

Organizations to focus on boosting support for remote workers as pandemic continues

BUSINESSES are expected to focus on offering better support for their remote workers this year as the spread of the Omicron variant of the coronavirus disease 2019 (COVID-19) shows a complete return to offices is unlikely, technology company ManageEngine said.

"When COVID-19 first caused disruptions, a majority of organizations scrambled to change their operating models and rapidly embraced the cloud to support remote work. The needs have now evolved, resulting in aspects such as AI (artificial intelligence), automation, and analytics assuming

more significance than before," Rajesh Ganesan, vice-president of Products at ManageEngine, told *BusinessWorld* in an e-mailed reply to questions on Jan. 5.

"Cloud adoption was already on the rise before the pandemic, but now there is a realization that organizations in the Philippines should reprioritize their strategies as hybrid work will continue indefinitely," he added.

He noted the new working model presents opportunities for local organizations to expand beyond their home territory.

"They stand to gain an advantage by being well-prepared," he said.

"Organizations would have to reassess their investments and prioritize skill building," he also pointed out. "Another aspect is that cybersecurity is becoming a basic building block of digital businesses and requires due diligence."

ManageEngine recently announced its top five predictions in the IT management space for 2022.

The company said organizational insights will become immediately actionable with the rise of contextual analytics.

"When insights are presented directly within a business application, the chances of an organization acting upon

them are much higher than when those same insights are presented in stand-alone business intelligence software."

It also noted that the cybersecurity mesh model will offer better protection in the hybrid work force era.

"A cybersecurity mesh model, with its central principle of Zero Trust, will gain more traction," the company said.

"The cybersecurity mesh model is a distributed approach in which smaller, individual security perimeters are built around people or objects acting as access points, thereby offering IT teams better security control."

At the same time, the company anticipates that IT operating models will continue to evolve to support the hybrid work force.

AIOps (artificial intelligence for IT operations) and IT automation are also expected to become critical building blocks of enterprise technology architectures.

"AIOps-driven monitoring will play a significant role in forecasting, capacity planning, combating alert fatigue, and maintaining the security posture of an organization."

A shortage of skilled cybersecurity workers is also anticipated.

"To address their evolving needs, organizations will increasingly use the services of managed security service providers and managed detection and response providers," the company said.

"For instance, the increase in remote employees, cloud adoption, and the need to meet compliance regulations make identity and access management (IAM) a tedious process for most organizations. Since many organizations lack the necessary skills and resources to implement an IAM solution, more organizations will turn to Identity as a Service providers to fill this role," it added. — **Arjay L. Balinbin**

Kaspersky expects more attacks on cryptocurrency firms this year

INTERNET security company Kaspersky expects a larger wave of attacks on cryptocurrency businesses this year, as well as cybercriminals targeting the growing non-fungible token (NFT) industry.

"By observing the cutting-edge attackers with large human resources, such as Lazarus group and its sub-group, BlueNoroff, Kaspersky researchers concluded that we shall expect an even more significant wave of attacks on cryptocurrency businesses," Kaspersky said in an e-mailed statement on Monday.

Cybercriminals will also be targeting the NFT industry, it said.

"This is due to the fact that countries in SEA are leading in terms of NFT ownership, with the Philippines topping the list at 32% saying they own such digital assets," the company said.

NFTs are non-interchangeable digital tokens that contain data proving ownership of items, mostly related to art, audio, video, and the like.

The popularity of NFTs in the Philippines is mainly from in-game assets gained in play-to-earn games like *Axie Infinity*.

"From direct attacks on employees of cryptocurrency startups and exchanges through sophisticated social engineering, software exploits, and even fake suppliers to mass attacks via supply-chain software or its components (i.e., third-party code libraries) — we will see an increase of such cases," said Vitaly Kamluk, director of Global Research & Analysis Team (GReAT) for Asia-Pacific at Kaspersky.

