Typhoon damage to fisheries P3 billion, tops in agri industry

FISHERIES remained the most affected sector of agriculture, sustaining P3 billion worth of damage due to Typhoon Odette (international name: Rai), the Department of Agriculture (DA) said.

The overall agricultural damage was P10.8 billion, affecting 356,486 farmers and fishermen over 399,531 hectares of agricultural land in the Visayas and Mindanao.

The volume of lost production was estimated at 239,656 metric tons (MT).

Rice was the next-most affected commodity with losses valued at P2.2 billion, with crop damage reported across 93,096 hectares. The estimate of lost production volume was 124,704 MT.

Coconut and high-value crops sustained damage of P1.5 billion each, across 240,240 hectares and 6,131 hectares respectively.

Damage to irrigation and agriculture facilities was reckoned at P489.6 million, including shallow tube wells, rain shelters, crop nurseries, greenhouses, vermi-composting facilities, and fertilizer processing centers.

Livestock and poultry reported P468.2 million in losses, affecting almost 1.5 million head of chicken, swine, cattle, carabao, goat, duck, sheep, and horse, among other livestock.

The government will be providing at least P2.9 billion in aid to farmers and fisherfolk.

The DA said its regional field offices are still undertaking assessments of damage to the agri-fisheries industries. — **Luisa Maria Jacinta C. Jocson**

Roxas Boulevard repairs targeted to begin mid-Jan.

THE planned closure of a portion of Roxas Boulevard is targeted for the middle of this month to allow for the repair of a damaged drainage structure, the Metropolitan Manila Development Authority (MMDA) said on Wednesday.

The repairs might start in "one or two weeks," MMDA Chairman Benjamin D. Abalos, Jr. said at the Kapihan sa Manila Bay virtual forum, referring to the planned closure of the thoroughfare, a major route used by trucks to access the Port of Manila.

"*Kasi ang problema baka mag*-collapse '*yung kalye eh* (The problem is that the street might collapse)," he noted. The Department of Public Works and Highways (DPWH) is repairing the damaged box culvert that was constructed in the 1970s.

"*Nag*-collapse *ito dahil ginawa ito* 1970 *pa* (The culvert collapsed because it was constructed in the 1970s), so it's a 50-year-old culvert."

Mr. Abalos said in December that the agency had yet to determine whether a portion of the southbound direction of Roxas Boulevard fronting HK Sun Plaza would be totally or partially closed to vehicular traffic.

"The structural integrity is at stake. Hence, we are appealing for the public's understanding of the inconvenience the road closure would cause. This is temporary. The construction is only for three months," he said in a statement.

Mr. Abalos and officials from the Department of Transportation, DPWH, Philippine Ports Authority, and International Container Terminal Services, Inc. also met last month to discuss solutions for trucks and trailers which will be affected by the closure.

"One of the possible solutions that we are eyeing is for the container vans to be carried on barges for transport from MICT (Manila International Container Terminal) to the Cavite Gateway Terminal in Tanza, Cavite," Mr. Abalos said.

The move is expected to reduce the number of trailer trucks using the road by 25%.

"'*Yung mga* trailer trucks *doon* (Cavite) *na lang susundo. 'Yung byaheng* Cavite, *ang tantya namin* that's only about 25% or 20%, *pero* at least *makokonti, mababawasan* (The pickup point for containers will be in Cavite. We expect the reduction in truck traffic to be only 20-25%, but at least there will be a reduction," Mr. Abalos said during the forum Wednesday.

The Confederation of Truckers Associations of the Philippines has said that instead of closure, the MMDA and the DPWH should allow the use of some of the northbound lanes.

"Our suggestion is for two out of the four northbound lanes to be used as southbound lanes, so there would be no congestion going to South Superhighway," the truckers' group President Maria B. Zapata said in a phone interview last month.

She said the planned road closure is worrisome because many operators who use the road could be affected.

To such proposals, Mr. Abalos replied: "*Sabi ko pwede bang kalahati ng kalye? Sabi nila* (DPWH), 'Chairman *baka habang sinisemento mag*-crack, because of the pounding *at* ma-compromise *ang* (structural) integrity… (When we explored the possibility of using half the road, the DPWH replied that the newly-paved road work will crack, compromising the structural integrity of the project) For the meantime, we should brace ourselves for secondary or tertiary roads."

DPWH South Manila district engineer Mikunug D. Macud said previously that the department is hoping to start work by the first week of January. — **Arjay L. Balinbin**

Fisherfolk call for suspension of closed fishing season policy in typhoon-affected provinces

AN ORGANIZATION of small fishermen has expressed its opposition to importing fish for typhoon-hit areas, calling instead for aid to restore its members' livelihoods and the lifting of an order imposing a closed fishing season on key fishing grounds.

