

# AI and tech adoption seen as both opportunity and threat

By **Justine Irish D. Tabile**  
Reporter

THE ADOPTION of artificial intelligence (AI) and related technologies among businesses presents both a threat and an opportunity for employees and executives, an official of the local unit of KPMG International said.

"I think it depends on the perspective. If you are talking to executives and business owners, most of them will see this as an opportunity because they see the value of AI and how it can potentially transform their business and save on costs by automating a lot of processes and transforming their products to be

more AI-enabled," Jallain Marcel S. Manrique, head of technology consulting at KPMG R.G. Manabat & Co., said in an interview.

However, although they can make processes cost-effective, new technologies like AI are still seen as a threat by both business owners and employees, Mr. Manrique said.

"Some of these business executives also see it as a threat because the mentality is that if you don't know a solution that much, you are going to focus more on what you hear, and most of these things that they hear are data security issues. But I think the net effect is still that most businesses see it as an opportunity," he said.

For employees, Mr. Manrique said ] there is a fear that AI and

other new technologies will lead to job displacement, especially in sectors such as the business process outsourcing (BPO) industry.

"In the point of view of employees, the workers, they certainly consider it a threat, especially the BPO sector, which will certainly be affected by AI and all of these technologies," he said.

"Employees are starting to recognize the need to upskill — otherwise they could be replaced by AI and other technology," he added.

Mr. Manrique said although the country as a whole is not as aggressive in adopting new technologies compared to other countries, the telecommunications, financial technology (fintech) and bank-

ing sectors are ahead in terms of exploring and tapping these.

"I think these are the sectors that have advanced in terms of not just replicating what other companies are doing, but more at the forefront in introducing and exploring new technology to be able to transform," he said.

"A lot of the executives are still exploring and trying to educate themselves on what generative AI is and what AI can do and I think it is a phase," he added. "Afterwards, they will plan to determine its application in their business because what they have been hearing right now is that it is disruptive, meaning it can essentially disrupt their business and how they do things normally."

## Are your mobile apps secure? Here's what you need to know

By **Jan Sysmans**

WITH mobile usage increasing exponentially every year, mobile apps have become ever more integral to businesses and people. Look no further than the growth of the Philippines' digital economy for evidence of this, which Access Partnership forecasts will be worth \$28 billion by mid-decade.

Meanwhile, the Appdome Filipino Consumers Expectations of Mobile App Security survey finds that on average, people living in the Philippines use seven mobile apps per day, which is on par with global usage levels. In fact, the same survey finds that more than half of Filipino consumers prefer using mobile apps over web channels.

Significantly, eWallets, social media, and mobile games were the top three ranked by usage among Filipinos. It should come as little surprise to developers then, that security is a major concern for Filipino consumers. For the businesses that deliver these apps, it underscores the point that protecting their customers should not be an afterthought.

### CURRENT STATE OF PLAY

As the tactics of cybercriminals evolve, companies in the Philippines have had to play catch up to mitigate risks.

According to Kroll, 75% of Philippine organizations experienced a cyber incident last year. In comparison, the average from across Asia Pacific was 59%. The same report also found that local organizations were particularly concerned about data loss, with 70% citing it as their leading worry. Meanwhile, 60% were worried about the

business disruption as a result of a cyberattack, and 29% felt regulatory fines from failing to keep out cyber attackers would have dire consequences for the business.

Unfortunately, cyber attackers are showing little signs of letting up. March this year alone saw 81 cyber security incidents logged by the National Computer Emergency Response Team (NCERT).

Ensuring app security also directly links to brand trust and customer loyalty. For instance, Appdome's survey of Filipino consumers shows that businesses that want to differentiate in a crowded field must prioritize app security. Of those surveyed, 65.5% ranked "hacking the mobile apps I use" as their top concern.

It is revealing that this figure is 30.3% higher than the global baseline of just over 50%, showing that Filipino consumers take app security and protection very seriously but that companies are, potentially, falling short of meeting this need.

Furthermore, the same report revealed that mobile fraud was a major worry for 42.5% of Filipino consumers. Meanwhile, malware was cited as the joint third-highest concern at 29%, revealing that embedding mobile apps with malware prevention should be a priority for local businesses.

*Jan Sysmans, mobile app security evangelist at Appdome.*

**FULL STORY**

Read the full story by scanning the QR code with your smartphone or by typing the link  
[tinyurl.com/bdhd75hr](https://tinyurl.com/bdhd75hr)

## 'Verified human': Worldcoin users queue up for iris scans

LONDON/TOKYO/BENGALURU — People around the world are getting their eyeballs scanned in exchange for a digital ID and the promise of free cryptocurrency, shrugging off concerns among privacy campaigners and data regulators.

