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# MONEY & WATER: THE TRILLION PESO CHALLENGE



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Contributors	RENAN A. PIAMONTE EDMUND ALAN A. QUA HIANSEN GRISELDA GAY G. SANTOS

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# MONEY & WATER: THE TRILLION PESO CHALLENGE



by Griselda Gay Santos



**W**ater has always been used as a liquid metaphor for the concept of money and financial lingo like cash flow, liquidity, and frozen assets. Money is a lot like water; it flows all over the planet and everywhere it goes, it is useful.

In the 2021 Philippine Water Supply and Sanitation Master Plan (PWSSMP), enabling access to funding and financing is one of the key reform areas identified as a critical part of the roadmap to sustainable access to safe water. There is a dire need for money to flow to make water flow sustainably.

It has been a year now since the

Philippines, led by the National Economic and Development Authority, launched the PWSSMP. Based on the master plan, the total investment requirement for the country to reach sustainable access to safe water and sanitation by 2030 is P1.07 trillion. The average annual appropriation by the national government for such investments is about P6.7 billion. There is an overwhelming finance gap of about P112 billion per year.

The PWSSMP's reform area six on enabling access to funding and financing is mostly focused on government agencies leading the effort. Specific steps include implementation of the Unified Resource Allocation Framework (URAF) in accordance with the PWSSMP, review and rationalization of government financing policies to harmonize with URAF principles, and adoption of URAF principles for inclusion of funding and coverage of the National Sewerage and Septage Management Program (NSSMP).

Competing priorities faced by the Philippine government cannot manage this P1.07 trillion funding gap and water security issue alone. Other means beyond the master plan can effectively complement the effort to ensure the Philippines' water security. There are three areas that can complement the government's effort in mobilizing funding towards this effort: leveraging on multilaterals, bilaterals, NGOs and others to operationalize enabling policies; supporting growth of social enter-

## PWSSMP Estimated Investment Requirements

Investment Requirement	2019-2030 (PhP)	2019-2030 (USD)
<b>Physical</b>	<b>1,068,186,000</b>	<b>19,421,564</b>
Water supply	511,081,000	9,292,382
Sanitation	557,105,000	10,129,182
Improved/Basic	433,517,000	7,882,127
Septage	54,889,000	997,982
Sewerage	68,699,000	1,249,073
<b>Non Physical</b>	<b>1,127,000</b>	<b>20,491</b>
Reform Areas	323,000	5,873
Project Management	804,000	14,618
<b>Total</b>	<b>P1,069,313,000</b>	<b>\$19,442,055</b>



Source: Water.org



prises and NGOs in the water sector; and leveraging on financial technology or fintech for water.

Within the last five years, landmark legislations were passed in Congress that can enable greater access to finance to solve the water issue for local government units (LGUs) and private players in the water sector. These are the Mandanas ruling and the Personal Property Security Act (PPSA). In 2019, the Supreme Court finalized its ruling that LGUs are entitled to their just share on all national taxes, not just internal revenue taxes. This includes all collections of national taxes in the computation of the base of the just share of the LGUs.

This additional source of funding can potentially fill the P1.07 trillion funding gap. According to the World Bank, the Mandanas ruling is a means to address social issues. “We look at the implementation of the Mandanas ruling not just as a transfer of resources but an opportunity to strengthen decentralization and improve social service delivery in the Philippines, said Ndiame Diop, World Bank Country Director for Brunei, Malaysia, Philippines, and Thailand.

On the other hand, the PPSA was passed in 2018 to update the Chattel Mortgage Act of 1906. It seeks to increase the confidence of financial institutions to lend based on movable assets as collateral vs. land. It is meant to enable Micro, Small, and Medium Enterprises (MSMEs) to access financing through receivables, equipment, and others. Financial Institutions in the Philippines mostly require land or hard collateral to lend to MSMEs; however, MSMEs do not have land to serve as collateral. The PPSA provides for central repository of movable assets held as collateral and clear prioritization rules in case of default defining who has a first or priority claim, among others. All these enhancements to the Chattel Mortgage Act

are meant to increase financial institutions’ confidence to lend to MSMEs, including those in the water sector.

Several years have passed but the much-needed operationalization and knowledge of these two enabling laws are still not reaching the right stakeholders and beneficiaries. Without the proper outreach, end-beneficiaries like MSMEs in the water sector cannot maximize the benefits these laws are enabling, particularly access to finance.

This is where multilaterals, bilaterals, social

enterprises, and NGOs can be good strategic partners to operationalize enabling laws and policies. They have the mandate to work on various aspects of the sustainable development goals. More specifically, a good number of them have a focus on access to finance and sustainable access to water while providing technical assistance and expertise to strengthen and operationalize enabling policies. For example, USAID and multilaterals like the World Bank Group have programs that can help in outreach and even advocating for reforms. The Philippine government should consider leveraging on the programs of these entities to operationalize the Mandanas ruling and the PPSA to increase access to finance for the water sector.

Social enterprises and NGOs can also be a good ally in solving the trillion-peso challenge

on water security in the Philippines. Water.org, a US-based NGO co-founded by Gary White and Matt Damon, has reached 50 million people to date with its market-driven solution to increase sustainable access to safe water and sanitation. Approximately 10% of the people reached are in the Philippines. Water.org has collaborated with the USAID to bring safe water to the neediest communities in Palawan, where they partnered with 12 utilities to help them develop business plans for expansion and market-







ing strategies to attract new customers at the household level. In areas where potential clients need access to credit, Water.org links them to its network of microfinance institutions.

Other social enterprises that are also focused on safe and sustainable access to water are Singapore-based Wateroam Pte Ltd., which develops water filtration solutions to help post-disaster affected communities, and Ecosoft Pte Ltd., also based in Singapore, that mobilizes technology, expertise, and financial resources toward water. Even at this late stage, there is still room for growth for this type of social enterprises in the Philippines. In a global poll conducted by Thomson Reuters Foundation together with Deutsche Bank across various ASEAN countries, the Philippines lags significantly in bolstering government support and public understanding of social entrepreneurship.

