

# PHL gross gaming revenue up 18.5% in first quarter — PAGCOR

THE Philippines' gross gaming revenue (GGR) rose 18.5% year on year to a record P81.7 billion in the first quarter, the Philippine Amusement and Gaming Corp. (PAGCOR) said.

In a statement on Wednesday, the gaming regulator said the first quarter total was nearly on pace to hit the full-year GGR target of P336 billion.

"The latest GGR is another new record, sustaining an upward trend for the gaming industry since the post-pandemic recovery started in the last quarter of 2022," it said.

PAGCOR said that the bulk of first-quarter revenue was generated by licensed casinos, which raised P49.7 billion, though this was 8.2% lower year on year.

Meanwhile, e-games revenue surged 543% to P22.5 billion.

"The e-games revenue performance continues to exceed our projections, and this reflects how gaming technology and the proliferation of mobile devices is influencing not only our daily lives but our entertainment choices as well," PAGCOR Chairman and Chief Executive Officer Alejandro H. Tengco said.

Revenue from PAGCOR-operated casinos under its Casino Filipino brand dropped 8.6% to P4.69 billion.

PAGCOR said this was due to the "challenge faced by the segment as more players continue to migrate to online platforms."

Meanwhile, bingo revenue fell 21.5% to P4.81 billion. — **Luisa Maria Jacinta C. Jocson**

## Ayala Malls Manila Bay tenants ordered to explain privacy issues

THE National Privacy Commission (NPC) said on Wednesday that a field inspection resulted in the issuance of show-cause orders to 65 Ayala Malls Manila Bay establishments.

NPC Circular No. 2024-01 authorizes on-the-spot inspections to verify whether personal information controllers (PICs) or personal information processors (PIPs) comply with the Data Privacy Act of 2012 (DPA) and the regulator's other issuances.

"Malls and retail stores collect significant amounts of personal data from customers daily. Hence, these entities must comply with

the DPA and NPC issuances to protect the rights of their data subjects and maintain consumer trust," according to Privacy Commissioner John Henry Naga.

Mr. Naga said that fines ranging from P20,000 to P5 million can be imposed on violators of the DPA and other NPC issuances.

"This on-the-spot privacy sweep and compliance check should also serve as a warning to all non-compliant and erring PICs and PIPs that the NPC will not hesitate to impose administrative fines for violations of the DPA, its implementing rules and regulations, and the issuances of the NPC," he said.

According to the NPC, 56 establishments were found to have not registered with the NPC, while nine establishments, while being registered, were issued citation tickets for other violations.

Some 38 establishments were found to have been compliant, registered, with their seal of registration properly displayed.

"Our primary goal is to ensure that PICs and PIPs are fully aware of their responsibilities under the DPA," NPC Data Security and Compliance Office Director Aubin Arn Nieva said.

"If we find areas of non-compliance or potential vulnerabilities in their data handling prac-

tices, we can offer personalized recommendations and support to help them address these gaps and improve their data protection measures," he added.

After the compliance check, the NPC will present its findings and assess whether the PICs or PIPs have any deficiencies, during which they will be requested to submit the necessary documents.

The NPC is planning to replicate the on-the-spot privacy sweep at other malls and has clarified that it is the establishment or the lessee that will be held liable for the violations, not the mall owners or lessors. — **Justine Irish D. Tabile**

## GMO crops pushed to counter climate disasters

By **Adrian H. Halili**  
Reporter

THE PHILIPPINES should consider cultivating crops classified as genetically modified organisms (GMOs) to mitigate the impact of climate disasters like typhoons and El Niño.

"When you look at the scale of damage that's been caused, then I

think it's important for the sector to look at ways in which they can combat that," Rory O'Donnell, an agriculture and trade expert for business solutions firm Penta, told *BusinessWorld*.

He added that GMO crops are already being planted in parts of Europe to alleviate drought conditions.

President Ferdinand R. Marcos, Jr. has ordered the Solicitor General to seek clarification and reconsideration of the decision to ban on the use of GMOs.

Mr. Marcos said that the decision would have a "widespread" impact on agriculture and food security.

"It basically is a means of accelerating natural genetic changes in crops," Mr. O'Donnell said.

"The idea behind that is to develop crops that are drought resistant or more resistant to pests and therefore reduce the requirement for pesticides and other artificial additions," he added.

The Court of Appeals (CA) revoked the biosafety permits for the commercial propagation of Golden Rice and Bt Eggplant, citing the potential risk to the environment and the health of consumers.

### FULL STORY

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## Shell swings to profit with P1.41-B income

SHELL Pilipinas Corp. turned a profit in the first quarter, with an attributable net income of P1.41 billion, an improvement from the P310.33-billion net loss a year ago.

