

Ayala chairman urges stronger PPP push amid infra concerns

THE PHILIPPINES should expand the use of public-private partnerships (PPP), particularly in infrastructure projects, as recent developments surrounding flood control projects underscore the need for stronger accountability in government spending, according to Ayala Corp. Chairman Jaime Augusto Zobel de Ayala.

"We have had some problems in laying out infrastructure. We should just grab the bull by the horns and say infrastructure is important. Let us work on the PPP infrastructure structure that we have in the country to allow more capital from the private sector to enter," Mr. Zobel said during the Association of Southeast Asian Nations (ASEAN) Editors and Economic Opinion Leaders Forum on Tuesday.

The government should also encourage greater private sector participation in large infrastructure projects to help strengthen accountability while improving the country's legal framework governing public-private partnerships, he added.

"[We must] put in place firm rules and regulations, uphold the rule of law behind them, and allow private capital to enter that field. Generally, the private sector is quite accountable for its results. And if we can use the problems that we've had to turn that around and really give the PPP structure a much bigger push," he said.

Mr. Zobel said infrastructure development remains a key component of gross domestic product (GDP) growth.

The country's economic expansion slowed to a post-pandemic low in the fourth quarter of 2025, as reduced government spending weighed on investments and consumption, bringing full-year growth below target for the third consecutive year.

Data released by the Philippine Statistics Authority in January showed fourth-quarter GDP grew by 3%, slower than the 5.3% expansion recorded in the same period in 2024 and the revised 3.9% growth in the third quarter of 2025.

— Ashley Erika O. Jose

FULL STORY

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Tollways, airports, and data centers could shape next REITs, analysts say

TOLLWAYS, airports, and data centers could shape the next generation of real estate investment trusts (REITs) in the Philippines, analysts said, as the Securities and Exchange Commission (SEC) has broadened eligible assets beyond traditional properties.

"If you're going to look at the expanded definition of REIT-able assets, if there's one thing that it does is it makes the REITs become a better representative of the general economy," Philstocks Financial, Inc. Research Manager Japhet Louis O. Tantiangco said during a panel discussion at the BusinessWorld Insights Stock Market Outlook 2026 on Feb. 23.

"With the expanded definition, we will have more REITs available which represent different industries, so it's a better representation of the general economy. And with this, investors will have more options to choose from," he added.

SEC Memorandum Circular (MC) No. 1, Series of 2026, clarifies that income-generating real estate now includes assets with regular or predictable cash flows such as leases, rentals, tolls, user fees, ticket sales, parking, and storage fees. Covered assets include toll roads, railways, airports, ports, information and communications technology and energy infrastructure, data centers, parking facilities, malls, warehouses, fixtures, and real rights such as usufructs, easements, and leases.

"I think over time you will see new REITs coming up that are more infra-themed rather than traditional-themed property REITs," said Jesus Mariano P. Ocampo, president and chief operating officer of Investment & Capital Corp. of the Philippines (ICCP).

"We're very happy that the Securities and Exchange Commission recognized this by specifically stating tollways as maybe a new REIT class to come out," he added.

The SEC said the amendments are aligned with the objectives of the REIT Act by expanding eligible income-generating assets and allowing unlisted special purpose vehicles (SPVs) and incorporated joint ventures (JVs), consistent with global practices.



FROM LEFT: Arjay L. Balinbin, corporate and property editor, BusinessWorld; John Tristan Guillermo D. Reyes, president/director, BDO Securities Corp.; Jesus Mariano P. Ocampo, president and chief operating officer, Investment & Capital Corp. of the Philippines; Japhet O. Tantiangco, research manager, Philstocks Financial, Inc.; and Alessandra Araullo, chief investment officer, ATRAM Group.



Alessandra P. Araullo, chief investment officer at ATRAM Trust Corp., highlighted the two key changes — the wider range of eligible REIT assets and a two-year reinvestment window — as providing a larger pool of potential deals and supporting an asset-light model for developers.

"[The two major changes] I think are very favorable in the sense that sponsors are not rushed to deploy just for the sake of meeting that deadline. And really for investors, the combined effect is both a larger pipeline of potential REIT assets and also better-quality injunctions," Ms. Araullo said.

"And I think in the end it makes for a structurally stronger development model for the asset-light approach that a lot of the integrated developers have been moving towards," she added.

The SEC extended the reinvestment period for REIT sponsors or promoters to two years from one, starting from the receipt of proceeds from the sale of REIT shares or income-generating real estate. Reinvestment options include equity investments, loans, debt purchases, or repayments related to real estate or infrastructure projects in the Philippines.

REITs investing through unlisted SPVs or JVs must ensure these entities distribute at least 90% of distributable income to the REIT and other shareholders before the REIT pays dividends. Noncompliance constitutes a breach of the REIT's 90% dividend payout requirement.

