

Prepare for AI technology

It's reshaping manufacturing industry, say experts at China Daily-ANN webinar



STAR BUSINESS REPORT

Firms in Asia should beef up their efforts to embrace artificial intelligence (AI) technology that is reshaping the traditional manufacturing industry, experts said.

"AI is very important. It is the future," said Neale G O'Connor, an expert on technology and innovation in manufacturing in China and a professor of accounting at Monash University Malaysia.

People had doubted that AI could go this far, Umar Saif, founder of Survey Auto, a big data service provider using machine learning and AI technology.

"Yet, AI had made noticeable progress in the last five to seven years globally in finding applications in the areas of services, financial services, manufacturing, and supply chain," he said.

They spoke at the China Daily Asia Leadership Roundtable themed "The Future of AI in Manufacturing Industries", jointly organised by the Tianjin Municipal People's Government Information Office, China Daily, and Asia News Network on Friday.

AI refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions.

In his presentation, O'Connor said factories needed a lot of efforts to move to the digitalisation of documents from manual documentation to start to capitalise on the opportunities that AI brings.

He highlighted the major challenge facing manufacturers to scale up and move into intelligent manufacturing.

"There is a legacy mindset. Many owners don't have a strategic vision for making their factory world-class and making world-class products. They are not focused on developing talents and skill-sets."

"My point is that a factory doesn't necessarily have to be fully robotised. Instead, it still can be labour-intensive. It's just a matter of picking strategic parts of the production line to digitalise and collect more data."

O'Connor underscored the concept of "cobots" to explain the employment impact of automation and intelligent manufacturing.

Cobots, or collaborative robots, are robots that work with people in a shared workspace

and are created to help increase productivity rather than replace human workers.

Obvious opportunities being grabbed by industry players include predictive maintenance, defect detection, yield throughput, line optimisation, inventory, and parts optimisation, O'Connor said.

Wang Yu, a research fellow of the College of Intelligence and Computing at Tianjin University in China, said AI had fully penetrated people's lives and their work.

It is widely used in many fields, including medical treatment, agriculture, government operations, entertainment, retail, transportation, finance, and manufacturing.

"Manufacturing has the largest market capacity. As a result, intelligent manufacturing has received huge attention around the world."

As all sectors have suffered huge losses due to the coronavirus pandemic, they realised the importance of AI and intelligent manufacturing. Automatic production is the future of the manufacturing industry, Yu said.

Under a survey in Tianjin city last year, a questionnaire was sent to 472 enterprises. It found that they were paying more attention to intelligent manufacturing.

He attributed the changes to the pandemic and the support from the government.

"Tianjin considers intelligent manufacturing as a rare opportunity for economic development. We have every reason to believe that Tianjin and the nation would soon enter an intelligent manufacturing era."

Yu provided examples of manufacturing companies using AI to upgrade their production. Flying Pigeon, a bicycle manufacturer in Tianjin, used to need several hours to assemble one bicycle in the 1990s.

"Since about eight years ago, Flying Pigeon has transformed its manufacturing to intelligent manufacturing. What they can do is that they assemble a bicycle in 15 to 17 seconds," Yu said. Umar Saif said the retail market was fragmented in most parts of the world, with mom-and-pop stores dominating because of few large chains.

Point of sales devices are not in use to collect data digitally. As a result, there is no reliable data for multinationals to know what people are buying and by how much, and by the time they get this information, it is too late.

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Revisit corporate tax hike for MFS



ABU SAEED KHAN



OPINION

It could be glitterier had Bangladesh applied predictable regulation to boost the confidence of investors. Policymakers should mind these economic growth engines' regulatory fragility. The principle of taxing the juvenile MFS, as proposed in the current budget, should be revisited.

Mobile technology has democratised telephony, which was a novelty. Launched in 1997, the mobile phone has primarily salvaged the urban middle-class and then rescued rural lives from state-owned telecom companies' monopoly. Money does not move, information does. Therefore, each mobile phone became unintended tellers by the bank-led MFS outfits in 2011.

