

## Aboitiz AI unit, UBX to offer credit scores for small businesses

SINGAPORE-BASED Aboitiz Data Innovation Pte. Ltd. (ADI) and UBX Philippines Corp. have tied up to help finance unbanked and underbanked Filipinos and micro-, small-, and medium-sized enterprises (MSMEs).

"ADI is an artificial intelligence (AI) leader not just in the Philippines but in ASEAN. We are leveraging their AI capability to help us score credit risks for unbanked and underbanked Filipinos and more importantly, for the MSME segment of the economy," UBX President and Chief Executive Officer John Januszczak said on the sidelines of ADI's AI Summit.

Under the partnership, ADI will help UBX by providing embedded scoring on its online lending marketplace for MSMEs called SeekCap.

An underserved MSME segment has been identified that offers a big opening for financial institutions, Mr. Januszczak.

"A lot of these businesses don't even have bank accounts... but it's also not directly an individual; it's a set of individuals associated with a business. So, that's another scoring challenge, and ADI through AI and alternative data is helping us solve that problem so that we can extend credit to people who couldn't get it and if they could get it we can give it to them at a better rate," he said.

Meanwhile, Mr. Januszczak expects the number of people employed by MSMEs to go back to pre-pandemic levels.

"I would assume that as things normalize, we'll get back to those kinds of statistics. If we can provide cost-effective working capital

to these businesses as they grow their business, it is going to have a positive and a material impact on truly inclusive financial prosperity," he added.

Mr. Januszczak also cited a "protection crisis" in the Philippines as insurance penetration as a share of gross domestic product in the country is less than 2%.

The Insurance Commission said that the insurance sector's contribution to the economy went down by 1.72% in 2022 from 1.93% in 2021.

"In a more developed economy in ASEAN like Singapore, it's over 8%, or might even be over 10% already, and in other developed markets it is even higher. So, we know that it is drastically unpenetrated," he said.

Mr. Januszczak identified packaging and the distribution of insurance products as capable of addressing the low insurance penetration.

"A lot of the insurance products that are sold here in the Philippines today are targeted to the affluent, and I am talking about life and health insurance in particular. We need a product that targets the mass market," he said.

"These insurances traditionally have been distributed through agents and that's a good thing but we need alternative forms of distribution that could economically reach the rest of the country," he added.

UBX is an open finance platform launched by Aboitiz-backed Union Bank of the Philippines back in 2018. Meanwhile, ADI is the data science and AI arm of the Aboitiz group. — **Justine Irish D. Tabile**

# Gig economy seen as growing competitor for BPO companies

THE information technology and business process management (IT-BPM) sector is paying attention to the surging gig economy, the top official of an industry group said, describing freelancers as competition.

"I would say it (freelancing) is something that we need to pay attention to. But it is a force that is hard to stop. I think as an industry, we need to accept it as a challenge because that was catalyzed by the pandemic. It was catalyzed by the fact that we can now work from home," Jack Madrid, president of the IT and Business Process Association of the Philippines (IBPAP), said in a chance interview last week.

"You can't do gig economy in your day job," he said on the sidelines of the AI Summit organized by Aboitiz Data Innovation Pte. Ltd. in Pasay City.

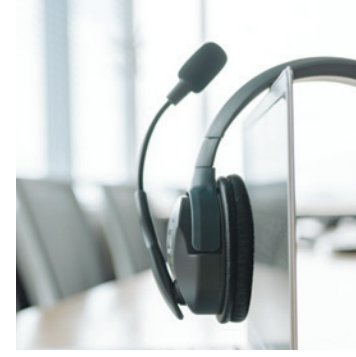
Mr. Madrid said that business process outsourcing (BPO) companies need to accept that the gig economy is its competitor.

"It is going to be very hard because from what I understand, they're unregistered companies. Some people really do not want to work in the office. It is just an interesting result of our work flexibility. This is the new world of work," he added.

