Filbar transitions to collectibles from comics

By Miguel Hanz L. Antivola
Reporter

PURSUING a hobby for business is no walk in the park, as it still requires discipline and market research to succeed, according to Jacob Reuben A. Cabochan, president of Filbar's, a comic book outlet turned pop culture collectible hub.

When Mr. Cabochan and his fellow comic hobbyist friends from high school decided to take over the 34-year-old company's operations a decade ago, they knew it needed to be sustained and transformed for today's demand.

"We were the customers of the old Filbar's," he said in an interview with *BusinessWorld*. "You had Marvel movie series such as *Captain America* and *Iron Man* starting during that time, so we said that maybe it's time to reinvent Filbar's."

Named after its founder, Filemon Barbasa, Filbar's started in 1979 as a small comic book shop in Greenhills, San Juan, which saw an opportunity to bring international comic fanfare to the Philippines.

"Especially in the 1990s, a comic book would go into print for like 1-5 million copies just for a single issue," Mr. Cabochan said. "But eventually, it hit cycles and the comic industry fell."

Filbar's pivoted to selling back issue magazines in the next decade, yet it took another downturn and forced the business to close some stores, he added.

In 2013, Mr. Cabochan and his partners acquired Filbar's, adamant to revive the comic market and serve its hardcore fanbases in the country. Yet, they also knew the business had to take another route to keep it standing, separate from their passion.

"We knew it wouldn't be as big as before, but it wasn't enough to sustain our operations," he said. "We thought of what else we could add."

SHIFTING OFFERINGS

Since the revamp, Filbar's has started tapping into pop culture collectibles from Western superhero franchises, alongside Eastern intellectual property (IP), such as manga and anime.

Mr. Cabochan has observed that the comic and publishing market favors Japanese and Korean IPs, which the offerings of Filbar's have started catering to more.

"We found that Japanese publishing companies would outsell Marvel by 10x," he said, noting that comic book stores in the United States stock more manga now than Western IP.

"If you're a collectible shop, you have to see and focus on what's popular. You have to be on trend," he added, regarding the close attention to the market needed to bolster the business and avoid another plunge.

GREENHILLS MALL FACEBOOK PAGE

Aside from stores not operating during the pandemic, Mr. Cabochan noted how the halt of big movie releases also had a halo effect on the collectible industry.

"Studios were hesitant to release during the pandemic, so you didn't have any big movies or events, which means there is no demand for any collectible," he said. "But you still had the old fan bases who are still regulars to this day."

He added inventory management as a challenge the business continuously faces, where collectible and IP licensors cannot share much information for fear of spoilers.

"Sometimes we would order products not knowing what it is," he said. "When it comes out, you have a range of products, which is not a lot of the popular figure, or only a few that suddenly sell out in a day or two," he said.

BEYOND A HOBBY

For most, a hobby turned business seems like a dream come true, but Mr. Cabochan said he does not recommend it. "You have to have the discipline to run it like a business."

"So if you think of it as a hobby, you would lose money because you would only buy stuff that you like," he added. "I still have to re-educate myself because we cater to a lot of fandoms."

There is a forced need to research and imbibe the rest of the target market, according to Mr. Cabochan.

"You have other customers as well, and you have to see what else they would like," he said, adding that the company is currently tapping the younger side of its market as part of its strategy.

ADB,
from S1/1

"This project will transform the economic landscape of Central Luzon, unlock the full potential of Bataan and Cavite for trade, manufacturing and industrial output, and boost their tourism," ADB Vice-President for East and Southeast Asia and the Pacific Scott Morris said in a statement. "Once completed, BCIB will offer a platform for reimagining a more vibrant, resilient, and dynamic greater Manila Bay area."

"BCIB will provide the road connectivity to Manila, Cavite and southern Luzon that will boost Bataan's potential to host more manufacturing industries in the Freeport Area of Bataan, the only freeport in the Manila Bay area, making it an ideal transshipment hub," it said.

The project will also boost the use of the Mariveles port in Bataan as an alternative to the port of Manila.

The ADB-financed Infrastructure Preparation and Innovation Facility supported the preparation, environment and social safeguards due diligence, and detailed engineering design for the bridge.

"The project will follow high technical standards to boost resilience to natural hazards and the effects of climate change, such as sea level rise, increase in temperature and heatwaves, and extreme weather events. The bridge will be built using low-carbon technologies and construction materials where applicable," it said.

The multilateral lender also cited other transport projects in the pipeline, including the Metro Manila Rail Transit Line 4 and the Laguna Lakeshore Road Network.

"These projects will expand and transform the transport network in the metropolis, improve regional connectivity, and offer Filipinos access to more job opportunities," Mr. Morris added.

Earlier this month, the ADB said it is allocating $10 billion in climate finance for the Philippines from 2024 until 2029.