So much can be learned from Singapore on how it supports social entrepreneurs and produce the much-needed social impact, which includes solutions for the financing of sustainable access to safe water. This is rooted in the Singaporean Ministry of Social and Family Development's creation of seed funding for social enterprises in 2003 and the Social Enterprise Committee in 2007 to make recommendations for developing the sector. This was followed through by DBS Bank's launch in 2008 of its Social Enterprise Package, the first banking product that caters to social enterprises. All these led to the sustainable growth of social enterprises in Singapore that can effectively complement government efforts to address social issues in the country.

Fintech can also lower transactions costs and enable cost-effective technology solutions to alternative credit scoring and KYC. This enables the base of the pyramid who do not have the initial credit footprint in accessing finance to access safe water. According to Nena Stoiljkovic, Under-Secretary General for Global Relationships,

Humanitarian Diplomacy and Digitalization at the International Federation of Red Cross and Red Crescent Societies, "Technology has the power to accelerate positive social change."

The huge financing gap is a clear indicator of how water security should be approached with urgency by both public and private sectors. Enabling policies need to move forward and be operationalized so both sectors can reap the benefits of increased access to finance. We can adapt lessons learned from other countries on how to support social enterprises particularly focused on water. Innovation and technology can accelerate the scale for sustainable access to safe water.

Indeed, money is key in addressing water security. Ironically, like money, water is not an endless resource if not managed well. It is during the stormy moments when one realizes its extreme importance. Tropical storm Paeng in October 2022 provided a very vivid reminder how water can either be our friend or foe. Heavy and long-duration downpour of rain swamped areas to the South, including the newly-created Maguindanao del Norte and Maguindanao del Sur provinces. Beyond lives lost, Paeng displaced our fellow Filipinos whose top-most need to survive has always been water. That is the value of water.

Like money, if water is not sustained, nothing will be left to pass on to future generations. In Mahatma Gandhi's words, "The earth, the air, the land, and the water are not an inheritance from our forefathers but on loan from our children. So, we have to hand over to them at least as it was handed over to us." **FD**





# CURING WORLD HUNGER

## ONE VOICE



by **Bingo Dejaresco III**

**W**orld population is exploding! Almost every 50 years, our population doubles – from two billion in 1928 to four billion in 1974, and now there are eight billion humans on earth. In 2050, the world will need 50-70% more food than we have today, according to the United Nations,

Where will we get enough food and water to feed the populace? Floods and droughts always threaten food security. About 40% of the food for human consumption woefully goes to waste. Man has little choice but to try newfangled technologies in agriculture to address these concerns.

Learning from the Netherlands – a tiny country that's now the largest agricultural exporter in the world – a company in Kentucky using AppHarvest is finding solutions by growing agri products in a controlled environment inside a tall building. It utilizes less land and water through new technologies.

"Innovate or die" has been their motto for years. They use recycled rainwater; sunlight to give heat and lighting; materials from diffused glass; and bees to pollinate the plants and so-called integrated pests to kill the bad pests. The aim is to produce the most cost-effective and better agricultural output.

Thailand, one of the two countries (along with Vietnam) that learned proper rice-planting from our scientists in UP Los Banos decades ago, has been exporting rice to the Philippines – which ironically has become the world's biggest importer of the staple grain. Some Thai farmers we saw on Youtube now use the hydroponic method of growing rice in a pond of water (instead of land).

Meanwhile, to underscore how far behind our island-republic is in terms of fishing technology, the largest industrialized inland farm for tilapia-growing is reportedly found in largely land-locked Europe. And the largest indoor aquaculture salmon factory will soon rise in Canada. With so much overfished seas and oceans across the globe, the days of traditional fishing are over.

But if there is a nation that had developed tremendous agri-technology, it has to be the small but technically-savvy

Israel which was once a barren desert that the Israelis have made "green" through various modern technologies.

Israel's "drip method" of watering plants consumes infinitely less amount of water as it is calibrated straight to the roots and thus produces better crops – revolutionizing the plant industry worldwide. They also use solar electric drying and disinfecting modes to keep off pests and flies. A "biofeed" mango fluid attracts tiny flies and reduces the mango plantation infestation by 95%. "Biobee" or beneficial insects are used for pest control and bumblebees are used for pollination as applied in over 50 nations.

In the deserts of the Holy Land, they have an integrated app to create one platform that guides farmers in imaging weather conditions, field sensors, soil content, plant tissue, water levels, and leaf/insect ratio for better farming.

More Israeli breakthroughs include a single dashboard that tallies all the ever-changing safety regulations of countries to help manage a nation's export program; a technologically advanced plastic tray that collects dew from the air to lessen the plants' dependence on water from the ground; and a dairy management system that employs robotics to insure a cost-effective and uniform milking process.

Half of the world's supply of fish and seafood is produced inside crowded tanks dumped with antibiotics, hormones, and pesticides. On the other hand, Israel is developing the same content-rich water and oxygen but in open ponds and lakes sans antibiotics.

Likewise, it has developed state-of-the-art packaging to preserve food at a maximum level and avoid pre-market losses. It produces harder seeds that lead to better crops that are more nutritious, of higher yield, more flavorful, and more disease-resistant.

Come to think of it, man's current ambitions to secure more land and resources in the moon and Mars appear grandiose imaginings when there is pioneering engineering being done on earth to more efficiently feed the teeming billions. Is there hope for food security via newfangled food technology? 📺



*Farming in the Israeli desert*



*Fresh vegetables grown on top of a Tel Aviv shopping mall*



# UNFOLDING NOW!

## The Global Asset Fall of 2023-2025

### MARKET MONITOR



Guest Columnist

The article titled “Future Shock: The Global Asset Fall of 2023-2025” was originally featured in the Q4 2020 edition of FINEX Digest. When I wrote that article, the pandemic was on its ninth month worldwide. At that time, hopes were high that COVID-19 will simply disappear (you may recall that Eric Trump even went public saying the virus will mysteriously disappear after the US presidential election day!). And together with the virus’s disappearance would be the resumption of the global economic boom.

However, the message of my article was the exact opposite. Based on the forecasting models that I use, including Elliott Wave Principle (EWP) and Socio-economics, it looked to me then that the global trend was still pointing downwards. At the same time, knowing how trends and cycles take time to unfold, I

chose to say that the brunt of the potential global downturn is still to be felt during 2023-2025.

