

QR-based system replacing bar codes to be trialed in Q1

A SYSTEM based on quick response (QR) codes which is set to replace line-based bar codes will undergo trials in the first quarter, the Philippine Retailers Association (PRA) said.

"By next year, we will trial the migration from the one-dimensional (1D) to two-dimensional (2D) bar code. The trial will be in the first quarter next year," PRA President Roberto S. Claudio, Sr. told reporters on the sidelines of the 29th National Retail Conference & Expo in Pasay City last week.

"This is a big transition since this will make product distribution more efficient," he added.

Mr. Claudio said the retail industry will lead the transition to the GS1 bar code system from the 1D black and white vertical lines to the QR code matrix 2D bar codes, which will be implemented worldwide by 2025.

"The new bar code will allow for better traceability and will be more consumer friendly. Consumers can now appreciate what products they are buying," Mr. Claudio said.

Mr. Claudio said that both 1D and 2D barcodes will be used in products for the first two years of implementation to allow a transition period for retailers and manufacturers.

He added that retailers will need new scanners to read the new bar codes.

"The new scanners can read both 1D and 2D barcodes so that whatever is there, it will be read," Mr. Claudio said.

"From what I've heard, half of the supermarkets are now using scanners that can read both bar codes..." he added.

Among the other benefits of the QR-based system, Mr. Claudio said that consumers will have more information available about the products they will purchase.

"The new bar code will display calorie count, nutritional value, etc. In essence, the QR code gives

more information compared to the black and white straight-line bar code," Mr. Claudio said.

"The QR bar codes will also have links that will lead you to the website of the manufacturer, as well as links to recipes," he added.

Mr. Claudio said one of the challenges in implementing the new bar code system is the added cost to be borne by micro, small, and medium enterprises (MSMEs).

"The challenge is the MSMEs. It will be an added cost, but it will only be a small amount. The cottage industries like those making jams, *bagong*, and *pastillas* in the provinces don't have barcodes," Mr. Claudio said. — **Revin Mikhael D. Ochave**

ACEN bats for solar hybrid systems in next green energy auction

AYALA group unit ACEN Corp. said the next green energy auction should include solar hybrid systems, which incorporates a storage component to allow electricity to be transmitted at all hours.

"We are hoping that in the next green energy auction (will entertain) the notion of... a solar storage hybrid," Eric T. Francia, president and chief executive officer of ACEN, said in a chat with reporters last week.

"Solar-storage hybrids... will help address grid constraints, as well as encourage distribution utilities to procure GEAP capacity because it enhances the reliability of GEAP as a source of supply," he said.

He said pairing solar power with storage addresses the intermittency problem of renewable energy and issues caused by injecting large renewable capacities onto the grid.

"While we are a very strong proponent of renewable energy, let us be careful in injecting renewable energy. If you inject more renewable energy... that puts a strain on the grid. Because you have large capacity output but it is intermittent," Mr. Francia said.

"If you have solar at 16% capacity factor output, if you have wind at around 30%, you are only typically using that much of the grid. You are effectively or potentially crowding out other capacities from going to the grid," he added.

The second round of the green energy auction resulted

in firm project commitments of about 3,440 megawatts (MW) of renewable energy capacity out of the 11,600 MW of capacity on offer.

Theresa C. Capellan, president of SunAsia Energy, Inc. and chairperson of Philippine Solar and Storage Energy Alliance, said in a statement on Sunday that the next green energy auction should also include advanced technologies like floating solar panels.

"Supplying power to Metro Manila and Laguna requires gigawatts of power which needs thousands of hectares not readily available to developers. Using the (Laguna de Bay) surface for solar energy provides a clear pathway in realizing the energy security and decarbonization goals of the country," Ms. Capellan said.

However, Ms. Capellan said rates for floating solar should be evaluated, noting that it is a different kind of technology from the ground-mounted solar.

"The tariff on floating solar is a good start as it differentiates the economics (compared with) land-based solar. But... the green energy auction reserve (GEAR) price for floating solar has not yet captured the true cost of this emerging technology," she added.

Last week, ACEN and SunAsia Energy separately signed renewable energy contract area utilization agreements with Laguna Lake Development Authority for their floating solar projects in Laguna de Bay. — **Ashley Erika O. Jose**

Government urged to take lead in job creation effort

THE GOVERNMENT needs to create more public-sector jobs after unemployment worsened to a three-month high in June, a labor group said.

"The economy's sluggish capacity to generate jobs is a fitting reminder to the government that job generation is too important to leave in the hands of the private sector," Sentro ng mga Nagkakaisa at Progresibong Manggagawa Secretary-General Josua T. Mata said in a Viber message.

