

Kakao, LINE unveil blockchain platform Kaia in the country

SOUTH KOREA'S Kakao and Japan's LINE is set to launch a blockchain platform called Kaia in the Philippines in the coming months, banking on growing Web3 gaming in the country.

Kaia was formed through the merger of the blockchain platform Klaytn of Kakao and FINSCHIA of LINE Tech Plus.

Web3, the third generation of the World Wide Web, gives users more ownership of their digital assets including cryptocurrency and digital collectibles like non-fungible tokens (NFT).

"The games are a big part of the Philippines in terms of Web3. We'd like to have that kind of presence here by bringing games and working with the local gaming teams," Klaytn Foundation Representative Director Sam Seo said at the launch event held on Monday.

"The game industry... would be our primary focus. But in the long term, we want to make other use cases as well in the Philippines," Mr. Seo added.

The Philippines ranked fourth globally in the NFT Gaming Adoption Report 2022 by financial tech platform Finder. One in four Filipinos have played play-to-earn (P2E) non-fungible token games, like Axie Infinity.

Kaia has over 420 decentralized applications (DApp), or programs that run on a blockchain or peer-to-peer (P2P) network of computers. It also announced the launch of Infinite Shooting and four other games in partnership with 3KDS, and Web3-powered arcade games from Another World.

"We want to work with the government, banks, and other game developers and other DApp developers as well," Mr. Seo said.

He said they have partnered with Yield Guild Games, a gaming guild that coordinates players to earn crypto-based rewards in play-to-earn games, as well as virtual currency provider Coins.ph.

Coins.ph Senior Campaigns Manager Filip "Lloi" C. Wycoco said there is still a perception among Filipinos that cryptocurrency is a scam due to a lack of education.

"The cryptocurrency space in the Philippines, when compared to other Western countries, we're on the right track, but it's still in the infancy stage," Mr. Wycoco said.

Mr. Seo added that Kaia envisions mass adoption of Web3, adding that there are many crypto players and traders using it, but not regular people. — **Aubrey Rose A. Inosante**

Cybercrime, fraud may pose risks to digital economy, financial inclusion

THE GOVERNMENT must prioritize measures to address the proliferation of cybercrime and online fraud as these could affect the digital economy and hamper financial inclusion efforts, analysts said.

"Cyber fraud and cybercrime create disincentives to participate in the digital economy, leading to loss of potential monetary gains and slower financial inclusion," University of Asia and the Pacific Senior Economist Cid L. Terosa said in an e-mail.

Cybersecurity breaches result in losses for individuals and businesses, he said. These include financial losses from fraud and data breaches, operational and business activity disruption, intellectual property theft, and loss of customer trust and loyalty.

"Technological limitations in our country have enabled many to flagrantly defy the SIM Registration Law," he said.

"It appears that loopholes in the institutional governance and implementation of the law have been exploited by cybercriminals," Mr. Terosa added.

President Ferdinand R. Marcos, Jr. enacted Republic Act No. 11934 in 2022 to "aid law enforcers to track perpetrators of crimes committed through phones."

Ronald B. Gustilo, national campaigner of Digital Pinoys, said the government must increase funding support for efforts to combat cybercrime and online threats.

"They should use these funds to hire experts and acquire the technology needed. The government also needs to craft a program to develop more cybersecurity, legal and digital forensics experts who will eventually aid its

campaign to eradicate these criminals," Mr. Gustilo said in a Viber message.

Fintech Alliance.PH Chairman and Rizal Commercial Banking Corp. Executive Vice-President and Chief Innovation and Inclusion Officer Angelito "Lito" M. Villanueva said in a speech last week that nearly a quarter of Filipinos fall prey to digital fraud.

"The detrimental impact of this issue is reflected in the 4.3% revenue loss

experienced by e-commerce platforms [in the Asia-Pacific region] due to cybercrime," he said, citing data from the Merchant Risk Council's 2022 Global Payments and Fraud Report.

"Education is the cornerstone of our mission, and transparent discussions on all facets of the finance industry are imperative to enhance consumer awareness and resilience," he said.

He noted the importance of digital and financial literacy to help combat cybercrime and fraud.

For their part, financial firms want to be "multiple steps ahead" in ensuring the security of their clients, Mr. Villanueva said.

"That's the only thing that we have to protect: trust amongst our public, our consumers, our customers to make sure that they will have that faith in terms of the reliability and transparency of the system," he added.

