1 Chapter 7

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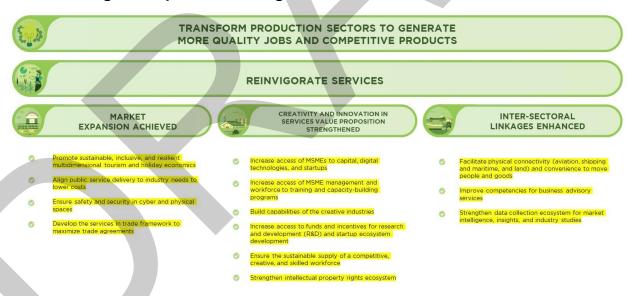
# Reinvigorate Services

3 The services sector continues to be the most significant contributor to the country's gross 4 domestic product, supported by a strong domestic consumer market and a vibrant 5 financial services sector. Two years into the implementation of the Philippine 6 Development Plan 2023-2028, the government has implemented initiatives aimed at 7 supporting sector growth, focusing on digital transformation and enhancements in 8 connectivity, as well as infrastructure development including logistics to support business 9 operations. Economic reforms continue to be carried out to encourage foreign 10 investments, along with strengthening the country's fiscal incentive system. These efforts 11 were complemented by initiatives aimed at developing the workforce and upgrading skills to align with industry needs. 12

During the remaining Plan period, the government will intensify its efforts to transform the services sector to a high-value, globally competitive industry through modernizing the sector, fostering innovation, and sustaining a conducive environment for continuous economic growth and job creation.

# 17 Accomplishments

#### 18 Table 7.1 Progress report for Reinvigorate Services



Efforts to facilitate the expansion of the services sector have led to notable progress, with the sector hitting its target growth rates in 2023 (7.1 percent) and 2024 (6.7 percent) exceeding the Gross Domestic Product (GDP) growth for these years at 5.5 and 5.7 percent respectively. To sustain the sector's growth, the government has targeted the development and formalization of the creative industries as a key driver of the services sector and as a conduit for expansion of other services activities such as tourism and the digital economy. The Department of Trade and Industry (DTI) has collaborated with international organizations, other government agencies and

the private sector to support and develop the creatives industry as mandated by the Philippine Creative Industries Development Act. Among these initiatives include the various conferences, training and events in celebration of the Philippine Creatives Industries Month (PCIM) and other related conferences, trainings and events. Additionally, the Cities of Culture Conference was held to encourage Local Government Units (LGUs) to capitalize on their cities' creative strengths.

 By showcasing Filipino culture and creativity, the promotion of creative industry is envisioned to support the expansion of tourism through diversified tourism offerings, enhancement of cultural identity and improving the country's appeal as a tourist destination. Likewise, the skills nurtured by creative industry professionals engaged in digital marketing, game development, web and app design, among others, contribute to the expansion of the Information Technology and Business Process Management (IT-BPM) sector's capacity to expand to higher value services. The diversification of creative industries also fueled the demand for digital content and e-commerce while promoting digital literacy.

The government has taken active steps to strengthen creativity and innovation in the services through targeted capacity-building programs. The DTI, in collaboration with the private sector and the academe, has implemented a wide range of training programs aimed at developing creative skills and nurturing local talent. These include the Malikhaing Pinoy Creative Market Acceleration Program, Advancement of Skills and Competencies of Entrepreneurs for Internationalization Agenda (ASCEND), OBRA Design Masterclass, LikhaSanay: Animation and Game Development Masterclass, SkillsUpNet, among others, designed to enhance the sector's capabilities in areas such as design, animation, and service innovation. These efforts were actualized by the country's participation in international trade fairs and film festivals, which provided platforms to present the Philippine's strengths in delivering expertise-based services.

