PAGCOR gross gaming revenue stalls after e-wallet delinking order

GROSS gaming revenue (GGR) declined 0.11% to P94.51 billion in the third quarter, after electronic wallets were ordered delinked from online gaming sites, the Philippine Amusement and Gaming Corp. (PAGCOR) said.

Nevertheless, electronic gaming remained the company's top performer, rising 17.4% year on year to P41.95 billion, accounting for 44.4% of GGR.

"The delinking of e-wallets resulted in a short-term decline in activity toward the latter part of the quarter," PAGCOR Chairman and Chief Executive Officer Alejandro H. Tengco said in a statement on Tuesday.

In August, the Bangko Sentral ng Pilipinas (BSP) ordered all electronic wallets, banks and other supervised institutions to remove in-app gaming functionality, including any links that direct users to gambling websites.

Mr. Tengco said e-games growth was carried by strong July revenue, which subsequently declined in August and September after the delinking order.

Online gambling has raised concerns about gambling addiction, setting off a debate about whether to ban the industry outright or to regulate it to preserve its contributions to government revenue.

He said illegal online gaming sites continue to expand aggressively, putting players at risk.

"These unauthorized platforms do not follow responsible gaming standards, do not pay taxes, and put players at risk of data theft and fraud," PAGCOR's Mr. Tengco said.

He also called on the public to avoid illegal sites and to engage only with PAGCOR-licensed platforms.

Meanwhile, other segments aside from the e-games posted sharp declines.

PAGCOR said revenue generated by government-owned casinos fell 11.6% to P3.64 billion, while bingo revenue slipped 16.2% to P3.79 billion, it said.

Licensed casinos brought in 48.2% of GGR, bingo operations accounted for 4% during the quarter and PAGCOR-operated gaming venues generated 3.4%.

Mr. Tengco remains confident in a rebound, citing player adaptation to new e-wallet protocols and a crackdown on illegal gambling platforms.

The Department of Economy, Planning, and Development (DEPDev) has described the contribution of the industry to the economy as minimal. — **Aubrey Rose A. Inosante**

Third-party vetting proposed to deter public-works bid rigging

By Justine Irish D. Tabile
Reporter

THE GOVERNMENT needs to consider the involvement of a third party to vet public infrastructure auctions, the Makati Business Club (MBC) said.

MBC Executive Director Rafael ASG Ongpin said the procurement law does not seem to have resulted in transparency in bidding for government projects.

"They tried. The procurement law is not that old. I am not an expert in this, but I think it is going to take direct intervention on the part of the government to put in a third party to really scrutinize all of these biddings," he told reporters on Tuesday.

"It is going to be hard because there are tens of thousands of these projects. But obviously, they are able to get around the procurement law," he added.

He said that the MBC has long been questioning why such auctions do not involve reputable large infrastructure companies.

"It's really about corruption, but it's something that the Philippine Competition Commission (PCC) can address," he said.

"If PCC can make these bids fair, then we can get these reputable firms with integrity to bid," he added.

According to Mr. Ongpin, the infrastructure corruption scandal has turned the government cautious about releasing funds for public projects.

"The reason that the corruption scandal has had an effect on this quarter's gross domestic product growth is because the government precisely is scrutinizing the spending. So they're not releasing the money," he said.

"It's not going to meet targets, certainly, because of this slowdown in the third quarter. But for 2026, I suppose there's the potential that it can right itself," he added.

The PCC is currently working with the Department of Public Works and Highways to investigate alleged anti-competitive behavior in the procurement of flood control projects.

"It is still ongoing, so it is all gathering evidence and firming up the case," PCC Chairman Michael G. Aguinaldo said.

"It's a priority. That's all I can say right now. We're trying to speed it up. But you're only as good as the evidence that you are able to gather," he added.

He said it is difficult for a third-party observer to detect bid rigging even by being present during the bidding process.

"You won't see that from the bid itself but from the historical data, the past bids ... That might give you an indication. But that alone (will not suffice). You still need to establish that link or (establish that bidders communicated with each other)," he added.

He said that he hopes the current investigations deter bid rigging in the future.

Private-sector role in keeping noche buena prices steady cited as cue for gov't support

THE Federation of Philippine Industries (FPI) said the restraint shown by manufacturers in keeping prices of holiday items steady needs to apply to more goods in the face of rising raw material prices, with the need for government support increasingly becoming necessary.

FPI Chairman Elizabeth H. Lee said the recently released Noche Buena Price Guide of the Department of Trade and Industry (DTI) — detailing the suggested prices of commonly consumed items during the Christmas feast — reflects the collaboration of industry and government in keeping seasonal staples affordable.

FEDERATION OF PHILIPPINE INDUSTRIES, INC.

"Manufacturers have stepped up, absorbing higher costs from fuel, logistics, packaging, and raw materials — even as recent typhoons disrupted local supply chains," she said in a statement on Tuesday.

"This commitment reflects their dedication to consumers and to sustaining holiday traditions," it added.

In the price guide, the DTI reported steady prices for 129 of the 256 holiday food items, while 95 posted increases.

However, Ms. Lee said that food costs are being driven upward by multiple factors.

"The peso's depreciation makes imported inputs more expensive; fuel and logistics costs remain elevated; packaging materials have risen in price globally; and recent typhoons would obviously disrupt local supply chains, especially in the hardest-hit areas," she said.

Despite the private sector's ability to absorb these pressures, she said larger firms are able to manage better than small producers.

"To build on the success of collaboration between government and producers, proactive measures are needed to make price stability truly sustainable," she said.

