

# Recto touts gov’t record in containing inflation

THE GOVERNMENT kept inflation low in 2025, protecting the public from the erosion of its purchasing power, Executive Secretary Ralph G. Recto said on Sunday.

Lower food prices, particularly for rice, have been the main driver, easing pressure on low-income households, he said in a statement.

“To put this in perspective, a 6% inflation rate means that your P100 can buy only about P94 worth of goods and services. But with inflation down to just 1.6% in 2025, that same P100 can now buy about P98.4 worth of goods and services,” according to Mr. Recto, who was recently appointed Executive secretary after having headed the Department of Finance.

“That’s why this is very important for every Filipino family, especially the poor. When inflation is low, we can keep basic goods affordable, particularly food,” he added.

Economic expansion is expected to come in at about 5% to 5.1% this year, according to the Asian Development Bank, World Bank and International Monetary Fund (IMF), exceeding expected growth in most of Southeast Asia, he noted in a statement.

The IMF projects the Philippines to be among the fastest-growing economies in the region by 2026 alongside Vietnam.

The government has focused on stabilizing prices and securing the food supply as the key to preserving purchasing power, Mr. Recto said.

The Department of Agriculture (DA) has rolled out a subsidy program offering rice at P20 per kilogram to eligible beneficiaries, mostly vulnerable members of society, he noted.

As a result, inflation for the bottom 30% of households by income fell to minus 0.2% in November, the sixth straight contraction, he said.

The benign inflation environment has also expanded policy space for the Bangko Sentral ng Pilipinas, allowing it greater flexibility to adjust interest rates to support consumption and investment, he said.

Mr. Recto noted that S&P Global Ratings recently reaffirmed the Philippines’ “BBB+” investment-grade rating with a “positive” outlook, citing low and stable inflation. — **Chloe Mari A. Hufana**

# NSCR O&M contract seen attracting strong interest from bidders — DoTr

THE Department of Transportation (DoTr) said it is confident the operations and maintenance (O&M) contract for the North-South Commuter Railway (NSCR) will generate strong interest, with five prospective bidders signifying their intent to bid so far.

“There were companies that have paid the participation fee to bid; I think about five or more. We are on track on this and (we are) confident that companies will bid,” Transportation Undersecretary Timothy John R. Batan told *BusinessWorld*.

Last week, the Transportation department said potential bidders attended the pre-bid conference for the project, which included San Miguel Corp. and the Lopez group’s construction company First Balfour, Inc.

Foreign companies that attended the pre-bid conference were Tokyo Metro Co., Ltd., Japanese rail operators JR East and JR West, as well as Mitsubishi Corp., and Sumitomo Corp.

The DoTr said that French transport companies Group S.A., RATP Group, Keolis S.A., and Alstom also attended the pre-bid conference.

“The President giving clearance for (public-private partnerships to bid for) the operations and management of the NSCR shows the administration’s trust in private firms to handle the country’s biggest railway system. The high turnout also signals investor confidence,” Transportation Acting Secretary Giovanni Z. Lopez said in a statement.

According to the instructions to prospective bidders, the final O&M concession agreement will be released on April 30, 2026. Bids will be accepted by May 29 at 11 a.m., according to the PPP Center.

To qualify for the project, the bidder must have a minimum net worth of P114.65 billion or its equivalent in foreign currency as of the 2024 financial year. For consortia, the lead member of the group must have an equity interest of at least 34% of both

voting and non-voting shares of the O&M concessionaire, the DoTr said.

Bidders including consortium members or affiliates must include at least one entity with 10 years of experience in rail operations, specifically in managing a rail line that handles at least 45,000 passengers per hour in each direction.

At least one entity must have eight years of experience in maintaining railway infrastructure and systems, including the use of a computerized maintenance management system, and another must have eight years of experience in track and civil infrastructure maintenance.

The NSCR O&M deal will cover 15 years from the signing date of the contract, the DoTr said.

The 147-kilometer NSCR will connect Malolos, Bulacan with Clark International Airport, and Tutuban, Manila with Calamba, Laguna. The P873-billion project is co-financed by the Japan International Cooperation Agency and the ADB. It will have 35 stations and three depots. — **Ashley Erika O. Jose**

# Advancing orthopedic surgery through technology

Orthopedic issues affect millions of people worldwide, from young athletes recovering from sports injuries to older adults dealing with degenerative joint conditions.