In 2021, global equities witnessed one of the most blistering uptrends, particularly the big tech names in NASDAQ. However, by November 2021, both NASDAQ and Bitcoin peaked. Such topping phase already hinted of a top of major proportion. Those tops were followed by all-time-highs and then peaks by the Dow Jones Industrial Average and the S&P500 on January 5, 2022.

In EWP, those



those tops in the major US equity indices are 5th wave tops of varying degrees of trend, and in layman’s terms, that connotes a top of major proportion that seeing such stratospheric levels again may take quite some time, if at all. Recall that the Nikkei peaked at 38,000 in 1990; that high is still not eclipsed up to now after 32 years!

Based on centuries of data points, EWP has catalogued that downtrends tend to be proportional to the immediate uptrend of larger degree that it is correcting. The current EWP count postulates that this current bear market can correct the rise since 1982. It also does not discount the possibility that this bear market may correct the rise since 1974 or 1932 – or even earlier. That can be seen in perspective by eyeballing the chart of the stock market since its inception in the late 1700s.

Now here is something which will be hard to accept and fathom by almost everyone. When I forecasted the potential global asset contraction by 2023-2025, there were no “events” (except for the pandemic) which could “fulfill” that forecast of falling asset prices of a large degree. And yet now, with 2008 being the last time, major US stock indices are in a bear market.

And what do people attribute this bear market to? Russia-Ukraine War and the rising commodity prices it brought along. Inflation and higher interest rates. Supply chain disruptions, even food shortages, due to both COVID-19 and Putin’s war.

Were such “events” known when I wrote the article in September 2020 about asset price deflation in 2023-2025?



**EDITOR’S NOTE:** This article was written on August 6, 2022. The message remains the same today with even more important developments thereafter, such as the peak of major US stock indices in mid-August before proceeding to new lows in October.





NO! Can these events be contributory to such possibility? YES!

Doesn't it seem that "events" line up to "ful-fill" a correct wave count and chart analysis? That is what people will find hard to believe. Why should one believe that paradigm unless one sees it happen time and again over the decades. I have followed almost daily Robert Prechter Jr.'s EWP analyses on literally hundreds of markets worldwide since 1985.

If there is an explanation, it can go this way. Do you recall the dotcom bust in 2000? Because of that, equity markets worldwide plummeted. Then came 9/11 that resulted in the invasion of Iraq by the US and its coalition forces. By March-April 2003, SARS hit Hong Kong and Singapore badly (which was also the time the bear market that started in 2000 bottomed – a final bad news can create a bottom).

Socionomics discovered that bear markets have accompanying events that are fairly common. These are the typical signatures of most, if not all, bear markets of large degrees: wars, belligerence, aggression, terrorism, increased polarization, rise of dictatorial powers, corporate and government frauds, corporate and sovereign defaults, currency volatility, contraction of credit, even epidemics because bear markets bring down the immune systems of large swathes of populations.

And what have we seen lately? War, increased polarization, Sri Lanka defaulting, possibility of Russian default, China's Evergrande default, etc. The pandemic went ahead of the sequence. But people might say how did that happen during a bull market? Well, because China's stock market had been down by as much as -50% since 2007 and that may be why the pandemic started there.

Needless to say, there will be the conspiracy theorists who will claim man-made germ warfare, the Great Reset, New World Order, etc. This article will not delve into that as it focuses on SCIENTIFIC and EMPIRICAL approaches of using stock market forecasting as a way to

assess future probabilities of trend, including the social events that accompany such.

Officially, US major equity indices have entered a bear market (or -20% drop from a peak). How useful is calling for a bear market AFTER a -20% fall even as many tech stocks have fallen as much as -60% or even more? What is very useful is calling for a bear market at the very top of the market, right? Possible? Yes, but not always.

Can such forecasts be mistaken? Of course! But during the major tops of NASDAQ and Bitcoin in November 2021 and the major tops of DJIA and S&P500 at start of this year, a big bear market looming was predicted ahead of time in writing. That correct prediction is documented in my Viber chat group (PHIL STOCKS 3A SYSTEM with 250 participants) and my Viber Community (PHIL STOCKS II INVESTMENTS with 295 participants).

What may be in store in the coming years based on EWP and Socionomics? There is the possibility of a global depression before 2025 is over. Even as economists and experts are still arguing now of a possible recession, EWP and Socionomics already leap-frog into a very deep recession, maybe even a global depression.

For sure perhaps only those with a deep understanding of EWP and Socionomics can relate to that. But do remember this: fat tails and black swan events in financial markets happen "more often" than expected by statistics. **FD**

**FD**  
FINEX DIGEST / Q4 2020

**FUTURE SHOCK:  
THE GLOBAL ASSET FALL OF 2023-2025**

Scan QR code to access the cover story of FINEX Digest Q4 2020 issue



# CLASH OF THE TITANS

## PURSE STRINGS



by Amy HC Ylagan



Russia captured the city of Kherson in March 2022

Perhaps Russian President Vladimir Putin imagines himself to be Perseus, the god-man seemingly thrust by fate to be the “redeemer” for ordinary mortals to claim righteous power and territory while bypassing the beneficence of Zeus, the god of Olympus. But the clash of the titans – the mortals fighting for control – has been resolved by the classic lessons of ethics and morality in Greek mythology: that the common good must prevail over self-good, and peace and harmony must be maintained in respect of the rights of others over the rights of one.

There might not be so many honorable ordinary mortals today who can lead without greed and the ambition for continued power and glory. Putin and other world leaders individualistically fighting for territory and influence would not be anywhere near Perseus’ strict ethics of respect for the rights of others and the common good, in their determination to win. But the end does not justify the means. Russia’s insistent claims on Ukrainian territories have aggravated other countries’ economic and political issues, in the exacerbation of the long-staying threat of the COVID pandemic. This raises the chimera of a World War III – a super clash of the titans.

After the dissolution of the Soviet Union in December 1991, 15 independent countries emerged from it, with Russia as the surviving country of the collapsed USSR. There must be at least some regretful nostalgia for the USSR, successor to the Russian Empire of the tsars, that had the world’s longest coastline and frontiers – it was by area the world’s largest country.

