

Go estimates travel tax removal costing P8B in foregone revenue

THE government could forgo about P8 billion annually if a proposal to abolish the travel tax goes through, Finance Secretary Frederick D. Go said.

Mr. Go said the Department of Finance will defer to Congress whether it passes legislation to scrap the travel tax, which has been described as holding back the growth of international travel.

"I believe the total travel tax revenue is P8 billion a year," he told reporters on the sidelines of a Customs event on Feb. 18.

President Ferdinand R. Marcos, Jr. urged Congress to abolish the travel tax by the time legislators adjourn in June.

The travel tax measure was among 21 priority bills of the Legislative-Executive Development Advisory Council.

Mr. Go noted that proceeds from this duty do not go to the National Government but to

the Tourism Infrastructure and Enterprise Zone Authority (TIEZA).

Under the law, 50% of the proceeds from the travel tax collection go to TIEZA, while 40% go to the Commission on Higher Education for tourism-related education programs.

The remaining 10% goes to the National Commission for Culture and the Arts.

Overseas Filipino workers are exempt from paying the travel tax.

The travel tax was first imposed with the signing of Republic Act No. 1478 in 1956, and later amended through Presidential Decree No. 1183 in 1977.

Federation of Philippine Industries Chairperson Elizabeth H. Lee said on Thursday via Viber: "The abolition of the Philippine travel tax represents a long-overdue reform that removes an outdated burden on outbound travelers."

The proposed abolition will ease costs for ordinary citizens and businesses, while supporting tourism and trade, Ms. Lee added.

She also noted that, unlike the Philippines, regional peers like Singapore, Malaysia, and Thailand rely on standard airport service charges rather than travel tax.

"By aligning with regional practice, the Philippines strengthens its competitiveness, promotes greater mobility, and affirms its commitment to deeper ASEAN integration.

Foundation for Economic Freedom President Calixto V. Chikiamco said abolishing the travel tax will encourage more travel abroad.

"At present, there are more outgoing Filipinos than foreign travelers to the Philippines," he noted via Viber. — **Aubrey Rose A. Inosante**

Recto promises Japanese investors more rapid gov't decision-making, regulatory certainty

THE PHILIPPINES wants Japanese companies to deepen and expand their investment, pledging to accelerate decision-making and make rules more predictable as bilateral trade climbed to P1.27 trillion in 2025.

Executive Secretary Ralph G. Recto described Japan as one of the Philippines' "most reliable partners," citing its long-standing role in disaster response and infrastructure development.

"The Philippines is ready to do more business with you. We understand that investors do not ask for favors, only fairness, predictability, and speed," Mr. Recto told business leaders and officials during the welcome dinner ahead

of the 42nd Annual Joint Meeting of the Economic Cooperation Committees of the Philippines and Japan late Wednesday.

"You want clear rules. You want a coordinated government. And you want decisions made before opportunities expire," he added.

Japan is a top trading partner and source of official development assistance, backing flagship infrastructure projects such as the Metro Manila Subway, which Mr. Recto cited as an example of Japanese engineering and reliability.

Mr. Recto described the level of bilateral trade as "robust" though it "can still be revved up" with room for expansion in both goods and services.

He also cited tourism as an emerging pillar of ties, noting that about 825,000 Filipinos visited Japan in 2025, reflecting growing people-to-people exchanges that complement trade and investment flows.

He told Japanese executives that the government understands that investors seek "fairness, predictability, and speed," adding that recent laws and policy adjustments were shaped in part by feedback from Japanese firms operating in the Philippines.

"Our goal is straightforward: to make doing business in the Philippines easier, faster, and more reliable," he said, pitching the country's young workforce, strategic

location in Southeast Asia and expanding domestic market.

Mr. Recto urged Japanese firms to "stay invested" and expand into next-generation industries, saying the government stands ready to work more closely with investors.

"The success of your investments in the Philippines is also the success of the Filipino people," he said, adding that the "best chapters" of the bilateral partnership are still ahead.

Trade Secretary Ma. Cristina A. Roque, Japanese Ambassador Kazuya Endo and Philippine Ambassador to Japan Mylene Garcia-Albano were present at the dinner. — **Chloe Mari A. Hufana**

Gov't, critical infra to be governed by DICT cybersecurity protocols

THE Department of Information and Communications Technology (DICT) said it is developing cybersecurity protocols for government agencies and entities responsible for digital infrastructure.