Since then, it has been the vast number of mostly rural unbanked citizens' preferred fund transfer instrument. With the "scary" procedures of opening an account, banks can't match the ubiquitous, secure, and after-hours operations of MFS outlets in terms of cash transactions.

Currently, more than 60 per cent of the cash-out disbursements happen in the villages. No wonder the government uses MFS as the preferred vehicle to deliver its social safety net payments and educational scholarships.

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Bridges over the mighty rivers have seamlessly connected Bangladesh, the naturally fragmented largest delta in the world. It has prompted the rapid buildout of highways and roads networks to accelerate the nationwide movement of passengers and goods.

Incentivised education has lifted the rate of literacy while universal immunisation deters maternal and infant mortality. The invention of high-yield varieties of rice has exiled famine. Nationwide electrification has lightened up rural homes and businesses.

The mobile phone has injected magical pace and spread to personal and business communications. And mobile financial service (MFS) has added unprecedented ubiquity, frequency and security to interpersonal and small business transactions.

All combined writes the country's secret recipe of impressive economic growth.



STAR/FILE

MFS has effectively succeeded in bringing the mass population of Bangladesh to the formal channel of payments.

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GLOBAL BUSINESS

EU strikes deal on huge farm subsidies



REUTERS

European Commissioner for Agriculture Janusz Wojciechowski attends a news conference on the Common Agricultural Policy at the European Council building in Brussels, Belgium on June 25.

REUTERS, Brussels

European Union negotiators struck a deal on reforms to the bloc's huge farming subsidy programme on Friday, introducing new measures aimed at protecting small farms and curbing agriculture's environmental impact.

The deal ends a near three-year struggle over the future of the EU Common Agricultural Policy, which will suck up around a third of the EU's 2021-2027 budget, spending 387 billion euros on payments to farmers and support for rural development.

Representatives from EU member states and European Parliament clinched the agreement, which aims to shift money from intensive farming practices to protecting nature, and rein in the 10 per cent of EU greenhouse gases emitted by agriculture. The new CAP rules apply from 2023 and do not cover Britain following its exit from the EU.

"In future, agriculture will not just ensure that farmers have a viable business, that we have a fair price for consumers, but it will also contribute to a greener Europe," said Portuguese agriculture minister Maria do Ceu Antunes, who represented EU countries in the talks.

"Small family-run farms will get support," said Norbert Lins, parliament's chief negotiator, adding that the deal gives farmers incentives to protect the environment.

Campaigners and some lawmakers said the deal failed to align farming with EU goals to fight climate change, warning that many measures to encourage farmers to shift to environmentally friendly methods were weak or voluntary. The deal would require countries to spend 20 per cent of payments to farmers from 2023-2024, rising to 25 per cent of payments between 2025-2027, on "eco-schemes" that protect the environment.

Examples could include restoring wetlands to absorb CO2, or organic farming, although the rules did not define what would count as an eco-scheme. Any funds below those limits that are not spent on eco-schemes must be spent on green measures in other areas instead.

Business group urges Biden to lift Europe travel ban, revive economies

AFF, Washington

The Biden administration is under pressure from a major business group and diplomats to scrap a travel ban on Europeans, as investment from the continent in the United States plunged by nearly a third last year.

While countries in the European Union have reopened their borders to Americans who are vaccinated or test negative for Covid-19, the United States has not reciprocated, to the frustration of the business world.

The US Chamber of Commerce on Friday urged Washington to allow the return of European travelers "as soon as possible." "The resumption of safe transatlantic travel is critically important for our nation's economic recovery, as in-person business engagements and international tourism will help drive economic growth and job creation for Americans across the country," said Marjorie Chorzins, the chamber's senior vice president for European affairs.



