

## Analysts: DigiPlus' Brazil delay unlikely to affect long-term outlook

DIGIPLUS INTERACTIVE CORP.'S decision to pause the soft launch of its Brazilian gaming platform GamePlus may unsettle investors in the short term but reflects a pragmatic move to recalibrate its international strategy for stronger long-term growth, according to analysts.

"While the delay might raise shortterm concerns among investors about the pace of international expansion, the focus on cultural adaptation and better product-market fit could ultimately strengthen confidence in the company's strategy," Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a Viber message.

China Bank Capital Corp. Managing Director Juan Paolo E. Colet said the move demonstrates management's flexibility and pragmatism.

"The initial foray is always the most challenging, and in this case, the company quickly realized they had to change direction," he said. "We have to give them credit for being pragmatic and decisive. The pause will allow them to revisit their assumptions, recalibrate their strategy, and localize their offerings to better suit Brazilian customers."

Mr. Colet said the announcement could trigger some near-term share price volatility but should not derail DigiPlus' broader international growth story.

"It's not the news DigiPlus investors had hoped to hear, but this is just a temporary setback," he said.

Mr. Limlingan said that the pause is unlikely to strain relationships with regulators or partners. "It reflects a commitment to ensuring relevant offerings. However, if competitors capitalize on the gap in the market, it could present concerns about PLUS' future positioning," he said.

In a disclosure on Oct. 10, DigiPlus said it decided to temporarily pause the soft launch of GamePlus to better tailor the platform to Brazilian player preferences and cultural nuances.

"We are taking the strategic step to pause GamePlus in Brazil so we can come back stronger with a digital entertainment offering that is not only locally relevant but also resonates deeply with Brazilian culture and entertainment habits," DigiPlus Chairman Eusebio H. Tanco said in the statement.

The pause, effective Oct. 10, will allow DigiPlus to focus on quality, cultural resonance, and sustainability.

The company said its teams in the Philippines and Brazil are developing a

new product, with plans to relaunch the platform in early 2026.

DigiPlus said it used the three-week soft-launch period to observe and learn from real player behavior in Brazil. The data collected, it said, will guide product improvements and help create a game experience suited to local entertainment habits.

GamePlus was initially launched on Sept. 22 with more than 150 games, offering both free-to-play and realmoney options.

Following its entry into the Brazilian market, DigiPlus last month filed applications for three licenses in South Africa, marking its second international expansion.

DigiPlus shares fell by 0.64% or 15 centavos to close at P23.45 apiece on Tuesday. — Alexandria Grace C. Magno

## IATA warns supply chain woes to hit airline growth

By Ashley Erika O. Jose Reporter

SUPPLY CHAIN bottlenecks are expected to constrain the airline industry's projected growth as aircraft production delays and rising maintenance costs weigh on carriers' fleet expansion plans, the International Air Transport Association (IATA) said.

"Challenges within the aerospace industry's supply chain are delaying production of new aircraft and parts, resulting in airlines reevaluating their fleet plans and, in many cases, keeping older aircraft flying for extended amounts of time," IATA said in a report dated Oct. 13.

According to IATA, a trade association of airlines, the global commercial backlog reached a record high of more than 17,000 aircraft last year, higher than the 2010-2019 average backlog of around 13,000 aircraft annually.

With this, the airline industry could potentially lose over \$11 billion in 2025, it said, noting that supply chain issues have led to excess fuel costs, higher maintenance expenses, additional engine leasing costs, and surplus inventory holding costs.

"The current aerospace industry economic model, disruptions from geopolitical instability, raw material shortages, and tight labor markets all contribute to the origin of the matter," IATA said.

"Airlines depend on a reliable supply chain to perate and grow their fleets efficiently. Now we have unprecedented waits for aircraft, engines, and parts, and unpredictable delivery schedules," IATA Director General William M. Walsh said.

In an earlier report, IATA said the airline industry is projected to improve despite global economic uncertainty. It expects the aviation sector to post a net profit of \$36 billion in 2025, higher than the \$32.4 billion recorded in 2024.

Nigel Paul C. Villarete, a senior adviser on public-private partnerships at the technical advisory group Libra Konsult, Inc., said supply chain disruptions will likely affect the Philippines but probably with less frequency or severity.

"We're not a pass-through or transfer country in the supply chain; we are more of a supplier or recipient destination. Our growth is directly dependent on overall economic growth, so for as long as our national economic position is robust, we'll have the same for this sector, too," he said in a Viber message.

Supply chain disruptions will continue to affect existing and traditional operations, he

DBCC (Development Budget Coordination Committee) assumptions," Mr. Recto said.

two to three quarters "at most" to address the

flood control issue but infrastructure spend-

ing will "definitely contract next year."

Mr. Recto said it may take the government

Meanwhile, Economy Secretary Arsenio M.

Balisacan said meeting the full-year growth

target has "become harder" amid a likely slow-

down in government spending and persistent

quarter economic performance (in the first

week of November) before the DBCC makes a

move," he told BusinessWorld in a Viber mes-

release first-quarter GDP data on Nov. 7.

