Angel investor community to help foster Philippine startups' growth

PRIVATE-PUBLIC startup platform QBO Innovation Hub wants to build a community of angel investors to help foster growth for the Philippines' startup industry.

The company closed last year's initiatives with its AQTIVATE angel investing short course and summit, in partnership with the United States Embassy in the Philippines and IdeaSpace Investments.

"We believe unlocking private capital plays a key role in fueling growth within the startup landscape in the Philippines," Katrina Rausa Chan, executive director at QBO Innovation Hub, said in a statement on Wednesday.

"We're committed to cultivating the next generation of local angel investors, and in doing so, significantly increasing the volume of investments and opportunities for early-stage ventures in the years ahead," she added, noting they aim to develop 1,000 angel investors through the program.

Pauline Anderson, US Embassy deputy director for public engagement, said their initiatives with QBO "promote inclusive economic growth" and "establish a globally competitive and innovative industry and services sector."

Securing capital continues to be a challenge among entrepreneurs, QBO said, which is a gap that angel investors can bridge. A collaborative and knowledgeable network of people who share insights and strategies could help them tap these investors, it added.

"Not only do angel investors seize the opportunity to yield profit, but also significantly influence the trajectory of promising startups," Ms. Chan said.

In an interview with *BusinessWorld* during the Philippine Startup Week 2023, she said strengthening business education, funding mechanisms, mentoring programs, and international exposure opportunities are the keys to boosting the local startup industry. — **M.H.L. Antivola**

Transforming PHL banking through data democratization

By Praveen Kumar

OPINION

DATA democratization is like providing all team members in a basketball game with the same coach's playbook. Limiting access to only select players hinders the team's ability to execute cohesive plays and make effective decisions on the field. However, when the entire team has access to the playbook, they can understand the game plan, anticipate moves, and work together seamlessly to score more points and win the game. In banking, democratizing data empowers every employee to have a deep understanding of the business strategies and trends, leading to better collaboration and improved outcomes for the organization as a whole.

THE ROLE OF DATA IN THE PHILIPPINE BANKING SYSTEM

Today, financial institutions must possess the capability to amass, comprehend, and exploit data effectively to secure a competitive edge and achieve success. The same holds for local banks where, as McKinsey highlights, the combined value generated by the three major fintech and digital banks in the Philippines surpassed that of all traditional banks in the country over the past two years.

For the latter to thrive, they must acquire, comprehend, and capitalize on data swiftly. According to a report by IDC, organizations with a high degree of data intelligence experience a 40% financial improvement, and a 20% enhancement to operations compared with those grappling with a lower level of data intelligence.

Nevertheless, analyzing and acting upon organizational data has usually been confined to specific groups of employees within businesses for an extended period. This, in turn, has impeded decision-making and even led to decisions being made without robust data to substantiate them, placing organizations at a disadvantage.

REALIZING THE FULL POTENTIAL OF DATA

Want to know why democratizing data enables organizations to pivot towards data-driven practices? It's because it allows employees of all stripes to access the data they need readily, empowering them to act on insights and with greater efficacy. For instance, this can be leveraged for customized and personalized customer experiences, ultimately leading to heightened levels of customer satisfaction and loyalty.

Praveen Kumar is the vice-president for Asia Pacific at Rocket Software.

FULL STORY

Read the full story by scanning the QR code or by typing the link
<tinyurl.com/3yw3r3c3>

Filipinos expect data leaks, job losses from AI this year

MAJORITY of Filipinos expect more online data leaks and growing artificial intelligence (AI) adoption to affect their jobs this year, according to global market research company Ipsos.

It also found that Filipinos expect decreased use of social media platforms this year.

The Ipsos Global Advisor 2024 Predictions survey showed the Philippines was one of the top countries with these expectations, with the share of respondents agreeing with these three categories at about 11% above the global average.

The company surveyed 34 countries through its online platform, with 1,000 respondents coming from the Philippines.

The report showed that 64% of Filipino respondents believe their personal data could be leaked on the Internet, higher than the global average of 55%.

The Philippines was the second most attacked country by web threats in 2022, with 39,387,052 internet-borne threats detected, according to data from Kaspersky. It recorded 24,737 crypto-phishing cases, 15,732 mobile malware cases, and 50 mobile banking Trojan cases in 2022.

Sam Jacoba, founding president of the National Association of Data Protection Officers of the Philippines, likewise expects more incidents of cyberattacks this year.

"The government, private sector, and communities of practice have to be more vigilant," he told *BusinessWorld* in an interview. "Do not let up in awareness, education, training, certification, and consistent hardening of critical infrastructure."

FREEPIK

Meanwhile, AI continued to affect the livelihood expectations of Filipinos, with 73% of respondents believing that growing adoption of the technology will likely lead to job losses versus the global average of 64%.

