

FATHERHOOD, LEADERSHIP, AND THE FUTURE WE SHAPE



Q2 APR - JUN 2025

Editor's Note

by Amby Sabio

Special Features

- 04 Fatherhood, leadership and the future we shape by Earvin Salangasang
- 06 Don't worry, a human wrote this by Aproniano S. Sabio III and co-author Kryztal Mae G. Pasco
- 08 *Life Lessons from a Renaissance Man* by Albert Gamboa

Articles

- 13 Post-Mortem by the Mid-term Polls by Bingo Dejaresco
- 17 Election "Financial" Houdini Acts by Bingo Dejaresco
- 19 Election Results Reflect what people need by Bingo Dejaresco
- 21 Why Impeachment is important to people by Bingo Dejaresco
- 23 Tax Reforms under the retained economic team by Albert Gamboa
- 25 Miscalculating Economic and Security Risks by Albert Gamboa
- 27 The prisoners dilemma and the global trade war by Ronald Goseco
- 29 Catching opportunities amid turmoil by Ronald Goseco

- 31 Clips and Segments

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Editor's Note



by Amby Sabio

Unpacking the forces shaping the Nation: Navigating Economy, AI, and Leadership

As the 3rd quarter of 2025 begins, it is time to look back on what has unfolded in our country over the past few months. Many factors have been influencing our lives and the economy, including developments in government, advances in AI, and celebrations honoring our beloved parents, among others.

The articles in this issue of the Digest focus on these key topics. We feature pieces by Joseph Albert Gamboa, who discusses the country's economic and security risks, as well as ongoing tax reforms under the retained economic team in government.

We also present several articles by Zoilo "Bingo" P. Dejaresco III, who offers insight into the pre- and post-midterm election landscape, and even tackles the topic of impeachment. Additionally, articles by Ronald Goseco which are about the current global trade wars and Catching opportunities despite geopolitical shifts and risks in financial markets.

Beyond government-related issues, J. Gamboa also contributes a feature on RCBC CEO Eugene Acevedo, providing a closer look at leadership in today's financial sector.

Earvin Salangasang, meanwhile, writes about the important role of fatherhood and how fathers help shape the future, a timely piece following Father's Day.

Lastly, we include an article by yours truly, Aproniano Sabio III, co-authored by Kryztal Mae Pasco, that explores AI's growing influence in shaping the future and even the present.

You're in for a treat with this Digest!



FATHERHOOD, LEADERSHIP AND THE FUTURE WE SHAPE

A Q2 Digest Special Feature by Earvin F. Salangsang

I got married at the age of twenty-four, just as my career was starting. I was then an audit associate at an auditing firm in Ayala. At the time, my wife was still in college. We were actually grade school classmates, but she had to put her studies on hold to work. That same year, we were blessed with a lovely daughter.

No seminar or training had prepared me for this new responsibility, so—like starting a new role—I dove in and learned along the way. Everything seemed smooth. I left my auditing job to join DES Financing Corporation, which allowed me to be with my family every day. We built our home in Pampanga.



She continued her schooling, graduated, and eventually landed a job. My approach to fatherhood with our daughter was simple: treat her like a princess, tell her stories, give her everything, and protect her at all costs.

Years later, God gave us a wonderful son. That was when my entire perspective on life, career, and fatherhood changed. For reasons I couldn't fully explain, the pressure of raising a son just felt different.

What kind of man should I want him to see in me? Would he take the path I took? Should I be strict, or treat him the same way I treated his sister? These questions kept popping into my mind.



Earvin's 2nd born and family

I went through a period of soul-searching—until my president invited me to join the second offering of the Senior Finance Leadership Program of FINEX. This program didn't just teach me how to become a better leader in my organization; it taught me how to become a better man for my family.

In our first session, we discussed the word "purpose." That one word struck me more than any other lesson in the three-month program.

The mentors' stories of how they found their purpose made me ask the biggest question of my life: "What am I doing?" I realized I was unconsciously going to work, getting the job done, and bringing home the paycheck—without really thinking about what it all meant.

Nothing felt significant. Purpose gives direction. It helps us keep the bigger picture in mind despite the daily struggles. Leadership is effective not just because people believe in the leader, but because they believe in the purpose the leader serves. After that session, I knew I had to reflect deeply on my life.

A leadership role does not end after office hours. At home, our kids need someone to look up to and follow. If I want them to become competent, compassionate future leaders who value continuous learning and live with integrity, then I need to live those values myself. After the program, I was formally invited to join FINEX. FINEX gave me the sense of purpose I had been looking for.

FATHERHOOD, LEADERSHIP AND THE FUTURE WE SHAPE



Salangsang Family at the wedding and night out

It opened up opportunities for me to explore new paths and engage in initiatives beyond my comfort zone. The wisdom I gathered from every talk and every meeting gave me a broader perspective—one that challenged me to think more, do more, and be more. I began saying yes to every invitation.

Attending financial literacy seminars gave me a sense of fulfillment. Writing for Pilipino Mirror and Manila Bulletin provided a platform to contribute ideas. Championing for the 2024 CFO of the Year reminded me to stay competent and strive for excellence.

To show our kids the importance of education and the value of lifelong learning, my wife and I are now back in school. She's in her second year of her master's in public administration, and I'm an incoming third-year law student this August.

I often joke that my mentors are to blame for this self-inflicted stress—but in truth, I thank them for pushing me to take risks and become bolder.

Innovation is not always about technology. It's about mindset. Rather than simply providing our children a path to follow, we want to raise them to be curious, creative, and courageous—to explore, question, and shape the future they envision.

They will have the freedom to choose their path, with us guiding them, instilling in them a sense of purpose. As a father, I cannot dictate their dreams. But I can prepare them for a world that is fast-changing, complex, and uncertain—yet full of possibilities.

Leadership is influence. And we influence our children not just through words, but by showing them that we ourselves are striving to go beyond our limits and become the best versions of ourselves.



Salangsang Family Wedding Reception Photo



Salangsang Family's Day out

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Originally published in FINEX Digest Q2 2025 Issue



DON'T WORRY, A HUMAN WROTE THIS

A Q2 Digest Special Feature by Aproniano S. Sabio III co-authored by Kryztal Mae G. Pasco

"Ako pala si Nanay Aida. Nandito ako ngayon sa opisina at gumagawa ng FINEX article—"

How many of you heard the iconic voice of that AI character as you read that line? It's almost automatic now—this uncanny connection we make between written text and synthesized voices we've come to recognize. And isn't that a little unsettling? Or maybe, fascinating?



The truth is, we're no longer imagining a future where artificial intelligence might write our articles, scripts, or even personal messages. We're already living in it. The question now is: how much further can it go? Could articles like this, with their nuance and human touch, eventually be written entirely by AI?

From the point of view of people who make a living through writing, this is dreadful. They might feel that AI could replace them in their editorial desks. After all, why should a profit-seeking company hire humans when AI is cheaper—maybe—faster, and arguably just as good?

But as they say, AI is not here to replace us, but to help us. Many writers are now turning to AI not as a rival, but as an ally. AI is being used as a grammar checker, a thought organizer, a creativity booster.

It's a tool—like the pen, the typewriter, the word processor before it—to help ideas come to life more efficiently and more powerfully.

And it's not just in writing.

Do you know that AI is now being used to track your digital behavior? Algorithms adjust your For You Pages (FYPs), your ads, your content suggestions—all to better "serve" you. But what does "serving" you mean, and at what cost?

I've met people who are uncomfortable with how deeply technology is embedded in their lives. Some say, "Why is this even possible?" Others marvel at it. And many don't even notice. The possibilities just seem endless, and the potential of AI will only grow from here.



At this moment, we can already feel that AI will shape our future. Maybe, just like cellphones, AI will go from a luxury to something that is part of our daily lives. Now, we can't imagine life without a phone. Can you name a single person who doesn't own a cellphone today? Exactly. In the future, will the same be said about AI?