The Pambansang Lakas ng Kilusang Mamamalakaya ng Pilipinas (PAMALAKAYA) said in a statement on Wednesday that the plan to import frozen fish for areas hit by Typhoon Odette (international name: Rai) will not address the livelihoods lost due to the typhoon.

"Instead of imports, we call for a quick and concrete rehabilitation of the livelihood of hundreds of thousands of fisherfolk whose fishing gear and boats were swept away by the recent typhoon. This action would restore the wheels of production and stabilize the supply and prices of fish in the typhoon-hit areas," PAMALAKAYA National Chairman Fernando L. Hicap said.

The Department of Agriculture (DA) approved a plan to import 11,015 metric tons of frozen small pelagic fish for wet markets in typhoon-hit areas to keep fish prices from rising due to lack of supply.

PAMALAKAYA proposed that the DA expedite its rehabilitation efforts for coastal communities to help the fishermen rebuild their livelihoods.

It said imports will negatively impact fisherfolk income by "driv(ing) down farmgate prices."

"The immediate impact of imports will be felt by small fisherfolk whose local products will be outcompeted by imported fish," Mr. Hicap added.

PAMALAKAYA also urged the government to lift Fisheries Administrative Order (FAO) 167-3, which in November imposed a three-month closed fishing season in 33 coastal towns in Regions V, VI, and VII. The FAO will be in force until February.

"The existing closed fishing season creates an artificial shortage of fish and inflation that affects both fisherfolk and consumers," Mr. Hicap said. "The rehabilitation of livelihood of affected fisherfolk should be accompanied by the lifting of the existing closed fishing season, instead of resorting to imports that do nothing but harm to our already battered fishing industry."

Meanwhile, the Bureau of Fisheries and Aquatic Resources (BFAR) said in a statement that it welcomed the imports, which it said will help speed up rehabilitation efforts in the typhoon zone.

The BFAR said it "expresses its strong commitment to fast-track the recovery of the fisheries sector in the areas affected by Odette."

"However, while the rehabilitation of fisheries-related livelihoods is underway, ensuring the availability of safe and affordable fisheries commodities for consumers in these areas is also paramount," the BFAR added. — **Luisa Maria Jacinta C. Jocson**

DASHUB3-FREEPIK

Coal supply instability seen adding to urgency of energy transition

A CONSUMER rights and energy advocacy group on Wednesday said the Department of Energy (DoE) must press ahead with the renewable energy transition, citing risks to the imported coal supply.

"Consumers keep getting caught in a web of power stability woes and volatile prices all because we depend on a finite and largely imported energy source," Gerry C. Arances, convenor of the Power for People (P4P) coalition, said.

The concern was raised after Indonesia, one of the world's top exporters of thermal coal, which is the type used by power plants, imposed a temporary ban on coal exports on Saturday to ensure adequate supply for its own power generators.

P4P said the effects of the ban will eventually show up in consumers' monthly bills.

"We can be sure that more of (these incidents) will happen in the future for as long as we insist on using fossil fuels, even as our country's vast indigenous renewable energy capacity waits to be harnessed," Mr. Arances added.

Coal accounts for more than half of the power generated in the Philippines in 2020, with imported coal having an 86% share of thermal coal used in the country. Of the coal imports, 96.88% is sourced from Indonesia, the DoE estimated in 2020.

The export ban imposed by Indonesia, which is also China's largest overseas supplier of coal, has driven up global coal prices. Indonesian coal miners were due to meet with their government on Wednesday to review the export freeze.

"We need to get off reliance on global fossil fuel supply — coal or otherwise — fast. We have repeatedly told the DoE this, and we hope Indonesia's predicament is now making the message clear. We must begin by putting a stop to any new coal plant still in our pipeline," Mr. Arances said.

BusinessWorld has contacted Energy Undersecretary Felix William B. Fuentebella on Wednesday, seeking comments on the call for tightening the ban in the country and the possible effects of the Indonesia coal export ban on the country's energy security, but has not received a response immediately.

Mr. Arances added that exemptions and limitations in the ban on new coal-fired plants have cleared the way for additional coal capacity of about 9 gigawatts — one of the largest plants being in Atimonan, Quezon.

In October 2020, the DoE announced it is not approving new coal-fired power plant projects to facilitate a shift to a more flexible power supply mix. — **Marielle C. Lucenio**

OPINION

Artificial Intelligence: FinTech's innovation driver

TAXWISE OR OTHERWISE
JAN BRIAN P. DESPI

FinTech refers to any idea or innovation that improves or optimizes the way individuals or companies conduct financial activities. Early FinTech concentrated on developing add-on products to complement existing financial services.