Some 48% of Filipinos said AI is unlikely to help create new jobs, above the 44% global average.

Data and analytics firm GlobalData said generative AI job posts spiked in the third quarter of last year amid competition in the digital landscape, with medium- and long-term talent plans in development for adaptability.

Analytics from the employment-focused social media platform LinkedIn also showed a 2.4 times increase in job posts mentioning AI in Southeast Asian markets from three years ago, with a 1.7 times growth in applications versus those that do not mention it.

It observed that 76% of Filipino professionals expect a significant change in their jobs driven by AI, with 55% already using generative AI, citing efficiency and productivity benefits.

Sergio R. Ortiz-Luis, Jr., president of the Employers Confederation of the Philippines, told *BusinessWorld* that the labor force must recognize and adapt to both challenges and opportunities presented by technological advancements.

"Job seekers and employees need to adapt to maintain their availability for the job market," he said. "Know what areas they can skill themselves in."

Meanwhile, 56% of Filipinos expect to use social media less this year, higher than the 41% global average. — **Miguel Hanz L. Antivola**

Shipping firms continue to avoid Red Sea

OSLO — Denmark's Maersk and German rival Hapag-Lloyd said on Tuesday their container ships would continue to avoid the Red Sea route that gives access to the Suez Canal following a weekend attack on one of Maersk's vessels.

Both shipping giants have been re-routing some sailings via Africa's southern Cape of Good Hope as Yemen-based Houthi militants attack cargo vessels in the Red Sea. The disruption threatens to drive up delivery costs for goods, raising fears it could trigger a fresh bout of global inflation.

Maersk had on Sunday paused all Red Sea sailings for 48 hours following attempts by Yemen-based Houthi militants to board the *Maersk Hangzhou*. US military helicopters repelled the assault and killed 10 of the attackers.

"An investigation into the incident is ongoing and we will continue to pause all cargo movement through the area while we further assess the constantly evolving situation," Maersk said in a statement.

"In cases where it makes most sense for our customers, vessels will be rerouted and continue their journey around the Cape of Good Hope."

Maersk had more than 30 container vessels set to sail through Suez via the Red Sea, an advisory on Monday showed, while 17 other voyages were put on hold.

Hapag-Lloyd said its vessels would continue to divert away from the Red Sea — sailing instead via Africa's southern tip — until at least Jan. 9, when it will decide whether to continue re-routing its ships.

The Suez Canal is used by roughly one third of global container ship cargo. Redirecting ships around the southern tip of Africa is expected to cost up to $1 million in extra in fuel for every round trip between Asia and northern Europe.

Worries about potential disruption to Middle Eastern supply after the latest Red Sea attack drove oil prices higher in the first trading session of 2024.

Expectations that longer routes will result in higher freight rates have pushed up shipping companies' shares since the crisis began, and shares in Maersk were up 6.3% in late afternoon trading. Hapag-Lloyd shares were up 5%.

Unlisted French shipping group CMA CGM will increase its container shipping rates from Asia to the Mediterranean region by up to 100% as of Jan. 15 compared to Jan. 1, according to a notice on its website on Tuesday.

The *Maersk Hangzhou*, which was hit by an unknown object during the weekend attack, was able to continue on its way, with LSEG shipping data showing the vessel close to the Suez Canal on Tuesday.

The Iranian-backed Houthis, who control parts of Yemen after years of war, started attacking international shipping in November in support of Palestinian Islamist group Hamas in its war with Israel in the Gaza Strip.

That prompted major shipping groups, including Maersk and Hapag-Lloyd, to stop using Red Sea routes, instead taking the longer journey around the Cape of Good Hope.

But after the deployment of a US-led military operation to protect ships, Maersk had said on Dec. 24 that it would resume using the Red Sea.

According to Maersk, its alliance partner Mediterranean Shipping Company (MSC) was continuing to divert its vessels via the Cape of Good Hope.

MSC did not immediately respond to a request for comment. — ***Reuters***

CMA CGM hikes shipping rates

PARIS — French shipping group CMA CGM will increase its container shipping rates from Asia to the Mediterranean region by up to 100% as of Jan. 15 compared to Jan. 1, it said in a notice posted on its website on Tuesday.

As of Jan. 15 — which refers to the date of loading in the origin ports — and until further notice, CMA CGM's Freight All Kinds (FAK) rate for a 40-foot long container between Asia and the West Mediterranean will be $6,000, up from $3,000 on Jan. 1.

Prices for shipments to the East Mediterranean, the Adriatic, the Black Sea and Syria were also sharply raised.

A CMA CGM spokesperson declined to provide further details on the rate hikes when contacted by Reuters. — ***Reuters***

Saudi joins BRICS bloc

DUBAI — Saudi state TV said on Tuesday that the kingdom had officially joined the BRICS bloc of countries.

