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SupplyChain PHILIPPINES

"The company that is able to use 'big data' not only has an advantage in managing supply chain complexity: it can also have an edge in predicting trends and preparing for them."

Using the data chain to improve your supply chain—page 22

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CORAZON CURAY
PRESIDENT'S MESSAGE

"Our work to move the global competitiveness of the country's supply chain industry continues as we receive accolades and recognition in the years to come."

In the past months SCMAP has proven itself worthy of being called the premiere supply chain organization in the Philippines.

We contributed to the formulation of the National Logistics Master Plan, a six-year road map outlining policies and projects to be implemented to ensure our logistics networks and systems remain competitive—and, more importantly, to ensure we keep the upward momentum of our economy going. We are honored to be representing the private sector in its unveiling at the first National Logistics Summit this September—a recognition of our efforts as an advocate not just for the supply chain industry, but also for the continued development of our country.

We are also working with the Department of Trade and Industry in a survey monitoring transport costs in the country. Also, we have been approached by the Development Academy of the Philippines in its initiative to modernize government regulations, striking our inefficient or redundant rules and ensuring they are up to speed with the demands of today's economy.

Our collaboration with the Technical Education and Skills Development Authority continues: after working on programs for warehouse personnel and logistics administrators, as we now focus on a national certification for logistics supervisors. We were also recognized by GoNegosyo as one of its partners in the private sector as it launched the Kapatid initiative, reaching out to entrepreneurs and providing them support as they grow their ventures. We are also working with the University of the Philippines for certificate programs on supply chain, and are looking to revive the diploma courses we have offered in the past.

SCMAP's prominence is not just limited to Metro Manila. The success of the first ever Mindanao Supply Chain Conference in Cagayan de Oro last May, as well as the Vismin Supply Chain Management Congress in Cebu last July, prove that our reputation as the go-to organization for supply chain concerns in the country reaches out across these islands. I would like to specially mention Gilbert Cabataña and his team in the Visayas chapter—the growth of their chapter has been phenomenal, judging from the number of people who attended the latter event, which they organized.

We are also working to establish chapters based in Clark, serving companies in northern and central Luzon, as well as one for those in southern Luzon.

As I write this, we are busy putting the final touches to our flagship event. This year's SCMAP Supply Chain Conference features a diverse range of speakers, all acknowledged as leaders in their field—not just in supply chain, but also in business and government.

While this may seem like the cherry on top of what has been a successful year for SCMAP, I prefer to look at it as a continuing process. Our work to move the global competitiveness of the country's supply chain industry continues as we receive accolades and recognition in the years to come.

I would like to acknowledge the efforts of the SCMAP board, committee vice-chairs and secretariat, as well as our many colleagues within and outside the industry who have helped out in whichever way they can. The battle continues.

As always, I would like to invite you to support SCMAP's efforts whichever way you can—by sharing your knowledge through our events and academe initiatives, or just by making the most of your membership by taking part in our events. With your help, our battle cry—"Go World Class!"—will soon be a reality.

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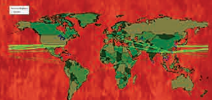

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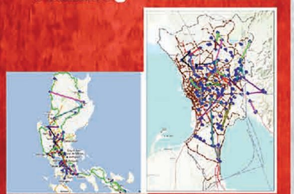
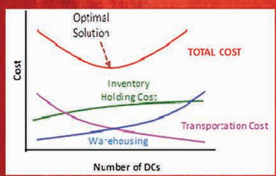
- Transportation Network Planning



- Reduction in total Supply Chain Costs



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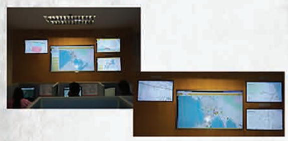

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HENRIK BATALLONES
CHAIN REACTION

> "Barring extraordinary (and drastic) circumstances, change is not an instantaneous, one-shot thing."

A few months back there was this awareness campaign aimed at mallgoers. "Practice escalator etiquette!" was the main message; posters were often accompanied by graphics that told us to stand only on the right side, not blocking those who have to rush through the escalators by giving them the left side.

Just weeks ago SM's malls took that one step further by putting markers and signs on all their escalators: "stand" on the right side, "walk" on the left. People on social media were praising the initiative. "We should all learn this!" a typical post went.

One week later, the images were of people still standing on the left, and on the right. The posters were, understandably, disheartened. "When will we ever learn?"

The task, of course, is monumental. We Filipinos never had the culture of standing on only one side of the escalator. I only really learned this on a trip to Singapore. I was at an MRT station with my sister, who had been staying there for a month. We went up the escalator.

"Kuya," she said as she tapped my shoulder, "sa kaliwa ka."

She's now back in the Philippines, and up to now she's stuck to the habit of standing on one side of the escalator—only here, it's on the right side. And I have to, perhaps unknowingly. But it took a few months of getting used to it. The same goes here. Yes, it's sad people aren't following the signs, but it's only been a week in. Maybe in a few months, hopefully, everybody will follow suit.

In recent months, in the midst of a fraught election campaign and its seemingly toxic (again, judging from social media) aftermath, we all have thoughts of change in our heads. The victory of a reluctant Rodrigo Duterte was a sign of a yearning for change, but of an instant kind. The other candidates promised some degree of continuity from the Aquino administration, but with that being perceived by a plurality of voters as sluggish, if not non-existent, there was an appetite for change that they can see immediately. (But then, Duterte promised continuity in some aspects, notably his predecessors' macroeconomic policies.)

Then again, barring extraordinary (and drastic) circumstances, change is not an instantaneous, one-shot thing. Change is a long and slow process. Change is incremental. It takes a while for everybody to get used to their new roles, to a new way of doing things. Changing a culture—and that, ultimately, is what needs to evolve for us to see the good things we've been very hungry for in this country—takes a very long time; perhaps the end result will not be in our lifetimes.

We in supply chain know this well, perhaps too well that it's become instinctive in all of us. We have learned to adopt whenever circumstances that could affect our services arise. We probably have plans (and back-up plans) for different scenarios. We review these plans regularly, figuring out if these are still relevant, if we have to tweak a detail here or there, if we have to rethink the whole thing altogether—all in the name of ensuring the satisfaction of our customers.

But, you know, change. It's such a magical, mystical concept—so much so that we think of it as an elusive thing and not as something that always happens around us. No president, after all, has the ability to rip everything up and start again. Duterte isn't doing that. Aquino didn't do that. Arroyo didn't do that. You get the drift.

Still, it's nice to be reminded about the power of change. On this issue of *Supply Chain Philippines*, we touch on this topic in different ways: our main feature on the power of data; our essays on the economy, retail and the increasingly cramped NAIA; and of course, updates on just what we at SCMAP are doing to become truly world class.