Mr. Gustilo also emphasized the need to include digital literacy in the country's basic and secondary education curriculum.

"With the ongoing crisis in cyberspace, people are being driven away from the efforts of the government and the private sector to promote digitalization," he said. — **B.M.D. Cruz**



Concentrix eyes operational efficiency boost from GenAI

OUTSOURCING firm Concentrix said integrating generative artificial intelligence (GenAI) improved the efficiency of its operations and workers, but they remain wary of the risks of using this technology.

Concentrix Philippines Country Leader and Senior Vice-President Amit Jagga said in a roundtable on Monday that the use of GenAI has presented opportunities and challenges for the company.

Still, despite the improved efficiency brought by the technology, the firm's "base revenue will be on a relatively slower rate of growth versus the past," Mr. Jagga said.

"A lot of our clients are not able to implement GenAI on their own and what they need is help from partners like us to implement that," he said.

"One big example of how we've used this is for a large airline company, where initially we were physically answering about 90 to 95% of their interactions through calls," Mr. Jagga said, adding that it reduced the volume to 50% when the company deployed GenAI technology.

Concentrix said they currently use GenAI in three broad areas, namely self-service, allowing interactions to be automated before somebody needs to talk to a consumer; the empowerment of the workers; and big data analysis or analytics.

The reception of AI among workers has been positive, Mr. Jagga said, as AI-powered solutions such as Real Time Assist help them to find the right answers to consumer queries, making agents personable and accurate

as they do not have to be reliant on searching for pages related to the concern of the consumer.

"When we look at our traditional AI models, they were made to do specific tasks, they were evolved algorithms," Mr. Jagga said.

In contrast, Gen AI is self-learning and able to generate on its own, he said. "It's a new kind of field and it definitely needs regulations," he added.

Governments across the world will look at the regulation of GenAI in terms of risks such as the propensity to commit fraud like deepfakes, he said.

"Those are areas which need to be regulated for the privacy as well as for the general fraud prevention and compliance postures of the country," Mr. Jagga said.

Concentrix has over 100,000 workers in over 50 sites across 20 cities in the Philippines.

"We've got operations in 70 countries across the world. The Philippines continues to be our largest. In total, we have a little over 450,000 game changers across the globe," Mr. Jagga said.

As Concentrix employees have a hybrid work setup, they use an in-house developed platform called Secure CX for cybersecurity, he said.

"That platform... is able to co-create the same level of compliance standards that we run in the site. [It] has been very beneficial in executing the right level of compliance posture within work-from-home arrangements," Mr. Jagga said. — **A.R.A. Inosante**

CEB to introduce flights from Cebu to Bangkok

BUDGET CARRIER Cebu Pacific (CEB) said it will launch two new destinations from its Cebu hub, including a direct flight to Bangkok.

The airline, operated by Cebu Air, Inc., will commence the Masbate route from its Cebu hub on October 25, consisting of three weekly flights (Monday, Wednesday, and Friday), Cebu Pacific said in an e-mailed statement on Wednesday.

Cebu Pacific will also begin the flights between Cebu and Don Mueang-Bangkok on Oct. 2, op-

erating three times a week (Monday, Wednesday, and Friday).

"This expansion aligns with our mission to provide accessible and affordable air travel for every Juan. We are committed to connecting more destinations and offering our passengers more choices for their travel needs," Cebu Pacific President and Chief Commercial Officer Alexander G. Lao said.

Bangkok is one of Cebu Pacific's first international destinations, with its maiden Ma-

nila-Bangkok service launched in 2006.

The airline also operates direct flights to Bangkok from Manila and Clark.

With the nearing launch of the Masbate route, Cebu Pacific said that travelers may now visit tourist destinations such as the white sand beaches of Ticao and Burias Islands as well as the marine life in Manta Bowl Shoal.

From Wednesday until June 13, Cebu Pacific announced that passengers can already book

flights to Don Mueang-Bangkok and Masbate from Cebu for as low as P1 one-way base fare, exclusive of fees and surcharges.

The travel period for Don Mueang-Bangkok will be from Oct. 2 to 25, and Oct. 25 to March 29, 2025, for Masbate.

Cebu Pacific has 35 domestic and 25 international destinations across Asia, Australia, and Middle East.

On Wednesday, Cebu Air shares rose by 1.14% or 30 centavos to P26.60 per share. — **Revin Mikhael D. Ochave**

SM Prime sets interest rates for bond offer of up to P25 billion

SY-LED property developer SM Prime Holdings, Inc. has set the interest rates for a planned peso-denominated fixed-rate bond offer of up to P25 billion in line with the company's fundraising initiatives.