The jobless rate rose to 4.3% in June, the Philippine Statistics Authority reported on Aug. 9. Job quality worsened as the underemployment rate, which measures those employed who are seeking more work or longer hours, increased to 12% from 11.7% a month earlier. This was lower than the 12.6% posted in June 2022.

Mr. Mata said the government's jobs package needs to include income guarantees, paid training programs and the promotion of green or climate-related jobs to help lower carbon emissions.

Last week, Labor Secretary Bivenido E. Laguesma presented his department's labor and employment plan to the Cabinet. The labor roadmap called for enhanced coordination with other agencies to promote sustainable jobs and social protections for the workforce.

He said the government is seeking more partnerships with the private sector to create more jobs in infrastructure.

Public Works Secretary Manuel M. Bonoan told a Palace briefing on Aug. 8 that the government will need more

than three million workers to staff major infrastructure projects.

He said the Department of Public Works and Highways has 70,000 ongoing major and minor infrastructure projects this year, which are valued at about P890 billion.

"(Upskilling) is an important step toward employment gains because you cannot separate the linkage of training and employment," Mr. Laguesma told a news briefing last month.

In his second address to Congress last month, President Ferdinand R. Marcos, Jr. urged his Cabinet to continue working towards making the workforce more employable.

"The need for government to directly provide jobs through a massive public employment pro-

gram that the labor movement has been calling for," Mr. Mata said.

In a statement on Sunday, the Federation of Free Workers (FFW) also cited the need for workers to form more trade unions and exercise their right to bargain with their employers as the job situation deteriorates.

"In a time where job concerns escalate and wealth accumulates at the pinnacle, freedom of association becomes crucial," said Arlene D. Goloso, board member of the FFW and president of the Ateneo de Davao Academic and Teaching Union.

"Every Filipino worker deserves an environment that acknowledges and upholds their rights, granting them a just share of the fruits of their labor." — **John Victor D. Ordoñez**

GOCC subsidies nearly double in June to over P26B; PhilHealth gets P15B

SUBSIDIES provided to government-owned and -controlled corporations (GOCCs) rose 94.64% year on year in June, the Bureau of the Treasury (BTr) said.

Budgetary support to GOCCs rose to P26.055 billion in June from P13.386 billion a year earlier, the BTr said. Month on month, subsidies jumped 253.24%.

The government provides subsidies to GOCCs to help cover

operational expenses not covered by their revenue.

The Philippine Health Insurance Corp. (PhilHealth) was the top recipient in June, obtaining P15.016 billion or 57.63% of all subsidies during the month.

This was followed by the National Irrigation Administration (NIA), which received P3.524 billion.

The Bases Conversion and Development Authority received

P2.91 billion, while the Philippine Crop Insurance Corp. got P1.8 billion.

Other top recipients were the Philippine Fisheries Development Authority (P853 million), National Food Authority (P471 million), and Philippine Children's Medical Center (P221 million).

GOCCs that received at least P100 million were the Philippine

Heart Center (P178 million), Philippine Rice Research Institute (P149 million), Philippine Coconut Authority (P133 million), National Kidney and Transplant Institute (P125 million), and National Dairy Authority (P100 million).

GOCCs that were given at least P50 million were the Social Security System (P93 million), Philippine National Railways

(P73 million), Lung Center of the Philippines (P70 million), and Development Academy of the Philippines (P70 million).

The National Home Mortgage Finance Corp., National Housing Authority, Cagayan Economic Zone Authority, Philippine Postal Corp., Power Sector Assets and Liabilities Management Corp., Small Business Corp., and Social Housing

Finance Corp. received no subsidies during the month.

In the first six months, subsidies amounted to P63.701 billion, up 20.77% from a year earlier.

The NIA received the most subsidies during this period at P21.81 billion, accounting for 34.24% of all subsidies.

In 2022, GOCC subsidies increased 8.5% to P200.41 billion. — **Aaron Michael C. Sy**

OPINION

Transforming with AI

The science for artificial intelligence (AI) has been around for almost a century. Although the concept of AI can be traced back to ancient stories from Greece and China, AI practitioners have only actively achieved significant progress within this century. The approach to applying AI has been continuously refined, from using symbolic or classical AI that is based on embedding knowledge and creating rules, to progressing statistical AI which involves pattern recognition, probabilities, and learning. Nonetheless, the challenges encountered in applying AI have forced renewed thinking among practitioners.

