



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Economic Effects of Pandemic on Tourism Industry of the Heart of Asia, Municipality of Puerto Galera, Philippines

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DOI: 10.55248/gengpi.4.623.45329

ABSTRACT

The pandemic of COVID-19 has had a significant impact on the tourism industry. A desk review of secondary materials, online blogs, and electronic interviews was used to collect data for the meta-analysis. The corona virus disease outbreak, according to the study's findings, had a significant impact on the Heart of Asia, Municipality of Puerto Galera, Philippines, causing the tourism and hotel industries to close. Furthermore, the COVID-19 threat increased hotel and travel booking cancellations, resulting in capital loss, unemployment, and a significant revenue loss for the municipal government, all of which contributed to the rise in poverty. As a result, service and product diversification should be provided, and sector business operators should be assisted in returning to normal operations.

Keywords: Heart of Asia, Municipality of Puerto Galera, Philippines; COVID-19; Tourism and Hotel Sector

Introduction

Tourism is the temporary movement of people to places other than their usual places of work and residence, the activities they engage in while there, and the facilities and services constructed to meet their needs [1]. People who spend more than 24 hours in another country were defined as tourists [2]. It covers tourist motivations and experiences, reception area residents' expectations and adjustments, and the various agencies and institutions that serve as intermediaries [3]. Tourism is a multifaceted phenomenon that involves visiting and staying in places other than one's usual residence.

The majority of human mobility in the modern world is accounted for by tourism. For the tenth year in a row, international tourism has grown, with 1.5 billion international tourist arrivals in 2019 and an estimated 1.8 billion international tourist arrivals by 2030 [4]. Tourism is quickly becoming a major source of employment, significantly contributing to the domestic economies of many countries worldwide. As a result, despite the fact that tourism arrivals have been gradually contributing to economic development in recent years, the municipality of Puerto Galera in the Philippines has not taken advantage of the great potentials in the tourism industry over the years.

The tourism industry is the lifeblood of Puerto Galera. It is the primary source of income for the residents as well as a significant source of revenue for the local government. Tourist arrivals have increased, and the municipality faces the challenge of turning the tourism boom into a sustainable activity by developing the town's infrastructure and environmental protection program as the Philippines "Heart of Asia."

Many other economic sectors are intertwined with the tourism industry, including hotels, community level operations, education, finance, agriculture, medical, travel and transportation, construction, real estate, retail, and so on. Because tourism has such a large impact on the domestic economy, it is critical to consider how the industry's reliance will shape the recovery of its main subsectors after the pandemic has passed. Tourism generates significant revenue in exchange for goods and services, accounting for a sizable portion of global goods and services exports. It also generates numerous job opportunities in the economy's tourism-related service sector.

COVID-19 is having an unprecedented impact on Puerto Galera's tourism industry. Because the outbreak's final scope has yet to be determined, the full extent of the damage is unknown. However, travel restrictions and social distancing policies have had a significant impact on the industry. The purpose of this study, on the other hand, is to assess the impact of COVID-19 on the tourism and hospitality sectors in Puerto Galera in order to identify areas that will require critical intervention as the municipality grapples with measures to revitalize the economy and mitigate the impact of COVID-19 on the municipality's economy.

Methods

The meta-analysis relied heavily on secondary research to identify existing literature on COVID-19 and its impact on the domestic economy and tourism in the Heart of Asia, specifically the Municipality of Puerto Galera in the Philippines. Newspapers, broadcast media, and blogs were among the online resources used. Individual tourism and hospitality industry leaders were also interviewed via social media chat. The generated data was content-analyzed.

Results and Discussion

As part of the Enhanced Community Quarantine (ECQ) that began on the island on March 16, the Philippine government closed the Luzon airports on March 20. As a result, fewer tourists arrived in Puerto Galera in the first quarter of 2020. The municipality's tourism industry began to see the pandemic's detrimental effects on its performance far earlier. The number of international tourists arriving in the Philippines has been impacted by travel restrictions and procedures that have been in place since January of this year. On the other side, local domestic tourists also restricted their travel out of concern over COVID-19. International visitor receipts decreased in the first quarter of the year, falling short of revenues in the same period, according to the municipality's Department of Tourism.

The majority of respondents to the LGU Puerto Galera 2020 annual report stated that they are extremely concerned about COVID-19's potential to have a substantial impact on their business operations. Such a finding is not unexpected given that only companies offering critical services and goods were permitted to function under the ECQ. The majority of respondents state that they temporarily stopped providing a service or product, reduced the level of operations, and decreased the number of employees due to the low demand and constraints.

As a result, COVID-19 has had an impact on how visitors perceive travel risk and management, as well as how risk management, service delivery, transportation patterns, distribution channels, avoiding crowded places to visit, hygiene, and safety are all affected. Travelers say that the COVID-19 pandemic has exacerbated their health concerns and caused them to rethink their trip plans. In the post-epidemic period, travelers are concerned about how the Covid-19 pandemic may affect their travel plans and preferences.

Due to the pandemic situation, hotels near Puerto Galera are experiencing cancellations of reservations. As a result, the hotel business lost a lot of money, which mostly affected the workers. Therefore, the cancellation of hotel reservations and the situation of hotel employees can be used to assess the COVID-19 pandemic's effects on the hospitality sector. In every municipality, the hotel sector had a sharp decline in municipal income per available room. In March 2020, hotel occupancy rates fell sharply, from 20% to over 70% across the municipality.

After the COVID-19 pandemic, tourists will return to the Heart of Asia, the Municipality of Puerto Galera in the Philippine Province of Oriental Mindoro. The municipality should, however, take advantage of this opportunity to rebuild the sector by helping the participants digitalize and upskill, reevaluating their business models, and ensuring that all safety and health laws are adhered to. One of the projects the municipality should prioritize is promoting ecotourism in order to revive the sector. Despite the municipality's current issues, the residents of Puerto Galera should not lose sight of the fact that, in the past, they were able to grow the tourism industry and make it one of the main drivers of the local economy. Localities can be assured that, as a result of the municipality's increased commitment, the tourism industry will continue to develop after this pandemic.

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