Negotiations start for 3 bundled regional airports

THE Department of Transportation said it entered the negotiation phase for the P16.05-billion bundled development project for airports in Davao, Siargao, and Bicol.

Transportation Undersecretary for Aviation and Airports Jim C. Sydiongco told reporters that the government panel is negotiating with the proponents on the terms, scope and coverage of the unsolicited proposal.

The unsolicited proposal was submitted by the Philippine Regional Airports Consortium of Filinvest Infra-Solutions Ventures, Inc., JG Summit Infrastructure Holding Corp., and Asian Infrastructure and Management Corp.

He said the review panel is currently assessing the proposal, with approval hinging on responsiveness to passenger forecasts, stakeholder demand, and plans to modernize and develop air navigation and aerodrome facilities.

Mr. Sydiongco said the primary consideration for the panel remains the consortium's financial offer.

Once the government and the proponent conclude the negotiation phase, the government will formalize the Original Proponent Status and initiate the Swiss Challenge process, under which another party can put forward its own offer, which the consortium will have the option to match.

According to the Public-Private Partnership (PPP) Center, the P16.05-billion bundled airport project includes the development, operation, and maintenance of the Davao International Airport and Bicol International Airport over a 30-year concession period, and Siargao over a 15-year concession period.

The Davao Airport project is divided into two phases, the PPP Center said, with phase one including the modernization and expansion of passenger terminal building. The second phase covers the construction of a new cargo terminal.

The Bicol Airport is also divided into two phases and has a completion timeline of 2056. This project involved the renovation of the existing international area of the passenger terminal building and capacity augmentation.

The Siargao Airport project aims to expand and renovate the airport to comply with International Air Transport Association Level of Service Optimum Standards. — **Ashley Erika O. Jose**

Exporters wary of BoC service fee hikes

THE Philippine Exporters Confederation, Inc. (Philexport) said Customs service fees could increase significantly with the introduction of a new processing system.

In a statement over the weekend, the group said that "while it supports the streamlining and digitalization of government processes, it opposes the proposed fee hike relating to the use of the new customs processing system."

"We understand that the fee involved is about P300, information that we cannot validate at the moment because we were not provided a copy of this proposal," it said.

"Based on this initial information, may we register our strong opposition to the said proposal because of the huge jump in fees," it added.

The current fee schedule involves a P45 per entry charge for cargo data exchange center e-trade lodgement, a P40 per container charge on the Go Fast platform for managing container returns, and a P55 E-Konek import permit and lodgement fee.

Exporters also pay a P18 fee for an e-trade manifest via sea and a P23 fee for an e-trade manifest via air.

"Fee increases such as this will directly impact the costs of products and services and will negatively impact the competitiveness of our exports and importers," the group said.

The proposed new system, Philexport said, should first undergo a regulatory impact assessment (RIA) by the Anti-Red Tape Authority.

"The result of the RIA should help guide the Bureau of Customs (BoC) in assessing the viability of implementing the customs processing system in the context of trade and economic development," it said.

"Further, the BoC should bear or subsidize the cost of developing and maintaining the new system since modernization initiatives are public investments intended to benefit the trading community and enhance national competitiveness," it added.

Philexport President Sergio R. Ortiz-Luis, Jr. also called for another public consultation once the service provider has been determined and to get a breakdown of the cost components of the fee to determine any duplicate or unnecessary charges.

The BoC organized a consultation last month, which Philexport participated in.

Set to replace the BoC's E2M (electronic-to-mobile) system, the proposed customs processing system seeks to address a number of issues raised by stakeholders.

These include delays in system response, failure to receive notifications, encoding and format errors, integration gaps with other systems, and system limitations in supporting document attachments. — **Justine Irish D. Tabile**

Cyber-literacy shortcomings hindering economy's growth potential — analysts

CYBER-LITERACY skills deficiencies are holding back the economy's potential because they delay the transition to the digital economy, analysts said.

Angel T. Redoble, chairman and founding president of the Philippine Institute of Cyber Security Professionals, said the lack of skills in the general population, as opposed to the highly trained teams responsible for cybersecurity functions, make the overall system vulnerable to cyberattack.

"No matter how expensive your cybersecurity implementations are, or how well-trained your cybersecurity team is, they don't attack you directly — they're going to attack ordinary users," he said on the sidelines of the BusinessWorld Cybersecurity Insights Forum last week.

A cyber-literate person is deemed capable of protecting personal data, practicing digital etiquette, and assessing information online, analysts said.