“Russia needs to reinvent itself as a modern state and stop clinging to the idea of the reconstruction of the Soviet Union. It’s already gone,” Vsevolod Chentsov, the Ukrainian ambassador to the EU said. “Russian President Vladimir Putin has made no bones about the fact that he thinks the breakup of the Soviet Union was a catastrophe for Russia, once describing it as the ‘greatest geopolitical tragedy’ of the 20th century.”



ry.” Russia annexed Crimea from Ukraine in 2014, and openly declared that it will regain control of the other Ukrainian provinces that have common borders with it – as it felt justified by the “elections” where the pro-Russian Ukrainians expressed willingness (or probably coerced) to be controlled by Russia. Military attacks and interchanges since January 2022 have blown the conflict to a full war on Ukraine, killing thousands of military and civilians, and razing property to the ground.

Russian occupation of Ukrainian territories actually started in 2014 after the Russian invasion and annexation of the Crimean peninsula, with the Donetsk and Luhansk Oblasts taken over by two mostly unrecognized “People’s Republics.” In 2022, Russian forces initiated a full-scale invasion of Ukraine and successfully occupied more territory throughout the country. As of October, Russian forces continued to occupy parts of Kharkiv, Donetsk, Kherson, Luhansk, Mykolaiv, and Zaporizhzhia oblasts, as well as the entire territory of the Autonomous Republic of Crimea and the city with special status Sevastopol.

Earlier-occupied territories of Chernihiv, Kyiv, Sumy, and Zhytomyr Oblasts were given up by Russian forces in early April due to continued fierce Ukrainian resistance, coupled with logistical challenges on the side of the Russians. Was there a glaring lack of enough friendly support from expected foreign-country sympathizers with the



Russian aggression of Ukraine, in contrast with the actual material and moral support of the other shocked countries concerned with peace in the world?

Much about Putin's angry disappointment with Ukraine is its expectant clinging to Western sympathy and support (mainly the US, and secondly the EU) starting from when Crimea was forcibly taken from it to Russian control. This "upstart" Ukraine wanted to be with NATO, against Putin's objections. After the collapse of the Soviet Union, Joe Biden (then head of the US Senate Foreign Relations Committee) successfully urged NATO to accept Poland, Hungary, and the Czech Republic as member states in the late 1990s. In 2004, seven Eastern European countries joined the alliance, and in 2008, US President George W. Bush pushed NATO to issue a declaration that Ukraine and Georgia would become members in the future. The new alliances threateningly pushed NATO to Russia's borders. Thus, Ukraine's common borders with Russia are first targets for Russian territorial and political takeover.

Surprisingly, on November 9, the Russian military forces announced its pullout from Kherson, which has shared borders with Russian-annexed Crimea, and its three strategic bridges across the Dnieper, Ukraine's largest river, which bisects the ex-Soviet nation into the largely Russian-speaking east, or left, bank, and the Ukrainian-speaking west, or right, bank. After eight months of occupation, why would the Russians give up Kherson? Maybe it's a trap to fool Ukrainian forces to confidently move in to be massacred, some think. Or maybe Russia can no longer afford to keep its forces on the Dnieper's right bank amid daily attacks delivered by Western-supplied missiles, a Kherson regional lawmaker said.

The West and the peace-loving countries of the world are immersed and involved in the Russian war on Ukraine. More than

30 countries have imposed sanctions against Russia, cutting energy imports, blocking financial transactions and halting shipments of key imports, such as semiconductors and other electronics. The US, EU, and other countries expanded sanctions to include Vladimir Putin personally and other Russian government officials. They also cut off selected Russian banks from the SWIFT payments system. The 2022 boycott of Russia and Belarus triggered the 2022 Russian financial crisis.

Putin hoped to have done dramatic retaliation against the sanctions when on October 5, the OPEC+ (of which Russia is an oil-producing member country) announced their oil production to be cut by two million barrels per day in November. OPEC+ controls more than 40% of global oil production. It would have hurt the world economy grievously, with the supply cut raising oil prices more and causing deeper inflation for countries already debilitated by recession in the unrelenting COVID pandemic. But the announced oil production cut was revoked by OPEC+ just before the US midterm elections last November 8, which was critical to Biden's needed support of winning Democrats in the Senate and in the House of Representatives.

How much longer will the war on Ukraine continue? Putin will probably not give up and lose face and stature among his people and in the world. Will he use nuclear weapons, as he often threatened? Yet when Russian forces suddenly withdrew from Kherson, officials said "this was taken to save the lives of Russian soldiers in the face of a Ukrainian counteroffensive and difficulties to keep supply lines to the strategic city open." Putin supporter and former advisor Sergei Markov said "the surrender of Kherson is the largest geopolitical defeat of Russia since the collapse of the USSR" and warned that "the political consequences of this huge defeat will be really big."

Hopefully, the clash of the titans will end soon. [FD](#)



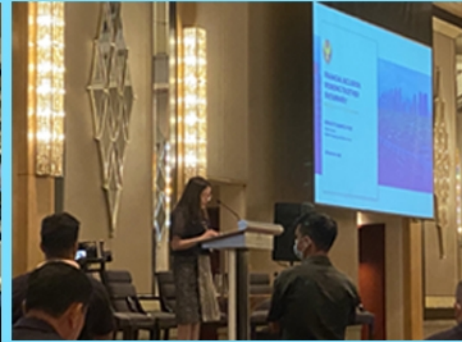
Ukraine liberated the city of Kherson in November 2022