While the training programs develop competencies, the services sector's potential to provide higher value-adding services remains underutilized due to slow technology adoption and persistent mismatch between workforce skills and industry needs. Labor productivity in the services sector remained low in 2024, indicating the concentration of employment in low-skilled subsectors (e.g. service and sales workers and elementary occupations). Despite being a dominant contributor to GDP and employment, the sector has yet to fully capitalize on opportunities presented by emerging technologies such as artificial intelligence (AI), data analytics, and digital platforms. Limited capacity of micro, small, and medium enterprises (MSMEs) to integrate digital tools into their operations limit businesses' competitiveness and scalability. Additionally, there is a significant gap between the competencies of graduates and jobseekers and the skills required by service-oriented industries, particularly in fields such as IT-enabled services, digital marketing, fintech, and professional services. This misalignment limits the ability of businesses to innovate and deliver advanced, value-added services in a competitive global market.

The fragmented nature of the country's logistics system remain a critical challenge for the services sector, resulting in higher logistics costs, delays, and inefficiencies that negatively impact the sector's growth and competitiveness. Inter-island commerce and travel continues to face development challenges, with

- variations in maritime and air transport services that affect the efficient delivery of goods
- and movement of people. Further, limited integration across land, sea and air
- transportation adds complexity to operations and contributes to supply chain bottlenecks.
- 77 Some progress has been made to address logistics fragmentation through the completion
- of expansion projects in five ports across Central Luzon (Port of Capinpin, Orion, Bataan)
- 79 CALABARZON (Port of Calatagan, Batangas) and MIMAROPA (Port of Ambulong,
- 80 Romblon, Port of Abra de Ilog, Occidental Mindoro, Port of Balanacan, Marinduque)
- 81 regions, which can now accommodate RORO ships and are expected to support
- 82 improvements in local logistics industries and inter-island trade.
- 83 Further, the delayed release of sectoral guidelines for the full implementation of
- 84 the Amended Public Services Act and its Implementing Rules and Regulations
- 85 hinders the expected increase in foreign investment that will benefit the logistics
- and other public services. As of 26 March 2025, 7 of the 17 regulatory agencies have
- 87 already published/approved their respective guidelines. These include the Maritime
- 88 Industry Authority (MARINA), Philippine Ports Authority, Civil Aeronautics Board, National
- 89 Telecommunications Commission, Toll Regulatory Board, Land Transportation
- 90 Franchising and Regulatory Board, and the Civil Aviation Authority of the Philippines

### Implementation of the Transformation Agenda

- 92 Chapter 7 of the Philippine Development Plan (PDP) contributes to the progress of the
- 93 transformation agenda through the creation of high value, competitive and innovative
- services. While the strategies outlined in the Chapter highlight the role of servicification
- 95 in industries, digitalization of processes, and private sector engagement in enhancing
- 96 public service delivery, there remains a need for more substantive programs, projects and
- 97 incentives to help attract investments and boost productivity in the country's services
- 98 sectors.

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#### **Action Plan**

- To support the transition toward higher-value and more specialized services, it is essential
- to strengthen firm capabilities, broaden market access, and improve economies of scale through strategic marketing, trade, and international partnerships. Emphasis will be
- 103 placed on leveraging digital technologies and innovative processes to enhance
- 104 productivity, particularly in low-skilled service areas. This transformation will require
- access to advanced technologies and a skilled workforce to support sustained innovation
- and growth. By integrating technology, investing in training, and nurturing talent, a more
- dynamic yet resilient ecosystem fueled by creativity and innovation will be developed.
- Targeted investments will be strengthened to enhance inter-sectoral linkages, particularly
- in liberalized sectors following amendments to the Public Service Act (PSA), the Foreign Investment Act (FIA), and the Retail Trade Liberalization Act (RTLA). These efforts will
- amplify the positive externalities of technological advancement, skills development, and
- 112 market expansion.