Dr. Alan Cheung, an orthopedic surgeon at Mount Elizabeth Novena Hospital, says the nature of these conditions often varies by age. Younger individuals typically experience ligament and meniscus injuries. Shoulder injuries are also common, especially among those involved in contact sports or repetitive overhead movements.

Older adults, however, face joint wear-and-tear, leading to osteoarthritis. Dr. Cheung attributes the rise in osteoarthritis to increased life expectancy, explaining that cartilage, like a car tire, does not regenerate. Once it wears out, joint stiffness and pain set in, often leading to joint replacements.

“Osteoarthritis is more common now worldwide because people are living longer,” the surgeon explained. “If you live long enough, your joints will wear out, and that usually starts in our early 50s. The average age of someone having a joint replacement of their knee or hip is usually in their 60s.”

Genetics also contributes in the development of osteoarthritis. People with a family history of joint problems are more likely to experience similar issues.

“If you look at your parents and they have bad knees, unfortunately, you could also have bad knees,” said Dr. Cheung. “But at least you can be more aware and try to do things to prevent or reduce the risk of osteoarthritis from happening.”

Sports injuries, when ignored or improperly treated, can accelerate joint degeneration, according to the orthopedic surgeon. Over time, the wear-and-tear on the joint progresses can lead to chronic pain and mobility issues.

“[Individuals] who neglected or ignored injuries years ago, their joint wears out quicker over time; so they [may develop] osteoarthritis at an earlier age,” he added.

**Enhancing precision and recovery**

Dr. Cheung’s expertise in advanced robotic surgery, including the use of MAKOpasty, Robodoc, and NAVIO systems, places him among the few surgeons in Asia trained in these cutting-



Dr. Alan Cheung



edge technologies. These systems offer a more precise and personalized approach to surgery — something unimaginable a few decades ago.

For patients with severe osteoarthritis, traditional treatments like physiotherapy or injections may not provide relief. When these conservative methods fail, joint replacement surgery becomes necessary.

“In the past, [surgeries] were all done manually by hands and using the human eye. But nowadays, we have more advanced robotic technology so that surgeons like me can come along and plan very carefully,” he noted. “Using robotic technology in surgery is similar to solving a complex equation. You can do it by hand on a paper or with an abacus, but using a computer makes it more accurate, faster, and ultimately get better results in the long term.”

Robotic systems allow surgeons to perform intricate procedures with higher precision. They also minimize the amount of tissue removed, reducing the risk of complications.

Such surgeries, according to Dr. Cheung, involve less trauma to the body and, in many cases, a faster return to normal activity. Patients can often begin walking almost immediately after surgery, as the technology promotes smoother healing.

“Patients have misconceptions about surgery that it’s going to take a long time, it’s going to be extremely painful, and it will take a long, long time to recover,” he added. “But [robotic-assisted surgery] can be a very effective way of taking away the pain almost instantly, and the recovery can be pretty rapid.”

**Prioritizing healthcare needs**

For many, the thought of surgery brings uncertainty about what will happen, what to expect during recovery, and how it will change their lives. Dr. Cheung understands that the decision to undergo surgery is not an easy one, especially when patients have exhausted all other options.

“I describe how the process works very carefully so patients understand,” he explained. “Once you understand what’s going to happen, then you don’t have to fear the unknown.”

Dr. Cheung uses video testimonials from patients who have undergone the procedure to show how quickly they return to normal life. He personally introduces new patients to those who have successfully undergone similar surgeries.

On the other hand, the surgeon emphasizes the importance of addressing joint pain and sports-related injuries early, urging individuals to take proactive steps to safeguard their health.

“Don’t ignore your pain. If you do, you may have just picked up an injury that will trouble you 20 years down the line. At least see a physiotherapist or a sports doctor to get it checked out thoroughly,” he advised. “For older individuals, get checked out regularly every year to make sure things aren’t deteriorating at a rapid pace.”

Dr. Cheung is one of the key figures at Mount Elizabeth Novena Hospital, which offers patients access to cutting-edge care.

“The expertise here is unparalleled,” he noted. “We have doctors who trained all over the world, like in the United Kingdom, the United States, and Australia.”