"Additionally, we should see more incidents of NFT property theft in the coming years. Being a totally new area, this will cause a deficit in skilled police investigators that will result in an initial surge of such attacks," he added.

Kaspersky said that such attacks "will not only have an effect on the global cryptocurrency markets but also the share price of individual companies, which will also be monetized by the attackers via stock market illegal insights trading."

Australian independent information service Finder has said it expects further NFT adoption in the Philippines, with 9.5% of Filipinos surveyed previously saying they plan to own NFTs in the future. — **Arjay L. Balinbin**

IBM says collaboration a driving force for business growth in 2022

By **Arjay L. Balinbin**
Senior Reporter

COLLABORATION among businesses in the country is expected to increase this year, requiring a strong technology core, IBM Philippines said.

Partnerships have become more important to more than half, or 58%, of outperforming Filipino chief executive officers (CEOs), according to a recent IBM study.

"Collaboration will be another driving force for business growth in the new year," Natalie Pia H. Azarcon, managing partner at IBM Consulting, IBM Philippines, told *BusinessWorld* in an e-mailed reply to questions on Jan. 4.

"This is affirmed by the fact that executives globally also plan to participate in business ecosystems 332% more in 2022 than they did in 2018," she added.

She noted that for Philippine companies to benefit from ecosystem partnerships, they will need a "strong technology core."

"They'll need to reevaluate how they manage their assets, infrastructure, and talent. I believe many executives realize that transformation is a continual process. Rather than working toward a perfect end-state, organizations must focus on making themselves more responsive, more agile."

Philippine companies must overcome obstacles to find the technology mix that will take them to the next level this year. "Strengthening human-technology collaboration is key to getting the most from digital transformation," Ms. Azarcon said.

In the next two years, CEOs in the Philippines expect artificial intelligence (AI) and cloud technology to increase by nearly 25%, according to the company, noting that 63% of them recognize the role of technology in building resilience and adaptability.

"Filipino CEOs have plans to increasingly apply automation across all business functions, and more importantly big jumps are expected in procurement (2.3x), risk (2.8x), supply chain (2.5x) and R&D (3x)," Ms. Azarcon said.

Recognizing AI's impact on businesses and industries, the Department of Trade and Industry launched in May last year the country's AI road map, which "describes the implementation, infrastructure, and investments needed to cover... digitization and infrastructure, research and development, work force development, and regulation."

The AI road map will help the Philippines "understand the potential consequences and impacts of algorithms to processes and business models," Ms. Azarcon said.

"Cloud computing, on the other hand, is expected to deliver business results for nearly 79% of companies we surveyed in the Philippines," she added.

"For this group, workloads being completely portable with no vendor lock-in is important or extremely important to the success of their digital initiatives. The majority of Filipino executives surveyed — 86% — said vendor lock-in is a significant obstacle to improving business performance in most or all parts of their cloud estate."

Some 80% of the Philippine companies surveyed by IBM also consider data security being embedded throughout the cloud architecture as "extremely important."

"In 2022, taking a piecemeal approach to technology is no longer enough. Businesses will need to holistically reinvent their operations to realize the full benefits of digital transformation," Ms. Azarcon said.

Businesses will also need to assess how they use the cloud in terms of adoption, velocity, migration, speed, and cost savings opportunity, she noted.

"They will need to take inventory of the IT environment to successfully determine which workloads and applications will yield the most value in the cloud and which are better suited to stay on-premises."

In terms of risks, she said 90% of cyber-related incidents nowadays originate in cloud environments.

She added that nearly half (47%) of Filipino CEOs surveyed put higher strategic importance on protecting against cyber risks and data exposures, and 72% of them plan to prioritize cybersecurity in two years.

Taiwan firm GlobalWafers said to near China approval for \$5.3-billion acquisition of Siltronic AG

TAIWAN'S GlobalWafers Co. is close to clearing an important regulatory hurdle in its \$5.3-billion acquisition of German silicon wafer manufacturer Siltronic AG, according to people familiar with the matter.

