MBC calls for AI-based corruption fighting tools

By Justine Irish D. Tabile
Reporter

THE Makati Business Club (MBC) said the Independent Commission for Infrastructure (ICI) needs to harness artificial intelligence (AI) in investigating corruption in public works.

"They are under a lot of pressure to produce instant results. They (need to) work with the low-hanging fruit, which is essentially all of the cases already investigated by the Congress," MBC Executive Director Rafael ASG Ongpin told reporters on the sidelines of the Arangkada Forum last week.

"Beyond that, there's a lot of investigation that needs to be done. And we have suggested to them that they explore the use of AI in order to classify these transactions," he added.

The group has floated the idea to ICI member and former Public Works and Highways Secretary Rogelio L. Singson, Mr. Ongpin said.

Corruption "is constantly happening; we have, for instance, several major multinationals that are pulling out of the Philippines. And one of the issues is corruption and red tape," he said.

"We are engaging with the government about this and saying, 'What's the point of attracting more foreign direct investment if you can't keep the ones who are already here?" he added.

He expressed optimism that the ICI will get results.

"The members are people of tremendous reputation and integrity. We are very happy about that. In fact, we had been working with Roger Singson in the Philippine Budget Coalition way before this thing blew up," he said.

"But they have a huge job; we are talking about hundreds of thousands of transactions. They do not have the manpower at this point to scrutinize each of those transactions individually," he added.

He said the MBC is working with civil society groups and the Philippine Budget Coalition in monitoring such transactions.

"Our role is to do the difficult and tedious work of monitoring. A lot of this starts with the national budget, so we are monitoring the deliberations on the national budget," he said.

"We are making sure that they are not making last-minute insertions for discretionary infrastructure spending, which translated means pork barrel. That was what happened with the 2025 budget, so we are trying to make sure that we don't get it in the 2026 budget," he added.

Meanwhile, the MBC is also asking the government to review the current procurement process, he said.

"We have said publicly that obviously the procurement process is not working because *nakakalusot ito* (things have been getting through), so we have called for a review of the procurement process," he said.

"Maybe not a review of the law but at least look at the execution and try to design something where *mahirap makalusot*," he added.

BIR needs to be mobilized in anti-corruption effort — ACG

THE Bureau of Internal Revenue (BIR) needs to be set loose against those involved in corrupt public works projects, the Asian Consulting Group (ACG) said.

"People are angry; are already clamoring not to pay taxes, so civil disobedience (could be emerging). We do not support that; we want taxes to still be paid," ACG Chief Tax Advisor Raymond Abrea told *BusinessWorld* on the sidelines of the Arangkada Forum.

"But we want BIR to suspend their audits to focus their resources on running after these flood control project contractors, officials, and legislators," he added.

He said that the end goal is to recover the stolen money, collect taxes on undeclared gains, and perpetually disqualify officials from public office.

He also said the corruption scandal presents an opportunity to clean house and improve the ease of doing business.

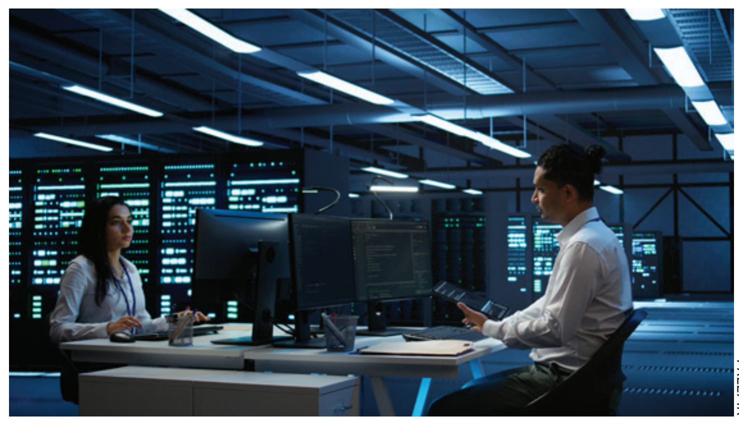
"Because they have been exposed, with this exposure comes the power of the citizen to participate and to really make their voices heard that they don't want corruption but good governance," he said.

"This is also what our investors like, so we can share proudly and honestly with the world that with citizen participation, we are really helping our government to promote good governance and transparency," he added.