Will we all have an AI assistant, an AI friend, an AI co-worker? Maybe even an AI therapist?

In the early days, AI brought fear. We associated it with sci-fi movies—images of robots taking over the world, erasing humanity, replacing jobs. People scrambled to upskill, to make themselves “AI-proof.” There was panic. But over time, the panic eased. We adapted. Humans always do.



And now, look at where we are: AI can already answer calls. It can call you to remind you, ever so politely, to settle your credit card dues.



Tomorrow could find us in a car, aware that the one driving is not human—and that it's AI behind the wheel. What happens now?

That's up to us. The tools are here. The technology is growing. The question is no longer “Will AI be part of our lives?” but how we choose to live with it.

And maybe, just maybe, the future won't sound too different from the voice you imagined at the start:

"Ako pala si Nanay Aida..."



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Originally published in FINEX Digest Q2 2025 Issue



LIFE LESSONS FROM A RENAISSANCE MAN

BOOK REVIEW

by: J. Albert Gamboa



Banker, physicist, coder, professor, financial planner, multi-sports enthusiast, mentor, thought leader – these are the multiple hats worn by Rizal Commercial Banking Corp. (RCBC) President and CEO Eugene S. Acevedo. He has lived a remarkable life, but he would be the first to say he never stood alone.

“I insist that every man or woman who rises above the crowd is supported by other men and women who cared for, nurtured, and mentored them,” Acevedo wrote in the introduction to his autobiography titled *Never Stand Alone*. This memoir and the speeches he selected is his way of giving thanks to those who gave him valuable support through the years.

Published by Media Wise Communications/MUSE Books in 2024 when Acevedo turned 60, the 228-page volume recently won the prestigious Gold Quill Award bestowed by the International Association of Business Communicators (IABC) based in Chicago, USA. The awarding ceremony was held

during the IABC World Congress in June 2025 at the Hyatt Regency Vancouver in Canada.

Born in Surigao province to a family of modest means but rich in joy, Acevedo writes about his childhood and adolescent years with engaging sincerity and vivid local color. The first part of the book follows his journey as an outstanding student at the De La Salle John Bosco College in Bislig City, the University of San Carlos in Cebu City, and the Asian Institute of Management in Makati City. It also discloses details of his long, exemplary career with Citibank and its virtuous circle of mentorship.

At Citi, Acevedo started as an executive trainee in 1987 at the age of 23. He was subsequently assigned to the treasury services unit and worked his way to the foreign exchange trading room. Then he became a treasury auditor with assignments in Tokyo, Taipei, Kuala Lumpur, London, and Sydney. Citibank’s global audit office decided to give him a permanent audit position to establish the new derivatives marketing team in Hong Kong. Later on, he was tasked to set up the first licensed derivatives desk in Manila as well as the regional derivatives structuring and sales team in Singapore.

The book abounds with many interesting stories of Acevedo’s life as an expatriate and a so-called “suitcase banker.” His derivatives stint coincided with the Asian financial crisis in the late 1990s, while his promotion to Country Treasurer of Citi Philippines and Citi Hong Kong spanned the period leading to the subprime mortgage crisis and the global financial crisis of the early 21st century.

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LIFE LESSONS FROM A RENAISSANCE MAN

In 2010, after 23 years at Citibank, Acevedo got an offer he couldn't refuse – to be the Philippine National Bank's President and CEO at the age of 45. Yet it turned out to be short-lived, and he moved to the Union Bank of the Philippines (UBP) as Senior Executive Vice President toward the end of that year. He was also elected Chairman of CitySavings Bank, a subsidiary of UBP. Then he joined RCBC in 2018, first as Deputy CEO, and eventually as President and CEO starting mid-2019 up to the present.

From an expat to a local banker and digital trailblazer, Acevedo's transformation is chronicled in the book with infectious excitement and unexpected detail interspersed with heartwarming anecdotes about his doctor-wife and their two sons. Through his featured speeches and selected social media posts that are included in the second part of the book, the voice of a man who has rediscovered writing can be clearly heard: earnest, good-humored, wise, perceptive, and compassionate. Values that the judges of the IABC Gold Quill Awards recognized in their evaluation of *Never Stand Alone*, which is available at the country's leading bookstores.

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Originally published in Manila Bulletin on May 6, 2025

SIDEBAR FEATURE

Q&A with Eugene Sering Acevedo, CEO of RCBC

Interviewed by J. Albert Gamboa

JAG: What was your immediate reaction when you won the IABC Gold Quill Award in the writing category for *Never Stand Alone*?

ESA: I was pleasantly surprised, frankly. I thought we did a good job and I had confidence in the support I got from the team that worked with me. Although I was the one who started writing the book, I had the benefit of professionals helping me out, and I think their assistance to my amateur effort made a big difference. Even if I get to enjoy the award and have a big grin on my face as a result of it, I attribute significantly the win to my colleagues. From their guidance, my raw ideas and raw feelings came out to be elegant insights and I owe that to them. I think I became a better writer as a result of the exercise. Not just that, I found writing addictive. So every week, I was spending up to four hours doing it using LinkedIn as my journal.



JAG: How many books have you written so far?

ESA: I just submitted the manuscript of my third book to a Singapore-based publisher. *Never Stand Alone* is my first book and it won an award.

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LIFE LESSONS FROM A RENAISSANCE MAN

The second one is a bestseller in Fully Booked titled Reinvent and Outperform: Becoming a Better Leader. What happened was, this first one I wrote because I wanted it to be a book of gratitude. I was turning 60 and as mentioned in the book, I insisted that it was a group effort. I know people say it takes a village, but in my case, maybe two or three dozen individuals who made sure I would get this far, and their names are in the book. I don't believe in this concept of self-made men. No, it would be intellectually dishonest and the height of arrogance if I insist that I am such because I owe so many people. Hence, instead of celebrating in a big party and having a big band, I decided that the best way to cross 60 years of life is to express gratitude.



JAG: *Who were the recipients of your first book?*

ESA: Every single one of those individuals mentioned in the book, wherever they are in the world, got the book. So I sent books to the United Kingdom, to Davao and Samar and Surigao and Australia where my teachers were, my classmates

who were in various parts of the US and Canada, and a lot in the Philippines got copies. I had a book launch here at the Hexagon Lounge of RCBC Plaza, which was my birthday as well. It was really my way to thank the people who are here because they were a big part of what I became. To some extent, you might say it was a celebration of a group effort that got me very far and the gross proceeds of the book went to tuition and fees of 10 BS Education students who have a few trimesters to go before they graduate from my Alma Mater, the De La Salle John Bosco College in Bislig City, Surigao del Sur where I used to serve as finance committee chairperson of the school and I knew what the needs were. My classmates and I chose the BS Education students as beneficiaries because education is a multiplier. An additional amount went to the Physics Department of my other Alma Mater, the University of San Carlos in Cebu City because there are scholars who are only partially supported by the government and they needed extra funds for their tuition fees. So I just happened to be me, but this was so much more than me.

JAG: *What was the most striking review from your readers?*

ESA: I had very senior persons in the business community reading my book almost as soon as they got it. I will not mention their names, but they said it was compelling, they couldn't put it down, they kept on reading and reading because 100 pages of the autobiography part you can finish maybe in three hours. But the best feedback came from children – at least 10 of them ranging in age from nine to 13 years old – who would read pages of my book every night instead of reading bedtime stories.

