An Assessment of the Role of Taxation in Promoting Travel and Tourism Growth in the APEC Region

Purpose: Information
Submitted by: Philippines
An Assessment of the Role of Taxation in Promoting Travel and Tourism Growth in the APEC Region
(Proposal prepared by Philippines, Korea, Mexico, UNWTO, WTTC, OECD, IATA, PATA and USAID in the Philippines)

43rd APEC Tourism Working Group Meeting
13-14 August 2013, Koh Samui, Thailand

Outline of Presentation

- Objectives
- Alignment with APEC Priorities
- Timeline and Outputs
- TWG participation
Objectives

- Assess the impact of current taxation measures as well as any modifications/changes in relation to travel and tourism demand, revenues and job creation in APEC
- Evaluate the comparative position of taxation levels in the travel and tourism industry against taxes imposed on other economic sectors
- Determine the degree of inhibition to regional economic integration and growth by taxation policies

The Need for TRANSPARENT, FAIR and EQUITABLE taxation for travel and tourism industry

Alignment with APEC Priorities

- APEC Tourism Strategic Plan for 2011-2015
- Khabarovsk Tourism Ministers Declaration
- TWG Medium Term Action Plan
- TWG Project on Business Growth Opportunities in the New APEC Economy

- Address impediments to tourism growth
- Build a conducive and transparent environment to stimulate tourism demand
- Work with international organizations and other APEC Fora
- Compile information and best practices for better decision making
**Tourism and Taxation**

Taxes collected from tourists and tourism businesses

Improve the destination infrastructure, transport services, health and safety and security

Create opportunities for local communities thru better education and skills development

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**Timeline and Outputs**

<table>
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<tr>
<th>Components</th>
<th>Timeline</th>
<th>Outputs</th>
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<tbody>
<tr>
<td>Inventory of taxation policies</td>
<td>1-6 months</td>
<td>Compilation of tax measures</td>
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<td>Empirical assessment of selected taxes</td>
<td>1-3 months</td>
<td>Tax model analysis for selected tax per participating economy</td>
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<td>Draft analysis for consultation with participating economy</td>
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<td>Comparative evaluation of taxes for travel and tourism and other sectors</td>
<td>1-3 months</td>
<td>Mapping of comparative position of tax measure viz other sectors</td>
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<td>Final report and recommendations</td>
<td>1-3 months</td>
<td>Final report for presentation during the APEC conference on tourism and taxation</td>
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TWG Participation

- Selection of six participating economies (developing, transition and developed)
  - Respond to questionnaire and provide data on tax structure and levels
  - Organize consultation forum with national statistics office, ministry of finance, etc.
  - Provide comments and inputs in the tax model analysis in the TWG presentations

- Participation in the APEC conference on tourism and taxation to be held in the Philippines in 2015

- Advocacy on transparent, fair and equitable taxation for tourism

Thank you for your attention!