"We are making strategic choices to strengthen our market position, boost business resilience, and drive financial strength," Shell Pilipinas President and Chief Executive Officer Lorelie Quiambao-Osial said in a media release on Wednesday.

The listed oil company's net sales went down by 8.2% to P59.96 million from P65.29 million previously due to

lower marketing volumes, Shell said in its quarterly report.

Sales volume dropped by 10.8% to 941.2 million liters from 1.06 billion liters a year ago.

Gross profit rose by 37% to P6.11 million from P4.46 million mainly due to inventory holding gains with the uptrend in global fuel prices.

Earnings before interest, taxes, depreciation, and amortization went up by 166.1% to P4 million from P1.51 million due to the impact of pre-tax inventory holding gain against loss last year.

"As we evolve in an increasingly competitive industry, Shell Pilipinas remains steadfast in delivering value to our shareholders fueled by our refreshed strategy, strong focus on performance, and disciplined delivery," Ms. Quiambao-Osial said.

Shell Pilipinas Treasurer Reynaldo P. Abilo said the company is looking into spending P2-3 billion as capital expenditure (capex) budget for 2024.

The capex is mainly allocated to its terminals and mobility stations. — **Sheldeen Joy Talavera**

## Shakey's Pizza says Q1 profit slips 15% to P171M

LISTED restaurant chain and food service group Shakey's Pizza Asia Ventures, Inc. (SPAVI) saw a 15% decline in its first-quarter (Q1) net income to P171 million on higher operating expenses.

"In terms of profitability, first-quarter net income registered at P171 million, softening by 15% year on year, driven by higher operating expenses due to investments in the organization and in sales generating activities," SPAVI said in a statement to the stock exchange on Wednesday.

System-wide sales rose by 15% to P4.8 billion led by the company's network expansion program and sustained same-store sales despite the persisting inflationary environment. Net revenue surged by 6% to P3.1 billion.

Gross profit improved by 14% to P719 million while operating expenses increased by 41% to P472 million.

"While we had a challenging start, SPAVI has been reaping the benefits of a more diverse, multi-brand portfolio. As we move into the succeeding quarters, we expect our profitability to improve with tailwinds from easing commodities and improving operating expenses as a percentage of sales," SPAVI President and Chief Executive Officer Vicente L. Gregorio said.

"Furthermore, store network expansion will be financially accretive to the group," he added.

SPAVI is expecting an upswing in net income for the second half,



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with full-year profits climbing by the mid-teens.

"Overall, we are on track to deliver top line growth in the mid-teens territory, and we expect profits to grow at the same pace as sales," Mr. Gregorio said.

"Our guests were more careful about when and how they choose to spend their money. They sought even more value. Therefore, it was crucial for us to ensure that our brands remained relevant through compelling offers and programs to sustain sales," he added.

SPAVI added 91 units to its store network during the first quarter, putting its global network at 2,232 stores and outlets as of end-March.

Across the company's brands, Shakey's has 268 outlets, Potato

Corner has 1,874 stores and outlets, and Peri-Peri Charcoal Chicken and Sauce Bar has 76 units.

Other incubating brands such as R&B Milk Tea and Project Pie has a total of 14 units.

"Our group remains optimistic with a healthy dose of caution when it comes to our outlook. Given that we have been operating in a strained consumer environment and are coming from a high base due to the reopening, we are grateful to be able to deliver double-digit top line growth, which we expect to be sustained for the balance of the year," Mr. Gregorio said.

On Wednesday, SPAVI shares were unchanged at P9.75 each. — **Revin Mikhael D. Ochave**

## ERC lets reserve market players settle 30% of March transactions

THE Energy Regulatory Commission (ERC) ordered the partial lifting of the suspension imposed in March to enable the flow of reserve power into the system.

In an order promulgated on May 9, the ERC allowed the settlement of 30% of the amounts due on the reserve market transactions during the March billing month.

"The decision was made in an effort to ensure continuous operations of power generators providing reserves in the system following the suspension order issued on March 25, 2024," the ERC said.

Citing simulations, the regulator projected the partial payments are expected to be worth P1.7 billion.

The amount is subject to adjustments pending the submission of the list of non-compliant generators by the National Grid Corp. of the Philippines (NGCP), an intervenor in the case.

The reserves traded for the March period were valued at P5.7 billion, the ERC said.

Arjon Valencia, corporate planning and communications manager of the Independent Electricity Market Operator of the Philippines (IEMOP), said IEMOP "will implement the order accordingly and will continue its close coordination with the ERC and the DoE (Department of Energy) for the immediate resumption of reserve market commercial operations," he said via Viber message.

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said the commission hopes to complete its evaluation within the month before fully lifting the suspension.

