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## Fintech industry seen requiring gov't support in funding, talent development

By Jenina P. Ibañez – December 22, 2021

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THE GOVERNMENT needs to support the financial technology (fintech) industry in meeting its needs for funding and talent development if the segment is to grow, the Philippine Institute for Development Studies (PIDS) said.

In a discussion paper, Analysis of the FinTech Landscape in the Philippines, released on Tuesday, PIDS said few educational institutions offer degree programs directly related to fintech.

It noted weak growth in the availability of venture capital between 2010 and 2017, with the Philippines continuing to lag other major Southeast Asian economies.

PIDS also flagged the absence of data on the sector, which means its progress cannot be assessed with accuracy.

“While the sector benefits well from a coordinated and forward-looking group of regulators, there needs to be some review of policies and laws,” it said.

“In particular, there needs to be a policy related to fintech that would define and monitor the progress of the sector.”

Fintech business activities increased during the pandemic after lockdown restrictions limited to face-to-face transactions.

“The increasing trend in payments and adoption of digital technology was driven by the restrictions imposed to curb the spread of the virus. Companies have also adopted digital payments and fintech in order to reduce cost and improve efficiency,” the report said.

But the fintech ecosystem has not yet caught up with this growth.

Written by Francis Mark A. Quimba, Mark Anthony A. Barral, and Jean Clarisse T. Carlos, the report recommended that the government help update university curricula to prepare graduates for fintech careers.

“Skills should not be the only focus but also the availability of venture capital to support the growth of startups,” they said.