With computing power increasing exponentially over the years, the discipline of AI now has an explosive opportunity to grow whatever the approach may be, but largely towards practical use cases. In addition, the growth of AI would not be centered solely around creating robots that think and behave like human beings, as is often portrayed in movies and books. Instead, it will revolve more around how it can fulfill specific objectives as agents in various forms to help humans achieve their work. This is where the current boom is coming from, but this unfortunately also raises concerns related to how AI may replace some jobs. On the other hand, there also are many who are actively pushing and exploring the possibilities for AI to make work more efficient for people.

SUITS THE C-SUITE

LEE CARLO B. ABADIA

In the recent EY Tech Horizon report, where about 1,600 companies across the globe of varying sizes were surveyed quantitatively and qualitatively, respondents reported that AI and machine learning will be a significant part of their top technology investments within the next two years. AI can be considered a foundational technology, along with data and analytics, the cloud, and the Internet of Things. By combining these four as

part of their technology strategy, organizations gain a good foundation to execute a tech-enabled transformation. As AI continues to gain more traction in development and adoption, however, its prominence as an expected technology stack will likely increase.

CHALLENGES IN AI ADOPTION

The recent Forrester's Global AI Software Forecast predicted that off-the-shelf and custom AI software spend will double from \$33 billion in 2021 to \$64 billion in 2025. Moreover, AI software is projected to have an annual growth rate of 18%, which is 50% faster than the overall software market. However, based on one IDC survey, only 22% of organizations in 2022 reported that AI was implemented on a large scale in their enterprises.

For all the reports around how AI will be a priority for investment and implementation in organizations, we have yet to see it leveraged at scale to transform businesses. This poses the question — why is AI, which is clearly a top-of-mind technology around the

world, seemingly unable to make a strong breakthrough?

A key challenge for widely adopting AI across an enterprise is the typical bottom-up approach taken by organizations. It often starts with technical teams building portfolios of projects on piloting AI on specific processes only, which is disconnected from the wider business. This creates siloed solutioning and tends to put the burden on technical teams to foster the business cases for AI to incrementally secure more funding. This also means that solutions may not look holistically at how the business works and can lead to an incoherent approach to delivering value across functions. This incoherence can lead to leadership and teams being disillusioned with what AI promises to deliver.

Maximizing the potential of AI requires a refreshed approach. Businesses should include this as a strategy from the top to help differentiate themselves from competitors while simultaneously becoming more resilient to disruptors in their industry. Chief Executive Officers (CEOs) should drive the change in culture towards AI and align with their Chief Information Officers (CIOs) towards championing the importance of technology in meeting organizational goals.

This means that there should not be a separate technology strategy, but one embedded into the business strategy itself. This approach can help answer questions such as whether AI allows the organization to enter a new market or re-imagine its business model. This will ensure that investments in technology will align and help meet the vision of the organization.

LEVERAGING AI

As early as the 1970s, one of the first recognized knowledge systems (classical AI approach) was MYCIN. This system was intended as a doctor's assistant refined over a period of five years and was designed to give input and explanations about blood diseases based on blood tests.

The use of AI has since been developing across various industries and businesses should be more aware of how it can be deliberately leveraged while being driven by an organization's leadership. The most common use is enabling it as a recommendation engine for online retail or search, which by now should start being a standard for most online stores.

Fast forward to now: machine learning (statistical AI) can help identify diseases in medical surgery, from CT scans used to detect lung cancer to eye photographs to check for diabetes. Another example is in smart farming, where crop scanners and drones collect images and analyze them to determine if more water, pesticide, or fertilizer is needed. In short, regardless of the industry, AI can drive innovation to help humans.

AI can clearly help enable CEOs innovate, but with it comes the responsibility of proper implementation. There are issues such as data privacy, embedded biases, and accountability in deploying this technology. While the strategy is defined from the top, along with it comes the necessary governance to help safeguard the organization from its risks. In 2023, seven leading AI companies in the US have agreed to voluntarily implement safeguards on AI development. They have committed to

establishing new standards for safety, security, and trust for the technology.

Being familiar with these movements can help business leadership navigate where to plan for AI adoption, and check for readiness on how to address potential regulations in their industries.

EMBRACING THE IMMINENCE OF AI

We have come to a point in history where AI can be deployed as a day-to-day technology. This was made possible because the science now focuses more on specific use cases rather than creating general AI that strives for human-like intelligence. AI is going to be an imminent part of how businesses will be run today in the same way that machines in the industrial revolution moved workers from cottage industries to industrial factories and introduced new skills for people.

CEOs must embrace this imminence and can do so by intentionally including this in their high-level strategy, understanding how the technology can be applied today, upskilling employees to work with AI, and more importantly being proactive on internal governance and external regulation.

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