China's State Administration for Market Regulation has indicated it's largely comfortable with the antitrust remedies

proposed by the companies and could make a formal decision shortly, the people said, asking not to be identified discussing confidential information. The deal still requires the green light from Germany's economy ministry, and those discussions are ongoing, according to the people.

GlobalWafers shares were up as much as 7.6% in Taipei on Wednesday while Siltronic rose 1.1% in Frankfurt on Tuesday, giving it a market value of roughly \$4.7 billion.

"We are still waiting for the final approval in China. But all questions have been answered," GlobalWafers Chairwoman Doris Hsu said in an interview with German

newspaper *Frankfurter Allgemeine Zeitung* published Tuesday. She added that the German government might be concerned that GlobalWafers is headquartered in Taiwan, rather than in Europe.

GlobalWafers and Siltronic announced their tie-up in Dec. 2020. The companies said in October that they

were in protracted discussions over regulatory clearances in China and Germany.

The takeover would be GlobalWafers' largest ever and also one of the chip industry's biggest in recent years. Competition in the market for semiconductors is heating up as companies that were once customers, such as Apple, Inc.

Headquartered in Munich, Siltronic is a leading maker of silicon wafers used in products such as smartphones, computers, navigation and digital displays. It has production sites and offices in Germany, the US and other advanced manufacturing countries. — **Bloomberg**

China's Omicron outbreak is bad news for the global supply chain

AN Omicron outbreak in China is sending jitters through supply chains as manufacturers and shippers brace for disruption inside the world's-biggest trading nation if it can't contain the fast-spreading variant.

In 2020 and 2021, China's 'COVID-zero' strategy meant factories could stay open throughout the pandemic to produce everything from health equipment to laptops that global consumers hoovered up at a record pace. But there's been confirmed cases of local infection everyday since mid-October and it's likely even tougher restrictions will be needed to curb Omicron's spread, with knock-on consequences for ports and factories as more cities lock down.

So far, China's not facing the problems seen elsewhere like shortages of some foods in Australia or Japan, or an estimated five million workers staying home sick in the US last week. But with an end to 'COVID-zero' unlikely as China prepares to host the Winter Olympics next month and a series of political events later in the year, policy makers have to decide how much to increase restrictions, and consider how that will hit an already slowing economy and global trade.

"The reality is that China remains the center of global manufacturing," said Thomas O'Connor, a supply chain expert at Gartner, Inc. in Sydney. "If there was significant manufacturing or logistic shutdowns in China associated with COVID-related challenges, that would have a massive impact on the global economic environment."

In recent weeks, sporadic outbreaks scattered across the country of both the Delta and Omicron variants have already triggered shutdowns to clothing factories and gas deliveries around one of China's biggest seaports in Ningbo, disruptions at computer chip manufacturers in the locked-down city of Xi'an, and a second city-wide lockdown in a different province Tuesday.

There are other cities nearby facing some restrictions, and authorities in the southern technology and manufacturing hub of Shenzhen tightened restrictions on vehicles entering the city Tuesday. That prompted concern about delays at nearby Yantian port, which is one of the biggest container ports in Asia and was partly closed for a month last year after an outbreak.

One manufacturer caught up in the current delays is Sidney Yu, whose Hong Kong-based firm Prime Success Enterprises Ltd. makes educational and recreational products like children's tents and pet baths.

Mr. Yu has five containers delayed due to the outbreak in Ningbo, where some of his production is based. He's worried that if he doesn't get his products shipped before the looming Chinese New Year holidays — when factories shut for weeks, — he will miss the window to get his spring and summer range of goods to market in time.

"This is a critical time before Chinese New Year," Mr. Yu said. "We have a lot of shipments going out as we try to catch the last few weeks before the holiday starts."