Founded by Sam Altman, the CEO of ChatGPT developer OpenAI, the Worldcoin project says it aims to create a new "identity and financial network" and that its digital ID will allow users to, among other things, prove online that they are human, not a bot.

The project launched on Monday, with eyeball scans taking place in countries including Britain, Japan, and India.

At a crypto conference in Tokyo, people on Tuesday queued in front of a gleaming silver globe flanked by placards stating: "Orbs are here." Applicants lined up to have their irises scanned by the device, before waiting for the 25 free World-

coin tokens the company says verified users can claim.

Users told Reuters they weighed concerns over data collection against their curiosity about the project, which says it has issued IDs for more than two million people in 120 countries, mostly during a trial period in the last two years.

"There's a risk with having the data of your own eyes collected by a company, but I like to follow the most up to date crypto projects," said Saeki Sasaki, 33.

"I was a bit scared, but I've done it now and can't take it back."

Worldcoin's data-collection is a "potential privacy nightmare," said the Electronic Privacy Information Center, a US privacy campaigner.

Worldcoin did not respond to Reuters' questions on its privacy policies sent via e-mail on Tuesday. The company's website says the project is "completely private" and that either biometric data is deleted or users can opt to have it stored in encrypted form.

### 'FREE MONEY'

In the lobby of a co-working space in east London on Monday, two Worldcoin representatives showed a small stream of people how to download the app and get scanned, handing out free t-shirts and stickers saying "verified human" afterwards.

Christian, a 34-year-old graphic designer, said he was taking part because he was "intrigued." He follows developments in artificial intelligence (AI) and crypto, buying cryptocurrencies "just for fun."

"I think going forward AI will be hard to distinguish from human and I think this potentially solves that problem and that's pretty amazing," he said, declining to give his full name for privacy reasons.

Worldcoin tokens were trading around \$2.30 on the world's largest exchange, Binance, on Tuesday. For

many users, the promise of financial gains from the crypto coins was enough to make them hand over personal data.

Ali, a 22-year-old chemical engineering student who has invested some of his student loan in crypto, said he calculated that the 25 free tokens could be sold for \$70 to \$80 at current prices.

"I told my brother about it this morning. I told him 'it's free money, you want to come with me to get it?'"

Both Christian and Ali said they had not read Worldcoin's privacy policy, which says that data may be passed to subcontractors and could be accessed by governments and authorities — though it also says it takes steps to mitigate risks and uses encryption to stop unauthorized access. —

**FULL STORY**

Read the full story by scanning the QR code or by typing the link  
[tinyurl.com/4zuka4evn](https://tinyurl.com/4zuka4evn)

## Sugarcane supply shortage forces Bogo-Medellin to suspend milling operations

LISTED company Bogo-Medellin Milling Co., Inc. (Bomedco) announced on Wednesday that it will have no milling operations for the coming crop year due to the lack of sugarcane supply.

"Due to the insufficient supply of canes, Bogo-Medellin Milling Co., Inc. has no milling operations for this Crop Year starting January 2023 until present," the company told the stock exchange.

"In effect, the company declared a temporary shutdown until further notice," it added.

Sugar Regulatory Administration Acting Administrator Pablo Luis S. Azcona said in a Viber message that Bomedco has not operated since the last milling in crop year 2022-2023 due to "dwindling cane supply."

"It is true that it is the oldest [mill] in Cebu. They suspended operations in August 2022

and their farmers crossed over Negros via Roro Vessel to have their cane milled," he said.

Incorporated in 1928, the company is primarily involved in the milling and manufacturing of centrifugal raw sugar with molasses as its by-product.

Based on its profile on the Philippine Stock Exchange, Bomedco mills have the capacity to accommodate 3,000 tons of cane per day.

In the second quarter of last year, the company's attributable income stood at P12.81 million, an increase of 0.23% from the P12.78 million recorded a year earlier, citing higher sugar prices and lower operating costs.

During the same period, the volume of sugar produced reached 166.7 million 50-kilogram (kg) bags of raw sugar, which was lower by 41.91% from the 287.09-million 50 kg posted in 2021. — **Sheldeen Joy Talavera**

## High Court overturns ruling on SMC's stamp tax refund claim

THE SUPREME COURT (SC) has overturned a tax court ruling that granted San Miguel Corp. (SMC) a refund of interest penalties worth P15.6 million, which it paid in connection with its 2009 documentary stamp tax (DST) liabilities totaling P30.42 million.

