

# PAGCOR needs to settle conflicting roles, says DoF

THE PHILIPPINE Amusement and Gaming Corp. (PAGCOR) should present its plans as the Marcos administration decides whether its gaming operations are up for privatization, the Department of Finance (DoF) said.

“PAGCOR’s new leadership will have to make known their plans moving forward. They should resolve the seemingly conflicting roles as an operator and regulator,” Finance Secretary Benjamin E. Diokno told reporters on Friday.

Mr. Diokno’s statement came after he told the House Committee on Appropriations on Friday

that the administration is open to supporting a supplemental budget, possibly funded by the privatization of government-owned and controlled corporations (GOCCs) such as PAGCOR.

“We would like the economy to grow [and] to recover. So, if there [are] additional resources available to us — either through maybe new loans or maybe additional revenues coming from, say, privatization of some corporations — we would be willing to support a supplemental budget... Because if there are ready to implement projects, and we had the money, then better spend it now rather

than, say, a year from now,” Mr. Diokno said.

“PAGCOR, as it is right now, is a GOCC, so when the government regulates it, it’s like regulating themselves,” said Antonio A. Ligon, a law and business professor at De La Salle University.

“If it is privatized, then the audit or internal control of the entity may be privatized also. So, you may see stricter and more efficient internal controls, with the hiring of employees having different criteria. But definitely, it will avoid, if not minimize, political factors,” he added in a Viber message.

Public investment analyst and convener of think tank InfraWatch PH Terry L. Ridon rejected the idea that PAGCOR’s role as both regulator and operator makes up a conflict of interest, noting that it is an excuse for those who have an agenda in privatizing PAGCOR-operated casinos.

“Casino operators merely derive their power to operate from PAGCOR itself, as PAGCOR by law has the monopoly of casino operations in the Philippines,” Mr. Ridon said in an email.

“If government revenue will be less under a privatized regime, there is no point privatizing PAG-

COR-operated casinos, particularly at this time of limited fiscal space, in which every peso going into public services counts,” he added.

Economist Bernardo M. Villegas of the University of Asia and the Pacific said that the state-run gaming firm should focus on the public good as opposed to maximizing profits.

“PAGCOR should limit its role to regulating and allow a private enterprise to operate it. Government revenues need not be reduced if the regulation is enlightened,” he said in an email.

The previous administration sought to privatize the gaming op-

erations of PAGCOR to raise an estimated P300 billion in revenues, in lieu of imposing additional taxes amid the coronavirus disease 2019 (COVID-19) pandemic.

The plan did not push through as it was thought that the move might eventually result in foregone revenues for the government after PAGCOR foregoes its gaming operations. — **Diego Gabriel C. Robles**

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## SMPC studies solar, LNG as energy sources

SEMIRARA Mining and Power Corp. (SMPC) is studying solar and liquefied natural gas (LNG) as possible energy sources, its top official said last week.

SMPC President and Chief Operating Officer Maria Cristina C. Gotianun told *BusinessWorld* through email on Wednesday that the company is at the preliminary stage of studying LNG and solar.

On Aug. 16, Isidro A. Consunji, chairman and chief executive officer of SMPC, said in a virtual press briefing that the company is planning to diversify into renewable energy (RE) sources.

Ms. Gotianun said that initially, SMPC was looking at a number of RE sources such as run-of-river hydroelectricity, biomass, and wind.

“[U]nfortunately, after careful review, none of these met our technical and investment criteria,” she said.

Ms. Gotianun cited issues related to peace and order, fuel sufficiency, resource reliability, land availability, and grid connectivity as the reasons for looking at LNG and solar, instead of the company’s first proposals.

Data from the natural gas division of the Department of Energy (DoE) showed that there are six proposed LNG terminal projects in the Philippines.

These projects include the separate floating storage regasification units of Exceleerate Energy L.P., Shell Energy Philippines, Inc., Vires Energy Corp. and First Gen Corp. Atlantic Gulf & Pacific International Holdings Pte. Ltd. proposed a floating storage unit and onshore regasification.

Further, Marissa P. Cerezo, director of DoE’s Renewable Energy Management Bureau said in a virtual press briefing led by the Center for Energy, Ecology, and Development on Saturday that the department is also looking to address the intermittency problems of variable REs.

“Intermittency is given especially for solar, and wind. Those technologies cannot generate power 24/7,” she said.

Ms. Cerezo suggested that the daytime fluctuation of solar and wind energy sources could be addressed by enhancing the weather forecasting system.

SMPC said in its disclosure on Aug. 22 that its previous plan of transferring or consolidating DMCI Mining Corp. into SMCP is on hold pending confirmation of the mineable reserves of DMCI Mining. — **Ashley Erika O. Jose**

## Gokongwei family launches master brand for businesses

THE GOKONGWEI family has launched a master brand for the Gokongwei Group to represent all the companies under its diversified business portfolio, including some of the country’s largest entities.

Lance Y. Gokongwei, who heads the group, said the family name carries with it the legacy of his father — the group’s founder John L. Gokongwei, Jr., and the industrialist’s brothers Henry, Johnson, and James

“[It is] a legacy of integrity and reliability, and one which my siblings, cousins and I in the third generation have been working very hard to live up to. It is our fervent hope that this legacy will live on to succeeding generations of the Gokongwei family, so that we can continue to make lives better and ... yes to make our forefathers proud,” he said.

The master brand was launched during the 30<sup>th</sup> Anniversary event of the Gokongwei Brothers Foundation last week. It is said to embody the group’s commitment to carry on its founder’s legacy of disruptive business innovations and building businesses that improve lives and provide better choices. It also highlights the scale, culture, and integration of the Gokongwei group of companies.

“It is represented by a timeless wordmark in dark blue and green to symbolize the trustworthiness of blue and the growth of green. The tip of an arrow is incorporated in the first G to represent trajectory and forward-thinking,” the group said in a media release.

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