A 2025 report by Cisco Systems, Inc. found that only 6% of organizations in the Philippines have "mature" cybersecurity systems that can handle cyberthreats.

Samuel V. Jacoba, founding president of the National Association of Data Protection Officers, said the growing demand for CISO (chief information security officer)-as-a-service is an opportunity for the digital economy.

"To be competitive in the global economy, we'll keep on producing world-class cyber professionals in all fields," he said on the sidelines of the event.

The Philippines ranked 27th in cybersecurity literacy skills, according to a 2023 report cybersecurity company and VPN service provider NordVPN.

"Cyber-literacy is definitely at the core of our aspiration to be a digital economy," Angelito M. Villanueva, FinTech Alliance. PH chairman and Rizal Commercial Banking Corp. executive vice-president and chief innovation and inclusion officer, said on the sidelines of the event.

He cited the need to invest in improving basic reading and writing skills to help make them more cyber-literate. — **Beatriz Marie D. Cruz**

One Meralco wins big at the 61st Anvil Awards

Manuel V. Pangilinan-led Manila Electric Company (Meralco), along with One Meralco Foundation and Meralco PowerGen Corporation, bagged five (5) Gold and 15 Silver trophies at the 61st Anvil Awards held at the Solaire Resort North in Quezon City.

Meralco, which was also named as a finalist for Company of the Year, was recognized for its exceptional programs on reliable service communications, effective utilization of digital platform, animal welfare advocacy, corporate social responsibility, cybersecurity, renewable energy advancement and internal audit, media & information literacy.

Organized by the Public Relations Society of the Philippines (PRSP), the Anvil Awards, dubbed as "the Oscars" of Philippine public relations, honors outstanding public relations programs, campaigns, and tools that exemplify the highest standards of public relations practice in the country.

OPINION

Why boards must rethink risk and resilience

SUITS THE *C*-SUITE

RYAN GILBERT K. CHUA *and* **WARREN R. BITUIN**

IN BRIEF:

- Boards face an increasingly interconnected risk environment requiring closer integration of governance, risk, and compliance functions.
- Technology, cybersecurity, sustainability and workforce changes must be aligned with clear business objectives and supported by measurable risk assessment.
- Effective enterprise resilience depends on strong governance culture, qualified decision-making, and open collaboration between boards and management.

Ultimately, the future of effective governance lies in the ability to adapt, innovate, and work synergistically across functions, ensuring that enterprises not only survive but thrive in a rapidly changing business landscape.

Risk has become a constant presence in boardroom discussions. That was evident at the 2025 SGV Knowledge Institute and SGV Consulting forum held in November, titled "Harmony in Action: Navigating Enterprise Resilience through Governance, Risk, and Compliance Synergy." The discussions reflected how governance, risk, and compliance (GRC), while viewed as separate functions, are also seen as interconnected mechanisms for enterprise resilience.

CHANGING RISK ENVIRONMENT

Boards today are operating in a risk environment that is increasingly non-linear, accelerated, volatile and interconnected. The nature of risk has shifted since the pandemic, when companies and organizations focused mainly on reporting financial risks. Today, boards face multiple, overlapping crises rather than isolated incidents. These crises have implications across supply chains, energy prices, regulatory compliance and geopolitical exposure. As a result, risk, compliance, and internal audit functions are expected to manage several issues simultaneously, often with limited resources.

During the session, a reference was made to a recent study by the EY Center for Board Matters, which identified five agenda items currently top of mind for boards in the Asia-Pacific region: geopolitical volatility and resilience; shaping tomorrow's workforce; artificial intelligence, cyber security, and digital transformation; sustainability integration into business models; and rethinking the board of the future. The panelists said these themes also strongly resonate with Philippine boards.

Geopolitical volatility was highlighted as a significant concern. Although the Philippines is generally described as a consumption-driven economy, companies here are often deeply connected to global markets. Medel Nera, a director at various Publicly Listed Entities and also either Chairman or a Member of various Audit Committees, cited the example of a Philippine manufacturing-exporting company that sources materials from nearly 60 countries and serves customers in 120 countries. Such companies are directly affected by developments in other parts of the world, including geopolitical tensions, sanctions, and trade disruptions. Boards, therefore, need to recognize geopolitical risk as material and prepare for its potential impact.

Workforce-related risks were also discussed, where fewer professionals and more alternative work arrangements have made the workforce more selective. New generations of employees are more likely to ask for remote work and a better work-life balance. Practices that were effective in the past may no longer be suitable. Organizations need to rethink how they attract, retain, and manage talent as a resilience strategy.