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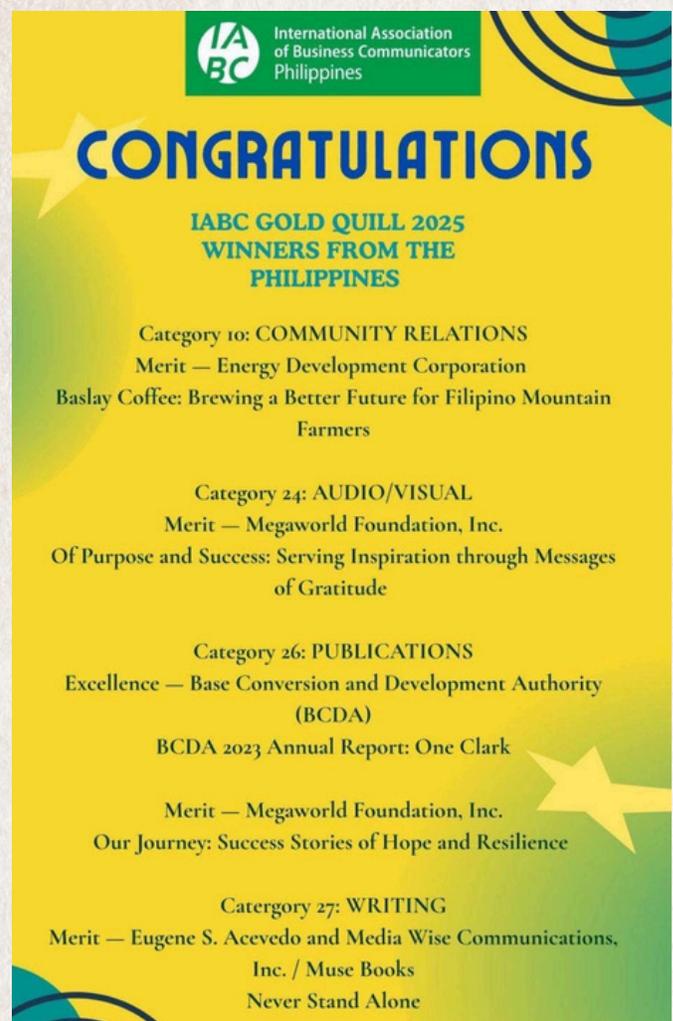
LIFE LESSONS FROM A RENAISSANCE MAN

. I remember there was a family where the father and son would take turns reading it. One kid said: “Mommy, according to ESA, it is okay to fail as long as I try my best.” That was the very best review I ever got, and that story just struck me and then I realized that I probably did something good because I never expected a nine-year-old to say anything like that. Hearing that story was amazing, I did not write it for kids but some of them gave me the best reviews. In fact, the earlier part of my book was about me as a kid growing up, so they could relate. It had readers from both ends of the spectrum – the taipans in their 70s and the children in their tweens – it’s like the barbell strategy in finance and it was worth the effort I put in.

JAG: Since you’re about to retire next month, what’s next in your journey?

ESA: I’ll forever be here in RCBC, I’ll just change roles from President and CEO to Board Director. What has happened lately is that I’m a doctorate student at AIM spending a number of hours each week in school. Expect me to keep writing, such as a piece in LinkedIn every day. My posts have become a “Dear Kuya ESA” sort of advisory column because I receive letters asking for advice on a daily basis and I respond to them. It’s about career issues, problems with their boss, should they move to another job. I think what will happen in the future is I’ll keep studying and being active in LinkedIn engaging with many individuals who liken my posts to a Daily Bread of sorts. I have close to 50,000 followers now who look forward to reading it every day. Whenever I meet people, they mention which piece touched them, so I know people are reading it. Ever since I became a DBA student, my pieces started to have a scholarly tone.

I’m very particular about academic rigor, that whenever I say certain things I should be able to defend it and not just give advice that’s unsupported. I try my best to make sure that I bridge theory with practical sharing while making it readable and entertaining. I use language that’s not threatening, language that’s simpler, more understandable, and more compelling to read. The other thing is I might also end up teaching, because what do you do after obtaining a DBA, after you publish articles in a book. I think it’s time I go back to where I started as a Physics teacher in UP. I think I will become a teacher again, but I’ll forever be a student as there’s so much out there to learn.





PRESSING MATTERS

ARTICLES FROM OUR FINEX WRITERS



POST-MORTEM ON THE MID-TERM POLLS

by: Zoilo "Bingo" P. Dejaresco III

Speaker Martin Romualdez is set to maintain his hold on the Lower House with about 80% of his allies reelected to their seats last May. But the Senate, made up of 24 "independent republics," is no shoo-in to be pro-Administration.

The 5-5-2 senatorial poll results do not reflect the traditional Senate outcomes during the mid-term elections, where the administration slate usually scores resounding victories. Humbled by the loss, President Marcos dolefully admitted in an interview that the government had wrongly focused on mega infrastructure projects and forgotten the "small things" which are important to the people.

THE IMPEACHMENT

Gunning for a 12-0 Senate shutout win was the target- the better to ensure that the administration would have the numbers to convict impeached Vice President Sara Duterte. Now, that does not look too good because even those considered "administration bets" have fiery independent streaks in them that are immune to dictation from anywhere.

Being a political exercise, impeachment is a partisan numbers game. Given the shortness of time and the case probably sliding to the 20th Congress, the likely pro-Sara Duterte senators would be: Senators Bong Go, Robinhood Padilla, Bato Dela Rosa, Rolando Marcoleta, Imee Marcos, Camille Villar, and Mark Villar, or 7 senators. They only need 2 more senators or 9 of them to acquit the VP.

Of course, there is always the pressure of national public opinion, as every hoary detail of the 7 serious charges against VP

Sara will be seen and absorbed by millions via televised impeachment hearings, since politics is the Filipinos' favorite pastime.

Any sign of mental dishonesty of the senator-jurors, where one exhibits pure, extreme partisanship to the disregard of facts and the truth, will also be tried at the bar of public opinion and will be judged accordingly. And a steep political price to pay for the erring senators. It will be merciless, as well.



Nonetheless, one has to hark back at history to realize that in the end, the "sovereign will of the people" will prevail. After all, the framers of the 1987 Constitution envisioned impeachment as the tool for the protection of the people (from whom all authority emanates) from abuses of high government officials, including the President, Vice President, Chief Justice of the Supreme Court, the Ombudsman, COA, and Comelec Chair, etc.

Chief Justice Renato Corona was impeached, and Ombudsman Merceditas Gutierrez quit before she could be impeached.

POST-MORTEM ON THE MID-TERM POLLS

But no power exceeds that coming from the people who removed two presidents from their thrones: Ferdinand Marcos Sr. (EDSA I) and Joseph Erap Estrada (EDSA II).

VP Sara was impeached in the Lower House for serious charges ranging from sedition, assassination threats, and EJKs to the misuse of millions of funds. If convicted, the vice president will be infamously removed from office she was elected to and face permanent disbarment from ever holding any public office (elective or appointive). In the interregnum, she will be temporarily replaced by the current Senate President (at the time of conviction) until the President appoints a permanent replacement of his choice.



The Senate has all the authority to try the VP. Because it has three distinct functions: (1) to legislate new laws, (2) to impeach officials, and (3) to serve as an electoral tribunal to try election cases.

In its legislative powers under Section 16, matters not finished in one Congress cannot cross over to the next one without refileing. But in the case of the impeachment function (Article 11), it is a constitutional duty which is a continuing

one, not disabled by e.g., dissolution of parliament, recess, or shift from one congress to the next.

Will VP Sara be convicted? That cannot be answered. Because it depends on the gravity of the evidence and the strength of witnesses, how they are presented in the impeachment court, and how they are finally perceived by the very sensitive, politically alive public. No one can be cock-sure of anything.

Politically linked to this impeachment exercise is the trial of former president Digong Duterte in The Hague, Netherlands, since he is the father of the impeached VP and once the leader of the country from 2016-2022.

A dual conviction will be a double whammy against the Dutertes; an exoneration- a double victory and a split-political stalemate.

They are crucial events as the VP continues to be one of the leading presidential candidates for 2028.

This saga has an important geopolitical footnote, too, since Marcos has pivoted to the good graces of America while the Dutertes are unabashedly pro-China; both countries have a deep interest in the hotly contested West Philippine Seas.