If we at supply chain know anything well, it's that we need to adapt—perhaps, like we will in escalators. Perhaps like my friend, who worked in Singapore for three years, and belatedly realized she now is back in Manila, and she has to stand on the right side of the escalator, not on the left.

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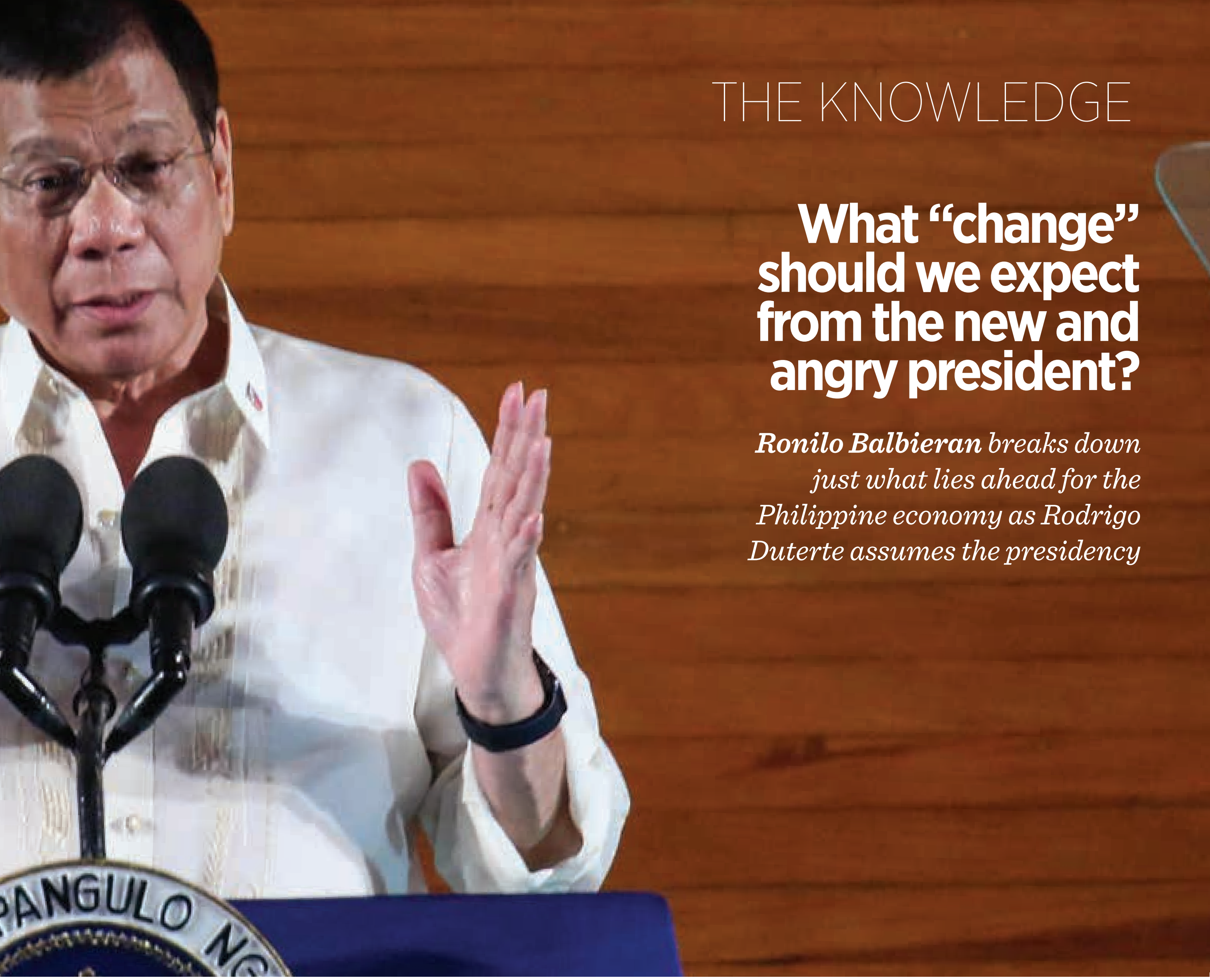


What "change" should we expect from the new and angry president?

***Ronilo Balbieran** breaks down just what lies ahead for the Philippine economy as Rodrigo Duterte assumes the presidency*

Everybody is an expert—this is what we are learning as we spend more time in social media. Everybody seems to have an "expert" opinion about almost any topic or issue. Countless discussions have dominated our lives regarding the political and economic situation of our country. There are a lot of speculations and "forecasts" on the economy, stock market, foreign exchange, and the overall situation of business. And with our new leader Rodrigo Duterte in a little over two months past his inauguration as president, many of us are filled with endless wonder of the things that may happen next. There is the excitement, anxiety, fear, anger, and hope about the things that are happening, that are yet to happen, that have been said, and that are yet to be said. What will really happen?

In one word, "change".

THE NEED TO DEFINE AND SIMPLIFY

What did President Duterte really mean when he said he will bring "change" to the Philippines. The notion of change is a transformation from an A to a B—and not simply a coming across or a passing through. Applied to political economy, the prior administration's and the current administration's battle cry: from eradication of corruption to emancipation from drug misuse respectively.

They say the only thing that is constant is change. But if we are to talk about the economy and business, we really need to answer sharper questions that lead to more relevant answers and will serve as objective guides for our analyses of situations critical for high-value decisions.

These questions include: What can really change? How much change will really happen? How much of these changes are we expecting? Among all the things that can and will change, what are relevant for you and for me? To answer these questions, we need more than opinions.

The Philippine economy grew by 6.1% in the last six years. Indeed, it is the highest 6-year average of the economy in history. But then, how do we proceed with relevant analysis for us based on this information? Will this last? Where are the criticisms of some coming from?

In order to understand more, we have to analyze the economic performance into three basic questions that will give more insights for everyone as we project the economy and our business activities and investments into the future. How do we understand and analyze the economy of a nation? How has our economy performed across past administrations? Finally, what will our economy look like in the Duterte administration?

FRAMEWORK FOR ANALYZING "CHANGE"

how do we understand and analyze the economy of a nation? Like a company or a family, we analyze an economy through three perspectives:

• Growth and profitability. Are we growing? Are we growing with the right and inclusive industries?

• Liquidity or cash balances. Do we have healthy cash flow that will finance the regular activities?

• Assets and reserves. In cases of emergencies, does the economy have enough assets and reserves that the leaders can tap to address the situation?

Based on these three indicators, how has our economy performed across past administrations?

The Philippine economy grew by an average of 5% in the last 65 years. Let us go back to the 6.1% 6-year performance of the economy. If we zoom out to the 65-year economic growth average of the Philippines was around 5%. A 1.1% growth has taken place. However, in the last 15 years, especially during the past two administrations' reign, the economy was enjoying massive dollar inflows from OFWs, Filipino companies abroad, tourism, and BPOs, which was not felt in the 1990s. This has made our country afloat with savings, cash, and reserves, in the middle of a global recession, and even in the scare of the slowdown of the economy of China.

