

## Philippines

### More Chinese tourists?

- The Department of Foreign Affairs will provide Chinese nationals with visa-free entry into the Philippines for up to two weeks.
- This measure is consistent with our view that competition for tourism across ASEAN will intensify with more schemes being introduced across different nations.
- This is in a bid to bolster Chinese tourists, which has been the lowest for the Philippines compared to regional peers. The Philippines will however need to do more.
- The visa-free effort will need to be complemented with better tourism infrastructure including travel tours and logistic requirements, much like Thailand, Vietnam or Malaysia, which sees significantly higher Chinese tourism.

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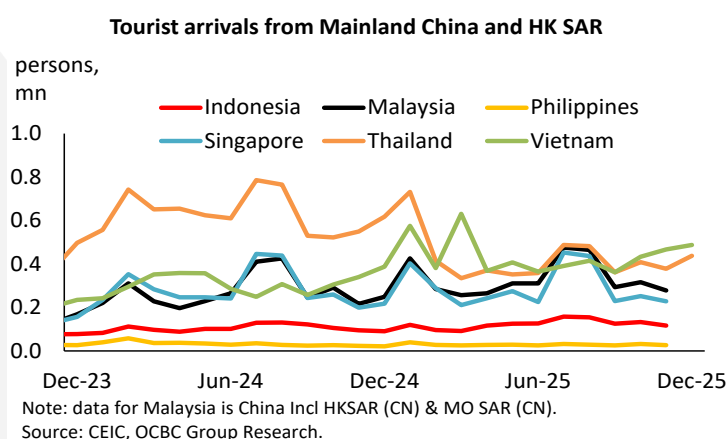
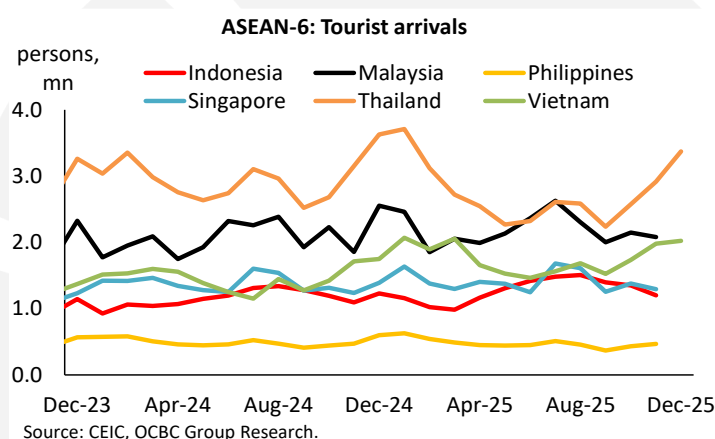
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The Department of Foreign Affairs will allow Chinese nationals to enter the Philippines without a visa for a period of 14 days, effective 16 January 2026. The agreement is effective for one year. According to the official statement, the directive is “to facilitate trade, investments, and tourism, as well as strengthen people-to-people exchanges between the Philippines and China.”

Tourist arrivals into the Philippines were the lowest among ASEAN peers at 5.2mn for January to November 2025. Over the same period, Thailand saw tourism inflows of 29.6mn persons, followed by Malaysia at 24mn and Vietnam at 19.1mn. Full year 2025 numbers for Thailand and Vietnam show a further uptick in December, taking tourism inflows to 33mn and 21.2mn, respectively. Within this, the share of Chinese tourists was also the lowest for the Philippines at 6.1% of total inflows compared to 25% for Vietnam and just above 15% for Thailand and Malaysia.

This measure announced by the Philippines’ authorities is consistent with our view that competition for tourism across ASEAN will intensify with more schemes being introduced across different nations (see *ASEAN-5: Our key themes for 2026*, 13 January 2026). However, the impact of this policy change will likely take some time to yield results for the Philippines. Regional partners including Malaysia, Thailand and Vietnam have well established tourism infrastructure to support Chinese tourism including tour arrangements, accommodation and food requirements. This suggests that the Philippines would have to expedite setting up of this tourism infrastructure to compete for Chinese tourists with Malaysia, Thailand and Vietnam.

The runway for this better tourism infrastructure to develop could be long considering that the basic infrastructure needs could also be impacted by the ongoing the challenges associated with the corruption scandals. We are, therefore, maintaining our Philippines 2026 GDP growth forecast of 5.5% at this juncture. Our base case view remains for Bangko Sentral ng Pilipinas to stay on a prolonged hold through 2026, but the door remains open for further easing should GDP growth continue to disappoint.



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