# COMMITTEE CLIPBOARD

## 'If and When' Forum on Water Security

By Gay Santos



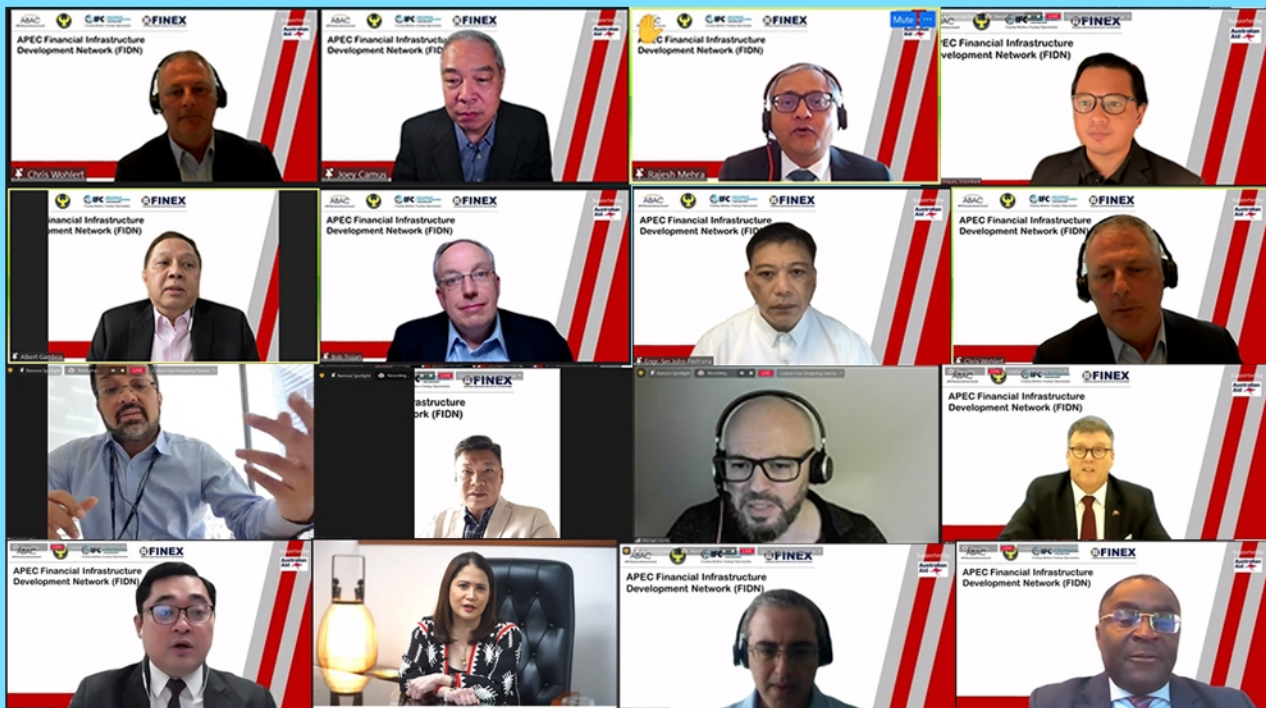
**O**n September 20, 2022, five leading organizations came together to lead the “Forum on Sustainable Path to Water Security for the Philippines” at the Fairmont Hotel Makati. FINEX, Management Association of the Philippines, Water.org, Accralaw, and The Manila Times came together to tackle the “if and when” of water security.

Finance Secretary Benjamin Diokno highlighted the Philippine water and sanitation roadmap that highlighted key reform areas. He emphasized the need to mobilize trillions of pesos to address the cost of achieving SDG6 and assured that the Department of Finance is ready to support the fight versus climate change.

Carlos Vasquez, Chief of the United Nations Children’s Fund WASH (Water, Sanitation, and Hygiene) Unit, expounded on the UNICEF’s “Water Security for All” program which recognizes the importance of a climate-resilient approach to WASH.

Water.org focused on financing the water and sanitation sector to adapt a loan product dedicated to WASH as well as to help increase water utilities’ efficiencies and bankability to access finance.

The Philippines is the fourth most vulnerable country to climate change, and is one of the nations that absorbs more carbon dioxide than it emits.





## COMMITTEE CLIPBOARD

### UP Diliman Wins the 22nd ICFC Finals

By EJ Qua Hiansen

**A**fter a two-year hiatus caused by the pandemic, the FINEX Research and Development Foundation, through its Junior FINEX Committee (JFINEX), conducted the Inter-Collegiate Finance Competition (ICFC) with JP Morgan & Chase Co. as its major partner. This year's event was the 22nd iteration and was led by ICFC Sub-Committee Chair John Balce and Board of Judges Chair Third Librea.

The 2022 ICFC was the first time that students brought their own laptops as JFINEX was able to digitize the competition through the initiative its technology partner, Noah Business Applications. It successfully organized the event within a short time span thanks to its knowledge partners, namely the CFA Society of the Philippines and IMA Philippines, as well as its audit partners PwC Isla Lipana & Co. and Inventor Miranda and Associates.

During the Elimination Round held in six venues nationwide, 51 schools participated. The top 20 local colleges and universities plus one foreign school, the University of Guam, qualified for the Finals on November 25, 2022 at the trading floor of the Philippine Stock Exchange in BGC, Taguig City. It was an exciting day with the team of University of the Philippines Diliman emerging as the Overall Champions. De La Salle University Manila won second place and was the only team to get the golden question correct, while Binalbagan Catholic College of Negros Occidental placed third.

ICFC is the country's most prestigious academic competition for finance, banking, and economics. It is aimed to identify the best finance teams through a two-stage competition process.



2ND PLACE: DLSU MANILA



CHAMPION: UP DILIMAN



3RD PLACE: BCC NEGROS OCCIDENTAL



## COMMITTEE CLIPBOARD

### FINEX Launches 2nd Ethics Book

By Wilma Miranda

Last November 28, 2022, the launch event of the FINEX Ethics Book Volume 2 was hosted by Department of Trade and Industry Secretary Fred Pascual at the Board of Investments Penthouse in Makati City.

Bangko Sentral ng Pilipinas Governor Philip Medall also graced the occasion. He wrote the preface of the book together with Securities and Exchange Commission Chair Emil Aquino.

Thank you to all members of the Book Project Team: Editor-in-Chief Rey Lugtu, Managing Editor Rey Abilo, Copy Editor Albert Gamboa, and Legal Adviser Ebot Tan. It

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Thanks to all the writers who contributed a total of 50 articles and to the FINEX Secretariat for their valued support. The book is for a worthy cause of spreading not only good but right ethical values in the business community as well as among the younger generations. We plan to donate copies of this book to libraries in schools and universities throughout the country.



