

# Manila Bay casino city to proceed

State-Run gambling firm Philippine Amusement and Gaming Corp. said construction of its USD 10-billion Entertainment City on Manila Bay will start in the first quarter next year – and despite the financial crisis that has delayed a number of casino projects in Asia.

The complex would allow Pagcor to more than double its income to about USD 1.3 billion by 2012, a company official said.

“We see no problems hampering construction,” the official said.

“As far as we can see, our project is not affected by the financial crisis.”

Pagcor recently released the terms of reference for the 85-hectare Bagong Nayong Pilipino Entertainment City, in which each investor is required to put in at least USD 1 billion.

The complex will be built on reclaimed land, and it will include hotels, convention centers, theaters, sports stadiums, restaurants, shopping centers, cultural complexes, museums and amusement parks.

Pagcor said earlier it had secured commitments from investors such as the Genting Berhad Group and Star Cruises of Malaysia, Alliance Global Inc. of the Philippines, the Aruze Group of Japan, and Bloomburry Investments of Australia.

The company said no prospective investors were pulling out of the project despite the financial crunch.

“In fact, SM Investments Corp. is in the process of completing the requirements asked by Pagcor of investors in the project,” the official said.

“SM is also in talks with various foreign groups such as MGM Resorts for possible tie-ups.”

The official said unaudited figures showed that Pagcor’s income rose 11.6 percent to P14.85 billion in the first half of 2008 from P13.30 billion in the same period last year.

He said growth continued to the second half of the year, though figures were not yet available.

“October was a record-breaking month,” he said.

“We gained our second highest monthly income in the history of Pagcor that month.”

The official cited a study by the accounting firm Price Waterhouse Coopers saying Pagcor’s revenues would increase at the compound rate of 17.8 percent until 2012.

“Revenues will increase from USD 577 million in 2007 to a projected USD 1.3 billion in 2012,” the official said.

Still, a big casino operator being wooed by Pagcor is facing bankruptcy.

Las Vegas Sands Corp., which operates casinos in Las Vegas, Macau and Singapore, has hinted that it may default on its USD 8.8-billion debt.

Casino revenues in Las Vegas and Atlantic City have gone down this year as a result of the financial crisis, which has prevented Americans from spending on non-essentials.