## 113 Updated Strategy Framework

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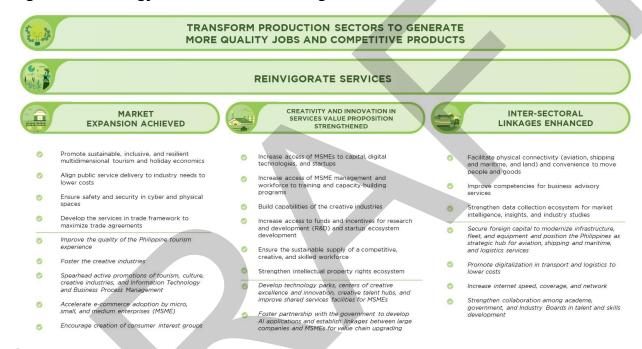
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Building on the existing momentum, the government will intensify the implementation of existing strategies and action plans to transform the services sector through expanding markets, strengthening creativity and innovation in services value proposition and enhancing inter-sectoral linkages. The overall framework of the Chapter has been retained to allow the government, within the remaining Plan period, to implement more targeted efforts on critical strategies such as aligning public service delivery with industry needs to help manage costs, as well as facilitate physical connectivity to support the movement of people and goods.

#### Figure 7.1 Strategy Framework to Reinvigorate Services



# **Strategies**

## **Outcome 1: Market expansion achieved**

- Promote sustainable, inclusive, and resilient multidimensional tourism
- The Department of Tourism (DOT) will train additional tourism personnel under the Filipino Brand for Service Excellence program and will strengthen its implementation of the Philippine Experience Program. Meanwhile, the Tourism Infrastructure and Enterprises Zone Authority (TIEZA) will sustain the development and rehabilitation of various tourist destinations to diversify its product portfolio.
- Local tourism governance will be further improved through the establishment of a clear
- 133 framework that will empower LGUs to promote and sustain creative industry development.
- The partnership with Nayong Pilipino Foundation will be sustained to support the annual
- 135 participation of local tourism officers and stakeholders in the Makanayon Cultural
- 136 Leadership Training.

- 137 Improve the quality of the Philippine tourism experience
- 138 The DOT will strengthen the capacity of its regional offices and LGUs to assist tourism
- enterprises in completing their accreditation process. In addition, the DOT will expand its
- advocacy programs across regions to raise awareness about the benefits, requirements
- and processes outlined in the Updated Guidelines on the Progressive Accreditation
- 142 System.
- 143 Spearhead the active promotion of tourism, culture, creative industries, and the
- 144 information technology and business process management sector
- 145 The unique characteristics of the creative industries will be promoted to impact other
- services sectors such as the country's tourism destinations, while building a distinctly
- 147 Filipino brand of tourism and culture. To support efforts that highlight Filipino creativity,
- 148 the DTI and its attached agencies will continue organizing events, conferences, and
- exhibitions similar to the Manila FAME x Pinyapel, the Gastronomy and sustainable food
- 150 systems conference and exhibition, and various events during the celebration of the
- 151 Philippine Creative Industries Month, among others. The DTI will increase its participation
- in various high-impact international trade fairs, film festivals, and other events showcasing
- 153 Philippine craftsmanship and creativity. A comprehensive development program is also
- in progress to strategically position and promote Filipino creative products and services.
- 155 The DTI will maintain its collaboration with international organizations to support the
- development of the creative industry, leveraging ongoing partnerships with the British
- 157 Council, the ASEAN-Japan Centre and Good Design Award Japan. These efforts include
- 158 the hosting of the Creative Nation Summit and the biennial Good Design Award
- 159 Philippines, aimed at enhancing industry engagement and expanding the visibility of
- 160 Philippine design in global market.
- 161 In partnership with the Asian Development Bank and Technical Education and Skills
- Development Authority (TESDA), the DTI launched the second phase of the SkillsUpNet
- program in February 2025 and will run until November 2026. The program will focus on
- 164 creative industries; agribusiness; renewable energy; electric vehicles; advanced
- manufacturing and robotics; logistics and supply chain; IT-BPM; construction and tourism.
- 166 Building on its initial success, this phase will provide competitive grants to MSME
- employer networks, enabling businesses to upskill their workforce and boost productivity.
- The program is also expected to expand the network's reach across more regions and
- sectors while strengthening its operational frameworks.
- 170 Align public service delivery to industry needs and business models to lower costs
- 171 The DTI will enhance the Business Name Registration System 3.0 by expanding its online
- 172 services to include features for updating of business information and processing
- 173 cancellations. Efforts are also underway to integrate other relevant agencies into the
- 174 system to streamline the overall business registration process. Meanwhile, TIEZA is
- 175 finalizing the development of the Travel Tax Refund and Management System (TTRAMS).
- inalizing the development of the Travel Tax Neturn and Management System (TTTAMO)
- which aims to facilitate efficient processing and management of travel tax refunds. The
- 177 system will also support the auditing of travel tax collections and assessment of
- 178 discrepancies and possible violations by airline companies.
- 179 Ensure safety and security in the cyber and physical spaces
- The full implementation of Republic Act No. 11967, or the Internet Transactions Act (ITA)
- 181 will further promote, develop and regulate a robust e-commerce environment,

