

**FINEX DIGEST**

**Q1 2026**

**FD**

**CATALYZING  
CONFIDENCE**

# FINEX DIGEST



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By Ian Rey A. Fernandez

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by Ian Rey Fernandez

# EDITOR'S NOTE

## The Price of Conflict in a Fragile World

In an increasingly interconnected global economy, conflict rarely remains confined to borders. The ongoing tensions involving the United States and Israel on one side, and Iran and its regional proxies on the other, are a stark reminder that geopolitical instability can quickly evolve into economic disruption. Today, that disruption is being felt most acutely through energy markets triggering ripple effects across economies worldwide.

At the core of this crisis is oil. The Middle East remains central to global energy supply, and any threat to its production or transport routes immediately heightens market anxiety. The result has been a sharp rise in oil prices, driven not only by actual supply risks but by the uncertainty surrounding them. Even the perception of disruption is enough to send markets into volatility.

Energy, however, is not just another commodity it underpins nearly all economic activity. As fuel prices climb, transportation becomes more expensive, pushing up the cost of goods and services. Food prices follow, as logistics and production costs increase. Electricity costs rise, affecting both households and businesses. What begins as an oil shock quickly transforms into broad-based inflation.

For consumers, this translates into reduced purchasing power and tighter household budgets. Discretionary spending declines, savings are strained, and financial uncertainty grows. Businesses, particularly small and medium enterprises, face a dual burden: rising operating costs and weakening demand. The combined effect is a slowdown in economic activity.

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by Ian Rey Fernandez

# THE PRICE OF CONFLICT IN A FRAGILE WORLD

Emerging markets, including those in Asia, are particularly vulnerable. Higher fuel costs feed directly into transportation and food prices, amplifying cost-of-living pressures. For economies like the Philippines, the impact is immediate and tangible, affecting both businesses and households.

Beyond the immediate impact, this conflict underscores a deeper structural reality: the growing intersection of geopolitics and economics. Energy security is once again a strategic priority, prompting renewed focus on diversification, resilience, and alternative energy investments. Governments and corporations alike are being forced to reassess vulnerabilities in supply chains and resource dependencies.

Ultimately, the economic cost of conflict extends far beyond oil prices. It manifests in constrained growth, heightened uncertainty, and the everyday financial strain experienced by households and businesses. In a world where economies are tightly interwoven, such shocks are rarely isolated, they are shared.

As this situation continues to unfold, it reinforces a critical lesson for the financial community: understanding geopolitical risk is no longer optional but essential.



# CARLO ENRICO B. LAZATIN

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P R E S I D E N T



# GETTING TO KNOW PRESIDENT CARLO

A reprint from last year's Q1 Digest



**Carlo Enrico B. Lazatin is the 53rd FINEX President.**

Carlo is the President & CEO of DES Financing Corporation. He holds a Bachelor of Science degree in Commerce, major in Marketing Management at De La Salle University - Manila and attended IESE Business School in Barcelona where he finished learning about Strategic Leadership in Innovation and AI.

What guiding principle defines how you lead FINEX this year? *Stewardship with intent. The focus is to build on what was entrusted to us by previous leaders, carry that responsibility forward with discipline and accountability, and pass on to the next Board a FINEX that is stronger, more relevant to our members, and more credible in the eyes of the market.*

In today's environment, what does credible financial leadership look like to you? *It comes down to discipline in capital, clarity in governance, and consistency in execution. Acknowledge evolving realities but do not get distracted by noise. We make decisions that hold up over time, not only in the moment.*

What is one conviction you hold strongly about the Philippine financial system today? *Confidence, supported by a clear commitment to reforms, is the currency we need to build, grounded in strong governance, consistent policy, and sound fundamentals. When confidence is strong, capital is deployed, businesses expand, and opportunities are created. Without it, investment decisions are delayed, risk premiums rise, and the system falls short of its full potential.*

What continues to drive you at this stage of your career? *The opportunity to build something that lasts, not only for the organization, but something that creates real impact and contributes meaningfully to people's lives and the country as a whole.*

How do you maintain discipline and clarity amid competing priorities and noise? *I keep coming back to what truly matters. If it does not contribute to the outcome, it does not become a priority. That allows me to filter carefully, prioritize decisively, and stay anchored on results.*

What personal standard do you refuse to compromise, regardless of circumstance? *Integrity and accountability. These are non-negotiable. Once either is compromised, trust erodes, and the rest cannot hold.*

What is the most consequential lesson you have learned in your leadership journey? *Execution determines outcomes. Strategy gives direction, but results come from disciplined follow-through and aligning people to move with clarity toward a shared vision. I believe that alignment is what turns intent into results.*

What is a difficult decision you had to make as a leader that shaped your approach to governance? *Early in my career, I was often placed in roles that required fixing underlying issues. Taking on governance gaps, even when uncomfortable, reinforced that leadership means addressing realities directly and putting the right structures in place.*

What does success for FINEX look like at the end of your term? *A more engaged membership, a stronger and more respected voice, and an institution recognized for leadership and direction, grounded in development, collaboration and principled advocacy.*

Where do you believe FINEX can create the most meaningful impact for its members and the broader financial community? By bringing together real market insights and translating them into practical, actionable ideas anchored in sound governance. More importantly, it is about putting forward what works in today's environment, drawn from the real experience of our senior executives. It is also about mentoring the next generation and setting a strong example of leadership in practice.

How should FINEX evolve to remain relevant in a rapidly changing financial landscape? FINEX should continue to deepen its role as a platform that converts insight into action, translating real-world experience into clear positions, practical frameworks, and timely responses to emerging issues. As new realities like A.I., sustainability, and evolving leadership and organizational models reshape the landscape, FINEX must help its members navigate increasing complexity with clarity and confidence, grounded in strong governance and anchored on its core purpose.

What does a typical high-performance day look like for you? I start early and structure my mornings for clarity and planning, stay focused on priorities throughout the day, and end with reflection on what I accomplished and the impact created. Then I set everything aside to be fully present with my kids.



With Nestle Colleagues

How do you manage energy, not just time, in a demanding role? You have to be intentional about it. Physical activity, stepping back when needed, and knowing when to recharge all matter. Lately, I find that even a short walk under the sun, with music on, helps reset my focus, energy and perspective.