John Tristan Guillermo D. Reyes, president of BDO Securities Corp., explained the implications from both the issuer's and the sponsor's perspective.

"It would allow the sponsor more options for capital recycling. And on the investor's part, aside from generating yields from the traditional assets like malls, offices, you have infra, data centers that would diversify the revenue stream and would support dividend growth over the long term," he said.

Analysts identified tollways as prime candidates for quick adoption of the expanded definitions, citing reliable daily toll revenues. Airports and seaports could follow.

"Tollways would be natural. But maybe I'll also mention airports, seaports with the new concessions granted by the government," Mr. Ocampo said.

"Maybe the government should [also] consider the concession grantees should look at the options of going public as one of the reasons. If you're wanting to promote new issuers to come to market, maybe that could be something to consider," he added.

"Because concessions grant a particular group, for lack of a better term, a monopoly.

Maybe sharing that monopoly is something that may democratize the group."

Telecommunications-related properties also emerged as potential candidates, driven by investor interest in artificial intelligence (AI)-linked infrastructure.

"We know that in the Philippines, the telecommunications sector is our best proxy variable for the trend right now, which is artificial intelligence. And so once they are introduced in the market, there could be glamor with respect to the investors because this is the trend right now," Mr. Tantiangco said.

"Investors are going to look at where I can get closest to the global trend right now, which is AI. So, if we see telecommunications sector-connected leads, then there's a possibility that a lot of investors are going to go into it," he added.

Ms. Araullo stressed the importance of examining the income stream within REITs to assess value.

"And at the end of the day, the value of REITs comes from the income stream. So, for me, the devil is in the details," she said.

In addition to expanding asset eligibility, the revised rules redefine public shareholders to promote broader ownership and stronger governance.

Investors with vested interests or influence — including sponsors, promoters, affiliates, and key officers — are excluded from the public float count. Public shareholders are defined as those without "substantial influence," considered as direct or indirect ownership of 10% or more of REIT shares. The exclusion also covers investors with less than 10% ownership who can influence management or operations, including immediate family members of directors, officers, or principal shareholders living in the same household.

The Philippines currently has eight listed REITs across office, hotel, mall, land, renewable energy, and infrastructure segments. These include AREIT, Inc., DDMP REIT, Inc., Filinvest REIT Corp., RL Commercial REIT, Inc., MREIT, Inc., VistaREIT, Inc., Citicore Energy REIT Corp., and Premier Island Power REIT Corp. — A.G.C. Magno

Marcos, from S1/1

The Philippines' gross domestic product (GDP) growth slowed to a post-pandemic low of 4.4% in 2025, after a graft scandal affected government spending, consumption and investor and consumer confidence.

The Marcos administration is now targeting GDP growth of 5-6% in 2026, 5.5-6.5% in 2027 and 6-7% in 2028. These new targets are slightly lower than the earlier 6-7% growth goal for 2026 to 2028.

"Flood control problems, scandal, whatever you want to call it, have certainly played a very large part in that," Mr. Marcos said, referring to his exposé about anomalous flood control projects last July in his annual address to Congress.

"Unfortunately, it had to be done. It is one of those things where you just have to rip the band-aid off. There was no easy way to do it. And otherwise, then the old practices would continue and the Philippines would flatline."

The President also blamed the Ukraine-Russia war and disruptions in global commodity markets, which have also affected the Philippines through higher food and energy prices.

"It is uncertainty that we are fighting with," he noted.

John Paolo R. Rivera, a senior research fellow at the Philippine Institute for Development Studies, said the Philippines is "moderately sensitive" to global volatility but gener-

ally less trade-dependent than export-heavy peers such as Vietnam and Thailand.

"The main transmission channels of global volatility are oil prices (import dependence), exchange rate pass-through to inflation, and financial conditions (portfolio flows, risk-off episodes)," Mr. Rivera said via Viber.

Compared with regional peers that are more deeply integrated into global manufacturing supply chains, the Philippines faces smaller exposure to abrupt trade disruptions, he noted.

Mr. Rivera said the country's defenses include international reserves, a flexible exchange rate, a predominantly domestic-currency public debt profile and resilient forex (foreign exchange) inflows from remittances and services.

Mr. Rivera said energy and logistics costs, limited export diversification and uneven infrastructure execution may hamper competitiveness and the economy's recovery.

He said productivity gains and investment in infrastructure will be critical to sustaining long-term growth.

University of Asia and the Pacific Associate Professor George N. Manzano said the Philippines is an open economy but is less exposed to global trade shocks than more export-dependent ASEAN peers.

He noted the country's trade as a share of GDP is smaller than in Singapore, Vietnam and Thailand, meaning external disruptions transmit with somewhat less intensity.