Stavros Lambrinidis, EU ambassador to the United States

Travelers from the Schengen zone, Britain and Ireland have been banned from entering the United States since March 2020. Also banned from entry are travelers from South Africa, Brazil, China, India and Iran.

The EU ambassador to the United States, Stavros Lambrinidis, told

AFF that Brussels is "pushing" for reciprocity, and emphasizing the positive impact such a move would have on both economies.

"Our economies and people are deeply interconnected, and our vaccination rates are the highest in the world -- it would be crucial to safely open up this side of the Atlantic too as we both kick-start our economies," he said.

During President Joe Biden's visit to Europe last week, the EU stressed that the bilateral economic relationship is the largest in the world, making up a whopping 42 percent of both global GDP and global trade in goods and services. But beyond trade, huge investments are at stake.

"Mutual investment dwarfs trade and is the real backbone of the transatlantic economy," noted a 2021 joint report from the US Chamber, AmCham EU, Johns Hopkins University and the Wilson Center think tank.

Britain could face food shortages due to lorry driver crisis

REUTERS

Britain could face gaps on supermarket shelves this summer and an "unimaginable" collapse of supply chains after the pandemic and Brexit led to a shortage of more than

100,000 truck drivers, industry leaders have warned.

In a June 23 letter sent to Prime Minister Boris Johnson, the industry called for his personal intervention to allow access to European labor by introducing temporary worker visas

for HGV drivers and adding them to a "shortage occupation list".

A government spokesman said however that with the country's new post-Brexit immigration system, the industry should look to hire local workers instead.

"Supermarkets are already reporting that they are not receiving their expected food stocks and, as a result, there is considerable wastage," said Richard Burnett, the chief executive of the Road Haulage Association, which co-ordinated the letter.

Britain's supermarket industry, led by Tesco, Sainsbury's, Asda, and Morrisons, relies on an army of drivers and warehouse workers to bring fresh produce from the fields of Europe to its shelves.

Britain's logistics industry had been one of the most vocal in the run-up to Britain's departure from the European Union, warning that truck drivers would not want to come to Britain if checks and friction increased at the border.



Lorries queue in at the border control of the Port of Dover in Dover, Britain on January 15.

REUTERS/FILE

NEWS In Brief

Amazon buys encrypted messaging app Wickr

AFF, Washington

Amazon said Friday it was acquiring the encrypted messaging app Wickr which offers secure communications for businesses, government agencies and individuals.

Terms of the deal were not disclosed. Amazon said in a statement it would incorporate Wickr in its Amazon Web Services (AWS) division which offers cloud computing and other services. AWS will continue to offer Wickr services including end-to-end encrypted communications which meet certain regulatory requirements.

"The need for this type of secure communications is accelerating," said AWS vice president Stephen Schmidt "With the move to hybrid work environments, due in part to the Covid-19 pandemic, enterprises and government agencies have a growing desire to protect their communications across many remote locations."

"Wickr has touted its "military grade" encryption for business and government users, and was among the apps reportedly used to leak information from the White House during the Trump administration.

Tesla recalls vehicles in China for online software update

REUTERS, Beijing

Chinese regulators said on Saturday Tesla Inc would 'recall' nearly 300,000 China-made and imported Model 3 and Model Y cars for an online software update related to assisted driving, with owners not required to return their vehicles.

The State Administration for Market Regulation said on its website that the move is linked to an assisted driving function in the electric cars, which can currently be activated by drivers accidentally, causing sudden acceleration.

The remote online software 'recall' - a first for Tesla cars built in China - covers 249,855 China-made Model 3 and Model Y cars, and 35,665 imported Model 3 sedans.

Tesla, now making Model 3 sedans and Model Y sport-utility vehicles in Shanghai, sold 33,463 China-made electric cars in May, according to industry data.



REUTERS/FILE

A China-made Tesla Model 3 electric vehicle is seen ahead of the Guangzhou auto show in Guangzhou, Guangdong province, China.