewise successfully organized a teambuilding activity, which was participated in by majority of the employees.



In 2017, the PGSD supported the TPB's core marketing activities by providing promotional materials and securing other logistical requirements, mostly in accordance with the procurement process. As part of housekeeping, the PGSD likewise completed the process of reconciling accounting and property records to ensure the integrity of TPB's property inventory.

A major activity for 2017 was the awarding of the contract for the renovation of one unit in the TPB office, which is allocated to the International Promotions Department. PGSD was able to successfully contract out the project. Construction is ongoing and is scheduled to be completed in 2018.



Finance

For 2017, the Finance Division set and met most of its goals. From the timely submission of TPB's Corporate Operating Budget to the DBM, as well as the regular transmission of the Budget Monitoring Report to the CPBD, Finance remained on top of its reportorial requirements for 2017.

Initially computed at 97%, budget utilization went down to 54% due to consequent disapproval of major programmed projects. In addition, post audits of DOT offices in Australia, Korea, Beijing and Shanghai were also successfully completed.

As a major activity for 2017, the Finance Division also led the Technical Budget Hearings for fiscal year 2018. It was able to secure approval of the national government subsidy of P1.69 billion. This is the highest national government subsidy ever to be approved by the DBM.

For 2018, the Finance Division intends to implement changes in internal process to further streamline its operations. For example, the Accounting Division and the Cash Section will jointly monitor fund availability for accuracy and efficiency.

As regards external coordination, the Finance Division also intends to closely coordinate with the DOT's regional and foreign offices to reconcile and adjust books in case of differences.

Executive SUMMARY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

TPB's CSR Statement says: "The Tourism Promotions Board (TPB) is a responsible organization committed to marketing the Philippines as a world-class travel destination. TPB takes initiative to engage creatively in programs, projects and activities that increase environmental awareness of all tourism stakeholders, resulting to greater respect for nature and deeper appreciation of culture and heritage, in TPB's pursuit of GREEN and SUSTAINABLE TOURISM."

In 2017, TPB realized the need for a CSR strategy that aligns long-term, sustainable CSR programs with TBP's core business. This has resulted in initiatives that strengthen TPB's commitment to four anchor areas, where the organization could make more lasting impact on both national development and tourism promotion:

- 1. Environmental sustainability;
- 2. Heritage conservation;
- 3. Education; and,
- 4. Community involvement.





In September, TPB conducted the first leg of its CSR initiatives for the year with 19 personnel participating. The activity, conducted in partnership with the Black Pencil Project, took the volunteers to Banaue in the Ifugao Province. The trip had several highlights, foremost of which was the adoption by TPB of a portion of the rice terraces which had been abandoned. TPB donated P20,000.00, which will be used to restore the area and plant rice crops on it for harvest later. Time was also allotted for a stonewalling activity, where personnel worked together to put up a three-story stone wall to prevent the deterioration of an area of the rice terraces. Finally, they had the opportunity to give back to the community by distributing 350 sets of school supplies in Patilong Elementary School.

While there, the TPB volunteers also took advantage of the opportunity to do product updates. They went on a tour of Batad, the Banaue Museum, and raced against each other using intricately carved wooden scooters.

In December, 21 employees joined the CSR activity that TPB organized in partnership with Haribon Foundation. The activity took the group to the Las Piñas Parañague Protected Critical Habitat and Ecotourism Area (LPPCHEA). There, they conducted coastal clean-up and were able to retrieve 38 sacks of trash. The group then proceeded to the Caliraya Lake Lumot Watershed where they capped the activity by planting 500 Philippine native seedlings. A product update tour of Villa Escudero was also part of the itinerary.

In early 2018, TPB also went to Batanes for the last leg of their 2017 CSR programs. Here, they partnered with the community in the island of Sabtang to restore one of Batanes' world-famous stone houses.



TPB strictly adheres to the guidelines set forth by the GCG. The Commission is the central policy-making and regulatory body mandated to safeguard the State's ownership rights and ensure that the operations of GOCCs are transparent and responsive to the needs of the public, by virtue of Republic Act No. 10149.

In 2017, aside from delivering the marketing activities it has committed to in its work program, TPB also strengthened its efforts towards continued viability and sustainability. It was able to do so by focusing on standardizing and institutionalizing internal processes to ensure that the organization provides value to all its stakeholders.

Code of Corporate Governance

The TPB is led by a Board of Directors who manage and make corporate decisions guided by the Code of Governance, an organic document approved on May 28, 2014. The Code provides general and specific guidelines for ensuring that TPB's operations are consistent with national development policies and programs. In particular, it provides that the Board is mandated to ensure that:

- 1. TPB's operations are rationalized and properly monitored in order that its assets and resources are used efficiently and government exposure to all forms of liabilities and subsidies is warranted and incurred through prudent means;
- 2. Its governance is carried out in a transparent, responsible and accountable manner and with utmost degree of professionalism and effectiveness; and,
- 3. The TPB Board of Directors are competent to carry out their functions, fully accountable to the State as its fiduciary, and always acting in the best interest of the State and its Stakeholders.



HINDING

Freedom of Information

As part of its commitment to transparency and accountability, the TPB has developed a Freedom of Information Manual, which lays down the process for dealing with requests for information received by TPB in accordance with Executive Order No. 2 on Freedom of Information.

The Manual covers all requests for information directed to the TPB. Specifically, it sets out the rules and procedures to be followed by TPB personnel when a request for access to information is received. It also assigns the COO as the official responsible for all actions carried out relevant to the Manual, but allows him/her to delegate the responsibility to the CPBD Manager.





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Anti-Red Tape Act

TPB is compliant with the Anti-Red Tape Act (Republic Act No. 9485: An Act to Improve Efficiency in the Delivery of Government Service to the Public by Reducing Bureaucratic Red Tape, Preventing Graft and Corruption, and Providing Penalties Therefor), specifically Section 6 thereof.

In particular, the TPB has established its service standards known as the Citizen's Charter, which enumerates the following:

- 1. Vision and mission;
- Frontline services offered;
- Step-by-step procedure in availing of frontline services;
- Employee responsible for each step;
- Time needed to complete the procedure;
- Amount of fees;
- Required documents; and
- 8. Procedure for filing complaints.

TPB's Citizen's Charter is posted prominently in all the service offices that deliver frontline services, and at the main entrance of the office. It is also uploaded in TPB's website and is accessible to the public.





Compliance to Statutory Liabilities

All statutory liabilities of TPB for 2017 have been fully paid. These included: taxes due to the Government; as well as mandatory premiums due to the GSIS, Pag-IBIG and Philhealth.

ISO Certification

In compliance to Executive Order No. 605, series of 2007, TPB secured its ISO 9001:2008 in 2016, which it was able to renew in 2017. TPB is working towards transitioning from ISO 9001:2008 to ISO 9001:2015 in time for the latter's phaseout by September 15, 2018.





Procurement

TPB's expenditures are aligned with its annual procurement plan, which is publicly accessible via its website. TPB also publishes a list of the contracts awarded, along with the name of contractors, suppliers and consultants to whom these contracts were awarded.

TPB has been working towards full compliance with the PhilGEPS requirement of publication of all procurement documents, including: Invitations to Bid, Requests for Expression of Interest, Requests for Quotation, Notices of Award/Bid Results, the Actual Approved/Awarded Contracts, and Notices to Proceed/Purchase Orders for all projects.