Washington, of course, is watching the political developments here very keenly.

The other international oddity to be wary of (post mid-term polls) is the worldwide chaos triggered by the USA's aggressive stance regarding tariffs and global trade.

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THE DOMESTIC SCENE

Even with respectable GDP growth rates and armed with one of the highest national budgets in the ASEAN for the last many years, the Philippines suffers from having one of the lowest per capita incomes in the region. It seems to be one of the least attractive countries for FDI (foreign direct investment), as well. What ails the country?

It is said that the results of the elections somewhat mirror what the people need. Thus, Marcos admits that the lackadaisical senate poll performance was the people's disenchantment with some of the government's policies. Communication guru Alan German graphically defined it by saying that the top five senators elected in May 2025 had a single message in their campaign propaganda that resonated with the people because they were what the people needed.

Bong Go (health), Bam Aquino (education), Bato dela Rosa (peace and order), Erwin Tulfo (social services), and Kiko Pangilinan (food-agriculture).

The "Malasakit" health program of Go, which combined the benefits of PhilHealth, Pagibig, and other "ayuda" has been bastardized and politicized. It antagonized those outside the good graces of the local political kingpins who seemed to control the dispensation of the program. News stories narrated of many hospitals now drowning with P17 billion in "receivables" allegedly guaranteed by politicians during the poll period, many of whom did not win the elections.



Although public education is "free", the quality of our education is in the pits as 15 million of our graduates are deemed "dysfunctionally illiterate" in Math, Language, and Science. The decades-long lack of schools and teachers remains a huge problem everywhere, and yet the Education budget was cut in the 2025 General Appropriations Act (GAA).

In most places, even in the remotest of provinces, the volume and value of drugs being confiscated have been unprecedented, highlighting that the drug problem has again reared its ugly head with a vengeance. Kidnapping and robbery in urban areas are increasing. Police visibility is needed, and the shift to decapitating the drug lords rather than the small-time drug characters must be in place.

Meanwhile, while our fisherfolks and the navy/coast guard are harassed by Chinese meddlers incessantly, the budget for the AFP Modernization in 2025 was reduced significantly. On the other hand, the delivery of social services remains scarce and expensive, given the corruption and inefficiency of the

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POST-MORTEM ON THE MID-TERM POLLS



bureaucracy from the top to the barangay levels. The ayuda distribution is, likewise, shot with favoritism and graft.

And finally, food inflation. More than 50% of Filipinos recently self-rated themselves to be "hungry" while a significant number of Filipinos are among Asia's richest, exemplifying the great disparity of wealth and opportunity in the country.

Rice, the staple Filipino food, is expensive, and we are the biggest importer of rice in the world, exposing our agricultural weakness. Political will is lacking in jailing known rice smugglers, hoarders, and price manipulators.

Despite our enormous shorelines being made of 7,000 islands,

fish prices are prohibitive when once fish was the poor man's main source of protein. What is happening?

Health, education, peace and order, social services, and food are, therefore, the main agenda items pestering Filipino folks and will be the President's main target tasks post mid-term polls.

The main agenda items pestering Filipino folks and will be the President's main target tasks post mid-term polls.



Marcos has only three years left, and he must rush work for him to leave a lasting positive legacy of his presidency and to somewhat erase the stigma of the image of the Marcoses of having, in the past, plundered the nation to penury.

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Originally published in FINEX Digest Q2 2025
Issue

ELECTION “FINANCIAL HOUDINI” ACTS

by: Zoilo “Bingo” P. Dejaresco III



The Philippines touts a 5.6 percent gross domestic product (GDP) growth in 2024, the highest in the region. With the highest GDP growth rate and one of the two biggest national budgets in ASEAN (2021-2025), it has little to show—except the lowest GDP per capita in the region.

Besides, our 1.9 percent inflation rate and 1 percent population growth rate somewhat dampened the effective GDP growth rate.

In the meantime, the OCTA Research Group nationwide survey (April 2-5) showed President Ferdinand Marcos' trust rating dropped from 65 percent in November 2024 to 60 percent in April 2025, and his satisfaction rating from 64 percent in November 2024 to 59 percent in April 2025.

While everyone seemed distracted, Secretary Ralph Recto's Finance Department attempted to insert new tax measures—increasing the tax imposed on capital gains, donors, and estate taxes from 6 percent to 10 percent, raising a collective howl from small-medium businesses and the middle class.

Secretary Recto blinked, tail between his legs, and aborted the new burdensome measures, citing that the government was fiscally in shape due to higher-than-expected earnings in First Quarter (January-March) tax revenues. Some suspect a bit of mental dishonesty there, as we are already entering May, and these first-quarter numbers were available much earlier.

Besides, the government already forecasted in the national budget that the total revenues for 2025 will be ₱1.538 trillion, up by ₱53 billion from 2024's ₱1.484 trillion. Was the Finance Department still surprised?

The 2025 National Budget, on the other hand, has been soundly criticized for its unethical realignments and regressive cuts. This lack of accountability for budgetary expenditures in the past makes any new proposed tax increase today look short of criminal, indeed.

Despite this perennial increase of national spending being higher than growth in revenues, the government still insists on deficit spending, marking the deficit at ₱1.538 trillion in 2025, higher than the ₱1.484 trillion deficit in 2024. Despite policymakers' vow in 2024 to “live within our means,” total debt for the Philippines will rise to ₱17 trillion by the end of 2025 from ₱16.3 trillion in 2024. Aside from the proposed taxes?

Our total debt is almost breaching the 60 percent international prudential ratio of debt/GDP, and even exceeded that in one quarter in 2024.

- continue to next page

ELECTION “FINANCIAL HOUDINI” ACTS

With debt at ₱17 trillion and the denominator of the debt/GDP ratio not expected to hit the 6 percent government target for 2025, the danger of exceeding that ratio is imminent. The World Bank had already downgraded its January GDP growth projection for the Philippines from 6 percent to 5.5 percent in April, as did the IMF, from 6 percent to 5.3 percent for the same period.

Breaching that ratio can mean two things for the Philippines: creditors/investors will not be as enthused to make that capital available for us, or if made available at a higher interest rate, increasing our cost of capital. What's with this fiscal recklessness? Or is it courting a debt trap?

Perhaps running out of mileage in the propaganda war, the government rushed to make available “cheap” rice at ₱20 starting in Cebu and planned to do it nationwide before the elections. But the constitutional body of the Comelec blocked its distribution and moved it after the polls, consistent with Comelec rules. Department of Agriculture's Secretary Francisco Tiu Laurel had to follow. Besides, the ₱50 billion worth of ₱20/kilo rice is a minuscule part of the total rice consumed by the country, which is the world's largest importer of rice. It was pure “acoustics.”

One must also consider the economics of the ₱20/kilo rice subsidy. Given the Philippines' expensive cost of production, they cannot sell retail at ₱20/kilo without incurring a government subsidy.

According to sources, the current breakeven selling price of the NFA to LGUs is ₱45 per kilo, and when sold at the usual ₱33/kilo, the NFA gets a subsidy of ₱12/kilo from the government.

Secretary Laurel himself admits that if the government sold all its current NFA stocks at the subsidized price of P20 per kilo, the government would incur losses of ₱10-₱12 billion.

When done several times during the year, the cost is astronomical. The subsidy reportedly comes from the contingency fund of the President. But every peso of rice subsidy means one peso less for future contingency purposes like calamities, drought, El Niño, floods, and volcanic eruptions. It is a zero-sum game. No free lunch, mister.

Finally, the government's “sweet promises” of labor wage adjustments remained such when, on Labor Day, the President declared that the request for a ₱200 across-the-board wage hike demanded by Labor will be studied separately by each Regional Tripartite Labor and Productivity Group. No movement. Any more pro-poor election propaganda?

