

ANNEX C

6. Is there any possibility for the Philippines to develop its own system of developing and upgrading skills in specific industries like the parts processing industry?

Yes, As a matter of fact the UNDP/ILO together with the NMYC and other government agencies are currently involved in this particular area in cooperation with the private sector.

These efforts however needs more private sector involvement and consequently more funding in order to accelerate the development and implementation of industry specific training system. This critical undertaking has also been identified as a vital factor in the country quest to become a newly industrialized country by the year 2000 and should therefore be given higher priority by both public and private sectors.

By focusing efforts on future needs, the country should start gearing up its human resource development efforts towards industry specific skills development and upgrading with special attention to high value added technology and products. This will surely complement the Philippine's drive towards export led development rather than the obsolete import substitution approach. As such, developing a system for industry specific skills development and upgrading is not only possible, it is an absolute necessity for industrialization most especially in parts processing and other support industries.

SURVEY ON THE PRESENT CONDITION OF
PARTS PROCUREMENT IN THE PHILIPPINES

1. Results of the procurement including parts, etc.

This is a study into the actual condition relating to the factories operating in the Philippines such as:

- a. Amount of procurement (volume/weight);
- b. Percentage of In-house;
- c. Role of an affiliated company/independent company.

For:

- a. Metal casting
- b. Wooden patterns for casting
- c. Forging
- d. Metal dies for forging
- e. Die-casting
- f. Metal molds for die-casting
- g. Metal Press/Stamping
- h. Metal dies for metal press
- i. Metal molds for plastic injection

2. Company Background

Name of Company: AG&P-HONIRON DIVISION
 Address: cor. 2nd & Tacoma Sts., Port Area, Manila

Contact Person: R.A. VILLANUEVA Designation: VP & DIVISION MANAGER
 Telephone No/s.: 47-19-51 to 59 Fax No/s.: 40-01-61

Line of Business:

Products Manufactured	Monthly Production Capacity
Sugar Mill Equipment	100 tons/Mo.
Boiler	

3. Result of Parts Procurement in the Past:

Type of Parts Required	Quantity/Value (kgs./P'000)	Produced In-house (%)	Bought Locally (%)	Imported fr Japan (%)
Casted Parts				
Wooden Patterns for Casting				
Forged Parts				
Metal Dies for Forging				
Die-casted Parts				
Metal Molds for Die-Casting	105,000 KGS	NONE	60%	1.22%
Metal Pressed Parts				
Dies for Metal Press/Stamping				
Molds for Plastic Injection				

OTHERS (imported)
38.7%

4. How do you assess the Japanese system of a long-term on-the-job skills training (development and upgrading)?

CONSIDERING THAT THE PHILIPPINES HAS TRADE TECHNICAL SCHOOLS, THE JAPANESE LONG TERM TRAINING IS TOO LONG FOR SCHOOLS IN PHILIPPINES.

THE JAPANESE USUALLY TRAINS PEOPLE WHO GRADUATED FROM HIGH SCHOOL, REASON FOR THE LONG TERM PROGRAM

5. Is the Japanese style management applicable in the Philippines?

THE BASICS OF THE JAPANESE STYLE OF MANAGEMENT ARE ALMOST THE SAME AS THOSE APPLIED IN THE PHILIPPINES.

THE DIFFERENCES IN APPROACHES WILL DEPEND UPON THE

- 1) CULTURE & VALUES
- 2) GOVERNMENT LABOR POLICIES
- 3) PERCEIVED SECURITY OF TENURE OF WORKERS
- 4) WHILE ^{THE} JAPANESE GIVE ~~THE~~ MORE VALUE TO SENIORITY, THE OTHERS PREFER TO VALUE PERFORMANCE & CONTRIBUTION.

6. Is there any possibility for the Philippines to develop its own system of developing and upgrading skills in specific industries-- like the parts processing industry?

THERE IS ALREADY A SYSTEM DEVELOPED & NOW IN TRIAL IMPLEMENTATION.

YES.

7. Policies for Parts Procurement:

- a. What are your present policies for the procurement of parts (In-house production, purchase from local companies, purchase from Japanese companies operating in the Philippines, Import from Japan, etc.)

ASSUMING THAT QUALITY IS THE SAME, THE DECISION WHERE OR FROM WHOM TO BUY DEPENDS ON PRICE & DELIVERY TIME.

- b. Following letter (a), what are your policy for procurement in medium term?

WE WILL STILL FOLLOW THE PRESENT SYSTEM

Which of the processes mentioned above can be done in your company/in-house?

ALL OF ABOVE.

- c. Do you plan to implement changes with your present procurement policies (in the case of increasing or establishing new factories)?