In a 13-page ruling dated April 12 and made public on July 28, the tribunal said that SMC was not entitled to a refund of its DST and penalties since it cannot use good faith as an argument in seeking the refund.

"Good faith cannot be invoked by SMC on the basis of previous Bureau of Internal Revenue (BIR) issuances since the same were not issued in its favor," according to the ruling penned by Associate Justice Maria Filomena D. Singh.

The court said that the CIR should not have imposed a compromise penalty worth P50,000 to the previously worth interest penalty, ordering the official to refund the amount to the company.

"Since SMC's case does not involve criminal tax liabilities, the compromise penalty should not have been imposed and collected," the tribunal said.

The Court of Tax Appeals (CTA) had granted part of the company's refund claim worth P15.6 million, representing penalties imposed by the CIR in connection with the DST deficiencies, based on the company's good faith of previous interpretations of the BIR rulings on which documents could be subject to DST.

It earlier denied SMC's claim for a refund of its documentary stamp tax worth P14.5 million, following a 2011 High Court ruling that found instructional letters, as well as journals and cash vouchers of advances made to affiliates, qualified as loan agreements subject to DST.

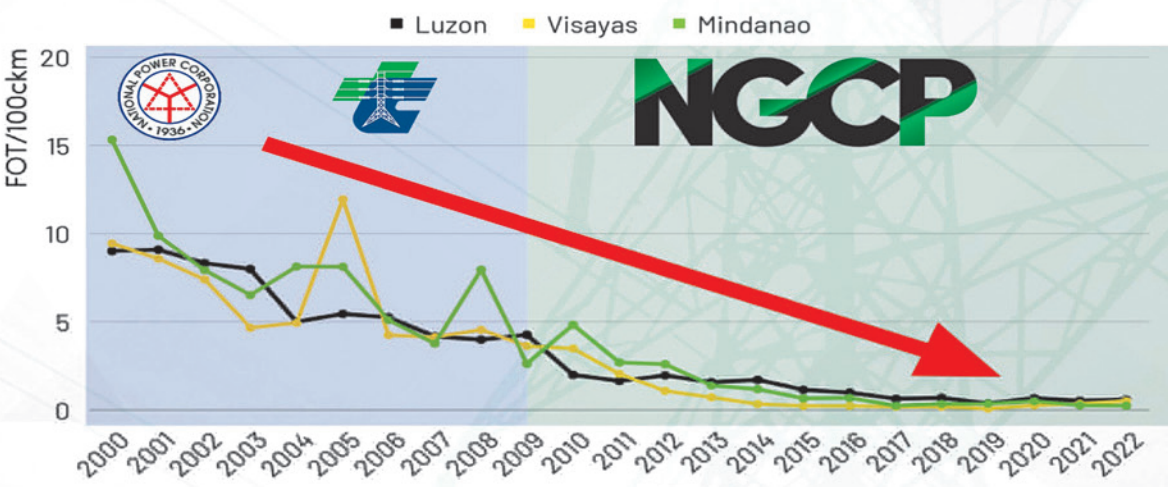
The High Court said the company failed to cite a BIR ruling that declared that intercompany loans and advances through memos and vouchers were not subject to DST.

"It is a basic rule that a taxpayer cannot utilize for themselves specific BIR Rulings made for another, as only the taxpayer who sought such BIR Ruling may invoke the same," the country's highest court said. — **John Victor D. Ordoñez**

# PERFORMANCE MATTERS!

Performance indicators, which measure the quality of power transmission services, show a marked improvement since NGCP assumed operations in 2009.

## Far fewer transmission service outages



Region	2000-2008	2009-2022	Status
Luzon	13.8978	10.7236	IMPROVED
Visayas	176.3350	47.3318	IMPROVED
Mindanao	47.2124	22.4013	IMPROVED

Region	2000-2008	2009-2022	Status
Luzon	99.9552	99.9762	IMPROVED
Visayas	98.2116	99.6877	IMPROVED
Mindanao	99.8890	99.8103	DECLINED**

\*Slight decline in Mindanao transmission frequency caused by insufficient regulating reserve due to El Niño in 2010. This is a generation issue beyond NGCP's control.

Region	2000-2008	2009-2022	Status
Luzon	99.2428	99.3160	IMPROVED
Visayas	99.3141	99.6538	IMPROVED
Mindanao	99.3211	99.7206	IMPROVED

Region	2000-2008	2009-2022	Status
Luzon	85.7260	98.5796	IMPROVED
Visayas	98.6619	99.8722	IMPROVED
Mindanao	98.9999	99.9416	IMPROVED

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