



# ATENEO DE MANILA UNIVERSITY

## GRADUATE SCHOOL OF BUSINESS

### Contingency Plans for the Impact of the Ongoing Mideast Crisis

This document contains AGSB’s contingency plans for the School in response to the impact of the ongoing Middle East crisis. It also represents the contribution of AGSB to the University-wide discussion on contingency plans. The structure of our contribution is based on several key points:

- **Crisis.** Yes, it is already being considered as a major crisis. The conflict has expanded beyond Iran and has spread to neighboring countries. It has caused significant oil price volatility (crude oil price changed by >15% plus-minus in the last three days) threatened shipping lanes through which much of the world’s oil supplies pass, and has prompted emergency government responses around the world, including the Philippines.
- **Economic Impact.** It’s well-documented why the Philippines is one of the most affected by oil price shocks – high dependency on imported oil (up to 90%), limited government subsidies on energy, impact on inflation (a 10% jump in oil prices can increase inflation by up to 0.5%), risk of reduced remittances, risk of reduced business process outsourcing, etc.  
The most direct impact on our student body and workforce would be felt in the cost of transportation; inflationary pressures would be another significant one.
- **Industry Impact and Alignment.** How companies are responding to the crisis with policies on work week and WFH schedules is important for us in AGSB to align with, as these shape the expectations of our student body.
- **Regulatory Impact.** There are three main regulatory forces to consider: directives from the executive branch, from LGUs, and from CHED.
- **Scenario-based Planning.** The thoughtful response to the crisis would be based on scenarios, as no one knows for sure how it will continue to unfold. This also prevents knee-jerk responses based on binary readings (the situation will be bad/ it won’t be bad).

At the start of the conflict, we tracked these four global and macroeconomic scenarios.<sup>1</sup>

Scenario	Probability	What to watch out for	Global Condition	PH Macroeconomic Impact
1: Rapid de-escalation	5%	If the conflict has continued till March 16 this would be closer to 0%	Quick diplomatic reset	Relief on oil prices; PHP-USD becomes steadier; General improvement of sentiment
2: Contained conflict (2-6 weeks)	50%	Iran rapidly de-escalates and USA follows (Israel has a long-term goal and could bide its time)	Continued strikes and retaliation but limited expansion	Oil price hike temporary; Pressures on high inflation decrease through the period; PHP-USD volatile. This would be akin to the initial impact on PH of the Russia-Ukraine conflict, sharp but not prolonged.
3: Prolonged conflict (3-9 months)	30%	If conflict has not ended by end-March; If USA de-escalates but Iran doesn’t	Recurrent disruption	Continuing high oil prices (>\$100); PHP depreciation risk; High inflation
4: Regional-global spillover	15%	If conflict widens beyond the Middle East	Wider disruption	Strong inflation pressure; Sharp decrease in demand; Much weaker PHP

We have modeled our contingency plans around these four scenarios and identified triggers for when they could be implemented. We will drop Scenario 1 from this table. For Scenarios 2, 3, 4, whenever two of the three triggers appear, the School would move to that Scenario's contingency plan. We would go back to a previous Scenario when the triggers revert to a previous level, and hopefully back to normal at some point.

Scenario	Economic Trigger	Stakeholder/ Industry Trigger	Legislative/ Regulatory Trigger	School Contingency Plan
1				
2 Temporary Pivot	Diesel prices: ₱80/Liter is deemed as a psychological and economic threshold. DepEd issued Memorandum No. 18, s. 2026, implementing a 4-day onsite workweek for non-teaching personnel based on this threshold. In a 2022 precedent, NEDA proposed a 4-day workweek to mitigate the economic shock at this price level. (As of this writing, this threshold has been breached.)	Some companies start to shift to 4-day work weeks. Absenteeism rates increasing – we are currently monitoring this	Several LGUs shift to a 4-day work week. CHED maintains the 50% onsite hours regulation, but schools will clamor for flexibility.	The School would advocate for more online hours, currently at 50%, and more WFH hours. The immediate action would be to shift one session (Regis) or two (STD, MM, MBAH) from onsite to online. With CHED, the School would make a case for reasonable flexibility amid the crisis, documented with a Log of Necessity. There would be a provision for exams/ assessments that are best done onsite.
3 Hybrid/ Flexible (non- mandatory)	Crude oil prices stay above \$100 per barrel and/or local diesel prices remain above the ₱80/Liter threshold past the 6-week period of the war. The Land Transportation Franchising and Regulatory Board approves further public transport rate hikes. Campus utility cost increases by >10%	If more companies shift to 4-day work weeks and increasing WFH, there would be disconnect if the School doesn't follow, as that would define the environment of our students. More students file for Leave of Absence as inflationary pressures weigh heavily on their budgets. Drop in company-sponsored student enrollments.	National and local governments mandates a 4-day work week for government offices. CHED reduces mandatory onsite hours.	While maintaining Flex mode to accommodate those who still can/want to come to class, onsite presence would not be mandatory. Onsite work would be organized by rotation. Budget adjustments needed. Opex items not directly related to the daily conduct of classes could be postponed or cut.
4 100% Online	Continuing oil prices above the threshold levels. PH economy hits double-digit inflation. Formal, multi-day transport strikes are organized.	Majority of companies mandate online-only work for those whose jobs can be done online.	Both national and local governments shift to even more flexible work hours. CHED formally allows online-only classes.	Equivalent to the pandemic response: 100% online to counteract transport costs and inflation. <sup>4</sup>