He said such measures can be better enforced by lifting bank secrecy rules and making political dynasties illegal. — **Justine Irish D. Tabile**

Data center lead times may force gov't to outsource

THE Department of Information and Communications Technology (DICT) said it may outsource the government's planned data center to expedite the launch of services due to the long lead times involved in building its own facility.



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"Maybe it will take two to three years to build a full-blown data center. So, in the meantime, we outsource to local hyperscalers while we are trying to build," Information and Communications Technology Secretary Henry Rhoel R. Aguda told reporters on the sidelines of the Arangkada Philippines Investment Forum 2025 last week.

The DICT has no data center development timeline as yet, Mr. Aguda said.

"Our data center's combined capacity is only around two to three megawatts (MW). We need around 200 MW... We do not want to rush the data center. We want to plan it first until next year, then maybe the development will happen after that," he said, adding that a public-private partnership (PPP) could be tapped for the project.

Mr. Aguda said regarding the location of the data center, the DICT is capable of building in any region where it has a presence.

"We have 15 regions, we are in all 15 regions. The question right now is a matter of prioritization and how big the capacity is," he said.

Meanwhile, Mr. Aguda said that the study on the possible conversion of the mothballed Bataan Nuclear Power Plant (BNPP) into a data center remains ongoing.

"The proposal is still being studied. There are two proponents for that. One wants to (use the plant for nuclear power) while the other wants to convert it into a data center," Mr. Aguda said.

The DICT said in August that it plans to conduct its own study on converting the BNPP into a data center with a potential capacity of 600 megawatts.

The Korea International Cooperation Agency is currently studying the feasibility of the plan which is expected to be completed by November. — **Ashley Erika O. Jose**

ERC deliberating between overhaul of rules governing CoC or public offerings

THE Energy Regulatory Commission (ERC) said it is weighing whether to act first in reviewing the public offering requirement (POR) for power companies or the Certificate of Compliance (CoC) rules.

"Do we address the CoC rules first? Do we need to amend our POR guidelines?" ERC Chairperson and Chief Executive Officer Francis Saturnino C. Juan said at an open commission meeting last week.

Section 43 of Republic Act No. 9136, or Electric Power Industry Reform Act (EPIRA), requires unlisted generating companies and distribution utilities to offer and sell to the public at least 15% of their common stock.

New companies are required to offer shares to the public within five years from the issuance of their CoCs, a license issued by the ERC allowing the operation of a power plant or other facilities used in generating electricity.

A company can offer its shares by listing on the Philippine Stock Exchange or make a direct offer of stock to the public or its employees. It can also comply with the requirement by registering securities.

Only 40 of the 264 gencos are compliant with the POR requirement, while 131 are non-compliant, according to Sharon O. Montaner, ERC market operations service director. The POR requirement is not applicable to the rest.

The non-compliant power firms represent capacity of nearly 14,000 megawatts.

Ms. Montaner said some gencos have raised a number of issues, including whether the offer of shares to the public is substantially compliant with the POR rules if no one subscribed.

"They are now seeking confirmation whether that (qualifies as) substantial compliance with the POR rules because they have made an effort, *'yun lang walang bumili* (even though no one took up the offer)," she said.

"Imposing the implementation of offering and selling of securities to the public may be futile for some gencos and maybe unnecessary exercise and entail additional costs," Ms. Montaner said, referring to underwriting fees and the minimum capital stock requirement,.

She added the requirement has been deemed a "barrier to entry" for small, stand-alone investors, and those who do not belong to a conglomerate.

Mr. Juan said that the ERC cannot issue provisional authority to operate to non-compliant power firms.

He said the rules need to be "aligned with the objective of ensuring the restructuring and modernization of the power industry." — **Sheldeen Joy Talavera**

PEZA AI Tech Academy due to launch in October

THE Philippine Economic Zone Authority (PEZA) said it hopes to launch an Artificial Intelligence (AI) Tech Academy in October to upskill the ecozone workforce.

PEZA Director General Tereso O. Panga said the academy is a joint project with Stacktrek and the Technical Education and Skills Development Authority (TESDA), with the IT & Business Process Association of the Philippines as an industry partner.

"It aims to train thousands of Filipinos, especially information technology (IT) workers, high school and college students, and job seekers, on various AI tools and solutions," Mr. Panga said via Viber.

"This is to prepare the Filipino workforce to be future-ready as we host multinational companies in frontier technologies and advanced manufacturing," he added. — **Justine Irish D. Tabile**