Therefore, the government must go beyond the ordinary in the “last two minutes of the ballgame” as the midterm polls on May 12 hang ominously close. But there is no more room for further financial Houdini acts.

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Originally published in Manila Bulletin on May 13, 2025

ELECTIONS RESULTS REFLECT WHAT PEOPLE NEED

by: Zoilo “Bingo” P. Dejaresco III

In a humbled demeanor, President Ferdinand Marcos acknowledged that the 5-5-2 Senate results were somewhat of a rebuke to certain government policies and highlighted what people need. Marcos stated, “People are tired of politics,” and that the government had been too focused on mega-infrastructure projects, neglecting the smaller issues that “affect people’s lives.” The President was accurate in his assessment.

Premier communication strategist Alan German more graphically articulated his point: the front-runners in the 2025 Senate race employed a single-messaging strategy that expressed what people truly need. Bong Go (health), Bam Aquino (education), Bato de la Rosa (peace and order), Erwin Tulfo (social services), and Kiko Pangilinan (food-agriculture) finished as the top five winners among the twelve.

In health, the “Malasakit” program (of Go), intended to unify Philhealth, Pag-ibig, and other government “ayuda” (aid), was regrettably bastardized and politicized by government officials. This adversely affected people on the opposing side of the politicians in power in their communities.

While education may be free in public schools, the reality is that 15 million Filipino students are “functionally illiterate” due to poor education quality, hindering their ability to find employment and eroding our human capital.

Corruption and inefficiency (red tape) continue to plague all levels of government, down to the barangays, making social services difficult or expensive to access.

The “ayuda” system is marred by political intervention and a weak distribution network. Concurrently, the drug problem has re-emerged with a vengeance.

Meanwhile, 50 percent of Filipinos self-rated themselves as “hungry,” underscoring the severity of food inflation in the country.

Marcos, non-confrontational by nature, is slow to anger and a pacifist. However, at times, treating governance with kid gloves can be counterproductive. Is the fault, in the stars, Brutus?

Already, the president has refrained from open involvement in the controversial “charter change” through people’s initiative and the formulation of the national budget. Unlike various past administrations, Marcos’ Budget (called the NEP – National Expenditure Program) for the last three years has been at the mercy of cutting and realignment by the Bicameral Group, with many tagging the 2025 national budget as “the most corrupt.”

Despite the merciless badgering by the Duterte group, Marcos still extends an olive branch of peace, stating, “because I want stability so we can move forward.” His Pontius Pilate act of washing his hands over the impeachment moves against VP Sara and the ICC’s arrest of President Duterte is, to us, conduct not expected of a true president.

He should simply declare that we are a nation of laws and let the sword of Lady Justice fall where it should.

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ELECTIONS RESULTS REFLECT WHAT PEOPLE NEED

Besides, the UNITEAM is a thing of the past, and no amount of cajoling, much less fawning at the enemy, will ever change that. There is absolutely no need to appear like a scarecrow when you are the head of 115 million people.

On the other hand, Marcos's moves to rearrange his Cabinet and remove the heads of the environment, housing, solicitor general, OFWs, and foreign affairs agencies are steps in the right direction. He should dismiss more. And review the COA (Commission on Audit) reports on the performance of many GOCCs (government-owned and controlled corporations), and remove the corrupt and laggard entities within them. Many of these companies, in any case, are a drain on the country's fiscal health.

Reports even from remote provinces indicate that the number and value of drugs busted are unprecedented and alarming. Newly appointed PNP head Major Gen. Nicanor Torre III should increase police visibility and apprehend the "Big Fish" instead of targeting small users.

Marcos should also heed Senator-elect Ping Lacson's plan to review the "graft-laden" 2025 GAA (General Appropriations Act) and rectify those aspects tenable under our laws. He should find ways to realign some funds to bolster what has been previously reduced from critical sectors like health, education, and national defense agency budgets.

Since rice is a staple food for Filipinos, BBM should find a permanent source of subsidy to make cheap rice available (₱20/kilo) rather than siphoning funds from contingency reserves.



This specific problem, which gnaws at the stomachs of the people, does not need palliatives. Likewise, there is a need to strengthen RA 12022, the Anti-Agricultural Sabotage Law, and prosecute rice smugglers, hoarders, and price manipulators. The criminals are known, but sufficient political will is needed to jail them.

It is ironic that, with 7,000 islands, fish prices remain prohibitive, considering that it was once the Filipinos' main dish. Why? It is also appropriate to reinstate the maximum Suggested Retail Price (SRP) of pork to ₱350 to ₱380 per kilo by August in response to the drawbacks of the ASF (African Swine Fever).

Marcos has three short years until 2028. He should buckle down to serious business, and if not to leave a lasting positive legacy to the nation, then to partially redeem the name of his family that has been accused of plundering the nation to penury.

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Originally published in Manila Bulletin on June 5, 2025

WHY IMPEACHMENT IS IMPORTANT TO THE PEOPLE

by: Zoilo “Bingo” P. Dejaresco III

Impeachment in a democracy is for the protection of the people against “abuses of public officials” and a tool for checks and balance between the three branches of government.

The House of Representatives and the Senate can impeach and convict the Executive (President, Vice President), the Judiciary (even the Chief Justice) and even heads of constitutionally-created bodies like the Ombudsman and the Comelec. Members of Congress can, in turn, be charged by the Ombudsman and/or Sandiganbayan (appointed by the Executive). The President selects justices to the Supreme Court.

An impeachment process ensures no one is above the law in a democracy and, thus, prevents abuse of power. The process also serves as a guardrail to ensure performance and, thus, protects government resources (taxes from the people). When it serves to enhance government integrity and, hence, preserve public trust, it leads to public cooperation and social stability.

Moreover, impeachment appeases widespread public concern to reflect the “will of the people,” as in the case of Vice President Sara Z. Duterte, where a survey indicated 8 of 10 Filipinos voted in favor of a trial. Duterte herself had, at the outset, said she was ready to face trial, and her team is prepared. It is a chance to clear her name, lest we forget.

Likewise, impeachment is not a “be-all and -end-all” remedy as in the case of the former President Joseph “Erap” E. Estrada, who “constructively resigned” with no decision from the impeachment court but was convicted by our ordinary court for plunder and sentenced to life imprisonment.

His jail was his rest house in Tanay. And he was eventually pardoned by his replacement, President Gloria M. Arroyo (GMA).

Such a move to file criminal charges, as well, against VP Duterte has been brought up at the Lower House. Accountability, therefore, does not end with just the impeachment.

Impeachment status

Contending parties accuse the other of either “indecent haste” or “delaying tactics,” which is par for the course. Perhaps, what is most important is that the Impeachment Court has been convened, impeachment papers received, and the accused asked to answer summonses. The trial has begun.

Many people questioned the act of “remanding” the articles back to the House because senator-judges cannot do such except by the defendant. The defenders argue that it was a procedural matter—a “Solomonic” way out, if one wishes, to ensure that there are no legal irregularities in the procedure.

The first “remanding” demand was for the House to certify that it violated no Constitutional Law, specifically touching on “no multiple impeachments” in one year. While there were three expressed intends to file earlier, the House only accepted, received, and transmitted the fourth complaint. Thus, there is only one official complaint.

The second “remanding” demand for the House expressing intent to pursue

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WHY IMPEACHMENT IS IMPORTANT TO THE PEOPLE

I such even unto the 20th Congress. That would be easy to answer in the 19th Congress and a probable reality in the 20th Congress since 80 percent of the House was reelected in the May polls and will therefore reflect the sentiment of the 19th Congress.

Nonetheless, we believe that any decision to allow or disallow crossover to the 20th Congress will lead to a referral for final judgment to the Supreme Court, since it is the final arbiter on impeachment cases. We are confident, however, that the SC will allow the impeachment to crossover, given precedents, because it is a continuing Constitutional duty and not a purely legislative function whose agenda is terminated with the ending of the Congressional year.