Does this mean that the Aquino Administration did little for the economy? Definitely not. But one thing is for sure: there was good governance, if not best governance. Our debt burdens have been managed, enabling our government to allocate more for social and economic services and projects.

The sad part was, with the many available government resources, and a very healthy floating economy supported by cash surpluses and reserves, some of the departments have missed their spending targets miserably, leading to missing our opportunities to grow by 8 to 10%. Had we implemented those rail and light rail projects, airports and seaports projects, side by side with the massive spending of DPWH on roads, bridges, and flood control projects, without resorting to the Disbursement Acceleration Program (DAP), we could have achieved 8-10%, not just because of government alone, but because this would have meant very strong signals for private investors (led by private investments) to gamble bigger on our economy, and this would have had a ripple effect on the private consumers, boosting their animal spirit. This would have a domino effect back to the government in terms of more taxes collected.

"Whatever mess we make in our country, even if our economy contracts by 21%, there will be an additional 21% to compensate for the loss."

The total size of the government to the total economy—GDP—in terms of GDP accounting, accounts for only 13.4% of the GDP. (Government consumption includes salaries and wages, office supplies and other operating expenses, which accounts for 10%. Public infrastructure spending accounts for 3.4%).

This means that our economy, from the point of view of expenditure, is run by private consumption. We, Filipinos, eat a lot, we eat inside the house and we at outside, we drink a lot, we travel a lot, we tour the country, we enjoy vacations, we spend on a lot of personal effects, we spend a lot. On the investment spending side, the private sector still dominates it at around 15% share to GDP. All in all, the economy is run by the private sector, by at least 85%.

Thus, the government, with all its powers, can only account for a maximum of 15% of the growth of an economy from the point of view of national spending.

The size and growth of consumption expenditure of Filipino families also translate to a lower dependency on trade. This means that whatever happens to the world economy, Filipinos will still thrive just by buying their own produce. Our situation is unlike Singapore, Vietnam and Thailand. They will certainly be affected by any slowdown of the economy of US, China, and all their export markets.

The good problem of too much cash in the economy. Equally important is the discussion of liquidation. After showing vibrant prospects for the measure in the national economy is the Current Account Balance, which is the net of the inflow and outflow of dollar transactions in goods and services. Since "cash is king" in finance, the important question for the economy as a business is "does the country generate positive cash flow every year?"

The country has been generating a lot of cash flow every year, thanks to OFW remittances and Filipino companies abroad remitting their earnings back to the Philippines. We have generated positive cash flows since the time of President Gloria Arroyo.

What has been fueling this strength of positive cash flows for the economy? The answer lies in another measure of national income, that only the Philippines can derive good analysis from: the Gross National Income (GNI) and the Net Primary Income (NPI).

Net Primary Income is the net of inflows of OFW remittances and Filipino companies abroad less outflows of foreigners and foreign companies in the Philippines remitting to their home countries. This is the secret weapon of our economy. We always say that the

The secret weapons of the Philippine economy

GDP *Gross domestic product is the sum of all final goods and services produced within a country.*

PHP 13.3 trillion USD 292B

The Philippines' GDP grew an average of 6.1% under the Aquino administration. The latest figures saw the Philippine economy grow 7% in the second quarter of 2016.

NPI *Net primary income is the net of money entering from outside the country and the money exiting it.*

PHP 2.8 trillion USD 61B

Remittances from OFWs and Filipino companies operating abroad send an equivalent to 21% of our GDP—a much higher rate than that of major world economies.

GNI *Gross national income is the sum total of a country's GDP and GNI.*

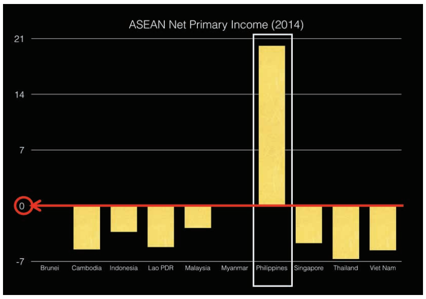
PHP 16.1 trillion USD 353B

Combining our GDP and NPI, we can say that the Philippine economy is worth PHP 16.1 trillion.

OFWs are the modern heroes of our country, but we do not actually appreciate the magnitude of their heroism as far as the economy is concerned.

To further understand the power of our economy that is becoming a unique comparative advantage for us, we need to understand how our GNI and NPI fare with other countries. As a net, it gave our whole country an additional income of 21% on top of our total domestic income or GDP. Other countries have a small NPI: the United States of America's, for example, amounts only to 1%. No wonder whatever mess we make in our country, even if our economy contracts by 21%, there will be an additional 21% to compensate for the loss. And this happens every year. Nothing so bad can actually happen to the economy of the Philippines with this amount of NPI. In fact, the Philippines is the only country in the world with this size of NPI, on the basis of combined nominal size and as percentage to GDP.

Compared to our ASEAN neighbors, the amount of net additional income measured by the NPI as a share to GDP, the graph of ASEAN NPIs for the year 2014 clearly shows the amount of extra net income of our country being the only positive account, and when compared to other non-ASEAN countries, we can clearly see why the Philippines is becoming one of the significant economies of the world.



From another perspective, if you add NPI to GDP and use GNI instead to measure national income, the picture of our national savings (GNI-(C+G)) suddenly gives us a summary of the strength of our economy in the last fifteen years. Our problem has been the good problem of underutilization of too much resources. For 2015 alone, the estimated surplus of national savings is around PHP 1.6 trillion.

Comparing the savings rate of the country with some selected countries in Asia, we start to realize that we have really built-up our ability to save and be ready for a more sustainable investment climate, without much need for foreign loans.

Since the economy has good problem of too much liquidity, the price environment was expected to be mute and will remain for the next two to three years. As seen in the graph, across administrations, the price environment has really gone down due to the excess liquidity of the financial markets as well as prudent spending from the part of the government.

The Philippines' reserves is one of the strongest. Similar to a balance sheet of a company, we also ask, do we have assets and cash reserves in times of trouble? The most important measure is GIR, or Gross International Reserves. This is the amount of dollar reserves in the vault of BSP, as a product of accumulation of positive current account balances. For international comparison, this is reported in terms of how many months of importation can the dollar reserves cover. This is similar to your savings account, measured in terms of how many months of living expenses can your savings account cover you in case you are fired. The benchmark is that a country's reserves, similar to your savings account, should cover at least three months.

For more than fifteen years, the GIR has always covered more than three months. For international comparison, the Philippines has been at par, if not better than others, at ten months of import cover.