SM Prime's issuance will have an aggregate principal amount of P20 billion, with an oversubscription option of an additional P5 billion, the company said in a statement to the stock exchange on Wednesday.

The interest rate for the peso-denominated fixed-rate bonds Series V, maturing in 2027, is 6.5754%, while Series W, maturing in 2029, is 6.7537%, and Series X, maturing in 2031, is 6.965%.

The offer period will be from June 7 to 14. The retail bonds will be issued on June 24.

The proposed issuance is the first tranche of SM Prime's P100 billion shelf registration of fixed-rate bonds approved by the Securities and Exchange Commission (SEC) on May 23.

The SEC previously said that SM Prime expects to generate P24.72 billion worth of net proceeds assuming that the overallotment option of the offer's first tranche will be fully exercised.

The proceeds will be used to refinance the listed company's debt and expand its property portfolio.

"SM Prime recognizes the support of SEC in our pursuit of growth opportunities through our newest P100 billion bond program. This endeavor will help us fuel our passion of providing sustainable integrated property developments to serve more communities across the nation," SM Prime Chief Finance Officer John Nai Peng C. Ong said.

The Series V, W, and X bonds received a "PR S Aaa" rating, the highest score given by the Philippine Rating Services Corp.

This means that obligations are "of the highest quality with minimal credit risk and the issuing company's capacity to meet its financial commitment on the obligations is extremely strong."

SM Prime tapped BDO Capital & Investment Corp. and Chinabank Capital Corp. as the joint issue managers for the bond offer. They will join BPI Capital Corp., East West Banking Corp., First Metro Investment Corp., Land Bank of the Philippines, and SB Capital Investment Corp. as joint bookrunners and joint lead underwriters.

On Wednesday, SM Prime shares rose by 1.51% or 40 centavos to P26.90 apiece. — **Revin Mikhael D. Ochave**

Ang-led SMFB eyes wider distribution this year

ANG-LED San Miguel Food and Beverage, Inc. (SMFB) said it aims to further expand its beer and spirits business nationwide to support the company's growth plans for 2024.

The company aims to increase the market share of the Ginebra San Miguel spirits business, which is currently at 48%, SMFB Director and Chief Operating Officer for Spirits Emmanuel B. Macalalag said during the company's annual stockholders' meeting on Wednesday.

"The main objective of the company this year is to further strengthen our market position as a leader in the local spirits industry," he said.

"If you talk about potential, there is still really a good room for growth for Ginebra San Miguel. If you look at geography potential, the company has very good potential in Visayas and Mindanao where we are actually pushing for wider distribution and marketing of our brands," he added.

For the beer business, SMFB Director Carlos Antonio M. Berba said the company is also pushing to grow demand and volume by "focusing on consumption programs and capturing untapped and underserved market opportunities."

"These include reinforcing leadership by strengthening the distinctiveness of our brands and leveraging on our portfolio with the introduction of new products and package formats in both premium and mainstream segments," he said.

"We will build a stronger consumer base by implementing exciting consumption generating programs and intensifying availability and visibility in the various trade channels with channel-specific initiatives. Likewise, we will



also strengthen our low alcohol brands in line with our sustainability thrust. We are confident these programs will provide the growth and returns for the company," he added.

Meanwhile, SMFB Director and Chief Operating Officer for Food Francisco S. Alejo III said the company's mega poultry farm in Hagonoy, Davao del Sur will help support the increasing nationwide demand for chicken.

The Hagonoy farm, inaugurated in October last year, can produce up to 80 million birds per year, equivalent to 200 million kilograms, live weight, the company said.

"It is only one of several mega farms that we are building around the country. It employs the latest technology in poultry farming as

well as in animal nutrition. Because of these, the facility will be able to produce healthy chicken with premium quality that is affordable," Mr. Alejo said.

"The mega farms will ensure the availability of chicken at all times. As we roll out the mega farms around the country, this will create an impact and bolster the food security of the country," he added.

For the first quarter, SMFB net income rose by 1% to P10 billion while consolidated revenue grew by 2% to P95.4 billion led by increased sales in its food and spirits divisions.

SMFB stocks fell by 0.54% or 25 centavos to P45.75 each on Wednesday. — **Revin Mikhael D. Ochave**