Technology, particularly artificial intelligence (AI) and big data, was featured prominently in panel. There is high interest in AI tools, but daily adoption in operations and production is still low. One reason cited was concern over potential job losses resulting from automation. There are also risks in cybersecurity, data protection and privacy, and technology misuse.

The panelists emphasized that technology initiatives should be aligned with business objectives. Boards and management should first clarify organizational goals, such as revenue growth, brand strength, profitability, or operational efficiency. Then, determine which technology strategies support those goals.

Security controls should be designed around these business-driven technology requirements, rather than implemented as isolated initiatives.

Cybersecurity was described using an analogy: attackers tend to avoid difficult targets and focus on easier ones. Organizations need balanced security measures. Controls cannot be so restrictive or costly else they hinder operations, but at the same time, they must be strong enough to deter intrusion. The aim is to establish security measures appropriate to the organization's risk exposure and operational needs.

Responsible adoption of AI was also stressed. Panelists noted that employees have to use AI productively, while stopping misuse like plagiarism or security gaps. Clear policies on acceptable use and approved platforms were cited as necessary measures to manage these risks while maximizing potential benefits.

From the public sector perspective, Solicitor General Darlene Berberabe said that the Department of Information and Communications Technology (DICT) has implemented reforms focused on digitalization. These include developing digital infrastructure, with a push to explore blockchain technology, and online portals for government procurement to promote transparency.

SUSTAINABILITY AND ESG INTEGRATION

Sustainability was discussed as an integral component of enterprise resilience. Many companies are implementing sustainability programs in response to requirements set by global parent organizations. These initiatives contribute to environmental stewardship, corporate reputation and long-term economic viability.

Chaye Cabal-Revilla, Executive Director and Chief Finance, Risk, and Sustainability Officer of Metro Pacific Investments Corp. (MPIC) and President and CEO of mWell, said sustainability is embedded across MPIC's operations. Performance indicators and incentives now include not only financial targets but also environmental, social, and governance (ESG) outcomes. Major investments are mapped against the United Nations Sustainable Development Goals. Responsibility for sustainability initiatives has expanded beyond a dedicated team to include finance, risk officers, and internal auditors, supporting a more integrated approach.

THE BOARD OF THE FUTURE

Though board effectiveness needs improvement, urgent priorities like profitability, compliance, and operations often push long-term development aside. Some organizations have included younger board members and provided board-level training on sustainability, AI, and technology. According to the panelists, a mix of experiences creates balance and supports organizational resilience.

Achieving synergized risk management remains a challenge. Collaboration among governance, risk, compliance and internal audit is widely supported but at times difficult to implement. Organizational culture plays a significant role. In some companies, compliance and internal audit are seen as obligations rather than value-adding functions. Sometimes, board directives are diluted as they pass through management layers, or communication between the board and management is limited.

Ms. Cabal-Revilla noted that one way to enable GRC initiatives is to quantify risks. By assigning financial value to potential risks and losses, organizations can offer clearer business cases to senior management and boards. Tangible, data-driven proposals are more likely to gain approval and support.

From Ms. Berberabe's experience in the private sector, governance was described as essential to achieving long-term profitability. Organizations that view GRC as strategic assets, rather than regulatory requirements, are better positioned for sustained performance.

All panelists stressed the importance of communication and collaboration between boards and management. Mr. Nera encouraged management not to be intimidated by board members and highlighted the value of upfront communication in areas for improvement. Clear roles, open dialogue and a strong tone from the top were identified as critical factors in building resilient organizations.

THRIVING IN A RAPIDLY CHANGING BUSINESS LANDSCAPE

As organizations navigate overlapping crises and shifting workforce dynamics, the integration of sustainability and technology into strategic planning becomes essential for long-term resilience. The emphasis on clear communication and collaboration between boards and management is also crucial for fostering a culture that views GRC as a strategic asset instead of just an obligation for compliance. By quantifying risks and aligning technology initiatives with business objectives, organizations can better prepare for any challenges ahead.

Ultimately, the future of effective governance lies in the ability to adapt, innovate, and work synergistically across functions, ensuring that enterprises not only survive but thrive in a rapidly changing business landscape.

This article is for general information only and is not a substitute for professional advice where the facts and circumstances warrant. The views and opinions expressed above are those of the authors and do not necessarily represent the views of SGV & Co.

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