The ERC is "waiting for IEMOP and NGCP to complete the submission of required documents," she said in a Viber message.

She said that the partial lifting of the suspension could possibly lead to upward adjustments in transmission charges.

"Total rates will still depend on the generation mix," she said. The reserve market allows the optimization of the market operator and system operator interfaces and automated real-time dispatch of committed ancillary services.

Ancillary services are deployed by grid operators to support the transmission of power from generators to consumers to maintain reliable operations.

The full commercial operations of the reserve market commenced in January.

In the suspension order in March, the ERC said that the IEMOP reported "significant price increases" in reserve costs for March compared to February. The regulator has said that the increase will impact the total price of electricity paid for by the public.

### YELLOW ALERT

In an advisory on Wednesday afternoon, the NGCP raised yellow alerts over the Visayas grid between 2 p.m. and 4 p.m. and 6 p.m. and 8 p.m.

The available capacity was 2,968 megawatts (MW) while peak demand was 2,646 MW.

The grid operator said that the yellow alerts were lifted with the availability of power from the Cebu Energy Development Corp. unit 1 and Panay Diesel 1-3. — **Sheldeen Joy Talavera**

## Plastic Bank eyeing to expand operations in the Philippines

CANADA-BASED for-profit social enterprise Plastic Bank said it is looking to expand its operations in the Philippines.

"We have branches that operate in Palawan, and we're also exploring setting up branches in Cebu and now we're exploring operating also in Mindanao," Plastic Bank Regional Vice-President Asia Pacific Rene Guarin said during a media roundtable on Wednesday.

Plastic Bank builds recycling systems wherein collection members can exchange plastic collected for perks such as health insurance, grocery vouchers and school supplies.

"Each plastic collection is recorded using its blockchain-supported platform, ensuring a verified plastic collection journey from collection branches to processors and providing incentives for communities," Plastic Bank said.

The company has 206 active branches spread across Metro Manila, North Luzon, and South Luzon. It operates in the Philip-

pine, Indonesia, Brazil, Egypt, Thailand, and Cameroon.

Plastic Bank offers an "impact subscription," a monthly contribution that ensures the collection of a pre-set amount of plastic bottles by its collection communities.

"With our blockchain platform and the newly launched Impact Subscription model, we empower businesses to integrate sustainability and social impact seamlessly," Plastic Bank Founder and Chief Executive Officer David Katz said.

"It's time to redefine success and embark on a journey where business isn't just about making money but making a meaningful difference," he added.

According to Plastic Bank, subscribing to its impact subscription "positions brands among purpose-driven market leaders."

It enables the participants to align their businesses "with ethical practices that significantly boost consumer loyalty and enhance brand equity." — **Sheldeen Joy Talavera**

## Alliance Global profit falls 10% on higher costs

ANDREW L. Tan-led holding company Alliance Global Group, Inc. (AGI) saw a 10% decrease in its first-quarter attributable net income to P4.2 billion from P4.7 billion last year due to higher expenses.

"Higher input costs, marketing expenses, and interest charges, as well as unrealized foreign exchange losses capped profitability," AGI said in a stock exchange disclosure on Wednesday.

AGI's first-quarter revenues rose by 1% to P50.6 billion from P50.3 billion last year.

Megaworld Corp. took up 37% of revenue, followed by Emperor, Inc. at 26%, Golden Arches Development Corp. (GADC) at 23%, and Travellers International Hotel Group, Inc. at 14%.

"First-quarter results remained driven by the surge in

real estate sales, and healthy contribution from quick service restaurants and tourism-related businesses which benefitted from resilient discretionary spending," AGI said.

AGI's real estate arm Megaworld Corp. saw an 8% increase in its first-quarter attributable net income to P4.4 billion as revenue climbed by 16% to P18.9 billion.

"Residential segment continued to benefit from sustained housing demand and higher project completion due to increased construction activity," AGI said.

Liquor manufacturer Emperor saw a 25% drop in its attributable net income to P1.7 billion. Revenue fell by 16% to P13.1 billion.

"Brandy sales were weighed down by continued shift to value brands amid

prevailing high domestic inflation. Whisky sales were affected by changes in sales mix as global demand for spirits turned soft," AGI said.

GADC, the master franchise holder of fast food giant McDonald's in the Philippines, saw a 19% increase in its attributable net income to P0.5 billion. Systemwide-sales rose by 13% to P19.5 billion.

"Sustained improvement in system-wide sales supported by continued product promotions, expanded store count and resilient discretionary spending," AGI said.

Meanwhile, Newport World Resorts owner and operator Travellers International saw a 97% drop in its net income to P0.1 billion as gross revenue fell by 13% to P9.2 billion. — **Revin Mikhael D. Ochave**