"This will eventually cover both the private and public sector. The minimum baseline requirements include tools and processes that need to be implemented, such as inventory tools and backup procedures," ICT Un-

dersecretary Julius Gorospe told reporters on the sidelines of a cybersecurity forum on Thursday.

The minimum baseline will eventually be introduced to the private sector, Mr. Gorospe said.

"At some point, of course, when it becomes mainstream, it can be unveiled by the private sector... Actually, the private sector can implement them even without the government telling them to," he said.

He said the guidelines will spell out required cybersecurity investments for agencies.

"While, the Cybersecurity Act is in Congress, and we hope it will become a law, for the meantime (the guidelines will) institutionalize the standards," he said.

Cybersecurity advocates have said that the Philippines needs to pass legislation and strengthen its national cybersecurity plan to safeguard critical infrastructure

networks, which remain highly vulnerable.

The Philippines does not have a cybersecurity law and relies on issuances and policies set by the DICT.

The National Association of Data Protection Officers of the Philippines said legislation must define a unified cybersecurity framework including government agencies but also critical information industries. — **Ashley Erika O. Jose**

PEZA counting on European firms to expand after PHL signs FTA with EU

THE Philippine Economic Zone Authority (PEZA) is banking on more investment activity from European firms once the Philippines seals its free trade agreement (FTA) with the European Union (EU).

"We are confident that the finalization of the Philippines-EU FTA will open new opportunities, attracting more European investors to expand and establish operations in the Philippines, create more jobs, boost economic growth, and further strengthen our position as a key investment hub," PEZA Director General Tereso O. Panga said in a statement on Thursday.

During his meeting with the delegation of the European Parliament Committee on International Trade on Feb. 17, Mr. Panga highlighted the Philippines' investment environment, reforms, and the opportunities on offer from PEZA economic zones.

He touted the Philippines' competitive position in Southeast Asia, particularly in services and electronics, with infrastructure poised for modernization.

The Philippines and the EU's trade relationship is currently anchored on the Generalised Scheme of Preferences Plus (GSP+), which facilitated 2.2 billion euros worth of Philippine exports in 2024.

The Philippines is the only member within the Association of Southeast Asian Nations with an active EU GSP+ arrangement, allowing duty-free entry for over 6,000 products.

With the GSP+ set to expire in 2027, both parties noted the urgency of concluding trade talks to avoid disruptions.

The Philippines and the EU are looking to conclude their FTA talks this year.

The European delegation said its ongoing talks with the Philippines are aimed at assessing issues of policy stability, regulatory transparency, and fair competition.

An FTA with the EU could unlock \$12 billion worth of exports, Trade Undersecretary Allan B. Gepty has said, citing estimates by the International Trade Centre. — **Beatriz Marie D. Cruz**

72% of employers now seeking out candidates with proficiency in AI

ARTIFICIAL INTELLIGENCE (AI) skills are becoming a decisive factor in hiring, with 72% of Philippine companies now considering AI knowledge when recruiting, according to Jobstreet by SEEK.

Jobstreet's report identifies AI skills gaps, trust in credentials, and the skills-to-jobs disconnect as key barriers hindering candidates from being ready for the workforce.

About 36% of firms consider AI knowledge highly important for candidates, it said.

In a statement on Thursday, the online hiring platform said it partnered with SmartCT and FilPass, which is supported by the ASEAN Foundation's AI Ready ASEAN Programme.

SmartCT will provide free AI literacy training and modules, while FilPass will issue verifiable digital certificates for graduates. These certified credentials can be uploaded to SEEK Pass, Jobstreet by SEEK's digital career passport, enhancing recognition by employers.

"SEEK Pass is one of Jobstreet by SEEK's recent innovations designed to help Filipino job seekers stand out in a changing world of work," according to Dannah Majarocan, managing director of Jobstreet by SEEK.

"Through this platform, we at Jobstreet by SEEK aim to support the AI Ready ASEAN Programme by helping learners gain a clear path to meaningful opportunities," she added. — **Erika Mae P. Sinaking**

15 Metro Manila trade fairs planned this year

THE Department of Trade and Industry (DTI) said it is planning 15 trade fairs in Metro Manila this year apart from a number of national ones, providing opportunities for micro, small and medium enterprises (MSMEs).

"We are targeting more MSMEs to join our trade shows," Trade Secretary Ma. Cristina A. Roque told reporters on the sidelines of the Bagong Pilipinas National Trade Fair on Thursday.

In 2025, the DTI's trade fairs generated over P660 million in sales, including cash sales, confirmed orders, and ongoing negotiations.

About 1,774 MSMEs benefited from last year's trade fairs, the DTI said.