"And on exemptions, it will be better if the exemptions are kept; so much the better, but nobody knows if Trump will remove the exemption," he added.

If the exemptions are removed, especially on semiconductors and some electronic products, Mr. Ortiz-Luis said that electronics companies might move to other markets that are more competitive.

"At 10% we are still okay, but at 15%, we don't already know what the supply chain will do. Until it is very clear, we should not stop talking with them," he added.

Meanwhile, Ms. Roque said the talks with US counterparts have been continuous despite recent developments, but discussions on exemptions have not yet started.

"We have not spoken about that, but of course once there are changes, we will discuss, and then definitely we will give out a statement. But for now, we are just still in talks," she said.

She said that the department is still hopeful of seeing \$116 billion to \$120 billion in total exports this year, aligned with the target set under the Philippine Development Plan.

Tariffs, from S1/1

"That would be nice because that is where the collective call for exemptions on agricultural products and for the tariff on electronics to be put on hold," he told BusinessWorld in a phone interview.

"If we can negotiate, regionally, the exemptions, that is also better. So, we should not stop talking to them," he added.

However, Mr. Ortiz-Luis said that exporters are still in the dark about whether or not the new US tariff will be imposed on the Philippines.

While the country already agreed to a 19% reciprocal tariff, there was no final deal that was signed.

Reuters reported that Mr. Trump had earlier warned countries that if they backed away from signed trade deals with the US, they may be slapped with the higher duties.

"Some people are saying that those who agreed to tariffs higher than the 15%, which include us as we agreed to 19%, will not be covered by the 15% tariff," he said.

Philippine agency named Global PR and Communications Agency of the Year

PAGEONE has made history for the Philippines after being named Global PR and Communications Agency of the Year at the World Public Relations and Communication Awards 2025, a landmark recognition that signals the growing influence of Filipino communication professionals on the global stage.

The award, conferred by the Global Alliance for Public Relations and Communication Management, represents one of the highest distinctions in the global communication profession. The 2025 awards drew 89 entries from 19 countries, evaluated by an international panel of industry leaders, academics, and communication experts, reflecting the scale and competitiveness of the recognition. The Global Alliance for Public Relations and Communication Management is the worldwide confederation of leading PR and communication associations, representing over 360,000 practitioners and academics globally.

Adding to the significance of the win, PAGEONE is the first-ever recipient of the Global PR and Communications Agency of the Year recognition, making the milestone particularly meaningful as it is achieved by a Philippine agency.

PAGEONE's campaign #BusogLusog100: Empowering Homemakers also earned global recognition as Winner in the Public Service Relations Campaign category and was likewise named Winner in Digital and Social Media, highlighting the agency's ability to deliver both strong social impact and digital communication excellence.

For PAGEONE, the global recognition arrives at a defining moment as the agency celebrates its 10th anniversary.

"This recognition is deeply meaningful because it comes from the global community of professionals who understand the strategic role of communication in shaping organ-



izations, societies, and public trust," said Dr. Ron F. Jabal, APR, chairman and president of PAGEONE Group. "As we celebrate our tenth year, this achievement affirms that Filipino talent, when guided by strategy, discipline, and purpose, can stand shoulder to shoulder with the best in the world."

The World Public Relations and Communication Awards recognize agencies and campaigns that demonstrate innovation, measurable outcomes, and meaningful impact. According to the Global Alliance, this year's submissions reflected the diversity and strength of the global PR profession, showcasing work that advances communication as a strategic and trustbuilding discipline.

Vonj Tingson, president and chief operating officer of PAGEONE Group, said the recognition reflects the collective effort behind the agency's growth over the past decade. "Recognition at this level validates the professionalism, resilience, and creativity of our teams," Mr. Tingson said. "Receiving this honor during our tenth anniversary makes it even more meaningful because it reflects a decade of disciplined execution and collaboration. The success of #BusogLusog100 demonstrates how strategic communication

can deliver real social impact, and this win belongs to our teams, our clients, and the broader Philippine communication community."

Founded in the Philippines and built on the belief that communication creates long-term reputational value, PAGEONE has grown into a strategic communications and reputation management agency known for integrating storytelling, analytics, and stakeholder engagement into high-impact programs. Over the past decade, the agency has contributed to raising the standards of communication practice in the Philippines while engaging in global conversations on trust and reputation.

The official presentation of trophies to the winners will take place during the World Public Relations Forum 2026, scheduled from Nov. 15-21 in Abuja, Nigeria, where communication leaders from around the world will gather to discuss the future of the profession.

As PAGEONE enters its second decade, the recognition stands as both a celebration of organizational achievement and a proud moment for the Philippines, demonstrating that Filipino agencies are increasingly shaping the global communications landscape.