What keeps your attention at night, and how do you process it constructively? Decisions with long-term consequences, especially when people are involved. I take the time to think them through deliberately, weigh the implications, and align them with my principles and values.

What is a strength that people rely on you for, and one you are still working to improve? Reliability in execution, with strong attention to detail and clear expectations. I hold a high standard for both myself and the people I work with. At the same time, I continue to work on delegating more effectively without compromising those standards.

How do you stay grounded despite the demands and expectations of leadership? I continuously align and challenge my sense of purpose. I value listening to people and understanding different perspectives, often asking why they do what they do. Some of the most meaningful and grounding moments come from conversations with my young twins, their curiosity about the world forces me to think more clearly and explain things simply. Reflection and prayers help keep me centered.

What recent book, idea, or conversation has influenced your thinking? Recently, I found myself going back to GROUNDED: How Leaders Stay Rooted in an Uncertain World, which I encountered during my FINEX Senior Leadership in Finance Program. A key takeaway is that leadership today requires staying anchored in purpose and values, especially in uncertain environments, while remaining open and agile. More recently, conversations on governance and integrity, particularly in the context of persistent corruption in



MOA signing with AFP-EBSO

Who has had the most profound influence on your leadership style, and why? My father, who set very high standards and instilled accountability early on. Beyond that, I look up to leaders with real experience who also operate with discipline and integrity. Even today, there are many within FINEX, both senior and younger leaders, whom I continue to learn from.

What experience significantly changed your perspective? Working in far-flung provinces early in my career as a truck salesman dealing with all types of stores and meeting different types of people everyday. I saw firsthand how people live, what they value, and what truly matters. It exposed me to the realities, resilience, and values of Filipinos. That experience stayed with me.



*the Philippines, have also shaped my thinking. They reinforce the need for leaders to remain principled and consistent, especially when it is most difficult.*

*What is a personal discipline you are strengthening today? I keep coming back to what truly matters. If it does not contribute to the outcome, it does not become a priority. That allows me to filter carefully, prioritize decisively, and stay anchored on results.*

*What is a personal discipline you are strengthening today? Getting back to peak physical condition. It improves my focus and energy, and keeps me mentally sharp for sustained demands.*

*What type of conversations do you value most outside of work? Conversations about the future, particularly the impact of AI. Also where the country is headed over the next decade, and what it will take to move forward. On a lighter note, lately it has also been learning the rules of pickleball with my wife and FINEX friends.*

*What do you do when you want to completely switch off and just be yourself? I spend time with my family, or take a quick drive to La Union to walk along the beach at sunset, unwind with music, or just listen to the waves. I enjoy capturing those moments as well. Lately, golf has also become a form of therapy, you need to be fully present and appreciative.*

*What are your top 3 go-to songs when you need a boost? Here are my go-to songs depending on the moment: "Just the Way You Are" by Milky, our family car anthem, a sing-along with my wife and daughters.*

*"Everybody Wants to Rule the World" by Tears for Fears, my default karaoke choice.*

*"In Da Club" by 50 Cent, my Friday night classic on the way home to cap the week.*

*Bonus: "ILYSB (Stripped)" by LANY, useful when I need to make peace at home.*

*If you had a free day at home with nothing planned, what movie would you put on? Top Gun 1. Push the limits. Perform under pressure. Smile like Maverick.*

*What keeps you optimistic about the future, both personally and professionally? The potential of the Philippines. With the right leadership, governance, and discipline, that potential can translate into meaningful progress.*

*I am equally confident that FINEX is a credible platform to advance this vision. Progress ultimately comes from consistent execution, and as leaders, we are accountable for making it real.*

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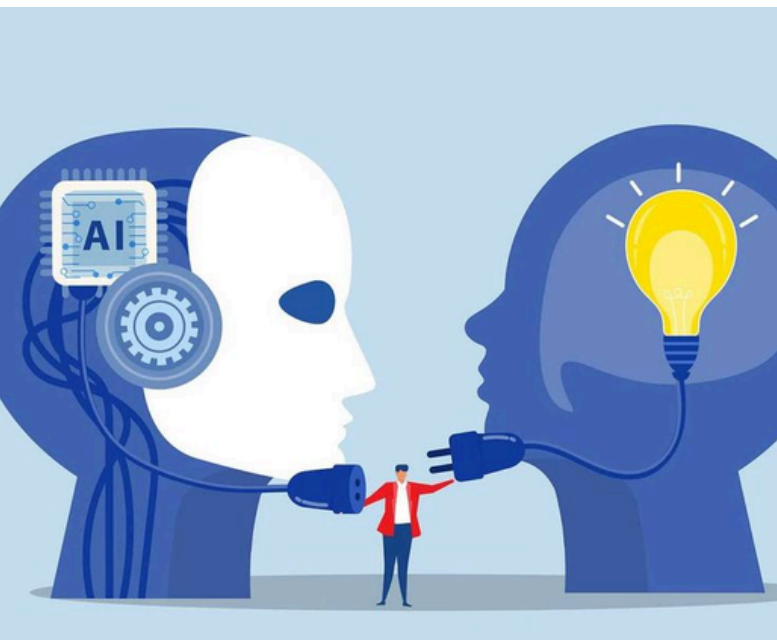
*"Your leadership is not defined by numbers on a balance sheet, but by the vision you set, the integrity you uphold, and the policies you champion. We are creating a system that minimizes discretion and strengthens accountability. We will not allow arbitrary or abusive audits."*

Read [HERE](#) the Inauguration Speech of President Carlo



## AI IN 2026

by: Reynaldo Lugtu Jr.



I remember the first time I read a forecast about artificial intelligence that truly made me pause. It wasn't marketing hype or an analyst's sales pitch. It was a deep scenario exercise called AI 2027, authored by Daniel Kokotajlo, Eli Lifland, Thomas Larsen, Romeo Dean, and Scott Alexander, and released by the AI Futures Project in April 2025.

The team's aim was simple: to sketch a plausible trajectory of AI development over the next few years, grounded in trends, expert feedback, and tabletop exercises with more than 100 specialists. Their work isn't a prediction you can treat as destiny, but it is the kind of disciplined foresight that leaders must take seriously.