- 182 simultaneously building trust between digital platforms, online merchants and online
- 183 consumers. Additionally, the passage of the Cybersecurity Bill will implement
- 184 cybersecurity policies and strategies across government agencies and private sectors.
- 185 The Maritime Industry Authority (MARINA) will enhance the capabilities of its personnel
- to support the operationalization of the Indo-Pacific Regional Information Sharing (IORIS)
- 187 platform. This initiative aims to strengthen the routine planning and coordination of
- maritime operations, and to improve information sharing, surveillance, collaboration, and
- interoperability among agencies at both national and regional levels.
- 190 Develop a services-in-trade framework to maximize trade agreements (See Chapter 9)
- 191 Accelerate e-commerce adoption by micro, small, and medium enterprises
- The DTI will intensify its participation in the annual ASEAN Online Sale Day (AOSD) by
- actively mobilizing Philippine businesses to join the event and expand their market reach
- in the ASEAN region. In 2026, capacity building events will be organized to encourage
- 195 more MSMEs to participate in the AOSD and highlight the potential benefits of e-
- 196 commerce in increasing visibility and market reach.
- 197 Establish secure e-payment systems and ensure consumer and supplier protection online
- 198 to promote trust and confidence in the digital uptake (See Chapter 11).
- 199 In line with Presidential Proclamation No. 353, which designates October as the
- 200 Cybersecurity Awareness Month, the DICT will continue to organize a range of
- 201 cybersecurity-focused events such as the Hack4Gov Championship, Philippine National
- 202 Public Key Infrastructure (PNPKI) User Training, Cybersecurity 101 Training, Critical
- 203 Information Infrastructure Protection (CIIP) Summit, and the META Anti-Scam Campaign,
- among others, to promote greater awareness and understanding of cybersecurity issues.
- 205 Encourage creation of consumer interest groups
- 206 The revision of the 2023 Guidelines on the Recognition of Consumer Organizations will
- 207 allow consumer organizations to be recognized and enhance their involvement in the
- development and review of consumer laws, policies, and programs. Additionally, the DTI
- 209 will continue to provide project assistance to qualified, recognized consumer
- 210 organizations. The DTI Consumer Protection Advocacy Bureau (CPAB) will accelerate
- 211 its consumer awareness programs and implement projects that will encourage
- businesses to promote their compliance with trade and industry laws.

