BACKGROUND PHOTO FROM FREEPIK

PhilWeb eyes expansion, cost cuts

ARANETA-LED electronic gaming technology services provider PhilWeb Corp. is planning to expand its offerings and implement cost-reduction measures after the Philippine Stock Exchange (PSE) sought the company's explanation for reporting negative stockholders' equity.

PhilWeb reported negative stockholders' equity of P69.39 million as of end-March and P43.87 million as of end-December last year due to the "significant" cost of treasury shares and other shares held by subsidiaries that offset retained earnings, the company said in a disclosure on Tuesday.

The company's treasury stock consisted of 300.43 million shares, with an aggregate value of P3.12 billion.

"The negative equity is not a result of operational underperformance but rather an accounting impact due to the treatment of treasury shares," PhilWeb said.

"It is important to emphasize that the group continues to generate positive operating cash flows, which have enabled it to sustain operations and meet maturing obligations throughout 2024 and into 2025," it added.

To address the negative equity, PhilWeb said it plans to expand its electronic gaming system network and launch new gaming content in the third quarter to boost revenue.

The company will introduce number games such as Numero Uno, alongside existing offerings like RTG, Jili, and Evolution. It is also integrating its platform with the GCash mobile wallet application to enhance accessibility and user engagement.

From December 2024 to May 2025, the number of sites serviced by PhilWeb rose to 105 from 94.

As part of its cost-efficiency measures, PhilWeb closed six non-performing gaming sites, generating P2 million in monthly savings.

The company is also evaluating the monthly performance of its remaining sites and implementing operational efficiency improvements across all areas.

PhilWeb's stockholders have committed to subscribe to 923.57 million unissued shares until 2027 to generate additional funding and improve its equity position. These include 590.73 million preferred shares and 332.84 million common shares.

PhilWeb also plans to reissue its treasury shares either to the open market or to existing stockholders.

"This reissuance is also targeted to be completed within a three-year period ending in 2027 and is expected to raise additional capital to support operations and strengthen the balance sheet," the company said.

For the first quarter, PhilWeb posted a net loss of P25.51 million, reversing the P2.3 million net income recorded in the same period last year. Revenue declined by 12.9% to P178.8 million.

PhilWeb shares rose by 10.14% or 22 centavos to P2.39 apiece on Tuesday. — **Revin Mikhael D. Ochave**

Philippine carriers monitor Middle East conflict; PAL cancels flights

PHILIPPINE carriers said they are closely monitoring the escalating tensions between Israel and Iran after Philippine Airlines (PAL) canceled select flights to the Middle East.

Flag carrier PAL announced the cancellation of its Manila flights to Doha, Dubai, and Riyadh scheduled for June 24.

It also canceled its Doha–Manila flight for June 25, the airline said in an advisory on Tuesday.

"The safety and security of our passengers and crew remain our top priority. We are in constant coordination with international aviation authorities, our network partners, and government agencies to assess any potential impact on our flight operations, particularly those that transit or fly near affected airspace," PAL said in a statement.

As of writing, all PAL flights bound for the Middle East on June 25 remain on schedule. The airline said it is actively monitoring developments and will issue further updates as needed.

"We advise passengers with upcoming flights to regularly check the PAL website and official social media channels for the latest travel updates and advisories," PAL said.

Meanwhile, budget carrier Cebu Pacific said all its flights to and from Dubai will continue to operate as scheduled.

"Our route does not fly over conflict-affected areas in the Middle East, allowing us to operate safely. We continue to actively monitor the situation and will share further updates as necessary," Cebu Pacific said in a statement.

Cebu Pacific is offering flexible options, including free rebooking and travel fund conversion, for passengers traveling to and from Dubai who wish to reschedule their trips.

On Sunday, several Middle Eastern countries temporarily closed their airspace after Iran attacked a US military base in Doha, Qatar, prompting some airlines to cancel or reroute flights, according to a Reuters report. — **Ashley Erika O. Jose**

Cebu ice maker renews RE deal with First Gen

LOPEZ-LED First Gen Corp. has renewed its partnership with Cebu Cube Ice Corp., a supplier of purified ice under the "Ice Man" brand, to supply electricity from renewable energy (RE) sources.

First Gen will provide 600 kilowatts (kW) of electricity per month from renewable sources to Cebu Cube Ice's production facility in Mandaue City, the company said in a media release on Tuesday.

"We are very pleased to continue our partnership with Cebu Cube Ice as they invest in decarbonizing their operations. This proves that large or small, any enterprise can find solutions to reduce their carbon footprint and use electricity more efficiently," said Carlo Vega, First Gen chief customer engagement officer.

Founded in 1992, Cebu Cube Ice supplies purified ice to nearly 2,000 customers, including major hotels, restaurants, and retail chains such as supermarkets and convenience stores in Cebu province.