Located in Singapore, Mount Elizabeth Hospital is known for its world-class medical facilities. Patients can expect top-tier care, equipped with advanced medical technologies, including robotic systems that are often unavailable in many other countries.

For inquiries, please contact Mount Elizabeth Hospital’s patient assistance center, IHH Healthcare Singapore — Philippine Office, located at G/F-B, Marco Polo Hotel, Meralco Avenue and Sapphire Street, Ortigas Center, Pasig City 1600; e-mail manila.ph@ihhhealthcare.com; or call 0917-526-7576.

# Embodying resilience in a disrupted world

**IN BRIEF:**

- Volatility is a current feature of the global economy, and CEOs are redesigning their businesses with confidence that they can operate effectively in this environment.
- Companies are adopting hybrid operating structures that balance global scale with regional and local resilience, creating new opportunities and competitive pressures for the Philippines and such other markets that can serve as demand hubs for global companies.
- As companies rethink

how to serve Asian markets, the country’s large domestic consumer base, young demographics, English-speaking workforce, and improving infrastructure make it a credible destination for localized and regional operations.

For decades, globalization rewarded scale, cost efficiency and geographic dispersion. That model is now under pressure. Trade tensions, industrial policy shifts, regulatory divergence and geopolitical disputes have turned volatility from an episodic risk into a current feature of the global economy.

What is striking is not that disruption persists, but how decisively corporate leaders respond. According to the latest EY-Parthenon CEO Outlook Survey, 57% of global CEOs expect geopolitical and economic uncertainty to extend beyond the following year, yet confidence is rising, not falling. The CEO Confidence Index climbed to 83 in September, suggesting that leaders believe their organizations are better equipped for this scenario than they were a year ago.

Proactive CEOs embrace disruption as a catalyst for change. Rather than retreating in the face of challenges, over half of surveyed leaders (52%) are increasing their investments to accelerate portfolio transformation, recognizing that adapting to shifting market dynamics is essential for long-term success.

In the Philippines, while CEO optimism may be affected by some other local concerns, the leading CEOs are expected to continue their strategic investments in portfolio transformation and long-term value creation. For instance, in real estate, the leading players are heavily investing to reimagine and redevelop their existing malls and build new ones over the next few years. They are looking to unlock the full potential of their retail spaces by creating greener, more innovative and vibrant spaces for better lifestyle experiences and connections.

In banking, the race toward digital banking continues to heat up as close to half of the population remains unbanked and presents a significant opportunity for both the incumbents and new entrants to the digital banking space. These players are expected to continue making strategic investments to build or acquire new capabilities needed for them to get ahead of competition.

In the restaurant space, the country’s leading quick service restaurant (QSR) chain is expected to continue optimizing its brand portfolio and accelerating its international expansion.

Alongside a focus on transformation, CEOs are also balancing short-term financial performance with long-term value creation. This dual approach helps in navigating immediate challenges while building trust and strengthening stakeholder relationships. In fact, 41% of CEOs are transforming their portfolios specifically to improve financial performance, underscoring the importance of strategic investment in a rapidly changing environment.

For the leading CEOs, volatility is no longer something to be waited out. It is increasingly treated as a strategic input, shaping how firms allocate capital, structure supply chains, and deploy technology.

**FROM REACTION TO STRATEGY**

One of the clearest strategic responses emerging from the survey is the move toward localization and regionalization. Nearly three-quarters of CEOs report localizing at least part of their production within the country of sale. At the same time, just over half have reorganized supply chains around regional blocks.

This is not a short-term hedge against tariffs or election cycles. Up to 72% of CEOs say localization is now a long-term strategy. The pandemic exposed the vulnerability of overly centralized supply chains, and subsequent geopolitical challenges confirmed it. Many executives concluded that efficiency without resilience is no longer effective.

For the Philippines, this shift creates both opportunity and pressure. As companies rethink how to serve Asian markets, the country’s large domestic consumer base, young demographics, English-speaking workforce, and improving infrastructure make it a credible destination for localized and regional operations. At the same time, competition within ASEAN for investments has intensified.

