

Digital champions towards a thriving digital economy

Closing Statement by Orlando Oxales

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As we continue to fight the pandemic, we must stop the further deterioration of our economy. Safely rebooting the economy can no longer be delayed. Since the lockdowns started disrupting all our industries, we have come to appreciate the enabling benefits of digital technologies. We must harness the full potential of digital technologies, which virtually overnight, has become an indispensable tool in this pandemic environment.

The fast development of our digital infrastructure will be a major factor to the pace of our recovery. Reports from the telecommunications industry show an exponential surge in demand for mobile data services putting more pressure to expand and upgrade their wireless and fiber optic networks.

In fairness, the telcos have been aggressively investing in expanding the reach of their fiber optic and mobile networks which has resulted to improving speeds and coverage. Policy moves to streamline the decades old permitting problem of cell site and fiber network construction by DICT have greatly improved the pace but building the tower backlog that has been piling up for years and the last mile connections will need a well aligned investment strategy from government and the private telcos.

It's the private telcos that have been driving investments in telecommunications infrastructure which Fitch ratings projects to further accelerate capital expenditures by up to 25 percent in the next years and rated the Philippines as having one of the highest capex/revenue ratio in the Asia-Pacific Region.

In last year's budget cycle, the DICT actually proposed a budget of P18 billion to implement the National Broadband Plan but was instead given only P1.5 billion. Now for everything they want DICT to do, now it's only P9 billion for 2022. A pittance compared to how governments of other ASEAN countries are investing in strategic telecommunications infrastructure such as Malaysia, Thailand, and Vietnam with budgets of US\$233 million, US\$343 million, and US\$820 million, respectively. No wonder we're always lagging behind.

The DICT has a National Broadband Plan that needs government funding. A low hanging fruit that must be prioritized together with the connecting networks needed to bring these high speed broadband signals to the consumers. This will substantially address connectivity concerns.

However, committing financial resources is one thing but like the construction delays in telco tower builds that had to be addressed by new policy, a conducive regulatory environment is needed to take away archaic bureaucratic hurdles that were crafted during the pre-internet era.

The leading IT companies such as Microsoft and HP have been aggressively engaging government to speed up a government wide digital transformation to integrate appropriate solutions for improving public services and efficiency in operations. But policy barriers still stuck in non-digital bureaucratic processes, and culture remain to be reformed.

New initiatives such as Grab's Tech for Good Institute should be encouraged as these are key elements that will boost our emerging digital economy.

Given the problems of the education sector made worse by this crisis, what may be more challenging is developing the ICT skills of Filipinos to ensure the readiness of the country's workforce. This is critical for the country's global competitiveness.

We need champions that will push the continuous digitalization and integration of government and business services pursuant to the Ease of Doing Business and Efficient Government Service Delivery Act of 2018. LGUs and government agencies must streamline their bureaucratic processes and business operations using the appropriate cloud-based solutions.

Equally critical, cybersecurity and data privacy which are real risks that every netizen, and especially public or private enterprise must take seriously.

It is clear that our recovery from this crisis depends on how nimbly we can transform our human resource potential into a highly competitive digital force ready to engage the global digital economy. More government investments in strategic telecommunications infrastructure that aligns with ongoing private telco infrastructure builds, will result in the fast and reliable broadband services that we need, to unleash the country's digital potential to become a key player in a digitized global economy.

As we look forward to another transition in our government. We must choose leaders who can be transformation champions in a highly digitized global ecosystem.

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