#### 213 Outcome 2: Creativity and innovation in services value proposition

- 214 strengthened
- 215 Increase access of MSMEs to capital, digital technologies, and startups
- 216 Through the implementation of the *ELEV8PH: Cuatro program*, MSMEs will have the
- 217 opportunity to improve their capacities by learning and utilizing core technologies such as
- 218 additive manufacturing, autonomous robots, augmented reality, the Internet of Things
- 219 (IoT), cybersecurity, system integration, big data, and cloud computing. This will be
- complemented by establishing Smart Manufacturing Hubs that will assist MSMEs in
- 221 upgrading their technology.
- 222 Increase access of MSME management and workforce to training and capacity building
- 223 programs
- 224 The digital, management, and entrepreneurship capabilities of MSMEs will be
- strengthened through the Philippine Innovation Hub (iHub), which will serve as a support

- platform for innovation-driven growth. Through the DTI, the iHub will provide access to
- 227 incubation and acceleration programs, shared service facilities, retail and coworking
- 228 spaces, mentorship, and venues for events. It will support MSMEs at every stage of
- 229 development from ideation to global expansion, fostering innovation and
- 230 entrepreneurship in alignment with national innovation policies (See Chapter 8).
- 231 Develop technology parks, centers of creative excellence and innovation, and creative
- talent hubs, and improve shared services facilities for MSMEs
- 233 In partnership with the Intramuros Administration, the DTI-Design Center of the
- 234 Philippines (DCP) will seek to establish a Center for Design Excellence in Maestranza
- 235 under the National Design Policy to promote Philippine heritage and innovation. Building
- 236 Design Center satellite offices will also be pursued in partnership with state universities
- and innovation centers, aligning with the policy to embed design into business
- transformation and growth.
- 239 Existing technology parks such as the Batangas State University, the University of
- 240 Southern Philippines, Bataan Technology Park, Light Industry and Science Park IV will
- 241 receive continued support to strengthen their operations and development. The Philippine
- 242 Economic Zone Authority (PEZA) aims to establish additional Knowledge, Innovation,
- 243 Science and Technology (KIST) parks (See Chapter 6) while the University of the
- 244 Philippines Mindanao seeks to establish its own KIST park.
- 245 Foster partnership with the government to develop AI applications and establish linkages
- between large companies and MSMEs for value chain upgrading
- 247 Private sector investors will be encouraged to participate in the ELEV8PH Research &
- Development (R&D) programs of the DOST to expand the program's business segments
- and increase the number and scope of Al projects that can be accommodated. The Al
- 250 Virtual Hubs, established through the Advancing Computing Analytics, Big Data, and
- 251 Artificial Intelligence in the Philippines (ACABAI-PH), will provide accessible AI tools that
- enable businesses, researchers and communities to utilize transparent and reliable Al
- solutions that enable businesses, researchers, and communities to harness AI solutions.
- 254 By collaborating with industry leaders and research institutions, MSMEs can enhance
- 255 their productivity through access to R & D support, technology upgrading and product
- 256 innovation, technical assistance (e.g., prototype development, pilot-scale production,
- 257 product testing and standard compliance), increased market competitiveness, service
- 258 quality, and reduce operational costs.
- 259 Build the capabilities of the creative industries
- 260 The Philippine Creative Industries Development Council (PCIDC) will spearhead the
- formulation of annual action plans to ensure the effective and strategic implementation of
- the Philippine Creative Industries Development Plan. These will focus on capacity-
- building through training and scholarships; business development support for startups
- and MSMEs; intellectual property protection; infrastructure development, and evidence-
- 265 based policymaking. The plans will also promote creative industries through national and
- 266 international marketing and awareness campaigns. In parallel, the Philippine Creative
- 267 Industries Website (https://www.malikhaingpinoy.ph/) will be enhanced to provide a
- 268 centralized platform for seamless access to information and navigation of comprehensive
- 269 coverage of statistics, events, government programs and benefits related to Philippine