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www.wardhowell.com.ph  
agenil@wardhowell.com.ph



## COMMITTEE CLIPBOARD

### A Millennial CFO of the Year

By Renan Piamonte

**G**rant Cheng, Chief Finance Officer of real estate development company Cebu Landmasters Inc., was given the ING FINEX CFO of the Year Award for 2022. He is the 16th and youngest awardee of this prestigious recognition from the longest-running competition that celebrates the country's top finance chiefs. Grant is also the first awardee from a non-conglomerate organization based outside Metro Manila.

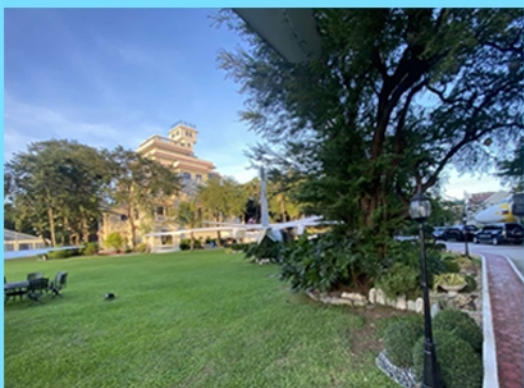
The awards night was held on November 24, 2022 at the Palacio de Memoria, a restored pre-war mansion giving a glimpse of old-world glory and rich history. The wonderful venue was just perfect for the intimate and elegant ceremony attended by around 70 FINEX members and guests.

This event along Roxas Boulevard in Parañaque City was the culmination of a tedious but fulfilling process which started

months ago through numerous interviews, demanding document reviews, and hours of deliberations. Overall, it was a fun night to share with other officers and members of the Search Committee who, together with the Board of Judges, worked hard for the project.

Our meetings were done via Zoom so it was delightful to see them in person: Jet Pampolina, Toti Bengzon, Yolly Albano, Malou Cristobal, Domeng Go, Joey Gomez, Paul San Pedro, Edith Dychiao, and Brian Trias. Unfortunately, Bing Matoto, EJ Qua Hiansen, and Cai Castillo-Reyes had other commitments that night and were not able to witness the awarding.

2022 marks my fourth year of involvement in the CFOY Search, which was launched through a permanent partnership between FINEX and ING Bank NV in 2006. I'm looking forward to next year's Search!





## Q&A with Grant Cheng



by **Manny R. Guillermo**

*What were the cultural values you grew up with that guided you in your life's journey?*

I was raised in a close-knit, extended family. This was true on both parent's sides. The values I learned and still carry to this day are: integrity, diligence, prioritization, and forward thinking (delayed gratification). These are values that I try to live up to and embody every day.

*Did you experience any compelling adversities that you have triumphed over in your career? How did you manage through them?*

I was retrenched during the global financial crisis of 2007 while I was working in Singapore. I was with a global bank then, and the sudden and indiscriminate axe of headcount reduction from Wall Street just included me. But while the setback was a shock to the system, I always had other options that I nurtured and developed. I managed to get back on my feet literally the next day, and had a good career in wealth management eventually.



This underscores the importance of developing and nurturing a network, a sort of personal and career risk management principle, so to speak.

*What do you consider your key successes through the years?*

Professionally, I challenged myself to expand my horizons and competencies very broadly. I graduated with an engineering degree. But I eventually took a master's degree in finance, got my CFA charter, and built successful stints in wealth management, investment banking, to corporate finance now. And I do take pride in the fact that I did well in all those fields even as they were very different financial disciplines.

*Allowing a touch of fantasy, if you were the President of our country, what is the most urgent measure you would do? Why?*

This would be a lot easier if you asked me what I would do if I were to be king. But being a President necessitates knowing how government works, its processes, how it is organized and how the office of the President manages its prerogatives and limitations. So my completely honest answer is that I can't even begin to imagine what I'd like to do as President.

But for fancy's sake, let's say I am in full control of the office and its workings, I would say land and agricultural reform.

*How have you balanced your lifestyle so as not to miss out on your family despite the conceivably grueling*





*demands of your work?*

It goes back to cultural values – prioritization. My life revolves around work and family. And by keeping the demands on my time focused on these two priorities, then I feel I can give ample time to both and juggle them well. I can even have time for golf since they're asleep half the time I'm playing anyway.

*If you had such an opportunity, what would you change otherwise in the way you have crafted your career to flourish?*

Honestly not much. It doesn't mean I made perfect decisions or there weren't difficulties along the way. Switching disciplines and taking my masters degree, having lived and worked abroad, coming back home, relocating my family to Cebu – these were all major guideposts in my life's journey. But for each of them, I went through a process of deep soul-searching, sought out mentors and wisdom from others, assessed my options logically, and took calculated risks that I knew will pay off if I



applied myself to these decisions. So as long as I committed myself to the right decision-making process with the best available information, and applied my best judgment, I can am happy to deal with how those decisions end up. **FD**

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
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**ETHICS:**  
ENDURING OR  
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ETHICS: BLACK, WHITE, OR GRAY? - VOL. 2

 FINANCIAL EXECUTIVES INSTITUTE OF THE PHILIPPINES (FINEX)



# FLIGHTMARE 2: NEVER AGAIN

## BUSINESS TRAVEL



by Frank Ysaac

### EDITOR'S NOTE:

*I also had a similar experience last Oct. 29-30, though mine happened at the Bacolod-Silay International Airport (see photos on this spread). Another FINEX member who was in Cebu for the ICFC eliminations experienced the chaos at Mactan-Cebu International Airport that Frank Ysaac recounted.*



**I** was in Cebu during the last weekend of October to sit as judge in the JFINEX Inter-Collegiate Finance Competition. My flight back to Manila was supposed to be in the evening of Oct. 29, so I went to the Mactan International Airport early on that day as I was aware of the incoming typhoon in Manila known as tropical storm Paeng.

When I approached the Cebu Pacific staff to ask if the flight was cancelled, they said no but they were waiting for further clearance from Manila. The earlier flights had already been cancelled, yet no one could confirm if my flight was pushing through or not.

There was already a rush of passengers trying to rebook their flights. Still, the airline people were non-committal. Logically, since earlier flights were cancelled, they should have automatically done the same to succeeding flights. Instead, they made us wait for another hour as if the storm would just disappear.