Last week, the bank also approved a $450-million loan to the Philippines to help enhance its universal healthcare program.

The lender said it is earmarking up to $4 billion annually for the Philippines until 2029.

Last year, the ADB was the Philippines' top provider of active official development assistance (ODA). It extended $10.85 billion worth of ODA, or about a third (33.47%) of the country's total portfolio. — **L.M.J.C. Jocson**

IBM Philippines pushes affordable, usable AI solutions for MSMEs

TECHNOLOGY companies must revisit their initiatives to enable micro-, small- and medium-sized enterprises (MSMEs) and startups with artificial intelligence (AI), given its productivity and economic benefits, according to International Business Machines (IBM) Corp.

"Our challenge is making it usable, affordable, and maintainable for them," Aileen Judan-Jiao, president and country general manager for IBM Philippines, Inc., said during a briefing on Tuesday.

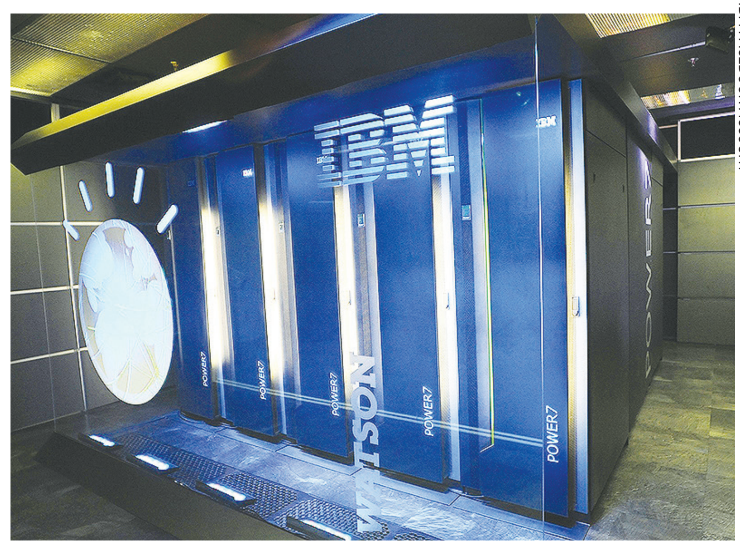
"The ones who will embrace AI are our ecosystem partners," she added, which also includes MSMEs and startups offering subscription platforms supported by AI.

IBM Philippines has started adopting a 100% ecosystem market this year as part of its expansion strategy, Felicisimo S. Torres, technical sales lead for global sales at IBM Philippines, told *BusinessWorld*.

The company has reached out to startups and enterprises with tailor-fit technology and AI solutions, he said.

"This divides their cost [for AI] across multiple clients," he added, while also allowing them to scale and grow.

IBM Philippines has enabled five enterprises this year, Mr. Torres said, through WatsonX, its new self-service AI and data platform for businesses equipped with scalable and flexible models to address key concerns with AI.



IBM FACEBOOK ACCOUNT

The local enterprises served include Komunidad, a software-as-a-service startup specializing in weather and environmental intelligence services, and Digiteer, a bespoke software development startup.

It aims to double this number next year, eyeing those in industries such as financial services, manufacturing, retail, education, and transport, Mr. Torres said.

However, he also noted the low level of AI exposure and adoption among MSMEs, which tech companies can help bridge. "We need to make them understand the technologies and demystify it for them to see its potential."

The International Data Corp. said the Philippines ranked 12th out of 14 economies across the Asia-Pacific region in terms of AI adoption for business and consumer transactions.

The Trade department projected that AI could contribute as much as $90 billion to the country's economy by 2030.

A report released by technology firm Cisco this month said only 17% of Philippine organizations are ready to utilize and deploy AI, with the majority of them raising concerns about the impact of not adopting these advances.

It added that about 44% of Philippine organizations consider themselves chasers or are only moderately prepared; 35% are followers with limited levels of preparedness; and about 4% are laggards, not prepared to leverage AI at all.

Additionally, the global AI market size is expected to reach $407.0 billion by 2027, with a compound annual growth rate of 36.2% during the forecast period of 2022-2027, according to a report by analytics firm MarketsandMarkets.

To build trust and adoption, Ms. Jiao highlighted the need for AI to be explainable — with an understanding of its risks, benefits, and overall implications for the organization.

She also mentioned IBM Corp.'s commitment to reskill 30 million people globally by 2030 through its free SkillsBuild online micro-credential platform, alongside "the right context and mindset" to grow the technology. — **Miguel Hanz L. Antivola**

Economy,
from S1/1

MEI cited several global risks that could impact the region's growth next year, such as geopolitical tensions, persistent inflation, threats to financial stability, uncertainty in China, and climate disasters.