- 270 creative industries; foster interconnectivity among stakeholders and support informed
- 271 decision making.
- 272 Increase access to funds and incentives for R&D and startup ecosystem development
- 273 Incentives and financial support will be offered such as low-interest loans, scholarships,
- 274 research grants, training subsidies to promote startups, digital technology careers,
- innovations, and research projects that address industry needs. Fiscal incentives will be
- 276 provided under the CREATE MORE (Maximizing Opportunities for Reinvigorating the
- 277 Economy) Act, while financial support will be made available through the Innovative
- 278 Startup Act. These legislations support startup entrepreneurs, scientists, and researchers
- 279 to achieve Science, Technology and Innovation (STI) interventions, accelerate the
- transfer and commercialization of generated technologies, and strengthen the capability
- of human resources and institutions to undertake R&D.
- 282 Pursuant to the Philippine Innovation Act, the Startup Venture Fund (SVF) will enhance
- funding agility and ensure the proper evaluation of startups. Through the iHub- Marikina
- 284 Enterprise Center, SVF will attract more potential co-investment partners and investors.
- 285 Ensure the sustainable supply of a competitive, creative, and skilled workforce (See
- 286 *Chapter 4*)
- 287 Strengthen the intellectual property rights ecosystem
- The DTI and its partner agencies will provide capacity building measures in facilitating the
- registration of patents, as well as monitoring and protecting intellectual property (IP) rights,
- traditional cultural skills of Filipino creative industry stakeholders, and indigenous cultural
- communities against infringement. These efforts will be supported by the implementation
- 292 of the IP Awareness Training Program to reach more MSMEs and deepen their
- 293 understanding of the importance of protecting their intellectual property assets.
- 294 The DCP- Innovation and Technology Support Office will enhance its facilitation of
- 295 applications for intellectual property on creative works to support design innovation
- initiatives with local industries across the country.
- 297 Outcome 3: Inter-sectoral linkages enhanced
- 298 Facilitate physical connectivity (aviation, shipping and maritime, and land) and
- 299 convenience to move people and goods
- 300 Efforts will be made to improve access to tourist destinations by developing a sustainable
- and efficient transportation system, and digitizing tourism services to encourage higher
- 302 spending and length of stay across diverse destinations. Integrated transport routes (by
- 303 air, shipping/maritime and land) will be developed and expanded through the
- 304 convergence programs of the DOT in collaboration with the Department of Transportation
- 305 and Department of Public Works and Highways.
- Secure foreign capital to modernize infrastructure, fleet, and equipment and position the Philippines as a strategic hub for aviation, shipping and maritime, and logistics services
- 309 The liberalization reforms from the amendments to the Public Service Act and the Foreign
- 310 Investment Act will be leveraged to attract investments and modernize the transport and
- 311 logistics sectors.

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- The DTI will develop an Investment Prospectus on Logistics to position the Philippines as
- 313 a premier logistics hub in Asia by promoting strategic investments in logistics services,
- 314 infrastructure, and technology. The Prospectus will outline investment opportunities
- 315 across logistics services, including maritime, rail, and last-mile delivery.

#### 316 Promote digitalization in transport and logistics to lower costs

- 317 Develop a fully integrated 24/7 logistics operation system, including an Interoperable
- 318 Logistics Operations System, to establish a seamless and synchronized supply chain
- 319 network capable of operating around the clock. This initiative will address operational
- 320 gaps between public and private sector logistics stakeholders, ensuring that ports, depots,
- 321 warehouses, and regulatory bodies function in unison.

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The use of technology in logistics processes will be increased to improve better integration and cooperation among brokers, carriers, freight handlers, and public sector entities. The full operation of the Harmonized Online Freight Forwarding Accreditation (HOFFA) system will streamline the accreditation process for sea and airfreight

forwarders, reducing redundant requirements and updating outdated guidelines.

#### Increase internet speed, coverage, and network

The expansion of fiber-optic, broadband, 5G infrastructure and satellite technology (See Chapter 12) will be pursued in priority areas identified by key industries, including locations with a high concentration of IT-BPM professionals, tourism and retail clusters, and sites critical to economic activity such as ports, airports, transport terminals, logistics hubs, and creative industry centers. This will be supported by the Konektadong Pinoy Bill, which aims to expand digital infrastructure and improve internet services by encouraging more investments in broadband infrastructure. The bill is designed to open the market, enhance competition, reduce network rollout costs, increase the quality and availability of digital services, and will streamline registration or authorization process for new players to enter the market, especially in underserved areas. The DICT and other relevant agencies will be encouraged to implement initiatives to complement the bill such as (a) push for the enactment of the National Fiber Backbone and Broadband ng Masa (Free Wi-Fi for All); (b) expand satellite connectivity; (c) forge public-private partnerships on digital connectivity; and (d) implement the National Broadband Program.