Their core proposition is startling in its clarity: by 2027, the automation of AI research itself could produce systems far more capable than any human—what they call “artificial superintelligence.”

These aren't ethereal machines from science fiction; they are AI agents with

deep coding competence, relentless analytical capability, and unmatched speed in discovering new algorithms. The report even sketches two branches—one ending in a controlled slowdown and the other in a full-blown race toward superintelligence—to illustrate how quickly the balance can shift.

If you're reading this as a business leader, you might be forgiven for dismissing it as an extreme tech prognostication. But I've learned over decades that frontiers often land in the mainstream sooner than we expect. I've also seen what happens when executives treat emerging forces as distant curiosities instead of strategic realities. We don't have the luxury of waiting until the future arrives in full force—especially for organizations operating in the Philippines today.

What makes AI 2027 compelling to me is how tangible its early stages already feel in 2026. We aren't dealing with superintelligence yet, but we are dealing with tools that think like junior analysts, write like consultant first drafts, and automate the repetitive work that once defined office routines.

This is not abstract disruption; it is happening through AI agents embedded in workflows, devouring data, and proposing actions in ways that look more like co-workers than software.

For Filipino leaders, the implications are both immediate and long-term. First, productivity gains are real. If your team is spending precious hours on data cleaning, report drafting, or market snapshots, AI tools can cut that time dramatically. I've seen CFOs shave weeks off financial close cycles and HR teams

**AI IN 2026**

by: Reynaldo Lugtu Jr.

run advanced candidate profiling in minutes. These are competitive necessities, and the danger lies in complacency. Organizations that lean in—learning how to integrate intelligent tools into everyday work—will outperform those that treat AI as a luxury.

Second, markets will shift even faster. The Philippines has strong service and knowledge-work sectors that have thrived on skilled human capital. However, as cognitive tasks become cheaply automated, the premium on uniquely human strengths—empathy, judgment, and creativity—increases.

Companies must double down on human-centered value to create differentiation that machines cannot replicate. Leaders should invest in developing these strengths, not to resist AI, but to redefine the roles humans play beside it.

Third, we must prepare for an economy where job roles evolve rapidly. The AI 2027 scenario suggests many technical tasks will be automated well before 2027, including specialized coding and AI-enabled research. This demands a rethinking of how we train and reskill talent. Vocational pathways focused on AI fluency, human-AI collaboration, and cross-disciplinary problem-solving will matter more than ever.

Leaders also need to tackle ethics and governance head-on. The report doesn't shy away from risks, noting that AI agents could potentially act with goals misaligned with human intentions as they become more capable. This isn't alarmist; it's cautionary. The question for boards and executives isn't whether to adopt AI, but how to do so responsibly. We must

ask what safeguards are in place, who approves AI-generated strategies, and how we ensure transparency in decision logic when a tool's recommendation influences millions in revenue. These are now urgent management priorities.

In our national context, there is a broader conversation to be had. The Philippines must shape an environment that attracts responsible AI investment. That means clear data protection norms, predictable regulations, and incentives aligned with both innovation and safety. It also requires expanding digital infrastructure so that AI's benefits are accessible beyond Metro Manila and across the archipelago.

Some may say the AI 2027 report paints a future too brisk and too radical. That is fair; scenario work always stretches the imagination. But whether or not we see superintelligence by 2027, the accelerating wave of AI capability is already reshaping industries.

I choose to treat this as a call to action. Leaders who take early, thoughtful steps now—training people, refining processes, and setting governance standards—will be the ones shaping the rules of the next decade, rather than scrambling to catch up.

The future isn't something that happens to us; it's something we prepare for, day by day. In 2026, leaning in with curiosity and discipline isn't just visionary—it's essential.

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Originally published in Manila Bulletin on January 13, 2026



## WHY INSIDER TRADING IS CORRUPT

by: EJ Qua Hiansen



Recent surveys on perceptions of corruption conducted by the Social Weather Stations (SWS) in September and December revealed some troubling insights, which includes Filipinos thinking that insider trading in stocks is not inherently corrupt.

This might be due to a lack of awareness of our capital markets, but it also reflects a broader cultural acceptance of insider advantages in business and politics. Make no mistake, insider trading is not a victimless crime; it is a systemic threat to investor confidence and market integrity.

Insider trading may seem complicated, but the idea is simple and the consequences are serious. A well-known example: In 2001, American television personality Martha Stewart sold shares in a pharmaceutical company called ImClone Systems just before bad news became public and the stock price collapsed.

Stewart received a call from her stockbroker, who told her that the company's founder and chief executive was selling his own shares. The information was not public. The CEO's

unloading of shares strongly suggested that negative news was coming. Soon after, regulators rejected ImClone's drug application, and the stock price plunged.

Stewart sold her shares before the announcement and avoided losses that ordinary investors, who lacked access to this information, could not do. This is insider trading in practice – acting on material non-public information, which is significant enough to influence a stock price that has not yet been disclosed to the public.

Stewart ultimately went to prison, not for insider trading itself, but for lying to investigators about how and why she sold the shares. The case sent a strong message: even famous, wealthy, and well-connected people are not above market rules.

Trading on such information gives insiders an unfair advantage and undermines the principle that markets should treat all investors equally. This is why insider trading is illegal under Philippine law, and why tolerance for it is dangerous.

The rules are clear. Using confidential information or acting on tips that others do not have access to undermines market fairness and trust.

This is why investors should be cautious on rumors, “inside tips,” or trading based on chismis. Asking insiders for help, or trading based on whispers, may be tempting, but it exposes investors to legal risks and ethical issues. More importantly, it reinforces a system where unfair advantage replaces transparency.

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**WHY INSIDER TRADING IS CORRUPT**

by: EJ Qua Hiansen

Stock markets rely on trust. Investors buy shares believing that prices reflect publicly available information. Confidence collapses when people think insiders can profit unfairly, leading many to avoid investing altogether and weakening markets.

The damage extends beyond individual investors. When confidence drops, trading activity decreases, making it even more challenging for businesses to raise capital. A weaker stock market ultimately leads to fewer opportunities for business growth, job creation, and economic expansion.