Since “remanding” is an unusual, novel step, the Presiding Officer (Senate President Francis “Chiz” G. Escudero) has been pilloried mercilessly for undue delay and bias for the VP. It might be helpful to recall that even Associate Justice Antonio Carpio had cautioned that whatever the outcome, the process should be within the bounds of law; otherwise, even the final consequence might be negatively affected. One of the Constitution framers, Adolfo S. Azcuna, likewise, opines that the remanding is unusual but not disallowed.

The procedure must always be lawful. We recall a story of a Federal Bureau of Investigation (FBI) agent who caught and then tied a wanted terrorist to his bedpost while the FBI went to court to get a specific warrant for his arrest. Any evidence coming from such an illegal arrest was thrown out by the court, and the suspect was eventually freed.

It was to ensure that the human rights enshrined in the 4th Amendment of the accused, regardless of whether guilty or not, must be respected foremost.

The act of “remanding” might be given the benefit of the doubt, considering the above context. However, there is no blame for its opponents, either, for them to slam this further delay, considering the great length of time the impeachment court had not been convened from the time the papers were transmitted in February.

The outcome

There is no telling what the outcome will be from the Senator-Jurors. Since the beginning, there have been obvious, individually expressed sentiments on the accused. By law, they should be excluded from sitting as impartial jurors. Be that as it may.

We have extreme confidence, however, that given the nationally televised exposure of the deliberations on the 7 charges against the accused, the senator-jurors will also be under pressure from public scrutiny, whether they will justly weigh the merits of the evidence when they vote. They know their political future will also depend on their fidelity to truth, justice, and fairness, or face future political damnation.

Just like the case of Justice Corona, where his previous majority supporters eventually deserted him, towards a 20-3 decision based on evaluating presented evidence. He was convicted.

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In the case of Estrada, refusal to open an envelope caused the prosecution panel to resign and propelled People Power EDSA 2, leading to the massive resignation of Estrada's Cabinet and prompting the president's

“constructive resignation” by leaving the Palace. There is, therefore, no one way to skin a cat. And the ways of democracy are not always easy, but that is our democracy.

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Originally published in Business Mirror on
May 28, 2025

TAX REFORMS UNDER THE RETAINED ECONOMIC TEAM

by: J. Albert Gamboa

Influential business organizations have expressed their firm support for the ongoing Cabinet revamp triggered by the dismal performance of the Marcos Jr. administration in the just-concluded midterm senatorial elections. This is the first reshuffle in the executive branch since the “Hello Garci” scandal rocked the Arroyo Cabinet in 2005.

Both the Management Association of the Philippines (MAP) and the Philippine Chamber of Commerce and Industry (PCCI) are calling for merit-based appointments, while the Federation of Filipino-Chinese Chambers of Commerce and Industry Inc. (FFCCCII) issued a statement of support for the courtesy resignation of all Cabinet members. The Makati Business Club (MBC) believes there won't be a major change since the replacement of many top officials could be disruptive.

In the first round of the Cabinet revamp last May 22, all five members of the economic cluster were spared from the chopping block. They are: Trade Secretary Cristina A. Roque; Finance Secretary Ralph G. Recto; Economic Planning Secretary Arsenio M. Balisacan; Budget Secretary Amenah F. Pangandaman;

and, Special Assistant to the President for Investment and Economic Affairs Frederick D. Go.

Leaders of the MAP, the MBC, the PCCI and the FFCCCII were unanimous in lauding the President's decision to retain his economic managers. According to PCCI President Enunina V. Mangio, “they have been instrumental in the continued growth of the economy despite global economic headwinds.” MBC Executive Director Rafael Alfonso Salvador G. Ongpin said their retention “strengthens the continuity and stability of economic policies and initiatives.”

This is the same economic team responsible for tax reforms aimed at enticing foreign direct investments (FDIs) to the Philippines—foremost of which is Republic Act (RA) 12066. Otherwise known as the “Create More” law, RA 12066 lowered the income tax rates of registered business enterprises from 25 percent to 20 percent and granted more fiscal incentives to qualified companies.

The country has been a laggard in Southeast Asia when it comes to attracting FDIs.

TAX REFORMS UNDER THE RETAINED ECONOMIC TEAM

Data from the United Nations Trade and Development (Unctad) showed that \$6.2 billion in FDIs flowed into the Philippines in 2024, compared to Vietnam's \$18.5 billion, Indonesia's \$21.6 billion, and Singapore's \$159.7 billion.

Another tax reform measure being supported by the economic team is House Bill (HB) 11360 seeking the rationalization of excise tax rates on tobacco and vapor products to curb government revenue losses from illicit trade. HB 11360 was passed by the House of Representatives last February and is now being deliberated upon by the Senate ways and means committee.



Tobacco excise tax collections dropped from P176 billion in 2021 to P130 billion in 2024. Meanwhile, adult smoking rose from 19.0 percent to 24.4 percent over the same period, with the number of Filipino smokers rising to 16.4 million today.

Beneath these statistics lies a dark reality: the country's black market for tobacco and vapor products is thriving. Partly to blame is the current taxation system, which is complex, punitive, and out of step with enforcement capacity. HB 11360 aims to address this gap by simplifying the excise tax structure on

vape products and recalibrating the automatic increases on tobacco products.

At the heart of the crisis is a mismatch between tax policy and regulatory enforcement. Based on recent committee hearings at the Senate, up to 80 percent of vape products are now illicit. On the other hand, illicit cigarettes are sold online for as low as P30 per pack while the legitimate brands are retailing between P160 and P225 per pack. No amount of public health messaging can compete with that price differential.

Imposing high taxes is counterproductive and would further fuel the illicit vape industry. A better approach is to simplify the structure, eliminate arbitrage opportunities for smugglers, and apply a rate that will discourage youth use.

Rohan Pike, an Australian security expert who testified at the Senate hearing last May 19, warned that overly aggressive bans on tobacco and vape products—like those attempted in Australia—have fueled not only illicit sales but also violent incidents. This proves that organized crime is increasingly embedded in the black market.

What we need now is a smarter tax system that aligns with the realities of enforcement. As Senator Sherwin Gatchalian has proposed, a full-time inter-agency task force on illicit trade should be established with prosecutorial teeth. The government's intention to save lives is being undercut by the unintended consequence of making harmful illicit products cheaper and largely unregulated in the underground economy.

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Originally published in Business Mirror on May 28, 2025

MISCALCULATING ECONOMIC AND SECURITY RISKS

by: J. Albert Gamboa



This capital city of British Columbia province lies on the southern tip of Vancouver Island near the US-Canada border. Geographically, it is equidistant to the city of Vancouver on the Canadian mainland and the American city of Port Angeles in Washington State.

Known for having the mildest climate of any Canadian city, Victoria has many parks and green spaces that have inspired its description as a garden city. Its British colonial heritage can be seen clearly in its architecture, especially the Parliament Buildings complex and the Fairmont Empress hotel facing the city's Inner Harbour.

According to financial comparison site HelloSafe, Victoria is the second most attractive city in Canada for students next only to the country's capital, Ottawa. HelloSafe is a Canadian-British insurance platform with headquarters in Toronto and London.

Shocking results of HelloSafe's latest global survey on the most dangerous vacation nations in the world ranked the Philippines as the most unsafe country for travelers in 2025. The travel safety index is based on 35 different criteria under five categories:

frequency of natural disasters, societal violence, involvement in internal or external armed conflict, health infrastructure and militarization.

Ranking second and third, respectively, were Colombia and Mexico, followed by India, Russia, Yemen, Indonesia, Somalia, Mozambique and Pakistan that rounded out the top 10. The survey was conducted before the current conflict between Israel and Iran that erupted last weekend.

The New York Post said the reason why the Philippines got the highest score in the survey was "high levels of violence within society." Reference was made regarding recent crimes targeting foreign visitors as well as the presence of terrorist organizations such as the Abu Sayyaf Group and the communist New People's Army (NPA).

