

# Trend of Share of Domestic Tourism Expenditure to Household Final Consumption Expenditure

Cheyserr C. Lelis

Faculty, College of Technology, Surigao del Norte State University, Surigao City, Philippines

**Abstract:** *This study employs a data-driven research methodology to investigate the evolving proportion of domestic tourism expenditure in relation to household final consumption expenditures in the Philippines over the period from 2000 to 2022. Leveraging secondary data from the trusted Philippine Tourism Satellite Account, managed by the Department of Tourism, this research provides a comprehensive analysis that spans both pre-pandemic and pandemic periods, offering insights into trends, fluctuations, and the influence of significant events on the interaction between these variables. The focal point centers on the dynamic relationship between share of domestic tourism expenditure to household final consumption expenditure and time, scrutinized through the lens of linear regression analysis, renowned for its ability to unveil linear trends over time. The years from 2010 to 2019 exhibited substantial growth, reflecting a growing preference for domestic travel, potentially influenced by government initiatives, infrastructure improvements, and rising incomes. However, the COVID-19 pandemic severely impacted the industry in 2020, highlighting its susceptibility to external shocks. While some recovery has occurred in subsequent years, figures remain below pre-pandemic levels, posing challenges for the sector's revival. The regression analysis indicates a gradual annual increase in the growth rate, but only about 26.2% of this variability can be attributed to the linear relationship with time, emphasizing the influence of other factors. Policymakers and stakeholders must consider these dynamics to foster domestic tourism growth in the Philippines, particularly in the post-pandemic era.*

**Keywords:** Philippine Tourism, Domestic Tourism, Tourism Expenditures, Household Final Consumption Expenditures

## REFERENCES

- [1]. Alam, M. S., &Paramati, S. R. (2016). The impact of tourism on income inequality in developing economies: Does Kuznets curve hypothesis exist?. *Annals of tourism research*, 61, 111-126. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0160738316301281>
- [2]. Bangwayo-Skeete, P. F., & Skeete, R. W. (2022). Modelling tourism resilience in small island states: A tale of two countries. In *Island Tourism Sustainability and Resiliency* (pp. 75-96). Routledge. Retrieved from <https://www.taylorfrancis.com/chapters/edit/10.4324/9781003280521-6/modelling-tourism-resilience-small-island-states-tale-two-countries-prosper-bangwayo-skeete-ryan-skeete>
- [3]. Barrot, L. D., Calderón, C., & Servén, L. (2018). Openness, specialization, and the external vulnerability of developing countries. *Journal of Development Economics*, 134, 310-328. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0304387818304425>
- [4]. Li, H., Chen, J. L., Li, G., & Goh, C. (2016). Tourism and regional income inequality: Evidence from China. *Annals of Tourism Research*, 58, 81-99. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0160738316300111>
- [5]. Nassani, A. A., Aldakhil, A. M., Abro, M. M. Q., Islam, T., & Zaman, K. (2019). The impact of tourism and finance on women empowerment. *Journal of Policy Modeling*, 41(2), 234-254. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0161893818301510>
- [6]. World Travel and Tourism Council (2016). DOMESTIC TOURISM IMPORTANCE AND ECONOMIC IMPACT. Retrieved from <https://wtcc.org/Portals/0/Documents/Reports/2018/Domestic%20Tourism-Importance%20Economic%20Impact-Dec%202018.pdf?ver=2021-02-25-182514-683>