This combination of finance and technology has spawned a slew of valuable goods and services that redefine financial services and make them more accessible to the general public. Some of these products and services include insurance aggregators, mobile wallets, AI investment management advisers, peer-to-peer (P2P) lending and crowdfunding tools, and platforms for trading financial assets. The cutting-edge solutions that contributed to such technologies include Blockchain, Deep Learning, and Artificial Intelligence (AI). FinTech allows financial services organizations to collect massive amounts of consumer data, determine usage patterns, and even replace human participation with automated algorithms.

The distinction between banks and FinTech is becoming increasingly hazy. It is crucial to understand that "banks" and "FinTech" are not necessarily mutually exclusive. In fact, many well-known banks have evolved from being mere prepaid card providers that link to applications. They have won the right to full-fledged banking licenses after demonstrating to the world that it is feasible to combine sophisticated technology with trustworthy financial services. FinTech can emerge from one of three sources: (1) a stand-alone company develops technologically advanced goods to address unique market concerns; (2) a company develops a full-fledged body to become a complete bank; or (3) a conventional bank incorporates technological advancement by acquiring a smaller FinTech to modernize its service.

SIGNIFICANCE OF ARTIFICIAL INTELLIGENCE IN FINTECH

Artificial intelligence (AI) is gradually gaining a foothold in practically every business in the twenty-first century. FinTech is used mostly to improve and automate different financial operations. With the advent of knowledge engineering, financial institutions employ AI-based models in conjunction with their FinTech apps to maximize operations and revenue.

Some of the major significant uses of AI in FinTech are:

Large-scale wealth and finance management: Traditionally, the wealth management sector has catered to high-net-worth individuals. AI solutions are assisting to considerably expand this industry by allowing it to scale its ability to supply to a much larger segment of the population. In addition to specific financial advice, the AI may analyze spending habits to ensure that customers have adequate emergency money and provide continually updated net worth predictions for improved retirement planning.

Enhanced security: Many FinTech firms and conventional financial institutions are already using AI-based solutions for various fraud monitoring and prevention applications, but there is always room for improvement as fraudsters escalate their attacks.

Contract management: Contracts are an integral aspect of the financial business, as they are in many other sectors. Keeping track of all contracts, whether between institutions and clients or between enterprises, requires a significant amount of effort. AI can assist in speeding up this process by combining optical character recognition (OCR), machine learning (ML), and natural language processing (NLP).

Improved customer services: Through intelligent software bots, AI has been able to fill a need in this field. These bots suggest personalized products and services that better meet customers' needs and demands. Financial institutions that employ chatbots have ample motivation to keep using and enhancing them, with worldwide savings from chatbot use anticipated to exceed $7 billion by 2023.

RISK FACTORS ASSOCIATED WITH ARTIFICIAL INTELLIGENCE IN FINTECH

While the applications listed above demonstrate how technology is revolutionizing the financial industry, the deployment of AI is not without hazards. The primary factors that need to be understood are:

Embedded bias: The increasing use of AI in the financial sector, which is heavily regulated and where public confidence is critical, has sparked debate over the potential of inherent bias. Embedded bias is defined as computer systems that routinely and unjustly discriminate against some persons or groups of individuals in favor of others. Customer classification algorithms applied in AI/ML might lead to prejudice in the banking industry through price or service quality differentials. Biases in AI/ML judgments are frequently caused by biased training data derived from existing biased processes and data sets, which teach automation models to be prejudicial.

Explainability and complexity: The term 'explainability' refers to the concept that AI models and their outputs can be expounded to humans at an acceptable level. The explainability of AI results is critical, especially when utilized in the financial industry. Because they are not easily explainable by the user, AI is sometimes referred to as a "black box." This trait may make detecting the appropriateness of AI conclusions difficult, exposing businesses to vulnerabilities such as skewed data, inappropriate modeling methodologies, or wrong decision making, thus undermining faith in their robustness.

Privacy factors associated with data: AI raises new and distinct privacy concerns. Big data privacy problems are well recognized and even precede the mainstreaming of automation. Tools have been created to aid in the preservation of data anonymity and data subjects' privacy. Legal data policy frameworks are being implemented across the world to address these problems. However, the resilience of AI models in limiting data leakage from the training data set poses additional privacy problems.

Cognizant of the abounding risks, enterprises should leverage on the agile nature of technology and adapt to new work methods. This would reshape the organizations' ways of doing things through the use of intelligent software bots, minimize manpower costs by utilizing AI and robotic process automation, and most importantly, enhance security, employee engagement, and client satisfaction. As the financial sector's use of AI and ML continues to surge, it is becoming a must to have professionals who are very much capable of optimizing the usage of advances in processing power, data storage capacity, big data, and modeling.

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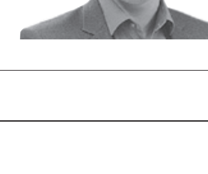

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