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Infra modernization needed for digital economy — DOF

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The Philippines needs to address the gaps in its infrastructure before it can fully participate in the digital economy, according to the Department of Finance (DOF).

Finance Secretary Carlos Dominguez said the Philippines has "a lot of catching up to do" to become at par with other economies like China in the field of digital commerce and entrepreneurship.

He said the process would start with modernizing the country's physical infrastructure, which the Duterte administration is doing now with its massive infrastructure program.

"The Philippines has to catch up. China has invested a lot in infrastructure," Dominguez said during the New Economy Workshop organized by the Alibaba Business School for Philippine officials and representatives of the business sector in Hangzhou, China.

After fixing its physical infrastructure, Dominguez said the government needs to encourage the business sector to embrace the digital economy and to prepare for a future that is shaped by technology.

Dominguez, along with other finance and central bank officials are currently in Hangzhou, China, for a three-day workshop organized by the Alibaba Business School to gain better understanding of e- commerce.

The finance chief said the workshop was helpful in providing the Philippine government more insights when it comes to the utilization of digital technology.

"Our experience here in China is very important to look at what the future would be. It is helpful for us to be consulting with Jack Ma and his group because they are visionaries and they have actual field experience in bringing the future to reality using the power of cloud computing, the internet, and computers to analyze big data," Dominguez said.

Brian Wong, Alibaba Group's vice president and head of the company's Globalization Initiatives, said the Philippines could capitalize on the digital era by cultivating entrepreneurship in e-commerce and coming up with regulations that encourage digital trade and electronic payment systems.

He said the Philippines could make leaps in the field of digital commerce, much like China, given that it has a population exceeding 100 million.

"In the Philippines with a hundred and plus million population, it has a massive market that can be developed. Like the secretary said, you can catch up and leapfrog," Wong said.

According to Wong, electronic payments in China were non-existent in 1999 but has now expanded 10 times the size of all similar transactions in the US.

* INFRASTRUCTURE
* DEPT. OF FINANCE (DOF)