"Strengthening agricultural recovery programs, ensuring affordable access to raw materials, reducing logistics bottlenecks, and maintaining predictable trade and regulatory policies will help ease current pressures," she added.

She said these measures will help manufacturers become more resilient, which is needed for long -term stability.

"This way, we can not only safeguard consumers from sudden price shocks but also support the long-term competitiveness of local manufacturers," she said.

"With continued government support, industry can keep food affordable while safeguarding growth potential — a win for both manufacturers and Filipino households," she added. — **Justine Irish D. Tabile**

BPI sees GDP returning to 5% growth track next year

BANK of the Philippine Islands (BPI) expects the economy to return to 5% growth next year, calling the third-quarter reading of 4% an anomaly and arguing that the government could eventually get a handle on the issues holding spending back.

"Next year, I think the economy should still grow about 5%. I think the Q3 number might be a one-off. It might spill a little bit to Q4 as the government tries to understand its spending. But I think as we roll into next year, we should hopefully get back to the 5% handle," BPI President and Chief Executive Officer Teodoro K. Limcaoco told reporters on the sidelines of an event.

Growth of 5% would be lower than the government's official 6-7% gross domestic product (GDP) growth target for 2026.

Mr. Limcaoco said the third-quarter GDP reading was the result of the government having to rein in spending as it grappled with corruption in public works, particularly flood control projects.

"I guess it's a little bit disappointing but not quite unexpected. I think the magnitude of the drop was a little surprising to everyone. But we (thought) that Q3 GDP would be slightly lower. We realized that with the current concerns about flood control, that government spending had been, I guess, reduced as they try to get things in order," he said.

He added that bad weather dampened consumer spending during the period.

"Anecdotally, we're hearing from our retail clients that September was a pretty weak month, primarily because of the weather," Mr. Limcaoco said.

GDP grew 4% in the three months to September, the weakest in over four years and well below the 5.5% expansion in the second quarter and the 5.2% clip from a year earlier. It was also way below the 5.3% median estimate in a *BusinessWorld* poll of 18 analysts and economists.

In the first nine months, GDP averaged 5%, well behind the pace of the government's 5.5%-6.5% full-year target.

Mr. Limcaoco said the muted third quarter growth reading, paired with controlled inflation, points to a rate cut by the Bangko Sentral ng Pilipinas (BSP) in December.

However, he noted the central bank still needs to weigh how the Federal Reserve's own easing cycle affects the peso.

"Obviously, some economists are saying that with the 4% Q3 growth, that there's room for the BSP to cut. I think the BSP will have to take a look also at what the Fed is doing because they've got to watch out. Otherwise, there (could be an impact on) the currency," he said.

The BSP last month reduced benchmark rates by 25 bps for a fourth straight meeting, bringing the policy rate to 4.75%. Since starting its easing cycle in August last year, the Monetary Board has cut rates by a total of 175 bps.

BSP Governor Eli M. Remolona, Jr. has said that another cut is possible at the central bank's Dec. 11 meeting and further into next year amid a softening growth outlook. — **Aaron Michael C. Sy**

Typhoon Tino expected to result in crop insurance payout of P251M to affected farmers

THE Philippine Crop Insurance Corp. (PCIC) set aside nearly P251 million to cover potential crop insurance payouts to farmers affected by Typhoon Tino (international name: Kalmaegi), according to the Department of Agriculture (DA).

Following assessments conducted between Nov. 4 and 7, the PCIC reported that 32,247 insured farmers across nine regions incurred losses due to the typhoon.

The largest number of affected farmers, around 10,352 individuals, was reported in the Eastern Visayas.

According to PCIC President Jovy C. Bernabe, the damage estimates by crop included P56.7 million for rice, P42.3 million for corn, and P74.3 million for high-value crops.

Some P169.9 million of the estimated payout will likely go to farmers in the Central Visayas, Negros Island Region, and the Eastern Visayas.

Mr. Bernabe said in a statement that PCIC personnel have instructed to expedite the processing of claims.

The DA said it also activated its Quick Response Fund and the Survival and Recovery Loan Program to support farmers and fisherfolk. — **Vonn Andrei E. Villamiel**

Transmission rates up in November billing

POWER CONSUMERS will be charged higher transmission rates in their electricity bills for November due to the increase in the cost of power reserves used to maintain reliable operations, the National Grid Corp. of the Philippines (NGCP) said.

In a briefing on Tuesday, Julius Ryan D. Datingaling, NGCP head of business and regulatory development, said overall transmission rates rose 7.91% to P1.5105 per kilowatt-hour (kWh).

"The increase in rates generally is due to the ancillary service (AS) reserve," Mr. Datingaling said.

AS charges, or power reserves tapped by grid operators to support the transmission of power and to maintain reliable operations, increased 15.23% to P0.7542 per kWh. AS suppliers are under contract to provide standby power when required, entailing higher costs.

Meanwhile, transmission wheeling rates rose 0.57% to P0.5953 per kWh. These reflect the cost of delivering electricity from power generators to the distribution system.

NGCP reiterated that it does not earn from AS as these are remitted directly to generation companies with bilateral contracts with the company, and to the spot market operator for AS sourced from the reserve market.

"The increase in effective transmission wheeling rates has no effect on NGCP's revenue as its income is cap-limited by the Energy Regulatory Commission," NGCP Assistant Vice-President Cynthia P. Alabanza said.

The NGCP officially started operations as a power transmission service provider in 2009. — **Sheldeen Joy Talavera**