ERC targets NGCP capex rulings this month

THE Energy Regulatory Commission (ERC) said it hopes to issue rulings on pending capital expenditure (capex) projects proposed by the National Grid Corp. of the Philippines (NGCP) this month, its chief said.

"Most likely within the month, we'll discuss and approve the remaining capex that were not included in the fourth (regulatory period). Some were included in the fifth," ERC Chairman and Chief Executive Officer Francis Saturnino C. Juan told reporters.

Mr. Juan said that ERC is prioritizing such matters after receiving a letter from the Department of Energy pointing out the NGCP's critical capex projects.

Under its congressional 50-year franchise, the NGCP has the right to operate and maintain the transmission system and related facilities.

NGCP capex projects must be approved by the ERC as required by Republic Act No. 9136 or the Electric Power Industry Reform Act.

The ERC completed the NGCP's fourth regulatory period (RP) rate reset, covering the years 2015 to 2022. The fifth RP covers January 2023 to December 2027.

The NGCP was allowed to collect an additional P28.29 billion in under-recoveries.

Last year, the grid operator said it is preparing to deploy P600 billion for more than 100 capex projects. — **Sheldeen Joy Talavera**

PHL may have missed the bus in reviving manufacturing — FPI

THE Federation of Philippine Industries (FPI) said concerns have been raised that the Philippines has missed the opportunity to resurrect its manufacturers, citing the difficulty of making things in the country.

"I think it is high time to bring back manufacturing. Some say the bus has left," FPI President John Reinier Dizon said at a briefing last week.

"We are not going to lie. Is manufacturing easy? Is local production easy? Of course not. The permitting process alone is hard," he said.

He noted the danger that the Philippines will miss the opportunity provided by its demographic sweet spot and its natural resources.

"If we can be independent and self-sustaining, that would be ideal. We have, I think, north of 115 million Filipinos. Many say we're in the demographic sweet spot," he said.

PHILIPPINE STAR/MIGUEL DE GUZMAN

"I think we're so well endowed with agriculture and with metallic and non-metallic minerals. All the ingredients are there, but we just need to get our act together," he added.

The regulations that can help manufacturers include the Tatak Pinoy Act, the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act, and the New Government Procurement Act.

"The laws are there ... I do not think we need new laws. I think we just need to implement and enforce them," he added.

He also cited the need for creating a level playing field for manufacturers vis-a-vis imports.

"If there are to be imports, there needs to be a level playing field to ensure that the country stands a chance. I think several decades ago, the country pivoted to trade liberalization, and let's face it, we (did not emerge as) winners," he said.

"You have all these laws that can protect industries, like safeguards and anti-dumping, but we need to use these tools to help our local businesses be competitive," he added. — **Justine Irish D. Tabile**

China tieups eyed in high-growth industries, PHL ambassador says

THE PHILIPPINES will pursue opportunities to work with China in high-growth industries, particularly related to its strengths in services, the Philippine ambassador in Beijing said.

"The Philippines is a highly resilient, globally competitive hub for services in Asia," Ambassador Jaime A. FlorCruz said in a statement.

"We are open for business, and we welcome China, our largest trading partner, to partner with us in high-growth services and industries," he added.

The Philippines participated in the China International Fair for Trade in Services in Beijing and the China International Fair for Investment and Trade (CIFIT) in Xiamen.

During the events, the Philippines promoted its tourism and hospitality industries, digital services, health and wellness services, creative industries, and education and professional services.

The embassy's Commercial Counsellor Glenn G. Peñaranda noted opportunities to further expand trade and investment relations in services and digital infrastructure.

"The Philippines offers a young, creative, and tech-savvy workforce — an invaluable asset for driving growth in services, particularly in the information technology sector," he said in a statement.

Tourism Attaché Ireneo Reyes said that the country's leading destinations provide opportunities for resorts, leisure facilities, and sustainable tourism ventures.

The Philippines is "the perfect setting for deeper cultural exchange, ESL (English as a Second Language) development, and showcasing world-class English proficiency to Chinese friends," he added.

The Philippines also highlighted its economic zones at CIFIT.

Matchmaking meetings were also held between Philippine and Chinese enterprises to explore investment partnerships. — **Justine Irish D. Tabile**

Subsidies for gov't-run firms decline 9% in July

SUBSIDIES provided to government-owned and -controlled corporations (GOCCs) fell 9.18% year on year in July, the Bureau of the Treasury (BTr) reported.

The BTr said budgetary support to state-run firms was P9.74 billion in July, against P10.72 billion a year earlier.