The size, age, and growth of our population is our greatest asset in this aging world. The economic growth, lead by the private consumption is bound to increase due to size and growth of our population. We are one the rare countries in the world with a regular (correct) population triangle distribution. 52.3% of the population are of working age, while 43.6% are young dependents who will head to work as they grow older. Only 4.1% of our population are aged dependents, those aged 65 and above.

Looking at the charts of population pyramid, the world will be in trouble in the next fifty years:: their populations

are aging and there are less youth to replace them once they retire. They will run to a few countries such as the Philippines for more markets (demand) and labor force (supply).

A country must have women giving birth to at least two babies, on the average. To be precise, the demographic statistics that must be achieved for any country is 2.1 babies for every woman. This replacement ratio for fertility rate or birth rate, when achieved, will ensure the stable increase of economic growth due to the support of population both as markets and laborers. However, Philippines is part of the minority of countries with fertility rates higher than the replacement ratio. Thus, this gives us enough confidence that our population base will continue to strengthen.

OUR PAST ECONOMIC PERFORMANCE

The previous administration was effective in collecting more taxes and allocating more for social, economic, and infrastructure services and projects that have contributed to a strong foundation for continued growth, and a little higher growth. Some departments were effective in spending those allocations, and some were not. But the overall majority causes of our economic growth, by more than 80%, are our citizens' animal spirits driven by a very resilient and optimistic values and culture, fueled by additional income from abroad, blessed with additional BPOs and tourism dollar revenues that offset the lack of performance of our exports sector.

Strong performers from the production side of the GDP:

• Finance and real estate (~8%). As one ecosystem, construction, finance, and real estate grow together as their activities are intertwined and signal each other's potentials. Moreover, the low interest rate regime brought about by huge private sector savings and a highly liquid (underspending) government, coupled with low inflation environment, have actually encouraged more real estate development, whether it is in residential, commercial, or retai. This can be validated by strong growth of major banks and real estate companies. The growth of BPOs has fueled stronger growth of the commercial real estate.

• Construction (~7.5%). In the first parts of the Aquino administration, public construction had a very slow start, due to "Daang Matuwid" growth pains. But this was compensated by the private construction. Over the course of six years, it has been a waiting game for two sectors to actually grow together.

If we deduct the negative growth of construction in 2011, average growth (2012-2015) is at the 10% range. We can expect this to continue now that we are seeing signs of simultaneous growth between private and public construction in the first quarter of 2016, and we can expect this to be continuing in the next three quarters. We expect that this trend will further boost finance and real estate.

This industry growth can be seen in the healthy and growing competition among construction companies and investors/developers.

• Manufacturing (~7%). The roller coaster ride of the exchange rate, leaning towards more depreciation, increased the purchasing power multiplier of the dollar inflows from OFW remittances, BPOs, and tourism. The lower price of oil and improvement of roads throughout the six years have helped bring down the cost of logistics, and thus managed the low inflation across manufactured products.

• Transportation, communication and storage (~6.6%). In connection with manufacturing, lower price of oil, and improved income of the people, TCS has grown substantially well. Moreover, air transport has really taken off since 2014 with double-digit growth rates (18% and 15%), and it seems it is there to stay as long as oil price is low (1Q2016 is 18%). The local demand for tourism, greatly increasing by a massive average of 15% per year in the last six years, has really helped this TCS sector, particularly air travel.

• Trade (~6%). As a natural consequence of the first four sectors of industries, wholesale and retail trade, including repair and maintenance of motor vehicles and household goods (growing at an average of 12% in the last two years) have really grown in support of the overall economic activities of the country.

Poor performers from the production side of the GDP:

• Agriculture (~1.7%). This is due to lack of connectivity, bad local roads leading to agricultural areas and insufficient irrigation facilities most especially during the last two years when El Niño had its impact.

• Electricity, gas, and water (~4%). This is mainly because of the lack of supply, most especially in the electricity front.

Strong performers from the expenditure side of the GDP:

• Health services (9.7%). This is due to more Filipinos becoming middle-class income families becoming more conscious of their health.

• Transport (8.3%), restaurant and hotels (7.5%), recreation and culture (7.2%), and miscellaneous (7.3%). In relation to lower oil prices, translating into cheaper airfares and land travels, local tourism has flourished, translating into more transport demand and more budget for tourism and recreation activities such as restaurants, hotels, culture, personal effects (under miscellaneous), "pasalubongs", etc.

• Food and non-alcoholic beverage (5.5%) and alcoholic beverage and tobacco (5.7%). Of course these two items have never failed to provide stable and constant growth to our economy.

Poor performers from the expenditure side of the GDP:

• Clothing and footwear (1.9%) and furnishing and household equipment and routine household maintenance (3%). In microeconomics, inferior goods are goods you consume less when you increase your income, while normal goods are goods you consume more as you increase your income. Luxury goods are goods you consume so much more, at the slightest increase of your income.

Due to income and substitution effect, clothing and footwear and furnishing, household equipment, and routine maintenance, are being substituted with a slightly luxurious expense items of experience of travel and tourism, hotel, recreation, and culture. The former items can easily be subject to our "magagamit pa yan" (recycling) attitude, making them inferior goods for an average Filipino household, versus the latter which can entice families and friends for "pagkakataon nang makagala at i-enjoy ang kinita" (luxury and enjoyment), most especially in the context of social media and the "selfie" culture, where travel and tourism can be bragged about, increasing expected satisfaction in the choice of the latter items, making them, in these cases, normal and luxury goods.

"The overall majority causes of our economic growth are our citizens' animal spirits driven by a very resilient and optimistic values and culture."

WHAT WILL OUR ECONOMY LOOK LIKE UNDER DUTERTE?

The economy is indeed in a momentum of growth.

The Philippine economy has very strong fundamentals with increased savings (from 18% to 36% of GDP), increased dollar reserves (from three to ten months of import cover) and the continuous addition of net income from abroad (more than 20% of GDP). Those things alone are enough foundations to frame the progress of the Philippine economy.

Performing 6.1% for the past six years makes the country appear capable yet stagnant because there is still much more room for the country to branch out to, in terms of what the resources can actually support. Joblessness and poverty still persist. According to Dr. Bernardo Villegas, the growth must be at least 8% to 10% in the next eight to ten years to make a dent to joblessness and poverty. This has been the formula of China, and the one being followed by India.

With accelerated and inclusive growth as a goal of this administration, the private sector plays a huge role in helping the growth and development of the economy. The private sector spending sustains fast economic growth (average of 6%) and this creates more space for faster growth (7% to 8%) with faster private sector investment. At the same time, the positive reaction of Filipinos to the promise of change is catapulting the development of the nation.

There is a high level of expectation and anticipation from President Duterte, who presented himself as a leader with strong will power, that he will deliver substantial change in the speed of government spending of government that will facilitate the faster spending of the private sector, in a much improved platform of governance through decisiveness and competence. Though there are different programs presented by the administration, two programs will lead the rest: infrastructure development and regional distribution of economic growth.