The company integrates reverse osmosis in its water purification process to ensure "the highest standards for safety and sanitation in its ice production process." It has also invested in cold storage facilities across Cebu to ensure a continuous 24/7 supply of ice.

The renewed partnership follows the initial agreement signed in 2022, making Cebu Cube Ice among the first adopters in Cebu of the government's Green Energy Option Program (GEOP).

FIRST GEN Chief Customer Engagement Officer Carlo Vega (second from left) and Cebu Cube Ice President and CEO Robert Tiu (third from left) shake hands after renewing an agreement for First Gen to supply Cebu Cube Ice with electricity from an RE source. Also in photo are Arlene Sy (left), First Gen sales and marketing head; and Elizabeth Tiu, Cebu Cube Ice chief financial officer.

Implemented under the Renewable Energy Act of 2008, GEOP allows large electricity consumers with an average peak demand of at least 100 kW to source their power directly from a renewable energy supplier.

First Gen's power portfolio currently has a combined capacity of 3,668 megawatts (MW) from geothermal, wind, hydropower, solar, and natural gas facilities. — **Sheldeen Joy Talavera**

Oil prices,
from S1/1

Mr. Bellas said a decrease in MOPS "will help bring down this week's average and could equate to a lower increase for next week, or potentially to a rollback in pump prices if the low MOPS prices are maintained throughout this week."

During a Palace briefing, Department of Energy Officer-in-Charge Sharon S. Garin said the government is in talks with oil firms to potentially hold off the second installment of the price hikes this week, given the recent drop in global crude prices after a ceasefire between Iran and Israel was announced.

On Tuesday, several local oil companies implemented a hike in gasoline prices by P1.75 per liter, diesel by P2.60 per liter, and kerosene by P2.40 per liter.

Oil firms will implement a second round of price hikes either Thursday or Friday.

Reuters quoted US President Donald J. Trump as saying that a ceasefire was accepted by Iran and Israel and was in effect, after Iran's strikes on US bases in Qatar on Monday ramped up fears of an escalation in the conflict.

However, some caution remained after Israel ordered new strikes on Tehran in response to alleged attacks, violating the ceasefire, which were denied by Iran.

Noel M. Baga, co-convenor of think tank Center for Energy Research and Policy, said that the Philippines must prioritize energy security by establishing a strategic petroleum reserve and diversifying oil imports beyond the Middle East.

"The Middle East conflict shows that real solutions come from reducing import dependence, not managing prices. The Philippines must build a resilient energy system that protects against future geopolitical shocks," he said in a Viber message.

However, Mr. Bellas said that "the best source" of crude oil for the country's sole refinery is still in the Middle East.

"Importation from other sources can be an option if Middle East crude becomes inaccessible. But the cost to bring the crude oil from those other sources will definitely be higher vis-a-vis Middle East. The quality of crude oil varies depending on the source and can also be a factor if such can be used as feedstock by the refinery in the Philippines," he said.

For refined fuel products, the country mostly sources from refineries within the Asian region, he said.

Analysts said that accelerating the country's transition to renewable energy and expanding public transportation would be a better long-term solution.

"In the longer term, the government must hasten the country's transition to indigenous renewable energy and prioritize the development of mass transportation. Without this, Filipinos will remain forever vulnerable to global political tensions and market disruptions," said Gerry C. Arances, executive director for Center for Energy, Ecology, and Development.

Mr. Arances said that the government should revisit the Downstream Oil Industry Deregulation Act of 1998.

"As an immediate action, the government needs to exercise its power to cushion consumers from impacts of soaring fuel prices. We need to revisit the Oil Deregulation Law, which removed government controls on petroleum products," he said.

However, Mr. Baga said that rather than revising the law, the government should focus on structural reforms such as boosting domestic biofuel production, improving fuel efficiency standards, and investing in local energy sources.

"Emergency price controls may provide temporary relief but often create supply shortages," he said. — *with inputs from* **Chloe Mari A. Hufana** *and* ***Reuters***

Middle East,
from S1/1

Pacific Sovereign Ratings director at Fitch Ratings told *BusinessWorld*.

However, the "final impact" of the war will rest on the duration and size of the oil price shock, Mr. Krustins said.

After surging on Monday, oil prices fell after US President Donald J. Trump announced a ceasefire between the Iran and Israel. Reuters reported that oil prices duly slumped almost 3% on Tuesday, on top of an almost 9% tumble overnight as the immediate threat to the vital Strait of Hormuz shipping lane appeared to have lessened.

US crude futures are back at $66.80 per barrel, about the lowest since June 11 before Israel's attacks on Iran began.

"Likely to speed up inflation, as we import oil primarily. Oil, being a production input that links to many other industries, can trigger price increases down the line," Ateneo Center for Economic Research and Development Director Ser Percival K. Peña-Reyes told *BusinessWorld*.