Philippine government officials should consider this survey as a wake-up call due to its implications on our tourism industry in particular and the national economy in general. They must take steps to refute the results despite HelloSafe's assurance that "this index is not intended to reflect the tourist attractiveness of a country, but rather a global index of security and safety based on the largest possible number of objective criteria."

Another cautionary tale is the "unholy alliance" between House Speaker Martin Romualdez and the Makabayan bloc of party-list legislators in the lower chamber of Congress.

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MISCALCULATING ECONOMIC AND SECURITY RISKS

Romualdez's initial objective in recruiting the leftist group was to secure the speakership and marginalize the once-powerful Duterte bloc. A congressional probe unraveled the excesses of former president Rodrigo Duterte's so-called war on drugs and the abuse of emergency powers during the pandemic. But it also exposed the speaker's ultimate goal to neutralize potential contenders in the 2028 presidential election.

The concessions granted to the Makabayan bloc seem to have taken their toll in terms of disrupting industrial peace in the transport and manufacturing sectors, alleged misuse of committee allocations for ideological training and using parliamentary platforms to influence national policy on education, agriculture and social welfare while eroding public trust in defense institutions sworn to protect the republic.

Since the start of the 21st century, legal leftist organizations have been mainstreamed after they participated in the 2001 EDSA Dos uprising that ousted then-president Joseph Estrada.

In 2010, they supported presidential candidate Manuel Villar — who placed third behind Estrada and the eventual winner, Benigno Aquino III. Then in 2016, the Left actively campaigned for Duterte and was rewarded with several positions in his Cabinet, only to be removed unceremoniously after a bitter fallout.



Romualdez should learn from the lessons of the past and avoid miscalculating the risks of national security in exchange for political power.

Miscalculations in assessing the potential dangers or negative consequences can lead to poor decision-making, increased vulnerability to harm and missed opportunities for positive outcomes.

He must remember that the world's longest ongoing communist insurgency is the NPA rebellion, which has been active since 1969.

Singaporean Defense Minister Chan Chun Sing aptly shared this view during the recent Shangri-La Dialogue 2025:

“As competition in the security and economic domains increase, so has the need for guardrails and communication channels to reduce the risk of miscalculation.”

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Originally published in Business Mirror on June 20, 2025

THE PRISONER'S DILEMMA AND THE GLOBAL TRADE WAR

by: Ronald Goseco

The global trade war can be analyzed through the lens of risk management and the prisoner's dilemma, revealing the challenges of cooperation in a competitive global economy.

Managing international trade risks involves balancing economic, political and strategic considerations. The risks of retaliation, supply chain disruption and market instability are already affecting the way we conduct our day-to-day businesses. We hear about the escalating tensions and hard-line tit-for-tat actions marking the latest developments in the simmering trade war.

US President Donald Trump's promises of tariffs and later reversals and delays have also resulted in slower first-quarter US economic growth – the worst quarterly performance since early 2022 when the economy was in recovery after Covid. The slowdown in the world's biggest economy will undoubtedly be felt by the rest of us.

Everyone is using all tools at their disposal. Reciprocal tariffs and economic sanctions are being implemented, and bilateral and regional trade agreements are being accelerated. Diversification strategies are also being crafted to reduce a dependence on traditional markets. It is a question of balancing short-term losses versus long-term stability and gains.

How is the prisoner's dilemma playing out in all the turmoil? Recall that this is a game theory thought process involving two rational agents, each of which can cooperate or betray each other. How is the prisoner's dilemma playing out in all the turmoil?

Recall that this is a game theory thought process involving two rational agents, each of which can cooperate or betray each other. It involves a situation where two parties separated and unable (or unwilling as in the case of two countries) to communicate must choose between cooperating with each other or not. The highest reward for each occurs when both parties choose to cooperate.

In the game, the best outcome for both is to cooperate and stay silent, instead of betraying each other, as they face the least punishment. However, this is often not the most likely outcome due to the incentive to betray and engage in a "tit-for-tat" strategy in the hopes of gaining an advantage. It seems that it is human nature to advance one's own agenda for a better payoff – the dominant strategy in what is believed to be a zero-sum game.



In international trade, countries face incentives to protect domestic industries. This is a common political platform that wins votes, especially in de-pressed communities that have fallen on hard times because of globalization. Although most countries would like to cooperate – just like the prisoners in game theory – and engage in free trade,

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THE PRISONER'S DILEMMA AND THE GLOBAL TRADE WAR

the Trump administration believes that this has made the US vulnerable to exploitation by trading partners who engage in unfair practices to bring down prices.

According to Trump, this has resulted in disadvantageous trade deficits, especially with China. The imposition of tariffs on Chinese products, however, has resulted in retaliatory tariffs.

The strategic framing of a trade war is a result of a view that this is a zero-sum game and betrayal or defection is the best strategy to force the other to seek better terms.

A suboptimal outcome has resulted from countries "betraying" each other, just like the prisoner's dilemma.

There are lessons to be learned from this situation, but we have to wait for the dust to settle in this extremely volatile environment before we can even catch a glimpse of the outcome.

There are lessons to be learned from this situation, but we have to wait for the dust to settle in this extremely volatile environment before we can even catch a glimpse of the outcome. Clearly, there is a lack of trust in the world and institutions like the World Trade Organization have to step up and strengthen frameworks to enforce cooperation.

We now face the risks of an escalating trade war and worse, possible long-term damage to the global economy.

Many economists are predicting a recession, especially with the fractured alliances. To prevent this economic disaster, we have to move toward cooperative strategies, diplomacy and trade reforms that advance mutual interests. Furthermore, understanding the dynamics of the prisoner's dilemma can help us understand the situation. This can give us broad relevance for future trade negotiations to ensure global economic stability.

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Originally published in Manila Times on
May 16, 2025



CATCHING OPPORTUNITIES AMID TURMOIL

by: Ronald Goseco



Approaching the midyear, I feel it's been a roller-coaster ride for many countries, especially in light of US president Donald Trump's actions. The question is whether we can catch opportunities amid all the turmoil. I believe we can.

As I keep track of the news, the headlines are dominated by the wars in Ukraine, the Gaza Strip, and between India and Pakistan. There are also rising tensions in our own backyard, with provocations from China.

On the economic front, there are the trade wars unleashed by Trump on both US allies and adversaries.

These geopolitical shifts and unpredictable events have increased the risk in financial markets. The Philippine Stock Exchange index has see-sawed starting at 6528 at the beginning of the year, falling by as much as 4 percent before springing back to its current level of 6412. Regional markets were also not spared from this volatility.

Curiously, the US market, which had its share of wild swings, has remained relatively stable. We do not know for how long, though.

New approach

We have to consider a new approach to the multifaceted challenges unfolding. Navigating today's volatile and uncertain market demands a proactive, adaptable and comprehensive approach to risk management that goes beyond mitigation, encompassing resilience and strategic foresight.

I am reminded of the concept of anti-fragility introduced by Nassim Taleb. This involves systems that not only withstand, but actually benefit, from stress, uncertainty and volatility. This entails embracing risks that could potentially lead to growth and improvement, rather than solely focusing on mitigating threats.

Most businesses are, after all, about risk taking. A cornerstone of addressing risks is diversification. It is a time and tested approach, even in benign conditions, but more so in the current situation. Diversification extends beyond merely spreading investments across different asset classes.

In a recent Finex Foundation meeting, it was pointed out that we should start considering blue chip preferred stocks or Real Estate Investment Trust (REIT) positions to augment conservative portfolios of bonds and treasuries. Diversification involves investing across industries, geographical locations and other types of revenue streams.

For businesses, this might mean exploring new markets or product lines to reduce dependence on a single or dominant income source.

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CATCHING OPPORTUNITIES AMID TURMOIL

For banks, this could mean diversification from auto or corporate loans to real estate or consumer loans.