The promise of a Golden Age of Infrastructure Development. President Duterte committed to a Golden Age of Infrastructure for the Philippines to catalyze an accelerated and inclusive economic growth and development. This implies that the amount of infrastructure spending must reach at least 5% of the Gross Domestic Product (GDP) to be at par with international minimum standards and at par with the level of spending of the country's ASEAN neighbors. Not to be satisfied with the minimum, Secretary Carlos Dominguez III of the Department of Finance (DOF) and Secretary Benjamin Diokno of the Department of Budget and Management (DBM) both even promised that the target for infrastructure spending is 7% of GDP. In terms of amount, this ranges between PHP 6.9 to 9.6 trillion. An infrastructure spending commitment of this size will definitely catalyze nationwide and even countryside development.

Money is not an issue as the country has it. Businesses and markets are also here. There is a continuous flow of money coming into the country. And as a people, Filipinos are very young, many, and have the positive animal spirit, that directly translates to spending and production.

Faster and geographically-balanced growth (and the move towards federalism). On the other hand, President Duterte also promised to deliver an inclusive and geographically-balanced economic and social development, ultimately embodied in a formation of a federal form of government, customized for the Philippines. This means that the thrust is to promote growth and develop growth centers outside Metro Manila because there is still a huge development gap in the regions, and Metro Manila has been experiencing one of the highest population density growth and worst traffic congestion in the world.

While the topic of federalism is an entirely new article altogether, the historical data of GDP distributed across the regions are already available for us to analyze. The chart below simply shows that Metro Manila, which is only 0.2% of the total land area of the country is producing almost 40% of the total national income. Thus, it is very difficult to plan for higher growth in Metro Manila, at the same time, there are huge opportunities outside Metro Manila, with certain regions (Region III, Region VII, Regional VII, and Region XI). The consolidated historical pie graph of % share and five-year growth can already give us clues for our strategic position our business to take advantage of the existing opportunities of the economy, as well as evaluating more investment spending as President Duterte pushes for his promise of federalism.

"While others are slowing down, while others are yet to recover, we as a nation have only just begun."

THE ECONOMY AND THE DUTERTE ADMINISTRATION

Although the assumption of a new leader can stir risks and doubts inside the hearts of the people, economic growth will continue regardless of economic policies and programs President Duterte because of our surpluses in money and people. This is deemed to be a good thing. However, the breakaway to faster growth depends on the decisiveness in spending, appointing competent and decisive cabinet members who will maximize our surpluses and resources.

The country is endowed with natural resources and very talented people. And it is much encouraged to follow where tourism and infrastructure activities are going. Additionally, learnings should be instilled in the minds of the people. Economic education will further shield our animal spirit, especially in the field of private consumption and investments.

Setting the roles of the public and private sectors, President Duterte will have no excuses not to perform. He has the resources to utilize and maximize. Let us hope he will have more inspiring and funny speeches to keep our animal spirits up. But let us pray for those who are being affected by his war against drugs and criminality.

A little over two months in the new administration, there is already a fiesta of actions and emotions—both positive and negative. There is a variation in the highs and lows, the roars and clamor of the people. While there are opinions on many aspects of his administration, from a macroeconomic standpoint, this only means one thing, faster spending on everything that will lead to more production and services, effectively leading to more investments and employment, and ultimately leading to a virtuous cycle of income-spending-production-employment. Our new and angry president produces enough impact and effect that is crucial for this cycle of spending of emotional and religious Filipinos. We might as well take advantage of this opportunity for the economy and for business.

While others are slowing down, while others are yet to recover, we as a nation have only just begun. It is really up to us to be better stewards as a nation of value-driven citizens—to spend not only for the oneself but also for the families, creating a high-value with values economic systems that are meant to withstand the any bad politics. •

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The case for rethinking NAIA

*NAIA is beyond capacity and there's little space to grow—and unless something is done, **Roselie Manlangit** argues this could be bad for our economy*

As a former flight attendant in one of the country's major airlines more than a decade ago, I have seen the sorry state of our airports' infrastructure and facilities as well as airport operations and how the times that passed did very little to improve them. Although as a cabin crew, we often pass through the best parts of the airport, as the more glamorous personalities in the roster of the airline employees, the seemingly decaying state of our airport facilities was not concealed from my ever prying eyes. That's why I left the industry, aside from the fact that they kept on delaying our international operations... well that's part of the reasons I could think of, in retrospect.

As I transferred to the corporate world, I happened to travel in some parts of the world, and I was side-swept from the glamorous "crew only" foyer to the passenger hallways, I was exposed to the hard fact that, indeed, our airports are oceans away in terms of facility advancement, operational efficiency and overall infrastructure compared to most airports the world over.

BEYOND CAPACITY

The Operations Management Forum at the Ateneo Graduate School of Business auditorium I attended on July 22 last year was, indeed, a reassuring event that somehow—although they are snail-paced—there are some initiatives that the government is doing to alleviate the remorseful predicament of our airports, especially of NAIA's Terminal 1 and Terminal 3, and emancipate the passengers from the bondage of the government's long overdue actions.

When we liberalized air traffic back in 1995, I don't think there the capacity of our airports was considered, nor assumptions on capacity and utilization even brought to the table. Had this been considered, there should have been a master plan that was laid down that could have arrested the congestion problem before it could happen. Or maybe, if there was a master plan, it was not clearly discussed in the forum as to the timings of this master plan to come into fruition.

According to Professor Art Zamora, our airports are highly congested. Every month 1.5 million passengers go through NAIA, despite a capacity of only one million. 550 flights per day take off and land in NAIA's two runways—one plane arriving or departing every three minutes.

REID Foundation's Cherry Lyn Rodolfo stipulated that part of the reason of this congestion, aside from the Civil Aviation Liberation Act of President Fidel Ramos in 1995, was due to further initiatives that happened in the recent ,years such as national policies reconstituting Philippine air panels, the opening up of the secondary airports in 2011, and the removal of the 3% additional carriers tax in 2013. In fact, the intersection of domestic and international air traffic is brought about by further changes in institutional policies in favor of liberalization and opening up to foreign entrants.

This is a good problem—in fact, a very good one, because it means that we are expanding capacity and tourism in the country is flourishing. However, if this continues and our response is still in the same pace that we have now, tourists and investors would soon realize that we do not need them after all. This will drive them away and we are left again in the same sorry state that we were before, economically speaking.

