

PHL semicon sees sunshine

Meralco and subsidiaries poised to support



Dr. Dan Lachica, President of SEIPI delivers his welcome address to an anticipatory crowd during the 11th Philippine Semiconductor and Electronics Convention and Exhibition (PSECE) 2014 at the SM Mall of Asia SMX Convention Center. The semiconductor and electronics industry is expecting significant gains from the nation's booming economy.

At the 11th Philippine Semiconductor and Electronics Convention and Exhibition (PSECE) 2014 at the SM Mall of Asia SMX Convention Center, the Semiconductor and Electronics Industries of the Philippines Inc. (SEIPI) indicated that 2014 will be a turning point for the semiconductor industry following two years of tepid movement.

SEIPI is the largest organization of foreign and local semiconductor and electronics companies in the country, with a membership of 255 manufacturing and allied partner suppliers from various subsectors; such as automotive electronics, consumer, telecommunications, office equipment manufacturers, and others.

A number of economic studies^[1] have characterized the nation as having entered "newly industrialized" status in 2011. According to HSBC, the Philippines' emergence has been keyed by exports moving from agricultural to semiconductors and electronics manufacturing.

SEIPI reports that the sector has accounted for 40 percent of the country's total export receipts in the first quarter of this year and generates about 23 percent of GDP, which puts it in the best interest of stakeholders to ensure that it is fully supported.

"This year's projections are quite favorable. The industry is set to grow," said Dan Lachica, President of SEIPI. "But we can't be sidetracked by peripheral issues which is why we welcome companies that can handle concerns outside our core competence."

In anticipation of this surge in the electronics and semiconductor space, Meralco and its subsidiaries have lined-up a roster of services.

Meralco evolves as well to full energy solutions expertise

While keeping its core business in cruise control, Meralco anticipated the rapid changes in the business landscape and developed more integrated platforms. When customers approached with out-of-box service inquiries, the utility was already set to meet their needs. Subsidiaries in power generation, energy solutions management, construction, engineering, logistics, and fiber optic systems had already been receiving increased investments. By introducing innovations to staple services, Meralco is poised to meet diverse business demands.

As in the past, Meralco continues to ensure least cost pricing to support the country's growing industries, particularly for the corporate workhorses that have made the country's growing industrialized status possible. Subsidiaries have customized services to address needs beyond the meter. They provide expertise on streamlining operations, allowing customers the freedom to concentrate on competencies. Improved operational costs can lead to reallocation and reinvestments of savings.

Meralco Industrial Engineering Services Corporation (MIESCOR) holds the highest contractor license Category AAA and specializes in construction, engineering, and maintenance activities related to power generation, transmission, and distribution. In the past, Meralco conventionally comes in

during the construction of a facility to provide expertise on power. With MIESCOR, client engagement can start from a much earlier phase as it is a full-blown engineering, procurement, and construction (EPC) company.

"We've had situations where customers ask for that were load-side in nature, which Meralco didn't necessarily provide," said Victor Genuino, Meralco's Vice-President and Head of the Corporate Business Group. "So we re-positioned a specific subsidiary called MServ to focus on electro-mechanical design and beyond the meter services."

MServ is the country's premiere energy management company delivering Meralco's promise of end-to-end service by providing tailored solutions to customer's electricity facilities-related requirements. They are a one-stop shop that gives customers the freedom to focus on their core business by providing design, construction and installation, and maintenance and operation of electrical facilities.

Radius Telecoms, Inc. is another Meralco subsidiary. It controls a wide range of fiber optic resources, and holds the record as the networking partner for stellar ICT companies and the biggest names in the local and international telecommunications industry. Radius has been certified by the Metro Ethernet Forum (MEF), an international consortium for the standardization of Carrier Ethernet Services.

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-Victor S. Genuino

Meralco Vice President and
Head Corporate Business Group

Inclusive growth

Based on a recent study by SEIPI on the sector's impact on the economy, one direct job hire was found to create seven additional indirect jobs. In 2012, 2.06 million people were employed within the semiconductor industry, direct and indirect combined, despite the previous years' sector decline. Economic health is

bolstered when employment grows from the multiplier effect.

But over and above employment figures, Meralco is also keen on business landscape improvements to increase the allure of direct foreign investments.

According to Genuino, SEIPI is among the top industry organizations that they track. Meralco and its subsidiaries believe that mechanisms in support of this manufacturing ecosystem have to be in place for the favorable trends to continue, thus they have transitioned in becoming a stronger partner for progress.

It proactively puts in place measures to keep up with the growth – measures that redound to increased investor confidence.

SEIPI was pleased about renewed interest from investors at the PSECE. The Philippines is once more viewed as a favorable destination for multinational locators.



Victor Genuino, Meralco's Vice-President and Head of the Corporate Business Group (right) stands in front of an electric car as he explains the latest Meralco innovations in renewable energy to Dr. Lilia B. de Lima, Director General and Chairman of the Board of the Philippine Economic Zone Authority. With them is Meralco e-Vehicle Project Manager Anthony T. Agoncillo.

"Our semicon and electronics manufacturing customers are in prime position for growth and they are looking for a reliable business partner. That's why they see real value in what we're offering," said Genuino. "Engaging us frees them to focus on their area of expertise: to grow their business. And when industry workhorses grow, the country's economy grows with it."

For more information or to learn more about these and other Meralco solutions, <http://corporatepartners.meralco.com.ph/>.

¹"Newly Industrialized Countries," *Globalization and the Transformation of Foreign Economic Policy*, Ashgate Publishing, Ltd.; "Manufacturing industries (chapter 19), World development (chapter 22)", *Geography, An Integrated Approach* 3rd edition, Nelson Thornes Ltd.; and *Principles of Economics* 4th edition



Dr. Lilia B. de Lima and Victor Genuino (6th and 7th from left) are flanked by officers and members of MServ, MIESCOR, and Radius Telecoms, Inc., Meralco subsidiaries that headlined the power distributor's booth at the 11th PSECE.