The snarls in China come as a global economy swamped in Omicron

grapples with shortages of truck drivers, pilots, supermarket staff and other frontline workers, extending a supply crunch that dogged the world through much of 2021 and sent prices soaring. Shipping container costs remain multiples of levels seen early in the crisis, raw material prices remain elevated, and disruptions are likely to last through this year, according to analysis by Oxford Economics.

Production across South East Asia was hammered last year as manufacturing nations like Vietnam and Malaysia enforced strict lockdowns, causing long delays in production of semi-conductors, clothing and more. It also prompted some firms to bring production back to China, which was able to export record amounts of goods despite the occasional domestic outbreak, shipping congestion and problems at ports in the US and elsewhere.

However, a surge in Omicron across China and the rest of Asia could trigger "the mother of all supply chain stumbles" this year, according to Frederic Neumann, co-head of Asian economic research at HSBC Holdings Plc. Bank of America economists warned that Asia has yet to see a major wave of Omicron, meaning the worst of the impact has yet to come.

If China does succeed in containing the virus again it will ease global supply pressures, but for manufacturers like Mr. Yu, the near term isn't offering any respite from the lingering problems.

"For the next six months I don't see any big improvements," Mr. Yu said. — **Bloomberg**

Concepcion launches talks for purchase of Molnupiravir for MSMEs

Presidential Adviser for Entrepreneurship and Go Negosyo founder Joey Concepcion has launched talks with suppliers of anti-viral drug Molnupiravir as a way to help small businesses whose frontline workers have been infected with COVID-19.

The Food and Drug Administration (FDA) recently approved the Emergency Use Authorization (EUA) for Molnupiravir, an oral medicine said to reduce severe symptoms of COVID-19.

"This is our way of helping MSMEs and our partners in the A Dose of Hope Program. We want them to get access to this drug as many frontline workers of businesses have been infected recently. They are yet to recover fully from the effects of the pandemic," said Concepcion.

Concepcion added that the consumption of the anti-viral drug should be closely supervised and monitored by doctors of the private sector.

Based on his initial talks with several suppliers, Concepcion said the price of Molnupiravir ranges between P1,991 to P5,200 per bottle, depending on the volume of orders and supplier.

"Through this initiative, we can alleviate the plight of our small businesses by providing their workers access to needed medicines that can help them recover from the virus. If they have recovered and healthy employees, they can continue doing business and help our economy," Concepcion stressed.

During the recent Town Hall Meeting organized by Go Negosyo, Vaccine Expert Panel member and infectious disease expert Dr. Rontgene Solante said Molnupiravir is given to patients with mild to moderate COVID-19 twice a day for five days to prevent them from being hospitalized and develop into a severe case of the virus.

"The data are telling us that it reduces the risk of hospitalization and the risk dying 30 percent. Thirty percent is still 30 percent, even if you say it's less than 50 percent," Solante said.

Solante said that when the data coming from different Indian studies were reviewed, Molnupiravir also helps reduce transmissibility of COVID-19.

"Because data tells us that if you give Molnupiravir, on the third day of the drug, you will have half of the viral load will be cut. Meaning you lower your viral load more than 50 percent during the third day of the drug," he said.

On the fifth day of the drug, Solante said the viral load will be further reduced by 80 percent.

"What is the impact there? There is a possibility that you can get patients go back to work because they're not transmissible because they're taking the drug and at the same time, the absence of symptoms which usually starts on the second and third day of the drug and total absence of symptoms five to seven days, that will make the patient really better and reduce the risk of hospitalization and also reduce the risk of transmissibility," he explained.

Concepcion said Molnupiravir could suffice for now until the arrival of Paxlovid, an oral formulation that is a combination of two drugs that is given in one formulation.

"It has been found out that it reduces hospitalization more than 80 percent if you give it in the first three days and first five days of symptoms," said Solante.

Small business owners who want to know more how they can purchase Molnupiravir from official suppliers can message the official Facebook of Go Negosyo <https://www.facebook.com/gonegosyoofficial>.