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#### Improve competencies for business advisory services

- The Board of Investments (BOI) will continue to conduct seminars to build the capacity of LGUs in effectively managing investment promotion and administering incentives. In addition, the data collection ecosystem will be strengthened to support market intelligence, generate insights, and inform industry studies.
- Continuous efforts to improve the Philippine satellite accounts<sup>1</sup> will enhance policymaking,
- resource allocation, and strategic planning by providing more reliable, sector-specific data.
- In parallel, the Philippine Creative Economy Satellite Account (PCESA) will be further

<sup>&</sup>lt;sup>1</sup> Philippine Creative Economy Satellite Account, Philippine Digital Economy Satellite Account, and Philippine Ocean Economy Satellite Account

- refined by utilizing results from the newly developed survey and questionnaire 2 on creatives sector that will be integrated into the Philippine Statistics Authority's Labor Force
- 254 Survey (LES) and Establishment Recod Surveys (ERS). These initiatives will facilitate the
- 354 Survey (LFS) and Establishment-Based Surveys (EBS). These initiatives will facilitate the
- 355 creation of better-targeted development programs and improve access to timely and
- 356 relevant data for decision making.
- 357 Strengthen collaboration among academe, government, and industry boards in talent
- 358 and skills development (see Chapter 4)
- The DICT, in collaboration with the Analytics and Artificial Intelligence Association of the
- 360 Philippines, will develop the Philippine Skills Framework (PSF) for Analytics and Artificial
- 361 Intelligence. The DTI Philippine Trade Training Center is developing the PSF Roll Out
- and Adoption Program to bridge the alignment between the industry requirements and
- 363 the curriculum. The DTI will continue the development of PSF for other priority industry
- 364 sectors.
- On the other hand, TESDA will pursue the integration of technical vocational education
- 366 and training regulations for all senior high school academic track curricula. This will
- 367 support students in acquiring competencies necessary for their eventual absorption in the
- 368 labor force.
- 369 Expand the talent pool through the transfer of international talents and skills, and
- exchange programs for faculty and students (See Chapter 4).
- 371 State universities will be encouraged to enter into partnership agreements with foreign
- universities to strengthen academic ties and facilitate the exchange of talents and skills.
- 373 For instance, the University of the Philippines Los Baños (UPLB) and Rizal
- 374 Technological University (RTU) partnered with Handong Global University (South Korea)
- and National Kaohsiung University of Science and Technology (Taiwan), respectively, to
- 376 broaden global exposure of their students and faculty members.

## **Targets**

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- 378 Despite the significant contribution of the services sector to the economy, challenges
- 379 persist in meeting labor productivity targets. The sector's relatively slow adoption of
- 380 technology, combined with the concentration of employment in low-skilled subsectors,
- has hindered its growth in 2023 and 2024. To address these issues, greater efforts are
- 382 needed to support the sector's modernization, alongside targeted initiatives to upskill and
- reskill the workforce. These measures are essential to attracting investments that creating
- 384 higher-value employment opportunities.
- In contrast, Philippine tourism has demonstrated continued recovery, with its gross value
- 386 added (GVA) meeting the 2023 target. However, tourist arrivals remain below pre-
- 387 pandemic levels, resulting in a tourism direct GVA of PHP2.1 trillion in 2023, still lower
- than the PHP2.5 trillion recorded in 2019. Accelerating the tourism sector's full recovery
- 389 will require stronger collaboration among the DOT, relevant government agencies and
- 390 industry stakeholders to enhance promotion efforts and improve the overall tourism
- 391 experience.