Even if I wanted to cancel ahead of the airline's announcement, I stopped myself from doing so because that would incur rebooking charges. Finally, after more than an hour, they cancelled my flight.

As a result, more than 400 passengers lined up to rebook at the airline's counters. I was given priority because of my being a senior citizen. The sad part is that in force majeure cases, the airline policy is limited to any of these three options: fare refund (which takes months to process); rebook the flight without charges; or place the rebate in a travel fund.

In cases where the flight got cancelled late in the evening, I pity those passengers who have no extra funds to pay for an overnight stay in a hotel room, especially since rebooking does not assure them of the finality of departure. For instance, many had to spend the night sleeping at the waiting areas of the Mactan airport because they had no other choice due to lack of funds.

As for me, I requested for rerouting via Davao - which was still open at that time since the typhoon was not forecast





pass southeastern Mindanao. JFINEX booked me overnight in a Cebu hotel, and the following day, my rebooked flight to Manila via Davao left Mactan airport on time.

We arrived as scheduled in Davao, but that's when a problem arose. My connecting flight to Manila which was supposed to leave at 10:00 am got moved at first to 11:00 am, then to 12:00 noon, and finally to 2:00 pm. The airline staff refused to give a reason for the four-hour delay. At a certain point, there were several shouting matches between irate passengers and the airline staff. How come they could not tell us the real score about the delay?

It was sunny in Davao and there was news from Metro Manila that the weather there was also clear with the sun already up since the typhoon was gone. I was tempted to cancel again because it was taxing to sit around the airport for a senior citizen like me. Some fellow seniors could not cope with the uncertainty accompanying the delay, with one of them scheduled for an operation in a Manila hospital.

Later on, I found out from friends that such a situation was replicated in many other airports affected by typhoon Paeng. All were badly handled by the airline management, some of whom I know because FINEX has members from their group of companies.

Here's the thing: empires built by patriarchs

do not last. History is full of dynasties or business empires that collapsed after their founders passed away. Some not-so-good developments happen, partly because the vision of the patri-

arch is no longer followed. The next generations are usually spoiled and they fail to continue the founder's legacy. This has been exacerbated by the pandemic, which in the airline's case has resulted in huge losses while the value of their shareholdings have plummeted. That usually happens when the patriarch is gone. The same thing is happening to the heirs of other tycoons whose families have splintered due to quarrels over their inheritance, which could lead to battles in court.

Just look at the present mismanagement of our economy. They don't care if the government loses money because it's not their money anyway. But how about accountability? That does not exist at all as each administration just appropriates the budget to fatten their pockets.

Who says running for public office is not a lucrative business? As the PDAF queen said, dealing with the government is the easiest way to make money since they can print as much money as they want.

However, business finance is unlike government finance. When successful patriarchs go, their businesses go with them.

I won't ride that airline ever again. **FD**





# NOEL EST LA

## MENAGE A MOI



by Frere Jacques  
Guest Columnist

**B**onjour a tous et a toutes. As-tu remarque? Joyeux Noel!

Some things end. Some things begin. The pandemic is ending. The Christmas season is beginning, in fact is already here. Face masks are ending. Real faces are beginning to show – for better or for worse.

Work-from-home is ending, which means having to go back to a life of commuting through horrendous traffic. *Oui!* Back-to-office is beginning for many, which means having to dress up again for work. No more shorts and slippers while meeting by zoom.

It has been tough for all of us during the pandemic, but for FINEX citizens, we probably are the much luckier ones. We survived. *Nous avous survécu.* This morning, I stayed longer in the bathroom to discover what *objets divers* survived with me through the pandemic. *Waouh! Surprise des surprises.* I found a dusty pack of Salonpas I have been looking for at one time in great need. Had I known, I didn't have to purchase an over-inventory of Salonpas packs now conveniently parked at my bedside. (I could give these as Christmas gifts to some FINEX oldies.)

But my most interesting discovery was my half-forgotten collection of toothbrushes accumulated from past travel to Taipei, Hong Kong, Kuala Lumpur, and Bangkok. To complete my collection, I have two toothbrush packs from Makati Shangri-La and Seda. Finally, an unused toothbrush from St. Luke's when I got confined there in 2017 for an appendectomy.

Weirdo collector, you might say. *Sois prudent!* Be careful with your words. These toothbrushes are part of a larger supply of toothbrushes to be turned over to my family doctor whose wife distributes these to children in some beneficiary settlement area. She had noticed during one visit there that the children borrowed each other's toothbrushes. This unsanitary practice must stop, she said.

Oh, let's leave the bathroom. To point out some more the various items there will be too revealing of the kind of *personnalites curieuses* who use that sanctuary of very private senior citizens. *Seriez-vous vraiment intéressé?* Would you really be interested?

But talking about collections, here's another genre of collections or, to sound

more sophisticated, *recouvrement*. I have collected some very common words used by businessmen, which have started to annoy me because, to my mind, they have become so banal and so trite that they have lost their effectiveness in both written and oral communication. *Certains envyeux surmenes.*

Take, for example, this one: "And last but not the least, let me introduce..." Why must one be apologetic for mentioning a name last? If you have an enumeration, somebody must come last. To be mentioned last does not diminish one's stature, for heaven's sake.

Here's another one: "We have with us no less than the Honorable so and so." We don't ever say "no more than." I don't think anything grievous will happen if you just removed that "no less than" phrase.

In making presentations of business plans, here we find repetitive use of some words like thrust, metrics, scenario, and bottom line. Perhaps my dear reader is one of those who has become addicted to these words, that no other word will do. *Je suis sûr que tu as este accro.*

Thrust is a good word, but you also could use emphasis, focus, concerted effort or, simply, main direction. Just to vary the language. And yes, metrics. There was a time we used to say, "our yardstick of performance is..." but now it's metrics, in deference to a uniform metric system of measurement. But feet and inches are still around.