"For many participants, repeated exposure across multiple fairs has translated into stronger sales performance and improved readiness for both domestic and export markets," the DTI said.

The DTI opened its 2026 national trade fair calendar with its Bagong Pilipinas National Trade Fair, which will run between Feb. 18 and 22 in Mandaluyong City.

"We are strengthening the trade fair program as a system — one that combines consumer-facing platforms with buyer sourcing and networking opportunities," Trade Assistant Secretary Nylah Rizza D. Bautista said in a statement.

The 2026 National Trade Fair features about 300 exhibitors showcasing eco-friendly, design-driven, and high-value Filipino products.

The trade show will also highlight the Philippine Sustainability Pavilion, which features furniture, textiles, fashion, and handicrafts made from coconut-based materials, engineered bamboo, natural fibers, plant-based dyes, and native grasses. — **Beatriz Marie D. Cruz**



Approved building permits decline 5.9% in December

APPROVED building permits declined 5.9% year on year in December, the Philippine Statistics Authority (PSA) said in a report, citing slowing economic growth and cautious developer sentiment.

According to preliminary data, the PSA said building projects covered by the permits fell to 11,411 in December from 12,127 a year earlier.

This was a steeper decline than the 2.6% contraction in December 2024, but an improvement over the 10.1% drop seen in November 2025.

In December, construction projects covered 2.67 million square meters of floor area, down 8.2% year on year.

Approved building projects were valued at P33.62 billion, 13.4% lower than a year earlier.

Marco Antonio C. Agonia, an economist at the University of Asia and the Pacific, said the decline in building permits may be attributed to the weaker growth outlook and still-tight monetary conditions.

Economic growth slumped to 3% in the fourth quarter of 2025, bringing the full-year reading to a five-year low of 4.4%, the PSA reported.

"Property developers may have deferred their projects fac-

ing lower demand prospects. The fallout of the delay in government disbursements for infrastructure projects (due to the spending freeze) may have also continued to spill over into building permit approvals," Mr. Agonia said in an e-mail.

Jonathan L. Ravelas, a senior adviser at Reyes Tacandong & Co., said via Viber that the continued decline in building permits reflects a pause rather than a collapse.

"Elevated interest rates, elevated construction costs and developer caution are delaying new projects, especially in residential and smaller-scale builds," he said.

The key policy rate fell to 4.25% from 4.5%, the lowest in over three years, since the 3.75% in August 2022.

The Monetary Board has lowered borrowing costs by a total of 225 basis points since it began its easing cycle in August 2024.

The PSA also reported that residential projects, which accounted for 63.1% of all permits, fell 7% to 7,203 in December.

These projects were valued at P12.13 billion, down from P17.40 billion a year earlier.

Single homes, which accounted for 87.6% of the residential

category, fell 8% year on year to 6,312.

Applications for apartment buildings declined 12.7%, while applications for duplex or quadplex homes surged 90.6%.

Meanwhile, nonresidential projects, which accounted for 23.4% of the total, contracted 3.6% year on year.

Permits for nonresidential projects were valued at P17.81 billion, slipping 1.2% from a year earlier.

Approved commercial construction applications accounted for 67.6% of all nonresidential projects at 1,802.

Industrial permits fell 12.4% to 205, while institutional projects fell 1.8% to 497 approvals.

Approved permits for additions, or construction that increases the height or area of an existing building, declined by 2.3% to 387 during the period.

Alteration and repair permits recorded an annual drop of 8% to 858, though their value rose 23% year on year to P2.60 billion.

Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon) had the most approved construction projects during the period, accounting for almost 25% of the total with 2,838 permits.

This was followed by Central Luzon (with a 10.6% share and 1,215 permits), and Ilocos Region (8.8% and 1,005 permits).

"What we're seeing is a wait-and-see mode," said Mr. Ravelas.

"The good news is that once borrowing costs ease and demand stabilizes, permits should recover — construction activity typically follows with a lag," he added.

Mr. Agonia said the construction industry may see a minor boost in 2026.

"The annual decline means 2026 will be compared against a low base, leading to higher growth figures. However, construction appetite may only truly normalize by the second half of the year, when many analysts expect government spending and investor sentiment to recover," he said.

Mr. Agonia added that he expects more in the coming months depending on how business sentiment improves.

"Some constructive factors to look out for are returning government and private sector capex (capital expenditures), along with the impact of the cumulative rate cuts which may only be felt by the latter half of this year," he said. — **Pierce Oel A. Montalvo**



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