

OFB, Alibaba unit partnership eyed

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The Department of Finance (DOF) is eyeing a potential tie-up between the recently launched Overseas Filipino Bank (OFB) and the fintech arm of global e-commerce giant Alibaba Group to slash the costs being shouldered by overseas Filipinos to send money back home.

In a statement on Thursday, Finance Secretary Carlos G. Dominguez III said Ant Financial, which offers Alibaba's financial technology solutions, could help reduce remittance costs and benefit more than 10 million overseas Filipino workers.

Ant Financial may also offer online-based banking as well as financial management services, Dominguez said.

"Ant Financial's low-cost mobile payment technology that has helped China attain financial inclusion for its small home-based enterprises can be tapped to help OFWs send money back home and prudently manage their finances," the finance chief said.

In particular, the new Overseas Filipino Bank can serve as the launching pad for the online payment platform in case a deal with Alibaba pushes through, according to Dominguez.

Earlier, Dominguez said one of the key features of the Overseas Filipino Bank would be a remittance service for OFWs as well as a loan program for Filipinos planning to return here to start businesses or build their homes.

The state-run Land Bank of the Philippines had acquired the Philippine Postal Savings

Bank to establish the Overseas Filipino Bank, a campaign promise of President Duterte.

"There are over 10 million Filipinos working abroad; Ant Financial's technology is helpful for them. The technology can help them manage their cash, their earnings wisely," Dominguez said during a workshop last week hosted by the Alibaba Business School for Philippine government officials as well as Filipino business leaders.

For his part, Ant Financial Services Group chief executive Eric

Jing said during the workshop that they "would be more than willing to partner with the Philippines to bring inclusive financial services to OFWs and as well as other individuals and small- and medium-sized enterprises."

The Department of Finance quoted Jing as saying that "Ant Financial was able to reach out to 40 million offline small and medium enterprises in China to help them access financial services at low costs while ensuring that they are protected and secured in conducting online transactions."

The DOF also quoted Bill Wang, head of Alibaba Group's All-Countryside Business Unit, as saying that "Ant Financial's fintech services can also benefit rural-based entrepreneurs and help farmers and village-based enterprises gain access to low-interest credit and expand their links to competitive markets."

"By partnering with the Chinese government, Alibaba has enabled more of these rural consumers to build their own businesses and participate in the global marketplace," says Wang. INQ

* OVERSEAS FILIPINO WORKERS

* REMITTANCE