Month on month, GOCC subsidies rose 30.69%.

State-owned firms receive monthly subsidies from the National Government to support their daily operations if their revenue is insufficient.

In July, the Philippine Reclamation Authority topped the subsidy list with P4.43 billion or 45.54% of the total. It had been receiving no subsidies since January.

This was followed by the National Irrigation Administration, which received P3.38 billion.

The Philippine Fisheries Development Authority was granted P750 million in subsidies in July.

State-run firms on the subsidy list included the Philippine Heart Center (P184 million), the Philippine Coconut Authority (P142 million), the Philippine Children's Medical Center (P130 million), the National Kidney and Transplant Institute (P124 million), the Philippine Rice Research Institute (P20 million) and the Cultural Center of the Philippines (P107 million).

Other GOCCs obtaining subsidies of less than P100 million were the Light Rail Transit Authority (P74 million), the Lung Center of the Philippines (P59 million), the Development Academy of the Philippines (P38 million), the Philippine National Railways (P34 million), the National Dairy Authority (P28 million) and the Philippine Institute for Development Studies (P28 million).

Also receiving subsidies were the Center for International Trade Expositions and Missions (P20 million), the People's Television Network, Inc. (P18 million), the Tourism Infrastructure & Enterprise Zone Authority (P15 million), and the Metropolitan Waterworks and Sewerage System (P14 million), the Aurora Pacific Economic Zone and Freeport Authority (P10 million), the Philippine Institute of Traditional and Alternative Health Care (P10 million), the Southern Philippines Development Authority (P7 million), the Philippine Tax Academy (P5 million), the Philippine Center for Economic Development (P5 million) and the Zamboanga City Special Economic Zone Authority (P4 million).

Receiving no subsidies were the Land Bank of the Philippines, the Small Business Corp., the National Electrification Administration, the National Housing Authority, the National Power Corp., the Bases Conversion Development Authority, the Intercontinental Broadcasting Corp.-13, the Philippine Crop Insurance Corp., the Power Sector Assets and Liabilities Management Corp., the Subic Bay Metropolitan Authority, the Sugar Regulatory Administration and the Tourism Promotions Board.

In the first seven months, GOCC subsidies hit P62.23 billion, down 20.14% from a year earlier.

The Philippine Health Insurance Corp. remains in the process of implementing its restructuring program, the Governance Commission for GOCCs Chairman Marius P. Corpus said.

"It has conducted a comprehensive review and mapping of its organizational structure and staffing pattern. To support this, the Change Management Team for Restructuring and relevant Technical Working Groups (TWGs) were reconstituted to develop and submit the Board-approved Implementation Plan for PhilHealth Restructuring (IPPR)," Mr. Corpus told *BusinessWorld*. — **Aubrey Rose A. Inosante**

OPINION

Driving digital transformation and AI in finance and government

IN BRIEF:

• When secure data practices meet agile collaboration, public services can evolve in months instead of years, as was experienced during COVID.

• The future of finance and government will be shaped by the integration of digital transformation, regulatory technology automation, and AI, unlocking broader financial inclusion and smarter public services.

SUITS THE C-SUITE
CHRISTIAN G. LAURON
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When shaped responsibly, technology can uplift entire communities and propel a nation forward.

The intersection of technology and governance has become increasingly vital in recent years, particularly in the context of Southeast Asia's evolving landscape. In 2018, a select group of Southeast Asian startups, each pioneering solutions for urban resilience, agricultural optimization, and smart city applications, participated in a bootcamp hosted by the UK's Open Data Institute. The program featured a tailored curriculum designed to help these startups understand how secure, standardized data sharing could drive inclusive economic transformation. What began as an introduction to Open Data soon expanded to encompass Open Banking, which can be defined as a collaborative model where banking data is shared through application programming interfaces (APIs) between different parties to offer enhanced capabilities to the market. An API is a set of rules and protocols that allows different software applications to communicate with each other.

This dual focus revealed two complementary themes. Regulators and financial institutions harness data — safely, transparently, and with consumer consent — while Filipino startups relentlessly pursue digital transformation across fintech and governance. The bootcamp bridged public sector operations and financial technology, demonstrating that responsibly collected, standardized, and securely shared data empowers communities far beyond siloed institutions.

The event illustrated the transformative potential of digital technologies in the realms of finance and governance, particularly within the Philippines. It emphasizes the strategic importance of secure and standardized data sharing, positioning it as a catalyst for economic transformation.