For investors, it entails considering uncorrelated assets and alternative investments that behave differently during market corrections, thereby cushioning the impact of adverse events.

Recently, gold has regained its allure as an alternative investment. The goal is to minimize concentration risk to ensure that a setback in one area does not cripple the entire operation. This is a pillar of the anti-fragility concept.

We need to adapt measures to avoid fatal system defects or even errors that we, as humans, are prone to in times of distress, which could lead to institutional collapse. Company risk management systems promote adaptive leadership and continuous risk monitoring. The speed at which market conditions change has accelerated.

This requires real-time insights to adjust risk measures. This needs robust risk-monitoring systems that track market trends, identify emerging threats and provide early warnings or shifts in market sentiments.

This needs robust risk-monitoring systems that track market trends, identify emerging threats and provide early warnings or shifts in market sentiments.

We have also learned to use machine learning (ML) tools to identify complex patterns in large data sets and improve the reliability of scenario plans.

This is specially useful for identifying and preventing fraud incidents. Maintaining a long-term perspective is paramount amidst short-term market fluctuations. Warren Buffett recently said, “Your time horizon is your greatest asset ... commit for the long haul and the market will reward you.”

I have to admit, though, that fear of short-term losses could lead to impulsive decisions. A disciplined, long-term strategy often proves more effective in volatile markets. Volatility tends to even out over time, and a focus on fundamental value rather than market noise allows investors to ride out the volatility.

This also means focusing on sustainable growth, strengthening core operations, and investing in innovation that would yield returns over the long term.

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Originally published in Manila Times on
June 6, 2025



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First Quarter General Membership Meeting of FINEX Cebu

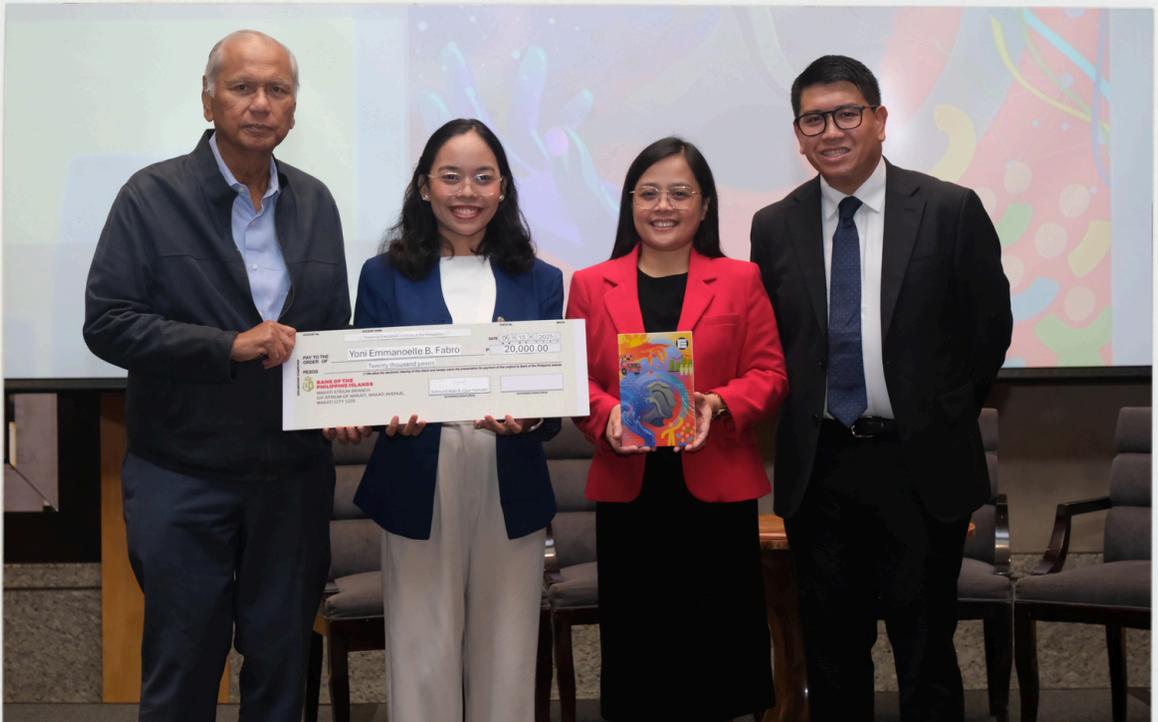


FINEX Liaison Director for Partnerships Tiffi Zulueta and Chairman Domingo Go went for a Courtesy Call with Executive Director Michael Rellosa and General Manager Rogelio Concepcion of the PIRA

CLIPS & SEGMENTS



FINEX members' Bahay ni Rizal Tour



Your ART, our COVER: 2025 FINEX Cover Art Contest organized by the Media Affairs and Communications Committee

CLIPS & SEGMENTS



FINEX Courtesy Visit to DBM Secretary Mina Pangandaman



FINEX Courtesy Visit to BSP MBM Ben Diokno

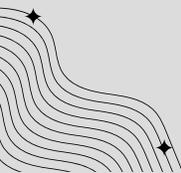
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FINEX Courtesy Visit to Manila Bulletin Chairman Basilio Yap



FINEX Membership Committee Sip & Paint session with Maestro Noli Espanola



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Second Quarter General Membership Meeting of FINEX Cebu



FINEX Padel Clinic at Play Padel Philippines in Mandaluyong City

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Clients of Asa Foundation Philippines

Basic Financial Literacy Sessions



Administrative Employees Association of the University of San Carlos (USC)



Jeng Pascual III, keynote speaker for the Grand Financial Summit 2025

CLIPS & SEGMENTS



The 5th Senior Finance Leadership Program

Capital Markets and Fixed Income Course: 13th Offering

The 13th run of the Capital Markets and Fixed Income Course reaffirmed its commitment to delivering foundational and practical insights into the financial markets. The course was held over several Saturdays from May 17 to June 7, 2025, the program equipped participants with a comprehensive understanding of key topics such as Economic Principles and Market Theories with Mr. Jonathan Ravelas

Fundamentals of Securities by Mr. Lester Joseph Castolo, Securities Markets and Regulations led by Atty. Julio Bucoy, Corporate Governance with Atty. Ricardo Pilares, Anti-Money Laundering facilitated by Ms. Veronica Mae Arce-Balisi, and Risk Management discussed by Ms. Mari Toni Bautista. A highlight of the program was the in-person module on Fixed Income Market (Parts 1 & 2) conducted by Mr. Antonino Nakpil at SGV Building I, which allowed for more dynamic interaction and meaningful discussion.

CLIPS & SEGMENTS

The participants were a mix of professionals, among the participants are Regulatory Compliance Head, Certified Sales Representative, Treasury Manager, SVP-Chief Finance Officer, Financial Controller, Corporate Sales, Manager Corporate Sales, Compliance Officer and Associates, Investment Specialist, Compliance and Surveillance Officer, Data Services Officer, Investment Associate, Proprietor, Assistant Vice President, Relationship Manager, Credit Analyst, Investment Banking Analyst, Associates, Managers, Bank Officers, Account Officer Assistant.

Each module was followed by an assessment exam to reinforce learning, while a dedicated segment for discussion of answers encouraged participant engagement and deeper understanding. As with previous offerings, the course effectively balanced academic theory with real-world application—proving to be a valuable platform for professionals seeking to advance their expertise in capital markets and fixed income instruments.

This initiative is facilitated by the FINEX Academy's Capital Markets Committee, composed of distinguished members Ms. Consuelo Garcia, Marilou Cristobal, Pamela Louise Victoriano, Ronald Luis Goseco, Jose Mariano Ocampo, and Emmanuel Leyco.



The 5th Senior Finance Leadership Program



FINEX DIGEST

Q2 APR - JUN 2025

For comments and/or suggestions:

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Page design & layout, made with Canva.

All photos are from Pinterest.