## Notes for Implementing the Scenario Plans

### 1. Active Monitoring

While classes and operations continue under our current Flex-mode, we are closely watching the following indicators:

- **Transport Costs:** We will track LTFRB advisories regarding provisional fare hikes.
- **Corporate Alignment:** We will observe how your employers and various industries are adjusting their work-week schedules to ensure AGSB remains aligned with professional expectations. This will be done through the Student Council and class presidents (the AGSB equivalent of beadles). A student survey has been circulated (March 11, 2026) and results have been shared with Admin.<sup>2</sup>
- **Regulatory Guidance:** We will monitor CHED, with the help of OAVPGE and OUR, for any change in the mandated onsite hour requirements.

### 2. Academic & Faculty Management

- **Faculty Tech-Audit:** Re-verify that all faculty scheduled for the current term have stable backup power and secondary data (LTE/5G) to handle 100% online sessions if needed.
- **Physical Hub.** Designate areas in the campuses that would remain open for students and faculty who might have connectivity problems for online classes.<sup>3</sup>
- **Hybrid Flexibility:** Faculty will be allowed to waive “physical attendance” for students citing transport/fuel hardships.
- **Syllabus Review:** Identify “In-Person” sessions (e.g., exams, final presentations, networking events) that must remain onsite vs. those that can be moved online immediately.
- **Human Capital Sustainability:** If the stress of the conflict – combined with the shift in work modes – causes a measurable dip in faculty engagement or staff well-being, the School should trigger a review of teaching requirements to prevent burnout.<sup>3</sup>

### 2. Student Support & Enrollment

- **LOA Tracking:** Establish a weekly reporting dashboard for Leaves of Absence (LOA).
- **Digital Library Access:** Ensure all required reading materials for the term are available via the e-library to eliminate the need for students to visit the physical campus for resources.

### 3. Administrative & Operational Efficiency (at Scenario 3)

- **Onsite Rotation Schedule:** Draft a 4-day/Rotating shift for administrative staff. Ensure “skeleton force” coverage for essential physical documents/filing.
- **Energy Conservation:** Coordinate with Facilities to shut down specific floors/wings on days when classes are fully online.
- **Event Moratorium:** Postpone non-essential physical events (e.g., Orsem, physical open houses) and pivot them to online events.

### 4. Regulatory Compliance

- **CHED Documentation:** Start a “Log of Necessity” to document every instance where online classes were held due to transport strikes or fuel price hikes. This serves as our legal case for flexibility.

## Notes on Communications

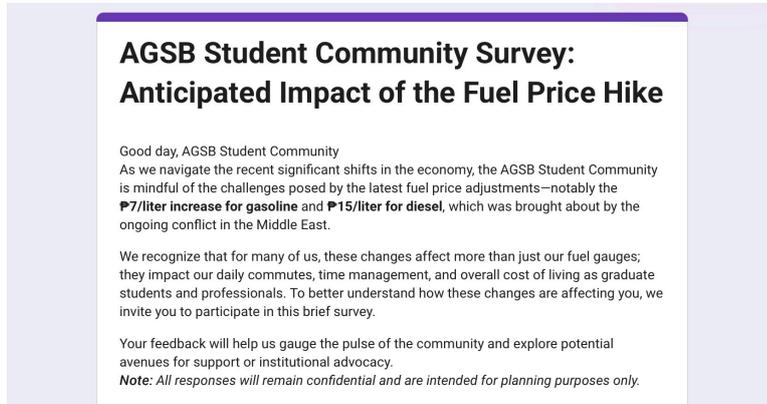
We will:

- **Consult:** We uphold our principle that any planning exercise is an exercise in consultation.
- **Maintain a stance of proactive readiness** as opposed to an “emergency response” tone.
- **Give advance notice of shifts in implementation of scenarios:** Any shift in the reading of the Scenarios and how they impact our operational mode will be communicated with at least 72 hours' notice whenever possible to allow for personal and professional adjustments.<sup>3</sup>
- **Create a Departmental Continuity Checklist** for so that administrators know exactly what administrative tasks to pause or pivot if we hit different scenarios, especially 2 and 3.
- **Draft a Crisis FAQ** to handle common questions with standardized responses.

## NOTES

<sup>1</sup>The scenarios in the first table, on page 1, are based on input from Jonathan Ravelas, resource person at CCE and former chief market strategist at BDO

<sup>2</sup>The survey is being conducted by the AGSB Student Council, March 11, 2026.



<sup>3</sup>GenAI Transparency Statement: The original draft by the AGSB Dean was fed by a professor to Google Gemini.

Prompt: *“The school is preparing a contingency plan to address the crisis created by the US-Israel war with Iran. Provide your detailed comments on the following: (Attached Dean’s pdf here).”*

The passages in the memo identified with the superscript<sup>3</sup> were added after the recommendations from Gemini.

<sup>4</sup> Consider enrollment of overseas students who could not continue with the onset of mandatory onsite hours, on a case-by-case basis, focusing on those who have just 1 or 2 courses to finish.

Office of the Dean

March 11, 2026