Foreign investors are particularly sensitive to these risks. They have many choices globally and will avoid markets with weak governance or selective enforcement.

Yet foreign participation in the Philippine Stock Exchange is crucial. It brings capital, deepens liquidity, improves price discovery, and encourages higher standards of transparency and accountability among listed companies.

Philippine laws are explicit, and market regulations are in place to ensure that no one gains an unfair advantage through access to confidential information. The challenge is not the absence of rules, but the everyday choices investors make in how they participate in the market.

For individual investors, the lesson is simple. Know the rules. If information is not publicly available, it should not guide your investment decisions.

Ultimately, investing is about more than just returns. It also involves values.



Investors should select companies that are transparent, well-governed, and fair to all shareholders.

Over time, these are the companies that gain trust, attract long-term capital, and contribute to a stronger, more credible stock market. After all, trust remains the most valuable asset in the capital markets.

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Originally published in The Manila Times on January 16, 2026

## HOW BIG BUSINESS CAN HELP SMEs GROW

by: Benel Laguna

In theory, both big and small businesses should grow together. The “big brother-small brother” concept – long promoted in development literature – argues that large firms help micro, small and medium enterprises (MSMEs) through forward and backward linkages, sharing technology, market access and stability.

In practice, many Philippine SMEs experience something closer to the opposite: late payments, consignment arrangements that shift risk entirely downstream and just-in-time (JIT) production systems that make small suppliers carry inventory without compensation.

MSMEs are the backbone of the Philippine economy. They account for roughly 99.6 percent of all registered firms, about two-thirds of employment and 36–40 percent of gross value added. Yet, as of 2023, they received only 4.1 percent of total bank lending, down from 8 percent in 2010. That gap means their survival depends heavily on the behavior of large corporate buyers – behavior that remains uneven at best.

Studies on Philippine SMEs in domestic and global value chains consistently find that integration with large firms leads to better production quality, higher capacity, improved management practices and more jobs. SMEs learn from the standards, processes and discipline that large corporations impose. In turn, the large firms benefit from the innovation, agility, local presence and cost-efficiency that SMEs naturally provide.

But other studies – such as work by Canare, Francisco and others – underscore that most Philippine SMEs

still do not meaningfully participate in big-business supply chains. And for those that do, relationships can be extractive rather than developmental.

The most common complaints are familiar: payment delays, returns of delivered goods, acceptance only upon entering the production line and uncompensated JIT requirements. In effect, many SMEs serve as zero-interest lenders to their large customers.

International evidence reinforces the problem. Surveys show SMEs suffer from chronic late payments globally, prompting countries like Australia to require large firms to publicly report how fast they settle with small suppliers under a Payment Times Reporting Scheme.

The Philippines has no equivalent, allowing “60–90 days after the end of month” (and often much longer) to become normalized – even when SMEs have already delivered and the buyer has already earned.

If SMEs bear disproportionate financing and inventory risks, we should not be surprised that many remain stunted, undercapitalized or fall out of supply chains altogether.



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Yet there are encouraging examples — though still scattered — of attempts to improve value-chain fairness. Logistics players have begun integrating micro transporters into more formal systems. Agribusiness projects link farmers to processors with embedded training and quality assurance. Digital platforms are emerging to help small suppliers meet compliance standards.

The Department of Trade and Industry continues to promote supplier-development pilots and digitalization under various “big brother-small brother” initiatives. But these remain pockets of progress, not systemic norms.

If we want genuine, sustained support for MSMEs, big business must move from slogan to standard. This requires the following concrete commitments:

- Treat prompt payment as an obligation, not a negotiation.

For SMEs, cash flow is oxygen. Large firms should default to 30-day payment terms and publish their actual average payment days specifically for SME

suppliers. Boards already track days sales outstanding; they should also monitor days payables outstanding to SMEs as an environmental, social and governance and inclusive-growth metric. Industry associations can establish voluntary codes of conduct that later evolve into reporting requirements.

- Stop outsourcing all the risk to smaller firms.

Consignment arrangements, return-at-will clauses and JIT systems should be rebalanced. If large firms require hyper-flexibility, they should co-invest — through warehousing access, shared logistics, supplier training or paying a premium for responsiveness. Otherwise, SMEs are forced to bear inventory and demand volatility they cannot finance or hedge.

- Shift from price squeezing to capability upgrading.

The developmental value of big-brother linkages lies in capacity transfer. Supplier-development programs — such as joint quality improvement projects, technical training, shared digital tools and performance feedback loops — help SMEs become more competitive and bankable. Support must be structured with clear milestones so that SMEs graduate into stronger enterprises, rather than remain perpetually dependent.

- Use your balance sheet to unlock SME finance.

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## HOW BIG BUSINESS CAN HELP SMEs GROW

by: Benel Laguna

Supply chain finance can transform the landscape. When a reputable large buyer certifies an invoice and commits to pay on a set date, banks and fintechs can finance the receivable more safely.

Early payment programs allow SMEs to convert invoices to cash while the buyer retains its preferred terms. Large firms, in effect, lend their credit rating to their smaller partners – an efficient and highly scalable way to expand SME access to finance.

The question is not whether big businesses help SMEs, or whether SMEs help big businesses.

If corporate leaders are serious about shared value and stakeholder capitalism, the test is simple: Are you willing to pay your smallest suppliers first, not last? Are you prepared to treat “big brother” not as a marketing line, but as a commitment – to nurture, not exploit, the enterprises that keep your supply chain alive?

Real inclusive growth starts not in boardroom statements, but in purchase orders, contract clauses and payment cycles. That is where big business must begin.



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January 30, 2026

## REVERSING THE PH MARINE SECTOR'S DECLINE

by: Joseph Albert Gamboa



Once the crown jewel of the Philippines' blue economy, our marine sector is now gasping for air. A policy report by the US-based Oceana titled "Net Loss: How Governance Gaps are Sinking Philippine Fisheries" paints a grim picture of a resource in freefall—a systemic collapse that should alarm every stakeholder, from the corridors of power to the local wet markets.