DIGITAL TRANSFORMATION UNDER PRESSURE

In early 2020, the COVID-19 pandemic swept away timeframes, elevating digital transformation from a strategic priority to an urgent necessity. Multidisciplinary teams across government units and public-private agencies rallied around two critical, data-driven initiatives:

1. Vaccine data pipelines: Clean, automated workflows for case counts, test results, and resource availability ensured decision-makers received real-time, accurate insights.

2. Credential verification platform: Under extreme time constraints, a tamper-proof portal integrated vaccination records from barangays to national systems — supporting overseas deployment and secure testing.

These efforts illustrated a crucial truth: when secure data practices meet agile collaboration, public services can evolve in months instead of years. Moreover, they laid bare a broader opportunity in the financial sector, applying the same rigor and speed to regulatory and compliance workflows.

AI AND AUTOMATION: FROM RULES TO INTELLIGENCE

Building on this momentum, the next AI frontier is automating regulatory and compliance work within banks. Traditionally, compliance teams wrestle with voluminous policy updates, manual checklists, and fragmented audit trails. Automation can streamline:

•Policy ingestion & classification: Scraping regulatory websites, tagging new circulars, and routing them to relevant stakeholders in real-time.

•Audit-ready reporting: Generating end-to-end logs and exception reports, reducing human error and accelerating internal review cycles.

Once these automation foundations are in place, AI agents can catapult efficiency further. By infusing machine learning and natural language understanding on top of rule-based systems, these agents can anticipate compliance risks through pattern analysis, flagging anomalies before they escalate, and engage in proactive regulator dialogue via conversational interfaces, drafting queries and summarizing answers. AI agents can also continuously refine their own models by ingesting audit feedback loops, becoming both more accurate and transparent over time.

PRACTICAL AI AGENTS: FROM CONCEPT TO ACTION

By 2025, AI had stepped out of labs and into live deployments across finance and public services. Practical AI agents — autonomous systems that perceive, reason, and act — are now integral.

1. Conversational interfaces: Hybrid chat and voice bots fluent in Tagalog and regional dialects deliver ultra-low latency support at frontline desks.

2. Automated regulation monitoring: Advanced pipelines ingest policy updates, distill them into concise digests, and distribute actionable insights to compliance teams — lifting the manual burden.

3. Geospatial risk analysis: Dashboards fuse environmental, geological, and infrastructure data; AI agents pinpoint high-risk zones and recommend mitigation strategies.

Retrieval-Augmented Generation ensures every output cites structured, near-real-time sources, keeping recommendations current, traceable, and auditable.

THE FUTURE OF AI AGENTS

According to the AI 2027 forecast, mid-2025 marks the "Stumbling Agents" era, where agents function as reliable digital employees — writing and debugging code, drafting reports, and triaging tasks. By September 2027, "Agent 4" will emerge as a superhuman AI researcher, running 290,000 local instances at 43 times the speed of human thinking. Such power will prompt calls to pause Agent 4 until robust transparency, governance, and trust mechanisms are in place, a reminder that capability must be balanced by integrity.

In finance and government, domains anchored in policies, procedures, and public trust, these future AI agents promise to reduce turnaround times, improve accuracy, and free experts to focus on strategic challenges.

FOR EMERGING BUILDERS

Emerging builders can invest in technologies that not only address current needs but also prepare their organizations for future challenges. This vision of the future is not just about efficiency; it's about future-proofing organizations in an ever-changing landscape.

1. Start with high-impact use cases: Map existing data silos — whether municipal records, banking ledgers, or sensor feeds — and digitize one end-to-end workflow. Measure, iterate, repeat.

2. Design for interoperability: Choose APIs and modular services over monoliths. Encrypt every data channel and enforce tokenized access.

3. Embed responsible practices: Build consent flows, privacy checks, and immutable audit trails from day one.

Today, three orbiting pillars — Digital Transformation, RegTech Automation, and AI — frame the future of finance and government. In the Philippine context, their integration will unlock broader financial inclusion, more transparent governance, and smarter public services. This journey proves a simple truth that when shaped responsibly, technology can uplift entire communities and propel a nation forward.

The integration of digital transformation, regulatory technology automation, and AI will redefine finance and governance in the Philippines. As startups and institutions adopt innovative solutions, secure data sharing will foster economic growth and enhance public services.

Moving forward, responsible AI and automation will streamline compliance and empower communities, promoting financial inclusion and transparency. By leveraging these technologies, the Philippines can advance toward a more resilient and equitable future.

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 author and do not necessarily represent the views of SGV & Co.

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