NGCP sees 'vindication' in Singapore arbitration

NATIONAL GRID Corp. of the Philippines (NGCP) said its successful outcome of its Singapore arbitration case serves as "vindication," with a neutral third party affirming it has honored the terms of its concession agreement, specifically the restrictions on foreign ownership.

"How will that affect us moving forward? Operationally, *siguro wala* (maybe there will be no impact). I hope, however, that the weight of the disinterested third party's ruling will clear the clouds surrounding NGCP and how we run the transmission system," Cynthia P. Alabanza, NGCP assistant vice-president for public relations, told reporters on Wednesday.

The Arbitral Tribunal of the Singapore International Arbitration Centre ruled in favor of NGCP in a final decision dated Feb. 19 in its dispute with the Power Sector Assets & Liabilities Management Corp. (PSALM) and National Transmission Corp. (TransCo).

The arbitrator declared that the grid operator did not violate the nationality restrictions in the Philippine Constitution and the Anti-Dummy Law — which restricts foreign ownership in public services companies.

"It's clear that there was no violation of the prohibition, among other things... That is the biggest win for NGCP," Ms. Alabanza said.

Domestic corporations Monte Oro Grid Resources Corp. and Calaca High Power Corp. each hold 30% of the outstanding capital stock of the NGCP. State Grid Corp. of China holds the remaining 40%.

In 2018, the NGCP filed an arbitration case against PSALM and TransCo over the interpretation of the parties' concession agreement.

The grid operator had sought, among other things, a declaration that a payment made on July 15, 2013 amounting to P57.88 billion was valid, as well as the payment of a further P4 billion "which should have been borne by TransCo under the concession agreement, but was advanced by NGCP."

PSALM and TransCo argued that NGCP was in "concession default" for having allegedly violated the national restrictions for public utilities under Philippine law and the concession agreement.

The NGCP obtained a 25-year concession in 2007 to operate the power transmission network after an open, public and competitive bidding process. It officially started operations as a power transmission service provider in 2009.

"So, vindication *'yun na sumusunod lang kami sa mga batas na naipasa at mga kontratang inihain ng gobyerno nang isinapribado nila ang* transmission at NGCP *ang nabigyan ng* concession (It's a vindication for us, signifying that we followed the law and the contract with the government when the transmission grid was privatized and NGCP was awarded the concession)," Ms. Alabanza said. — **Sheldeen Joy Talavera**

PAGCOR sees up to P480B in 2025 gross gaming revenue

THE Philippine Amusement and Gaming Corp. (PAGCOR) said it expects to generate up to P480 billion in gross gaming revenue (GGR) this year, led by the growing electronic games segment.

In a briefing on Wednesday, PAGCOR Chairman and Chief Executive Officer Alejandro H. Tengco said GGR could range from P450 billion to P480 billion in 2025.

"I believe it will come from e-gaming and the trend in January and February will continue, land-based (operations) will grow, though not as significantly," Mr. Tengco said on Wednesday.

Mr. Tengco said the full-year target is based on the estimated P40 billion GGR generated in January, up from P28.5 billion a year earlier.

Citing preliminary data, PAGCOR said if the full-year target is met, GGR would be 16.94% higher than the record P410.48 billion in 2024.

These GGR levels suggest that the Philippines is generating the second-largest gaming revenue in Asia after Macau, and exceeding that of Singapore, PAGCOR said.

In 2024, the integrated resorts (IR) segment was the largest contributor to GGR, accounting for 49%, followed by e-games (38%), the now-banned Philippine Offshore Gaming Operators (9.21%), and PAGCOR-owned casinos (3.9%). — **Aubrey Rose A. Inosante**

Imported rice SRP to be cut to P49 per kilo starting next month

THE Department of Agriculture (DA) is lowering the maximum suggested retail price (MSRP) for imported rice to P49 per kilo starting in March in selected cities.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. said that the new MSRP will apply to Metro Manila and other urban centers.

"In many provincial areas, we've seen prices of imported rice already lower than the MSRP. So we will apply it more selectively," Mr. Laurel said in a statement on Wednesday.

March will mark the first time for the MSRP for imported rice to fall below P50 since the price cap was introduced on Jan. 20.

The MSRP was initially set at P58 per kilo. Prior to its introduction, imported rice consisting of 5% broken grains sold for between P62 and P64 per kilo.

"We will review the numbers in the coming days to determine if there is room to lower the MSRP further. As of now, there could be scope for additional reductions, but we will have to see," he said.

In January, the DA projected the price of imported rice to fall below P50 per kilo, as long as world market prices remain stable. This assumed a maximum landed cost of $550 per metric ton (MT) for 5% broken rice.

"The landed cost of 5% broken rice was quoted at $490 per metric ton on Friday," the DA said.

Samahang Industriya ng Agrikultura (SINAG) Executive Director Jayson H. Cainglet said the lowering of the MSRP is a step closer to the ideal price of P40-P45 per kilo for imported rice.

"At the current price of $380 per metric ton of 5% broken Vietnam rice, imported rice should further go below P40/kilo," Mr. Cainglet said in a statement on Wednesday.

Federation of Free Farmers (FFF) National Manager Raul Q. Montemayor said that the new MSRP starting in March can still allow all parts of the supply chain to recover their costs.

"Our computations show that, even if the tariff is reinstated to 35%, an MSRP of P49 per kilo for rice with 5% brokens would still be feasible and provide cost recovery and decent profits for all market players," Mr. Montemayor said via Viber.

The MSRP on imported rice is among the DA's plans to lower rice prices alongside the declaration of a food security emergency on rice on Feb. 3, which allows the release of rice inventories held by the National Food Authority (NFA).

The emergency allows the release of NFA rice stocks to government agencies, local government units (LGUs), and the KADIWA ng Pangulo subsidized-market network.

Mr. Cainglet said the MSRP and the declaration of the food security emergency indicated the "dismal failure" of Executive Order (EO) No. 62 in taming rice prices.

"It is the right time to call for the repeal of EO 62 and generate revenue from imported rice that is earmarked to directly support our rice farmers," he added.

President Ferdinand R. Marcos, Jr. last year issued EO 62 slashing tariffs on rice imports to 15% from 35% previously until 2028.

The FFF has blamed the tariff reduction along with the lack of restrictions on rice imports for the severe drop in the farmgate price of palay, or unmilled rice.

Citing Bureau of Customs data, the FFF said nearly 4.8 million tons of rice arrived in the country last year, while another 331,000 tons entered the country in January.

"Farmers in Mangaldan, Pangasinan have reportedly postponed selling their palay due to low buying prices of traders. In San Jose, Occidental Mindoro, prices for newly harvested palay have dipped to as low as P13 per kilo," it said.

"Clean and dry palay is at P19 per kilo, with traders reportedly hesitating to buy stocks due to the influx of imported rice in the market," it added.

The FFF said that it is seeking the restoration of the 35% tariff on imported rice to induce traders to buy palay at better prices.

"The landed cost of rice with 5% brokens from Vietnam will rise to P33 per kilo if we reinstate the 35% tariff," Mr. Montemayor said.

"If we add P15 for other costs and trading margins all the way to retailers, imported rice could still be sold at P48," he added. — **Justine Irish D. Tabile**