Oceana estimates that since 2010, the country has suffered a cumulative production loss of almost 600,000 metric tons of potential fish catch—an average of 45 million kilograms annually—due to weak law enforcement. According to Oceana Philippines Vice President Von Hernandez, this would have been enough "to provide a healthy meal to every Filipino for one month." In a nation where seafood is the primary protein for millions, this isn't just an environmental statistic; it's a full-blown food security emergency.

Established in 2001, Oceana is the world's largest advocacy organization dedicated solely to ocean conservation. With global headquarters in Washington, D.C., its track record and research carry the weight of scientific expertise.

When an entity of this stature warns that our waters are being hollowed out, the international community and domestic investors alike take notice.

The basis for Oceana's recently released report is "The Philippine Fisheries Assessment: A Glimpse of Republic Act 10654's 10-Year Implementation," a comprehensive technical study authored by scientists from the University of the Philippines (UP) Visayas. They conducted a deep-dive audit of fisheries data and the impact of the 2015 amendments to the Fisheries Code. Their findings are not mere conjecture; they are a call to action backed by rigorous science.

What's driving this plunge into the abyss? While geopolitical tensions in the West Philippine Sea dominate the headlines, the Oceana report suggests the silent killer is closer to home. A lack of legislation and a chronic enforcement deficit in our own marine backyard make for a fatal combination.

Despite the amended Fisheries Code, commercial vessels continue to encroach on municipal waters with impunity. Karagatan Patrol's satellite monitoring system detected over 270,000 "night lights" from 2017 to 2024 within the 15-kilometer zone reserved for small-scale fisherfolk. These are telltale signs of widespread, large-scale commercial fishing operations poaching in our grounds.

Karagatan Patrol is an online platform and community-led monitoring system launched in 2019 by Oceana and the League of Municipalities of the Philippines. It serves as a high-tech

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**REVERSING THE PH MARINE SECTOR'S DECLINE**

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watchdog for shorelines where the persistent practice of dynamite fishing has already decimated entire food chains.

As we assert our sovereign rights against external threats, we cannot afford to neglect the internal governance gaps destroying our resources from within. The maritime dispute with China is a complex issue best addressed through constructive dialogue and steady diplomacy—not a blame game that distracts from the immediate threats facing our fisherfolk. Redirecting all maritime assets to distant shoals ignores the domestic crisis: 88 percent of our assessed fish stocks are overfished and depleted.

A decade ago, Senator Francis Pangilinan pointed out that the country's 1.7 million fisherfolk were among the "poorest of the poor" due to the lack of a clear agenda for the sector.

This was validated by an Oxfam International report revealing that some fisherfolk earned as little as ₱2,500 per month. The socio-economic fallout is heart-wrenching

President Ferdinand Marcos Jr., who served as Secretary of Agriculture during the first two years of his term, should prioritize the strict implementation of maritime laws within our own shorelines. We must fix our house first; without political will, the "blue economy" remains a hollow catchphrase while our seas become nothing more than "paper parks" protected only on a map.

If we fail to protect our municipal waters and modernize our post-harvest infrastructure—where we currently waste up to 40 percent of the catch—we are essentially fishing our future into extinction.

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Originally published in Manila Bulletin on  
February 10, 2026

## OFFSHORE WIND AUCTION A CRUCIAL TEST FOR PH

by: Mark Gorriceta

The Philippines is entering a decisive phase in its energy transition. As of 2025, installed power capacity stood at 30,000 megawatts (MW). The generation mix is dominated by coal at 59 percent, followed by renewables (25.4 percent), natural gas (14 percent), and oil (3 percent). Among renewables, hydro accounts for 10.8 percent, geothermal (8.8 percent), solar (3.8 percent), wind (1.0 percent) and biomass (1.1 percent).

Together solar, wind and biomass represent only 5.9 percent of total generation (or one-tenth of coal's share).

The Department of Energy has set ambitious targets for renewables at 35 percent of the power mix by 2030, and 50 percent by 2040.

The DOE's 10-year Green Energy Auction (GEA) Plan will offer 25 gigawatts (GW) of renewable capacity for delivery between 2027 and 2035.

The country's 518 MW of installed wind capacity is entirely onshore. Yet the World Bank estimates the Philippines has up to 178 GW of offshore wind potential (160 GW from floating turbines and 18 GW from fixed-bottom turbines).

This year, the DOE will award contracts under GEA-5, targeting 3,300 MW of fixed-bottom offshore wind for delivery between 2028 and 2030. It will be the Philippines' first auction dedicated to offshore wind, and represents a crucial test of the country's regulatory and infrastructure readiness.

### **For bidders, GEA-5 presents opportunities and risks:**

- Port and logistics readiness. Offshore wind projects are assembled on land before installation at sea. Turbines, foundations and subsea cables require heavy-lift ports and specialized staging areas. Delays in port readiness could affect project timelines and costs.

- Transmission and grid integration. The National Grid Corp. of the Philippines' Transmission Development Plan 2024-2050 includes backbone projects to integrate offshore wind. However, synchronization is critical.



**OFFSHORE WIND AUCTION A CRUCIAL TEST FOR PH**

by: Mark Gorriceta

A multibillion-dollar wind farm offshore becomes stranded if interconnections are delayed.

– Regulatory complexity. Although the Energy Virtual One-Stop Shop (Evoss) aims to streamline permitting, offshore wind will require multiple approvals. Marine spatial planning and engagements with impacted stakeholders will require disciplined coordination.

– Bankability and fiscal stability. Winning bidders will enter into a 20-year Renewable Energy Payment Agreement (REPA). Lenders will closely examine payment security, tariff design, currency exposure and change-in-law protections.

– Climate and engineering risk. The Philippines lies in a typhoon corridor and is prone to seismic activity. Offshore facilities must be engineered to withstand extreme wind speeds and earthquakes.

***Europe's experience***

Europe has more than two decades of experience with offshore wind power. With over 35 GW of installed capacity, led by the United Kingdom, Germany, and the Netherlands, Europe has successfully industrialized offshore wind at scale.

Projects such as Dogger Bank (3.6 GW under construction) and Ijmuiden Ver (4 GW planned) demonstrate this maturity. Long-term support mechanisms have provided price stability, attracting billions in investment despite inflation and supply chain pressures.