Financial technology company Payoneer said in April that the global demand for freelancers had increased, citing its 2023 Global Freelancer Insights Reports.

The surging demand comes from fields such as programming, marketing, project management, and web design.

"A growing number of businesses are relying on freelancers to support their full-time workforce because of convenience, flexibility, and outstanding quality of work. This benefits freelancers, too, since we have seen how they can enjoy a good work-life balance while still sustaining themselves, especially with the



YAN KRUKAU

**FINANCIAL technology company Payoneer said in April that the global demand for freelancers had increased, citing its 2023 Global Freelancer Insights Reports.**

convenience, and practicality of earning in US dollars without leaving the country," Payoneer Country Manager for the Philippines Monique Avila said.

"We expect this industry to keep growing in the coming year," she added.

Meanwhile, Mr. Madrid said potential investors should also recognize that the surging gig economy is a competitor of the IT-BPM industry.

"You just have to weigh it. I think on the investor side, we need to accept it and compete with it. On the employee side, I know that the Department of Information and Communications Technology (DICT) is supporting it, and as a Filipino, I am happy for them because it is still a job. It is still good for our economy," Mr. Madrid said.

"But I want them to know also the pros and the cons of working for an unregistered company," he added.

This year, the IBPAP is targeting to reach 1.7-million full-time employees (FTEs) and to generate \$35.9 billion in revenues, both higher than the \$32.5-billion revenues and 1.57-million FTEs recorded last year. — **Revin Mikhael D. Ochave**

## Asian Terminals net profit climbs 96% to P1B as revenues surge

ASIAN TERMINALS, Inc. (ATI) posted a 96% jump in net income attributable to equity holders to P1.18 billion in the first quarter from the P601.18 million it booked in the same period last year.

During the quarter, the company recorded revenue growth of 29% to P3.75 billion from P2.9 billion in the same period in 2022. Net of the government's share in revenues, the company generated P3.09 billion, up 30% from P2.38 billion a year ago.

In its latest quarterly report, the company said that revenues from South Harbor International Containerized Cargo and Batangas Container Terminal increased from last year by 26.9% and 46.9%, respectively, on account of higher container volumes.

"Moreover, revenues from ATI Batangas were higher than last year by 21.1% on account of higher Roro (roll on/roll off) volumes and higher number of passengers," it said.

The company's cost and expenses grew by 16.2% to P1.61 billion in the first three months of the year, from P1.38 billion last year.

Labor costs during the quarter rose 10% to P436.2 million from P396.3 million last year due to a salary rate increase, while equipment running costs went up by 8% to P194.2 million from P179.8 million due to higher fuel costs and higher electricity resulting from higher consumption and increase in rates.

The company recognized a finance income of P42.1 million, an over 18 times jump from the P2.3 million booked in 2022 as it earned higher interest rates on money market placements and a higher cash balance during the quarter.

Finance costs were lower, amounting to P113.5 million, down 11.8% from P128.7 million a year ago.

The company also booked P137.1 million in other income during the quarter, reversing the P76.4 million in other expenses last year, which it attributed to unrealized foreign exchange gain following the appreciation of the local currency versus the dollar.

On Friday, ATI shares climbed eight centavos or 0.54% to P14.78 each. — **Justine Irish D. Tabile**

# World of DoubleDragon CORPORATION

**Jollibee Tower**  
ORTIGAS CBD - PASIG

**DOUBLEDRAGON PLAZA**  
DD MERIDIAN PARK  
PASAY - METRO MANILA

**CITYMall**  
LUZON • VISAYAS • MINDANAO

**JINJIANG INN**  
PHILIPPINES

**HOTEL IOI**  
GLOBAL

**CentralHub**  
WAREHOUSES  
NATIONWIDE

**DRAGON8 SHOPPING CENTER**  
DIVISORIA - MANILA

**DD HappyHomes**  
VISAYAS

**ASCOTT**  
DD MERIDIAN PARK  
MANILA