And of course, scenario. It's really a word more proper for stage work, a novel, or a movie outline, more technically, "a postulated sequence or development of events," but business has appropriated it for itself. There's also bottom line because we have shied away from using the correct word, which is profit. The bottom line sounds like the least and lowest in hierarchy, yet it's the most important figure, *n'est-ce pas?* Perhaps, unconsciously, we prefer the image of a bottom, that one which conjures what we French call *derriere*. Butt of course, this is addressed to incoming FINEX President Wilson Tan. *Toutes nos felicitations, mon cheri.*

We French write the way we talk and think – here and there, *ici et là, partout ou l'esprit mene*. Wherever the mind leads. *Au revoir pour le moment. Amour a vous tous.* **FD**





# PUSHING BACK AGAINST DISINFORMATION

## FINAL SAY



by J. Albert Gamboa

**B**ack in the Q4 2020 issue of *FINEX Digest*, I wrote about my key takeaways from the Netflix docu-drama, *The Social Dilemma* – mainly on how Big Tech manipulates social media users while harvesting their personal information through the so-called surveillance capitalism.

Two years later, we had Nobel Peace Prize laureate Maria Angelita Ressa as the closing keynote speaker of the 54th FINEX Annual Conference talking about the same topic: “Social Media and the Corruption of the Information Ecosystem.” I was privileged to have been the moderator during the open forum that followed.

In her presentation, Ressa showed how our world is being transformed by the change in scale in the amount of data available to us. She said that starting 2014, news organizations lost their distribution power. New gatekeepers emerged consisting of socmed influencers and bloggers or vloggers who currently dominate the field of content creation. She also cited a 2018 study conducted by the Massachusetts Institute of Technology showing that lies spread faster than facts.

Parallel to this recent phenomenon known as “information warfare” was the transformation of politics and governance worldwide with the rise of fascist leaders who have been elected democratically. Ressa believes we are now in the “last two minutes of democracy” since 60% of the world’s nations fall under authoritarian rule.

She thinks 2024 is when the most crucial presidential elections will take place in the US, India, and Indonesia. That year will determine whether the geopolitical power shift to fascism becomes a permanent global trend.

### SEEDS OF TERROR

Ressa’s first book was published by Simon & Shuster in 2003. It was an eyewitness account of al-Qaeda’s new center of operations in Southeast Asia which she wrote when she was still the Jakarta Bureau Chief of CNN.

Ressa was our FINEX General Mem-



Moderating Maria Ressa’s open forum at the 2022 FINEX Annual Conference

bership Meeting guest speaker in September 2004. At that time, her topic was “Breaking News: How Great Leaders Make Great Nations.” She shared her experience in interviewing Singapore’s Lee Kuan Yew, Malaysia’s Mahathir Mohamad, Indonesia’s Megawati Sukarnoputri, and the Philippines’ Corazon Aquino.

Shortly after, Ressa stepped down





from her CNN post to head the news division of ABS-CBN for six years. She co-founded Rappler in 2012 as one of the first digital news portals in the Philippines, subsequently winning numerous awards in local and global journalism.

### FROM BIN LADEN TO FACEBOOK

Her second book was released in 2013, co-published by Manila-based Anvil Publishing and the Imperial College Press of London.

Many of the stories in this book had never been told before, including details on the 10 days during which Ressa led the crisis team in the case of her fellow broadcast journalist Ces Drilon's kidnapping by the Abu Sayyaf in 2008.

This book developed the powerful narrative that glues together the social networks – both physical and virtual – which eventually spread the jihadi virus from bin Laden to Facebook users. She recounted how Southeast Asia's two most wanted terrorists managed to keep their families and friends updated on FB, while the Abu Sayyaf connected with al-Qaeda cells in Afghanistan, Somalia, and Yemen also through Mark Zuckerberg's social networking site.

*Time* magazine named Ressa and several other journalists collectively called "The Guardians" as Persons of the Year for 2018. They were cited "for taking great risks in pursuit of greater truths, for the imperfect but essential quest for facts, for speaking up and for speaking out."

Despite her heavy schedule, Ressa took time out to grace two FINEX events at the peak of the pandemic. She conducted a webinar on "The Power of Social Media" organized by the Media Affairs Committee in June 2021. Then she discussed disin-

formation, media freedom, and democracy during the Joint Membership Meeting with 20 other business organizations last February 2022 in "Moment of Truth: A Conversation with Maria Ressa."

### HOW TO STAND UP TO A DICTATOR

That's the title of Ressa's third book pub-

lished recently by Penguin Books. Subtitled *The Fight for Our Future*, its release came after she won the 2021 Nobel Peace Prize from the Alfred Nobel Foundation in Norway, the UNESCO World Press Freedom Prize in Jordan, and the inaugural Albie Award from the Clooney Foundation for Justice in New York.

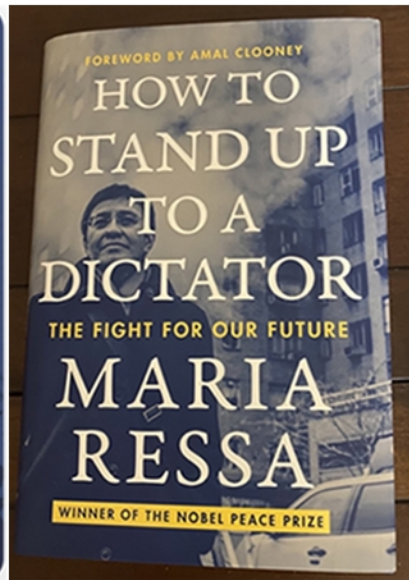
She has started promoting this book on the talk show circuit and her latest interview was with American political commentator Stephen Colbert over the CBS network on November 30. Her main thesis is that socmed has "come in and used free speech to stifle free press" with the weaponization of the internet.

What struck me most in her Colbert interview was the same message she imparted to the FINEX audience last October 5: "If you don't have facts, you can't have truth; without truth, you can't have trust. No shared reality, we can't solve any problems, we have no democracy."

As she faces a barrage of cases filed during the previous administration, Ressa continues to push back against disinformation – especially because it can manipulate elections. As a student at Princeton University in New Jersey years ago, she drew a line in the sand about the standards she would live by.

For the veteran media

stalwart, speaking truth to power can be achieved by leveraging technology, journalism, and community. Her mantra is "Hold the Line" as she fights for press freedom and the truth. [FD](#)



Receiving the 2021 Nobel Peace Prize along with Russian journalist Dmitry Muratov



Guesting at CBS Network's "The Late Show with Stephen Colbert"





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