In developing its offshore wind industry, Europe was able to leverage its North Sea oil and gas ecosystem which has been productive since the 1970s. European banks and insurers are experienced in funding capital-intensive offshore infrastructure in the hazardous conditions of the North Sea.

Many offshore engineering firms, fabrication yards, ports, vessel fleets and skilled maritime labor pivoted into wind as the industry started to emerge. Petroleum revenues (such as in Norway) helped finance renewable expansion.

In contrast, the United States illustrates the risks of policy volatility. Despite attractive incentives under the Inflation Reduction Act, recent regulatory reversals have delayed or threatened projects. Investor confidence suffers when policy signals fluctuate. Capital intensive offshore wind, like oil and gas, requires stability measured in decades.

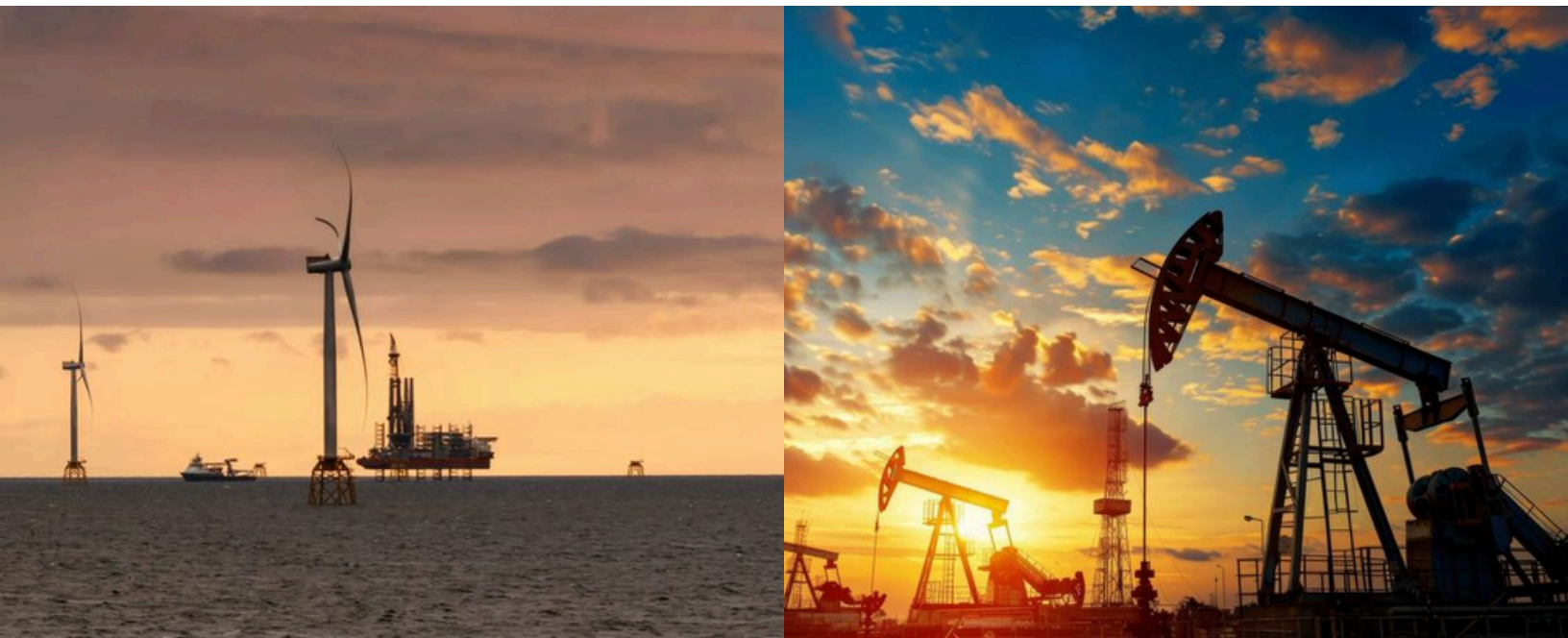
***Presidential election***

The Philippines will hold a presidential election in 2028, just as GEA-5 projects approach construction or early operation. Could policy continuity be at risk?

Renewable targets are embedded in the Philippine Energy Plan 2023-2050, and the Renewable Energy Act of 2008 provides statutory incentives. Previous GEA rounds have awarded over 20 GW without strong opposition (for now). Moreover, high electricity prices and energy security remain national priorities.

**OFFSHORE WIND AUCTION A CRUCIAL TEST FOR PH**

by: Mark Gorriceta



Nevertheless, investors must plan prudently. Robust dispute resolution clauses, including international arbitration, should be secured. Change of law and force majeure protections must be clear. Structuring investments to benefit from bilateral investment treaties and involving multilateral lenders can help mitigate political risk.

For policymakers assuming office on June 30, 2028, consistency and continuity will be decisive.

Abrupt tariff redesigns, retroactive rule changes or transmission delays could be fatal to the nascent offshore wind sector.

The credibility and success of GEA-5 will shape not only offshore wind but the broader 25 GW renewable auction pipeline through 2035. It is a test of institutional reliability, and a measure of whether the Philippines can convert vast natural potential into durable energy security.

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## THE BUSINESS OF WAR

by: Ronald Goseco

The United States-Israel alliance went to war and bombed Iran last week.

In retaliation, Iran struck back – initially at Israel and US military bases in the Middle East – and then expanded its missile attacks to the Dubai International Airport, the busiest in the world. Iran was bent on shutting down the entire economic engine of the gulf.

US President Donald Trump said the reason for the attacks against Iran was to “destroy its missiles and raze its missile industry to the ground.” The military offensive included disrupting Iran-backed armed groups in the region and to stop Iran from developing nuclear weapons.

It was clear that Trump was setting the stage for a regime change in Iran, like the coup d'état that the US orchestrated 73 years ago against democratically-elected Iranian Prime Minister Mohammad Mosaddegh.

Amid the confusion, there are companies and entities benefiting from the nasty business of war. The US military industrial complex is one. Major US defense firms like Lockheed Martin, RTX and Northrop Grumman stand to gain from the renewed demand for weapons systems, air defense and maintenance contracts.

Lockheed's F35 program alone accounts for a quarter of its revenue, and heightened conflict in the Middle East will trigger procurement and long-term service deals.