Meanwhile, MEI projected Philippine inflation to average 5.7% next year, well above the Bangko Sentral ng Pilipinas' (BSP) forecast of 3.7%.

MEI's inflation outlook for the Philippines is the highest in Southeast Asia, ahead of Vietnam (3.2%), Indonesia (3%), Malaysia (2.4%), and Thailand (1.8%).

The Philippines continued to experience elevated inflation this year, as food and transport costs rose.

However, inflation eased for a second straight month to 4.1% in November. It marked the 20th straight month that inflation was above the central bank's 2-4% target.

In the first 11 months, inflation averaged 6.2%, faster than 5.6% in the same period a year ago but above the BSP's full-year baseline forecast of 6%.

As inflation eases, MEI said the Philippine central bank will likely cut policy rates to 6% next year.

"Central banks are likely at or close to peak rates. MEI expects some easing in 2024 as inflation cools while growth remains subdued. This could prompt a partial 'normalization' of monetary policy," it said.

The BSP kept the benchmark rate at a 16-year high 6.5% in its latest November meeting. The central bank has raised rates by 450 basis points since May 2022.

The Monetary Board is set to have its last meeting this year on Thursday (Dec. 14).

BSP Governor Eli M. Remolona, Jr. last week said it is premature to discuss easing in 2024 until inflation stays within the 2-4% target. — **Luisa Maria Jacinta C. Jocson**

NPL,
from S1/1

On the other hand, restructured loans dropped by 5.5% to P309.239 billion from P327.355 billion a year ago. These borrowings made up 2.37% of the industry's total loan portfolio, slightly lower than 2.71% in the previous year.

Banks continued to beef up loan loss reserves, which climbed by 7.4% to P461.085 billion. This brought the loan loss reserve ratio to 3.53%, down from 3.56% last year.

Lenders' NPL coverage ratio, which gauges the allowance for potential losses due to bad loans, edged lower to 102.59% from 104.27% a year ago.

Mr. Ricafort said a possible slowdown in the United States, China and other major economies could affect the Philippine economy.

"Slower global economic growth would also result in some slowdown in local business and other economic activities in terms of slower sales, earnings, employment and the ability to pay by some borrowers," he said.

Trade gap,
from S1/1

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in a Viber message that the steep drop in electronics exports weighed on overall exports.

Electronic products accounted for 56.9% of the total exports in October. However, they slumped by 28.9% to $3.62 billion from $5.1 billion a year ago.

The bulk of electronic exports came from semiconductors, which dropped by 34% to $2.83 billion.

"Imports were also down across the board, with capital and raw materials in the red yet again, suggesting soft capital formation and slower growth momentum," Mr. Mapa said.

By major type of imported goods, orders of raw materials and intermediate goods slid by 7.5% to $3.82 billion. Import of capital goods fell by 4.6% to $2.86 billion, while consumer goods imports rose by 4.8% to $2.02 billion.

"The consecutive months of sluggish imports are concerning, particularly the lack of recovery in capital goods," Ms. Velasquez said. "The lone bright spot is the resiliency of demand for consumer goods, but this will hardly be sustainable in spurring the economy towards a higher growth path."

By commodity group, importation of electronic products — accounting for almost a fifth of total imports — fell by 21% to $2.19 billion in October. Imports of mineral fuels, lubricants and related materials dropped by 5.3% to $1.79 billion.

"Third-quarter gross domestic product (GDP) was boosted by a positive contribution from net exports, but today's trade data suggest the fourth quarter will see net exports swinging to a negative contribution to growth," Mr. Mapa said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message that external trade data mainly reflect the risk of an economic slowdown in the United States, China and other major trading partners.

The US was the top destination of Philippine exports, accounting for 16% or $1.02 billion of total receipts. It was followed by Japan (14.2% or $902.65 million), and China (13.8% or $880.37 million).

China was the main source of imported goods in October at $2.6 billion, followed by Indonesia ($917.53 million), Japan ($834.89 million), South Korea ($785.81 million) and the United States ($711.77 million).

Ms. Velasquez expects slightly better export performance next year amid signs of recovery in global demand in Asian neighbors.

"However, it is essential to take further steps to diversify exports and encourage exporters to jumpstart their businesses," she said.

Mr. Ricafort said the recent decline in global crude prices and possible interest rate cuts would help support recovery in global investments and trade in 2024.

"The recent decline in global crude oil prices to five-month lows would help reduce the country's oil import bill and would help narrow the trade deficit," he said.

Ateneo de Manila University economics professor Leonardo A. Lanzona said the data show the trade sector is "at a standstill."

"This again is a result of the absence of industrial policy. With high interest rates, the value of Philippine peso should have encouraged more imports. However, an overvalued peso could deter exports as well," he said via e-mail.

"An industrial policy aimed at promoting products with comparative advantage or at creating new products could have broken this impasse."