Yes No

If yes, what changes do you expect in the future?

DEPENDING ON BUSINESS DEVELOPMENTS.

B. Appraisal of local management systems/practices and quality of labor:

- a. How do you assess (think or consider) the Japanese system for developing the skills of its employees in the parts processing industry? (for the different processes, expect for simple and labour intensive operations only - assembling, etc.)

Specifically, how do you assess the system of a continuous long term on-the-job skill development and upgrading which produced the present Japanese style of labour management?

THE ~~SE~~ JAPANESE SYSTEM IS GOOD. THIS IS ALSO DONE IN OUR COMPANY, WHERE WE HAVE PROGRAMMED DEVELOPMENT & TRAINING, "IPDP" FOR TECHNICAL & "MDP" FOR MANAGERIAL, WHICH IS PURPOSEFUL & BASED ON EMPLOYEE POTENTIAL AND AGREED WITH EMPLOYEE HIMSELF.

- b. How do you compare Philippine management style with that of Japan? Can the Japanese management style be adopted by Philippine companies?

PLEASE REFER TO ITEM (5).

- c. Is there any possibility for the Philippines to develop a system of skills development and upgrading in specific industries such as the parts processing industry, considering the Philippine management style?

PLEASE REFER TO ITEM (6)

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- c. Forging
- d. Die-casting
- e. Metal molds for die-casting
- f. Metal Press/Stamping
- g. Metal dies for metal press
- h. Metal molds for plastic injection

2. Company Background

Name of Company: SAN MIGUEL CORP. - MOLD MANUFACTURING PLANT

Address: 631 T. CLAUDIO ST., PANDACAN
METRO MANILA

Contact Person: A. R. IWAY Designation: PLT. MANAGER

Telephone No/s.: 57-16-95/58-89-88 Fax No/s.: (632) 57-11-19

Line of Business:

Products Manufactured	Monthly Production Capacity
GLASS CONTAINER MOLDS	6 SETS
:	:
:	:
:	:
:	:
:	:
:	:
:	:
:	:

3. Result of Parts Procurement in the Past:

Type of Parts Required	Quantity/Value (kgs./P'000)	Produced In-house (%)	Bought Locally (%)	Imported fr Japan (%)
Casted Parts	Steel - 490 kgs. Br - 95 kgs. Al - 27 kgs. 270.30	0	100%	0
Wooden Patterns for Casting				
Forged Parts				
Metal Dies for Forging				
Die-casted Parts				
Metal Molds for Die-Casting				
Metal Pressed Parts				
Dies for Metal Press/Stamping				
Molds for Plastic Injection:				

4. How do you assess the Japanese system of a long-term on-the-job skills training (development and upgrading)?

Skills training on Japanese system is very successful in upgrading the production technique of the worker and achieving a quality standpoint for possible export to Japan and other countries.

5. Is the Japanese style management applicable in the Philippines?

Yes, but the political climate in labor management must first be attuned to such Japanese style of management.

- b. Is there any possibility for the Philippines to develop its own system of developing and upgrading skills in specific industries like the parts processing industry?

NO! Unless the Philippines can have a strong political will to develop its own products, get away from importation.

7. Policies for Parts Procurement:

- a. What are your present policies for the procurement of parts (In-house production, purchase from local companies, purchase from Japanese companies operating in the Philippines, Import from Japan, etc.)

- Price solicitation from at least three (3) suppliers.
- Volume of order does not permit long term contract.

- b. Following letter (a), what are your policy for procurement in medium term?

None at the moment.

Which of the processes mentioned above can be done in your company/in-house?

All except casting and electrical.

- c. Do you plan to implement changes with your present procurement policies (in the case of increasing or establishing new factories)?

Yes No

If yes, what changes do you expect in the future?

If business for our product will improve, then we can purchase in volume.

8. Appraisal of local management systems/practices and quality of labor:

- a. How do you assess (think or consider) the Japanese system for developing the skills of its employees in the parts processing industry? (for the different processes, except for simple and labour intensive operations only - assembling, etc.)

Specifically, how do you assess the system of a continuous long term on-the-job skill development and upgrading which produced the present Japanese style of labour management?

In the long run, the Philippines must develop its own system applicable to the values and culture of the Filipinos but competitive to the outside world.

- b. How do you compare Philippine management style with that of Japan? Can the Japanese management style be adopted by Philippine companies?

The approach of the Japanese to work closer to the line people is very adoptable to the Philippines.

- c. Is there any possibility for the Philippines to develop a system of skills development and upgrading in specific industries such as the parts processing industry, considering the Philippine management style?

There is! What is needed is a strong political will!

JICA