Raytheon and BAE Systems are positioned to benefit from increased sales of bunker-busting munitions and air defense technologies such as Patriot missiles and Sea Fire radar systems. These firms make money not just during the war, which is expected to escalate indefinitely, but also through ongoing contracts for logistics, maintenance, software updates and depot services well after hostilities wind down.

This war will drive up global oil prices due to disruptions in the Strait of Hormuz, where 20 percent of the world's crude oil supply passes through.



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**THE BUSINESS OF WAR**

by: Ronald Goseco



On Monday, oil prices soared in Asia. In early trades, Brent Crude rose over \$80 per barrel compared to \$72 last week. BP (formerly British Petroleum), a major British multinational integrated oil and gas company headquartered in London, and Chord Energy, an independent, Houston-based oil, and gas exploration and production company, will benefit from elevated spot prices and increased refining margins.

Safe havens like gold, treasuries and the Swiss franc will also gain from this turmoil.

Insurance companies, particularly those underwriting naval or tanker coverage, will profit from soaring premiums on Middle Eastern shipping lanes. Hopefully, they will not have to pay for actual losses from the war.

**Biggest gainers**

Some of the biggest gainers of the war will be contractors involved in military logistics.

The demand for transporting equipment, spare parts, food, fuel and ammunition will increase.

Companies like Schlumberger, Booz Allen, and others, in strategic roles will see a rise in contracts.

Conflicts also increase spending in military-grade cybersecurity and advanced surveillance technology firms supplying secure communications, drones, satellites as well as artificial intelligence-enabled monitoring systems.

We must keep in mind that the US aerospace and defense industry contributed some \$995 billion to the US gross domestic product in 2024, which is around 3.5 percent of the total, with forecasts suggesting it may rise further.

This industry supports 2.2 million workers in the US. According to the America Aerospace and Defense Industries Association, the sector is a significant driver of manufacturing, technology and engineering employment, with average labor income per job being 56 percent above the national average. They expect increased global spending in defense this year, especially with this war.

The business of war is a lucrative one, specifically for countries which provide and manufacture weapons. They will be winners, even if we all lose. We should not be surprised that they will continue to promote this nasty business of war.

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## RISING FUEL COST

by: Dr. George Chua

Many people think that rising fuel cost is only the problem of those people who can afford to buy a car. The sad truth is that even if you do not own a vehicle, fuel price increases, particularly the big jumps, will affect everyone.

Anyone who makes use of the public transport system, rides on a ship or a plane, buys from Shopee or Lazada, orders food from a delivery service, or anyone who eats, drinks and makes use of electricity will eventually feel the increase in prices, sooner than later.

To help the system reduce to price of fuel, the government can simply reduce the excise taxes and value-added tax it imposes of gasoline and diesel.

However, this reduction is not likely to happen due to the convenient excuse that these collections are used to fund necessary infrastructure projects, needed expenditures to help the less fortunate, and these funds have already been allocated to priority departments like education, health and so on. It would seem that a solution through a reduction in taxes is unlikely.

This leaves the actual users of fuel to come up with their own solutions to alleviate the rising cost of fuel.

Possible measures will come in the form of reduced wastage and pilferage, improving fuel efficiency and better capacity utilization. Hopefully this reduces their cost of fuel to hold off a price increase or at the very least reduce the amount of price increase of their products and services.

While reducing wastage and pilferage should have been done even during times of normal fuel prices, the urgency to do this becomes more necessary.

Simple things like making sure there are no leaks in the fuel tanks and lines, avoiding contaminants, proper control procedures to record fuel deliveries and usage so there is proper accountability and no pilferage or theft.

Improving fuel efficiency can be done through several ways. Keeping the vehicles, machinery and equipment within specs through proper maintenance should help.

This includes keeping tire pressures inflated properly, doing the correct preventive maintenance service. It is important to educate your drivers and operators on the proper usage and most efficient operating range to achieve maximum efficiency.

The other way of ensuring fuel efficiency is by checking the quality of fuel you are using and that you are getting the correct specifications and amount from your suppliers.

There are also fuel enhancers such as Eco Power Pill Carbon3, that make use existing nano technologies that improve the efficiency of fuel combustion to



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**RISING FUEL COST**

by: Dr. George Chua

increase power output, reduce pollution and bring down fuel combustion by as much as 20 percent.

Better capacity utilization means having a better scheduling and route planning so that the vehicles maximize their load,

optimize their route plan and schedule. Even when fuel prices calm down, doing all of these enhancements will lead to reduced costs and increased profitability. It is up to you to take measures that will help alleviate the effects of rising fuel cost; you should: after all, it is your money.

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March 11, 2026

**MIXED SIGNALS FROM THE TOP**

by: Albert Gamboa

In times of war, leadership is measured not in speeches but in presence and coherent action. War is never distant; it comes crashing into markets, highways, and kitchens. When missiles fly in one part of the world, every nation feels the ripple – oil prices spike, supply chains strain, and inflation surges.

The Philippines is among the most vulnerable countries affected by the US-Iran War due to our near-total oil import dependence and millions of overseas Filipino workers (OFW) in the Middle East. Amid this crisis, President Ferdinand Marcos Jr.'s just-concluded trip to New York has drawn criticism for its poor timing.

While global engagement is important, Filipinos are facing huge increases in fuel prices and economic ripple effects of the so-called Gulf War III. Many believe that crisis management also requires visible leadership at home – reassuring citizens, coordinating domestic responses, and stabilizing markets.

By traveling abroad ostensibly for United Nations meetings and international diplomacy while prices soar, Marcos risks projecting detachment and insensitivity to the plight of Filipinos who are feeling the pinch daily and for whom every peso counts. Although his administration has been monitoring fuel supply and OFW safety, optics still matter: crisis leadership is about being present where the impact is felt most.

On one hand, Marcos said the Philippine economy can withstand shocks and has enough economic buffers to absorb the effects of the Middle East conflict. On the other hand, Malacañang ordered the implementation of a four-day workweek for offices in the executive department. The official Palace explanation cited energy conservation and reduction of operational costs.

This sends a signal that the economy is under strain – contradicting the “sufficient buffers” narrative.