**DIFFERENT GLOBALIZATION**

Localization should not be confused with retreat. Few multinational companies are abandoning global scale altogether. Instead, they are pursuing hybrid operating models, maintaining centralized advantages where they matter while decentralizing production, sourcing and decision-making closer to end markets.

In practice, this means that global companies are increasingly viewing markets like the Philippines not simply as export platforms or cost centers, but as demand hubs. Production closer to consumers reduces logistics costs, shortens lead times and mitigates exposure to trade disruptions. It also enables faster response to local preferences, regulatory changes and competitive dynamics.

## SUITS THE C-SUITE

NOEL P. RABAJA

**As global CEOs redesign their strategies for a volatile world, markets that combine demand growth, talent availability and improving digital infrastructure are gaining relevance.**

For companies serving Southeast Asia, regionalization often means designing supply chains that can flex across ASEAN rather than relying exclusively on distant hubs. The Philippines, with its strategic location and improving connectivity, can play a more prominent role in these regional networks, provided policy stability and ease of doing business continue to improve.

## LOCALIZATION OF TECHNOLOGY AND DATA

Technology and data stand out as the business areas where localization and regionalization are most advanced. According to the survey, 41% of CEOs are localizing technology and data operations while 44% are regionalizing them, both higher than in any other function.

This reflects a structural change in how scale is achieved. Automation, cloud computing and artificial intelligence have reduced the need for massive, centralized hubs. Digital platforms allow companies to maintain global standards while tailoring products, services, and processes locally.

For the Philippines, this trend is particularly consequential. The country has long played a role in global services, notably business process outsourcing. However, the nature of that role is changing. As companies regionalize technology, data analytics and digital operations, the opportunity shifts from labor arbitrage to capability-building in software development, data management, cybersecurity and AI-enabled services.

Regulation is also an important driver. Governments worldwide are asserting greater control over data, digital infrastructure and technology ecosystems. Localizing data and technology operations helps companies comply with evolving data privacy and digital sovereignty rules. Jurisdictions that offer regulatory clarity and digital infrastructure stand to benefit.

Beyond operational efficiency, localization increasingly serves a reputational and political function. Operating closer to customers and communities improves transparency and strengthens relationships with regulators and policymakers.

In the Philippines, where foreign investment is sometimes subjected to public scrutiny, visible commitment to local employment, skills development and sustainability can materially affect a company’s license to operate. Trust has become an economic asset that can lower operating risk and improve long-term returns.

## DEAL-MAKING SHIFT

The landscape of mergers and acquisitions (M&A) is also evolving. The survey also points to sustained interest in deal-making, though with a notable shift in form. Rather than large-scale acquisitions, CEOs increasingly favor alliances, joint ventures and targeted investments, particularly in technology and intellectual property.

This trend allows companies to share risks and access new markets or technologies without the full commitment of ownership. In a regulatory environment that scrutinizes traditional mergers, these partnerships provide a more agile path to innovation and growth.

More than half of CEOs are investing to accelerate portfolio transformation, viewing it as central to long-term value creation. In the Philippines, while we still see more of traditional M&As in the deal market, partnerships sometimes provide faster market entry, better regulatory navigation and access to local knowledge than outright acquisitions.

Just recently, we saw one of our largest local conglomerates entered into various partnerships in some of the sectors that they are in — retail, logistics, and healthcare.

We may soon see more of our major local players also entering into strategic partnerships. This preference for modular growth reflects a broader desire for flexibility.

## NAVIGATING A VOLATILE BUSINESS LANDSCAPE

By investing in transformation, balancing immediate and long-term goals, embracing localization, and exploring strategic alliances, CEOs are not just surviving but actively shaping the future of their industries. Their proactive mindset and commitment to resilience position them to capture opportunities and drive growth in an ever-evolving business landscape.

Taken together, the trends discussed suggest that the Philippines stands at an inflection point. As global CEOs redesign their strategies for a volatile world, markets that combine demand growth, talent availability and improving digital infrastructure are gaining relevance. The opportunity is there, but capturing it will require policy consistency, continued investment in infrastructure, and a focus on digital capability development.

The lesson is clear: volatility is not a pause button on growth. It is a filter, separating organizations and markets that can adapt from those that cannot. Companies that succeed will be those that treat uncertainty not as an obstacle, but as a design constraint to build with accordingly.

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