The animated Rene Limcaoco seemed to break the ice when he asked for oral recitations from the attendees. As the then DOTC Undersecretary on Planning and Infrastructure Projects, I expected him to be a little more defensive about the topic, but he seemed to emit an honest vibe that stirred the auditorium. He concluded that the four biggest problems in our airports nowadays are congestion, capacity, safety and the runways—due to the explosion of the passenger traffic, primarily because of liberalization policies. "We need more!" he said. "Where do the planes land and take off?" Terminal space is full: capacity is at 34 million per year and it's reaching that level now. Although we are getting more throughput out of the runway, now there is no more space!

According to Limcaoco, there are some interventions needed to answer this ultimate concern on the insufficient runways:

• Change protocols on take-off and landings per hour from seven miles separation per aircraft to three miles. This will increase runway capacity by 35-40% and create 30-40 take-offs and landings per hour. He cautioned, however, that after we do this, the commercial air traffic movement (ATM) cap of 334,287 ATMs or 48 million passengers per year in the airports, will soon be reached again in 2025.

• The only other solution is to build another airport in Clark as the key secondary airport. It requires about P 8 billion for the cost of construction to absorb the excess demand from NAIA.

• The airport in Cebu airport has been entered into a PPP and has seen marked improvement, with further renovations underway. NAIA would soon be enrolled under a PPP agreement with the high hopes that there will be significant improvements too.

THE PRIVATE VIEW

The private sector, represented by Jaime Faustino of the American Chamber of Commerce, later discussed their take on these various government initiatives. He pointed out that the PPP for NAIA worth P74.56 billion has not yet been approved for bidding. He stressed that the biggest strategic challenge is that we are turning away traffic with government's snail-paced development. Investors are going somewhere else! Our economy is growing but we cannot increase our air traffic capacity. The Sangley Point airport in Cavite City is still a long way off; it's due in 2030. He challenged the government to do other interventions.

Faustino's colleague, Mr John Forbes, supported him by striking some factual data on airport infrastructure in the world as he relates ours. Indeed, we are lowest in terms of quality of air transport infrastructure compared to our neighboring countries in Southeast Asia; before we were ahead of them. He suggested that since the Sangley airport is still farfetched, we could explore rail transit from Manila to Clark and make that as a medium-term stop gap measure instead of waiting for 15-30 years to build a new airport.

In 2016, the Philippines is estimated to rise above its counterparts in terms of global competitiveness, according to World Economic Forum. We will belong to the top three most competitive countries in Asia. If we don't do something about our air transport system, we might as well surmise to this award's early demise.

The DOTC side explained that they were not focusing their efforts simply on the long-term, which is building Clark. There are a number of initiatives, some of them under study, with the support of the Japan International Cooperation Agency (JICA), that the government is doing to address the short to medium term problems on congestion and air transport infrastructure sorry state. There were some improvements on NAIA's apron and terminals as well as queue time. Other initiatives, such as rapid exit taxiways, have been installed on top of the regular taxi way to ease traffic a little bit.

Some studies on connecting Manila to Clark via rail is underway to facilitate travel of passengers who will use board flights at Clark International Airport, among others. The ultimate goal is to address the congestion problem in NAIA.

OUTDATED?

Towards the end of the forum however, I had some degree of concern and anxiety, when the government side mentioned that, in 2011-2012, the figure of 1.2 million passengers was expected to grow but in 2012-2013, actual air traffic dropped to as low as 800,000. This is somewhat alarming and has to be taken notice, the soonest, if we do not want to further bring this number down and denude our economic standing. The private sector is correct in saying that we seemed to drive our investors and tourists away by the mere sights of our airports!

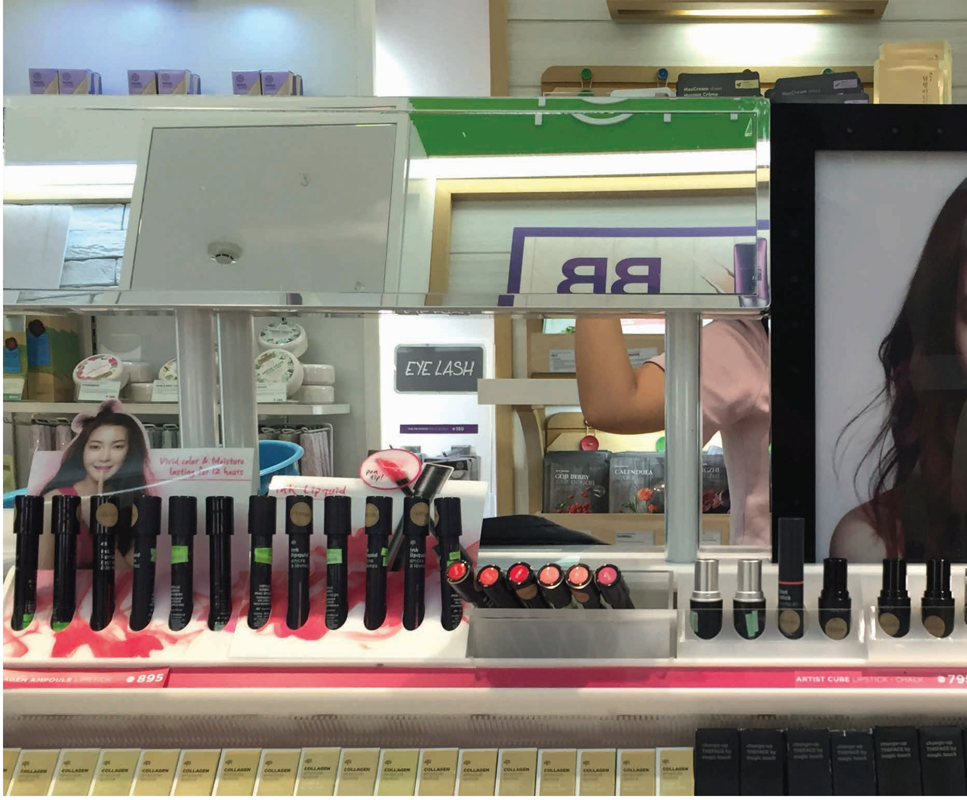
From the service design, quality to process strategy, it seems that our airports are outdated. More so, 'ocation and layout strategy are either outlandish or absent altogether. Although we are regarded by some frequent flyers as the best located airport because they are located at the heart of the city, we have proven them now that this is to the detriment of the business area and private subdivisions around the area and space for expansion is next to impossible. Once capacity and utilization levels are breached, no amount of layout re-engineering or service design rationalization can compensate to the many issues that would choke the entire system. We need at least a kilometer of space to build another runway from what we have now. It means demolishing the entire Merville subdivision, as well as its neighbors. There is no more space, period.

Even the flight crew frequenting one of the busiest, most congested airports in the world couldn't help but hold their heads down, because while they are given the green lane to stride carpeted floors and wallpapered panels, they know that for the most part, our airports are not something they could be proud of.