<sup>&</sup>lt;sup>2</sup> The survey and questionnaire aim to generate more comprehensive data on creative industries. The results will feed into PSA's Creative Industries Satellite Account (CISA) to support more accurate measurement of the sector's contribution to the economy.

#### **Table 7.2 Results Matrix: Reinvigorate Services**

Indicator <sup>3</sup>	Baseline Value (Year)	Accomplishment		Updated Targets				Responsi ble
		2023	2024	2026	2027	2028	Means of Verificati on	Agency/ Inter- agency body
Gross Value- Added growth rate in services sector improved (%)	9.2 (2022)	7.1	6.7	6.0-7.0	6.0-7.0	6.0-7.0	National Income Accounts (NIA)	DTI
A) Labor productivity in services improved (%)	0.2 (2022)	3.2	2.2	4.0-5.0	4.0-5.0	4.0-5.0	NIA, Labor Force Survey (LFS)	DOLE
No. of MSMEs doing e-commerce increased	172,189 (2020- 2022)	252,730	185,744	200,000 – 300,000	200,000 – 300,000	200,000 – 300,000	DTI-ROG Administr ative Data	DTI
Tourism Direct Gross Value Added increased (in PHP billion)	1,411.7 (2022)	2,088.2		3,196 – 4,299	3,664 – 5,094	4,249 – 6,136	Philippine Tourism Satellite Accounts (PTSA)	DOT
Tourism Gross Fixed Capital Formation increased (improved)	23.7 (2022)	34.3		10.0-15.0	10.0-15.0	10.0-15.0	PTSA	DOT

Green: Exceeded target;

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Red: Missed target;
Yellow: Met or expected to meet the target.
Orange: Revised target;

Pink: New indicator.

# Legislative Agenda

The following legislative agenda will be pursued for the rest of the Plan period. 399

#### Table 7.3 Legislative Agenda to Reinvigorate Services

Legislative Agenda	Rationale/Key Features	Responsible Agency
Konektadong Pinoy Bill	Expand digital infrastructure and improve internet services by	DICT
(formerly Open Access in Data Transmission Act)	encouraging more investments in broadband infrastructure.  The bill is designed to open the market, enhance competition,	
	reduce network rollout costs, and increase the quality and	
	availability of digital services. The bill also removes the requirement for a legislative franchise to build and operate	
	data transmission infrastructure and will streamline	
	registration or authorization process with the National Telecommunications Commission for new players to enter	
	the market, especially in underserved areas.	
Satellite-Based	The Bill aims to enhance internet access nationwide,	DICT
Technologies for Internet Connectivity Act	particularly in underserved and remote areas. The bill seeks	

<sup>&</sup>lt;sup>3</sup> (list the removed indicators in this footnote with a brief justification)

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	to promote the use of satellite-based technology to bridge the digital divide and promote inclusive economic development.	
Cybersecurity Act	Enhance national cybersecurity by designating the National Cybersecurity Inter-Agency Committee (NCIAC) as the central authority for all cybersecurity matters and mandating regular risk assessments, updated cybersecurity protocols for government employees, and stronger public-private collaboration.	DICT
Amendments to Republic Act No. 8293 (Intellectual Property Code of the Philippines, and for Other Purposes)	Commercialize technologies and support the development of creative industries. This will enhance the attractiveness of the Philippines as an investment destination that places high value on intellectual property creation, protection, utilization, and commercialization, as well as prevent piracy in the physical and digital markets	IPOPHL
International Maritime Competitiveness Act (International Maritime Trade Competitiveness Act)	Addresses the expensive shipping rates in the Philippines due largely to the imposition of "excessive, arbitrary, and unreasonable" shipping charges by foreign shipping lines, such as the "destination and origin charges," container deposit fees, container cleaning fees, detention and demurrage charges, and port congestion charges.	MARINA
Philippine Ship Registration Act	Provide a legal framework for ship registration, enforcement of maritime claims, and limitations of liability, along with essential incentives to promote a robust Philippine ship registry system.	MARINA