Saudi Arabia's foreign minister had said in August the kingdom would study the details before the proposed Jan. 1 joining date and take "the appropriate decision."

Prince Faisal bin Farhan had said the BRICS group was "a beneficial and important channel" to strengthen economic cooperation.

The BRICS bloc previously included Brazil, Russia, India, China, and South Africa, but is set to double with Saudi Arabia joining the United Arab Emirates, Egypt, Iran, and Ethiopia as new members.

Saudi Arabia's entry comes amid geopolitical tensions between the US and China, and the expansion of China's influence within the kingdom.

Despite continued strong ties with the US, Saudi Arabia has increasingly pursued its own path out of concern that Washington is less committed to the Gulf's security than in the past.

China, Saudi Arabia's biggest oil customer, has led calls for the BRICS to expand to become a counterweight to the West.

The expansion could amplify the group's declared ambition to become a champion of the Global South, although Argentina signalled in November it would not take up an invitation to join. — ***Reuters***

US public debt tops $34 trillion

WASHINGTON — The US federal government's total public debt has reached $34 trillion for the first time, the US Treasury Department reported on Tuesday, as members of Congress gear up for another series of federal funding battles in the coming weeks.

The Daily Treasury Statement for Friday showed that the total public debt outstanding rose to $34.001 trillion from $33.911 on Thursday.

The debt that counts toward the federal debt ceiling rose to $33.89 trillion on Friday from $33.794 trillion on Thursday. This "debt subject to limit" category excludes the unamortized discount on Treasury bills and zero coupon bonds, debt issued by the Federal Financing Bank and guaranteed debt of certain other agencies.

The milestone comes shortly after the federal debt topped $33 trillion in September amid rising federal deficits fueled by falling tax revenues and rising federal expenditures.

Congress returns to Washington next week to tackle Jan. 19 and Feb. 2 deadlines for settling government spending through September, amid Republican demands to reduce fiscal 2024 discretionary spending below caps agreed in June. Lawmakers also hope to pass emergency aid for Ukraine and Israel, possibly with unrelated US border security provisions attached.

Failure to approve the one-dozen fiscal 2024 spending bills would plunge Washington agencies into shutdown mode. But reaching a compromise could become more difficult with November presidential and congressional elections coming quickly into focus.

White House spokesperson Michael Kikukawa said the debt increases were "trickle-down debt" driven by Republican-passed tax cuts in 2017 that benefited corporations and wealthy Americans.

"Congressional Republicans want to double down on MAGAnomics with more than $3 trillion in giveaways skewed to the wealthy while forcing hardworking Americans to pay the price by cutting Social Security, Medicare, and Medicaid," Mr. Kikukawa said in a statement. — ***Reuters***

US FDA approvals rise in 2023, sparking hopes of biotech recovery

THE US Food and Drug Administration (FDA) approved nearly 50% more novel drugs in 2023 than in 2022, putting it back on pace with historical levels, an improvement analysts and investors said could lead to increased investment in biotech firms.

FDA nods for innovative therapies containing an active ingredient or molecule not previously approved, rose to 55 in 2023, up from 37 in 2022 and 51 in 2021. Historical data shows the FDA typically green lights about 45-50 new drugs a year and hit a peak of 59 in 2018.

The agency approved several high-profile therapies such as Eli Lilly's obesity drug Zepbound and Eisai and Biogen's Alzheimer's treatment Leqembi. It also approved five gene therapies in addition to the 55 novel drugs, including a sickle cell disease treatment from Vertex Pharmaceuticals and CRISPR Therapeutics using the latter's innovative gene editing technology.

The FDA in a statement said, "the number of novel drugs approved varies from year to year, and may be due to a variety of factors." Those include the complexity of new drugs in development as well as advances in scientific understanding of diseases and disease targets, it said.

The agency did not provide a specific reason for the big drop in approvals in 2022.

TD Cowen analyst Ritu Baral said the COVID-19 pandemic was likely a factor. When the pandemic hit, the agency moved from approving drugs at record pace to operating with a remote workforce, which caused disruption and issues such as delayed inspections that affected drug reviews.

Investment in biotech companies over the past two years has been a fraction of historical levels.

After 108 initial public offerings (IPOs) in 2021, there were only 18 each in 2022 and in 2023 as of mid-December. A basket of biotech-focused funds tracked by Piper Sandler saw $15.8 billion in capital outflow in 2023, the largest ever going back to 1992, according to the brokerage.

They noted that companies developing GLP-1 weight-loss treatments, the same class as Novo Nordisk's wildly popular Wegovy and Eli Lilly's Zepbound, have had better access to the IPO market.

Industry analysts also said lingering investor concern about high interest rates and government scrutiny of drugmakers could hamper a full funding recovery. — ***Reuters***