But somehow, this is not the finish line. Forums like the one in Ateneo and others held in other parts of the country could help in the advocacy to uphold the Filipino pride and its people's welfare. Somehow, by flagging these issues and making known the voice of the people and the clamor to make things right as well as the vigilance they show, would push our authorities to do the right things right, and do them now.

I have high hopes that those holding office in the government or the private sector in the future would do their part for the betterment of our country and for the future of our children and grandchildren. •

Roselie Manlangit is the team lead for supply planning for the corporate planning and logistics management division of United Laboratories Inc., and a member of SCMAP's events committee.



If you build it, they might come

***Henrik Batallones** asks: is our supply chain industry competitive as foreign brands enter our shores—and how about local retailers and producers?*

In recent weeks news that two major international brands are looking to enter the Philippine market has got consumers quite excited.

First, Swedish furniture giant Ikea expressed its plan to finally open a branch in the country, after a long presence elsewhere in the region. Despite no definitive timetable being laid out, fans of the brand are excited: finally, they can get their hands on the brand's wide range of furniture and accessories for both home and office. And perhaps the Swedish meatballs too. I specifically set out to get those the last time I visited Hong Kong.

Also announcing their entry to the Philippines is Canadian coffee chain Tim Horton, as part of its wider plan to establish itself in the Asian market. While the brand is arguably less popular than giants such as Starbucks, this is a brand anybody with relatives or friends who have immigrated to Canada should be familiar with. "*Makaka*-order *ka na rin ng* 'double double,'" one of them told me.

Many foreign brands have entered the Philippines in the past years, a possibility not imaginable to most of us. Sure, we've long had both luxury brands and giants such as McDonald's, but only in the past two decades have we seen brands from around the world jostle for our attention and affections—and our hard-earned money. In the past few years, we've seen the entry of fast fashion brands such as Zara, Forever 21 and H&M; the last two were greeted with long lines on opening day.

YEARS IN THE MAKING

This has been a long time coming. The Philippines' rising middle class has made it ripe for both foreign retailers and foreign brands to enter the country. In recent years, the growing millennial demographic has shown a demand for new thinking—not just new brands, but new concepts and new experiences as well. As much as I don't want to call myself a millennial—it's such a loaded term—if you consider my age, I fall firmly in that category, and yes, I can say that we do like to try new things out. While I am loyal to some brands, I wouldn't want to stick to the same old—I'd spend an afternoon at a branch of the Japanese coffee chain St. Marc one time, and then return to my old reliable Coffee Bean on another.

In 2000 the passage of the Retail Liberalization Law allowed for the entry of foreign brands into the country, whether on their own or with local partners. Alongside globalization, the emergence of a generation whose cultural touchpoints are not just the usual suspects has come to slowly define the retail landscape. Now, go to one of the many malls in the country and you'll see a healthy mix of foreign and local brands: increased competition leading to increased choice—and perhaps increased consumption—for Filipinos.

Of course, the narrative is now on whether our country is truly ready for the growth happening within it. Are we ready to satisfy the demand that has gone up, and will continue to rise?

I have found myself using a lot of Korean skin care products the past year, a result of a chance purchase during vacation in Seoul, and realizing that it worked on me like no other product has. Some of the brands I bought have stores here, but in some instances they do not have my preferred product in stock. It's a bit of a game, this. "Sir, *dalawa na kayong nag*-order *ng* BB gel," the apologetic lady behind the counter just told me.

Sure, some of these problems are internal. Sure, some of the bigger players have the resources to ensure round-the-clock availability for their products. But they can only work within the constraints of the environment they operate in. We have seen, over and over again, the bottlenecks our outdated infrastructure and regulations pose. Shipments come in late after being stuck either in regulatory limbo or heavy traffic.

You go to stores and get disappointed that they don't have what you want in stock. Why not order online? You can't be sure how much you'll be charge for it in taxes—and if your order will ever arrive at your doorstep, rather than be pilfered by someone along the way.

It's clear that Filipinos are looking for more choices, that we're looking beyond our shores for products and experiences that will improve our lives, or maybe, just make us feel better about ourselves. Indeed, judging from the long lines when H&M first opened in Manila, if you build it, they will come. Or they might not, if supplies have run out. We have to work to modernize both our infrastructure and our policies to ensure our economy continues chugging along.

GOING LOCAL

But how about local products? Specifically, how about local manufacturers? Local retailers? Local producers?

Yes, I did say a healthy mix of foreign and local brands is a good thing, providing more choices for consumers. But the risk of local brands being pushed out in the long run is still there, especially the smaller players.

Yes, local can compete, but consumers won't buy local just because it's local. Not everybody thinks along patriotic lines. We all buy what we think is of good value—not just price, but also quality and availability. For example, I often buy clothes at Uniqlo lately, partly because the fabrics feel good on my skin, but mostly because they have outfits for people my size. I could buy Bench or Penshoppe, but their outfits seem to only fit their models, not people on the wider side of the scale.

But those are the big players. They have positioned themselves to be competitive in face of foreign brands, due to scale of economies and preferential deals with suppliers. Some foreign players surely source some of their items from local manufacturers, too. Still, it does not change the risk of smaller local players being pushed out to the fringes—and that applies to fashion, to food, to furniture, and everything else in between.

A long-standing challenge for our government is strengthening our producers—our farmers, our manufacturers, our small businesses. Efforts have long been underway to ensure this: providing support to entrepreneurs, improving regulations to allow for faster transfer of technology, enhancing connections between producers, sellers and consumers.

Yet our agriculture sector is still underperforming. Our manufacturing sector is still hobbled by challenges such as power costs and conflicting regulations. And, with our economy becoming more and more integrated with the rest of the world's, our own producers are struggling to catch up with what some may call more economical options from outside our borders.

FIGHTING CHANCE

Local producers are at risk of becoming mere novelties. For some, this works to their favor. Think of delicacies found in particular regions. I recall the talk made at last May's SCMAP Mindanao Supply Chain Conference by Dr. Viel Jose of Vjandep Bakeshop, the manufacturer of the famous pastel, long seen as a product of Camiguin (and, by extension, Cagayan de Oro). He stated that they limit selling of their products in other cities such as Cebu and Manila for two reasons: quality control, and also to promote the pastel as a delicacy that you can only get when you fly into Cagayan de Oro.

In other cases, "local" becomes a selling point, emphasizing quality and craftsmanship, a push against the increasingly global (and anonymous) sourcing of materials in the manufacture of our products. However, in most cases, it's not clear who benefits from the local tag. I can't help but think there's an obsession with calling something locally-sourced just so they can jack up the prices. Does it help the source? Perhaps, but perhaps not.

It all goes back to making our own farmers and our own manufacturers more competitive. It all goes back to this challenge. Improve connectivity—not just farm-to-market roads, but also better ports, more options for transport. Improve resiliency—research into what works best considering our limitations and shortcomings when it comes to geography, climate and culture. Improve quality—make it appealing not just to a select few but to as many as possible.