The Philippine Statistics Authority will

"But we'll wait for the release of the third-

Corruption,

external headwinds.

sage on Tuesday.

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from S1/1

said, noting that the extent of the impact will vary across sectors.

"Changing where supply originates and where these are delivered and through which airline or airport will impact growth. Of course, this may favor some airlines but will surely negatively impact others," he said.

"Any change in the existing arrangement could and will affect airlines - some with unexpected increases while others will feel a decline in frequency, numbers, or both," Mr. Villarete added.

According to the IATA report, supply chain challenges have resulted in excess fuel costs as airlines continue to operate older aircraft that are less fuel-efficient, leading to higher fuel expenses.

"The global fleet is aging, and older aircraft require more frequent and expensive maintenance," it said.

"Last year, as with many airlines, we had reliability issues largely due to supply chain and engine issues. Our operations teams have worked so successfully to overcome this." Philippine Airlines (PAL) President Richard Nuttall said at a recent aviation forum.

Global supply chain constraints continue to hamper airline operations, with shortages of aircraft parts, skilled labor, and new planes posing significant challenges.

For the six months to June, PAL Holdings, Inc., the operator of flag carrier Philippine Airlines, saw its attributable net income rise by 28.31% to P7.66 billion from P5.97 billion in

Combined revenues for the January-to-June period increased by 2.66% to P93.34 billion from P90.92 billion a year earlier.

Last week, the company also announced plans to refurbish its older fleet, including Airbus A330 and Boeing 777 aircraft, with initial estimates for the project at \$14 million

Cebu Air, Inc., the operator of budget carrier Cebu Pacific, reported that its attributable net income more than doubled to P8.97 billion in the first half from P3.55 billion a year earlier.

The company's gross revenue for the first half rose by 23.11% to P63.33 billion from P51.44 billion a year ago. Passenger revenues accounted for most of its total at P44.23 billion, while cargo and ancillary revenues generated P3.51 billion and P15.59 billion, respectively.

The budget carrier previously said it had been implementing proactive measures to manage engine and supply chain issues to sustain growth.

The Bangko Sentral ng Pilipinas (BSP) last week cut its key policy rate by 25 basis points to

BSP Governor Eli M. Remolona, Jr. last

Mr. Recto said the slowdown in global trade and

4.75% as it sought to support economic growth as the corruption scandal darkens the outlook.

week left the door open for another cut at the Dec. 11 meeting, and possibly more next year.

## Ice maker taps MPower to energize more plants

MPOWER, the retail electricity arm of Manila Electric Co. (Meralco), has expanded its partnership with ice manufacturer Mr. Freeze Tube Ice, Inc. to power several of the latter's plants across the southern part of Luzon.

Mr. Freeze has aggregated the power demand of its ice plants in Metro Manila, Cavite, Laguna, Batangas, and Bulacan to participate in the government's Retail Aggregation Program (RAP), MPower said in a statement on Tuesday.

RAP allows smaller electricity end-users to consolidate multiple accounts within the same franchise area and purchase power in bulk from retail electricity suppliers.

MPower began its partnership with Mr. Freeze in 2005 through the energization of the company's first ice plant.

"Our business has always been built on strong relationships, and we're happy to continue growing with Meralco and MPower. We look forward to sustainable growth and continued success as we power our Mr. Freeze ice plants, and we're excited for this new journey with MPower by our side," Mr. Freeze President and Chief Operating Officer Philip Gerald Santos said.

The company said the move reflects Mr. Freeze's commitment to operational efficiency and energy cost management.

"This partnership is not just about business, it's about the shared goals we believe in: sustainability, responsible energy use, and putting the customer first," Meralco First Vice-President and Head of MPower Redel M. Domingo said.

"MPower is more than just a supplier, we're a partner committed to growing with you and supporting what matters most," he added.

MPower serves contestable customers, including large corporations within Meralco's franchise

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insights

area. It currently holds more than a 25% share of the competitive retail electricity market within Meralco's coverage.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in BusinessWorld through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera** 

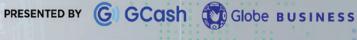


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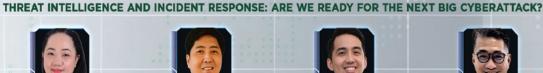




entire year. And our revenue-to-GDP ratio is climbing, we're already at roughly 16.5%," Mr. Recto said. "Clearly, the problem lies on the

Finance chief said.

higher US tariffs are affecting revenue collection. - Aubrey Rose A. Inosante



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more rate cuts will be "good for the economy."

Mr. Recto, who sits on the Monetary Board, said

"It all depends on the lookout for inflation. For now, it looks like it will be within target, and we have reduced interest rates already. Hopefully, another rate cut," he said.

expenditure side, not on the revenue side." The government aims to collect P4.52 trillion this year, climbing to P4.98 billion in 2026, based on the 2026 Budget of Expenditures and Sources of Financing. However, the BIR and BoC are expected to fall slightly short of their 2025 collection goals of P3.22 trillion and P958.7 billion, respectively. Mr. Recto also noted that slowing economic growth and global uncertainties such as the