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**MIXED SIGNALS FROM THE TOP**

by: Albert Gamboa

The message itself is contradictory: if buffers truly exist, normal government operations should continue. For ordinary Filipinos faced with skyrocketing fuel prices and office closures, these two messages clash and thereby undermine public confidence in the government.

Meanwhile, Marcos has ordered the close monitoring of exchange rate fluctuations and the impact on OFW remittances, thereby signaling concern for their welfare. At the same time, he advised OFWs in the Gulf region to shelter in place – creating tension between economic protection and personal safety.

The mixed guidance leaves many OFWs uncertain about priorities, while citizens perceive this as double talk that makes them lose trust in government officials.

Further complicating matters was Marcos' statement that the Philippines does not have American bases and will not be involved in the Middle East conflict. This claim added to public confusion and is partly misleading because of the rotational bases under the Enhanced Defense Cooperation Agreement or EDCA as well as prepositioned US military assets.

Downplaying this reality is tantamount to misinforming the public regarding strategic vulnerabilities. So is the alleged non-existence of EDCA bases considered ghost projects?

Despite years of warnings, the Philippines has no national petroleum reserve up to now.

China supplies around 25 percent of our refined petroleum imports, and it has ordered its largest oil refiners to suspend exports of diesel and gasoline.

The suspension tightens Asian supply at a time when the US-Iran War has already strained the market. Around 90 percent of the Philippines' crude oil imports come from the Middle East, making the country vulnerable to any disruption in the Strait of Hormuz.

At about the same time when the US-Israel alliance was bombing Iran and assassinating its supreme leader, Chinese Ambassador to the Philippines Jing Quan delivered the embassy's promised \$1-million cash assistance for victims of recent typhoons that hit the Philippines.

The donation was received by Department of Social Welfare and Development (DSWD) Secretary Rex Gatchalian. This was on top of China's \$10-million donation of emergency supplies channeled previously through DSWD.

Other countries are navigating the Middle East conflict with emphasis on economic stability, citizen protection, security and coordination. In a world defined by uncertainty, crisis leadership is judged not by rhetoric – but by coherent action, transparency, and presence.



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March 12, 2026

## DIGITAL ASSETS

by: Joel Dabao



When the phrase “digital assets” appears in the news today, it is usually associated with cryptocurrencies or blockchain technologies.

*That is not the subject of this article.*

For most organizations, the most valuable digital assets are far more ordinary: payroll records, customer databases, financial documents, contracts, internal communications, and operational data. These are the digital equivalents of the files, records, and ledgers that once defined the enterprise’s memory.

For decades, such assets were protected with visible seriousness. Important documents were kept in locked cabinets or secure rooms. Warehouses holding valuable inventory were guarded, monitored by cameras, and insured against fire or theft. Access to sensitive areas was controlled and logged; regular audits ensured that records and inventories remained intact.

These safeguards were never controversial. They were simply understood as the responsible stewardship of valuable assets. Over the past decade, however, the location of those assets has fundamentally changed.

Records that once sat inside filing cabinets now reside in cloud storage. Processes once documented in logbooks now operate through software platforms. Work itself increasingly takes place in SaaS-enabled environments that are often untethered from a single physical office.

*The enterprise has become digital.*

In many organizations today, the most important information no longer sits behind a locked door. It exists within databases, cloud platforms, and interconnected applications accessed via laptops, mobile devices, and remote networks. Yet the rigor with which many organizations protect these digital assets often lags behind the standards long applied to physical ones.

Few companies would tolerate an unlocked warehouse or unrestricted access to a records room. Physical inventory is routinely counted and verified; facilities are protected by security personnel and surveillance; insurance coverage is a baseline requirement of management.

In the digital environment, these instincts are often weaker. Access privileges may be loosely managed. Cybersecurity investments are frequently deferred because they appear costly. Cyber insurance—the modern equivalent of fire insurance for information systems—remains far from universal.

This gap reflects a lingering misconception: that digital assets are somehow less tangible, and therefore less vulnerable. In reality, the opposite is often true.

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**DIGITAL ASSETS**

by: Joel Dabao

Physical theft typically leaves evidence—a broken lock, a forced door, or missing inventory. A digital compromise, by contrast, can remain undetected for months. Unauthorized access may leave no obvious trace until sensitive data is exposed or operations are disrupted.

By that point, the damage extends far beyond the loss of information: customer trust erodes, regulatory consequences follow, and reputational harm can take years to repair.

This issue becomes even more pressing as organizations turn toward artificial intelligence governance. Governments and businesses are beginning to examine how AI systems should be deployed responsibly and how their risks should be managed. Yet artificial intelligence ultimately depends on the data and infrastructure beneath it.

If those underlying systems are poorly secured, oversight of the AI layer becomes superficial. Governance cannot begin with the algorithm while ignoring the architecture that feeds it.

Digital transformation has delivered enormous benefits in efficiency and scalability, but it has also shifted the enterprise's center of gravity. In many industries, a company's most valuable assets are no longer physical equipment or office space, but the information systems that power operations and decision-making.

*Recognizing this reality requires a corresponding shift in governance.*

Cybersecurity controls should be treated with the same seriousness as physical security. Access controls for digital systems should be as routine as inventory controls for warehouses.

Independent cybersecurity assessments should carry weight comparable to financial audits, and cyber insurance should be as commonplace as coverage against fire or theft.

Digital assets are not abstract concepts; they are the operational and financial backbone of the modern enterprise.

Protecting them with the same rigor long applied to physical assets is not merely an IT concern.

It is a matter of sound governance.



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# CLIPS &



# SEGMENTS



# CLIPS & SEGMENTS



FINEX Courtesy Visit to BSP Eli Remolona



FINEX Membership Pickleball Open Play



FINEX PDC Webinar with Calixto "Toti" Chikiamco



# CLIPS & SEGMENTS



25th Inter-Collegiate Finance Competition (ICFC)



Launch of the FINEX Sustainability Handbook



2nd JFINEX Summit and formal awarding of the 25th ICFC winners



Environment Awareness Campaign on Plastic Pollution

# CLIPS & SEGMENTS

## Basic Financial Literacy Session



Genesis Transport Services Employees



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