Inflation cooled to an over five-year low of 1.3% in May, as utility costs rose at a slower pace. This brought the five-month average to 1.9%, slightly below the BSP's 2-4% target band.

S&P Global Market Intelligence Principal Economist Harumi Taguchi said inflation could settle to 2.3% in the second half and less than 2% for the full year.

"The situation is still uncertain, but assuming the oil prices stay around the current $75 per barrel and the peso remains at the current level through this end of the year," Ms. Taguchi said in an interview on *Money Talks with Cathy Yang* on One News on Tuesday.

If oil prices surge to over $100 per barrel, inflation will likely accelerate to over 4% in the first half of 2026, she said.

The Bangko Sentral ng Pilipinas (BSP) last week slashed its inflation forecast to 1.6% for this year from 2.4% but noted that higher oil prices could add to inflationary pressures.

BSP Governor Eli M. Remolona, Jr. earlier warned that rising global oil prices and the weakening peso could bring inflation to 5%, breaching the 2-4% target range.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort projected a 0.5-0.7-ppt increase in inflation if crude oil prices remain elevated.

"The resulting higher local fuel pump prices would lead to higher prices of other goods and services, passing the effects of higher world crude oil prices and weaker peso recently, thereby could lead to some pickup in overall inflation," he said in a Viber message.

REUTERS/DADO RUVIC/ILLUSTRATION

MINIATURES of oil barrels and a rising stock graph are seen in this illustration. After surging on Monday, oil prices fell after US President Donald J. Trump announced a ceasefire between Iran and Israel.

Local fuel retailers implemented the first tranche of the oil price hike on Tuesday, while some firms are implementing the second tranche either on Thursday or Friday.

The total price increase for the week is P3.50 per liter for gasoline, P5.20 per liter for diesel, and P4.80 per liter for kerosene.

ANZ Research said the Philippine inflation will likely see a 0.1% uptick in the near term, citing oil's relatively low weight in the Philippine CPI basket at 2.4%.

"While the Philippines and mainland China have seen a larger rise in pump prices, vehicle fuels make up a smaller share of their inflation basket," it said in a note.

Mr. Ricafort also warned that the biggest risk for global crude oil supply is the disruption in the Strait of Hormuz, where 20% of the world's supply passes through.

GlobalSource Partners Country Analyst Diwa C. Guinigundo said a sharp increase in petroleum prices could trigger higher prices for food and nonfood commodities.

"If JPMorgan's oil price forecast of between $120 and $130 per barrel materializes over a prolonged period, it's likely that we see a breach of the 2-4% inflation target," Mr. Guinigundo told *BusinessWorld*.

The former BSP deputy governor also said second-round effects may be felt such as higher wages and transport fares.

Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said the crude oil price trend is "not yet explicitly inflationary," noting Brent crude remains 9% lower year on year.

"Reassuringly as well, oil futures still point to prices starting to calm down from September onwards," he said.

He also said the risks to inflation globally, and not just the Philippines are now skewed to the upside.

"The good news from the Philippines' standpoint is that it can arguably tolerate a rise in oil prices and, by extension, transport prices (etc.), given how low headline inflation has sank this year," he said.

The Philippine Statistics Authority is set to release June inflation data on July 4, but analysts said the impact of the latest oil price spike will likely to be felt in the next two months.

'WORSE' THAN RUSSIA-UKRAINE WAR

Mr. Peña-Reyes warned that the inflationary impact could be similar or "possibly worse" compared to the Russia-Ukraine war, which started in 2022.

During the onset of the war in late February, Philippine inflation spiked to 4% in March followed to 4.9% in April. It further stretched to 8% levels in November and December.

"It's possible to see a similar situation that we saw during the Russia-Ukraine if this war is escalated with both the participation of Europe aside from the US as well as those more sympathetic to Iran like China and Russia," Mr. Guinigundo said.

He also anticipated some retaliation that may set off a "train of global uncertainties and volatilities."

"The 35% increase in global prices in 2022 took place over five months and was from a higher base of around $80/barrel," IBON Foundation Executive Director Jose Enrique "Sonny" A. Africa said.

"Even though we're starting from a lower base now, the current situation is, however, many times more alarming because the turmoil from the US-Israel-driven conflict is escalating in the major oil-producing region of the Middle East."

Mr. Africa also recalled that oil prices doubled during past regional conflicts, such as the Iran-Iraq War, the Gulf War, and the US invasion of Iraq.

"If the week-long surge extends into months because of continued US-Israeli aggression, it is not unlikely to see another doubling of oil prices to $130 or more with huge effects on domestic inflation and further second-round effects from greater global economic turmoil," Mr. Africa said.

He criticized short-term government measures like fuel subsidies as insufficient, urging structural reforms to reduce dependence on imported oil and food. — **Aubrey Rose A. Inosante** *with* **Chloe Mari A. Hufana**