For local players, the entry of foreign brands (and their foreign products) is nothing to be afraid of. If the product is of good quality—and how we get said product is worth the quality—it will always have its fans. Take the Marikina shoe industry, for instance: it has weathered the entry of shoes from elsewhere by capitalizing on its craftsmanship and quality.

However, the challenge is to become more competitive, to ensure that you stand out amongst the crowd—and "I'm from here!" is increasingly becoming less of a come-on. If that was still the case, we would all still be flocking to Marikina—but no longer. As choices increase and consumers become better educated, the criteria evolves. Yes, if you build it, they will come—as long as they know it is worth it. •

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What does Brexit mean for the Philippines?

The United Kingdom's vote to leave the European Union left economies shaking—but what's its impact on the Philippines?

What is Brexit anyway?

Brexit is the term used to refer to a public referendum set by the UK government on whether the country should leave the European Union, or leave it.

Former prime minister David Cameron called for the vote after questions were raised by both political allies and opponents on whether country should remain a member. Those in favor of the UK staying cited its economic benefits, including access to the European single market and freedom of movement across the member countries. Those in favor of leaving played up the possibility of a more independent UK, away from an out-of-touch EU establishment, while stoking fears of migrants from other countries taking British jobs.

At the end of the referendum held on June 23, 51.9% of the country—mostly those living in rural areas—voted to leave the EU. The majority of those voting to stay came from urban areas such as London and Manchester, as well as Scotland and Northern Ireland.

The political upheaval in the vote's immediate aftermath led to the rise of the UK's second female prime minister, Theresa May. She now has to lead the country through negotiations as it prepares to exit the EU once and for all.

What's the effect of the vote on the British economy?

For now, little. The UK remains an EU member, and May has yet to invoke Article 50 of the Treaty on European Union, which stipulates the process for a country leaving the EU. Once that happens—reports have suggested it will be by April 2017—both parties have texactly wo years to negotiate the way forward, unless they agree to extend.

However, the vote has raised questions on the UK's place in the global economy. Uncertainty, of course, powers these jitters. Multinationals based in London are mulling a move to other cities to continue their access to the European single market. The drastic weakening of the British pound—it suffered a 10% drop against the US dollar in the immediate aftermath of the vote—is set to affect prices: inflation rose by 0.6% in July 2016, the highest level in twenty months, and experts predict prices will rise even faster in the coming months.

The long term effect of Brexit, however, will depend on the result of the negotiations between the UK and the EU. This will define the future relationship between the two parties economically, as well as politically and socially.

What's all this got to do with the Philippines?

Philippine markets suffered a drop in the Brexit vote's aftermath, similar to other countries, as uncertainty crept in. But, for the most part, the country has little exposure to the UK market. We imported USD 411 million worth of goods from the UK in 2015, and exported USD 478 million the same year. In comparison, our imports from the United States was pegged at USD 6 billion; from China, at USD 10.3 billion. (Our total imports from the European Union is at USD 7.9 billion.)

Opportunities, however, lie on the horizon. As the United Kingdom prepares to negotiate new trade deals, it is in a position to look to other countries and regions. As the members of the Association of Southeast Asian Nations (ASEAN) moves closer to economic integration, closer ties to the UK is not off the books.

It would also be interesting to see what the ASEAN Economic Community would do in light of the upheavals in the EU. The AEC also aims to establish a single market for ten countries, allowing free movement of labor and capital. But they have ruled out a single currency like the euro—a sign that things may turn out differently for the economic partnership we are part of.


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SURE, DATA CAN BE INTIMIDATING, BUT MORE THAN EVER, IT IS IMPORTANT

WELCOME

RESPOND TO OUR CUSTOMERS. HENRIK BATALLONES LOOKS AT THE CHALLENGES

CHAIN

THAT WE GET A GRIP ON ALL THE INFORMATION IN OUR HANDS TO BETTER

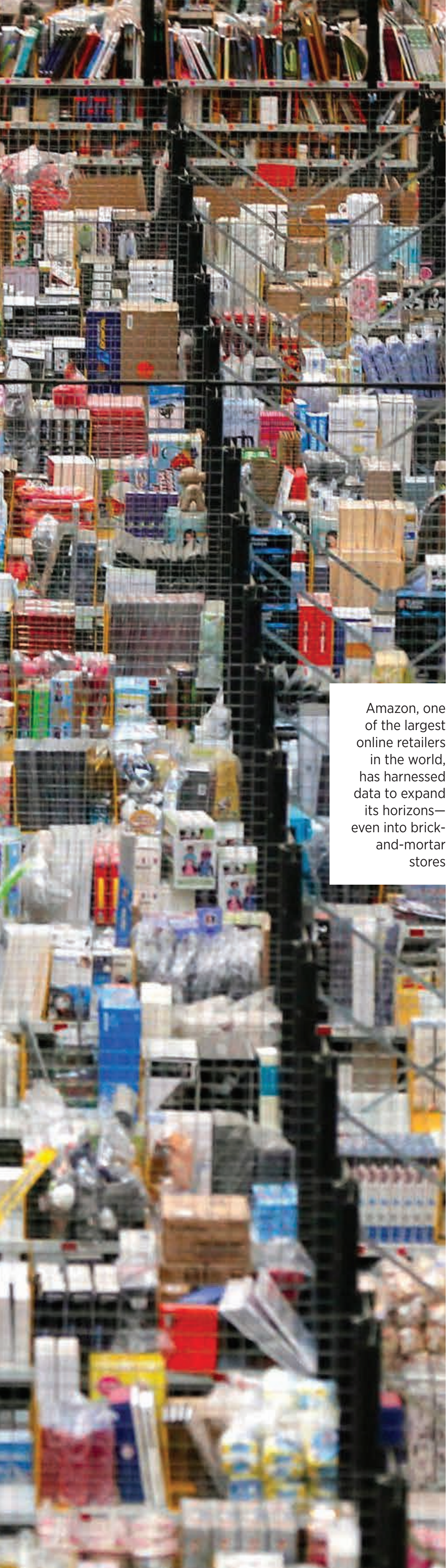
TO

THE

DATA

AND OPPORTUNITIES THAT'S LITERALLY (FORGIVE THE TERM) IN FRONT OF US


Damage Bin
Amnesty
Fire
Damage Bin
Amnesty
PHILIPS
Damage Bin
Amnesty



Amazon, one of the largest online retailers in the world, has harnessed data to expand its horizons—even into brick-and-mortar stores

Indulge me for a moment or two and let me talk about Korean skin care.

Enter a store like Nature Republic or Skin Food and you'll find a myriad of products. There's cleansing foam and there's cleansing gel. There's essence and there's emulsion and there's serum. There are sheet masks and wash-off masks. There are BB creams and CC creams and cushions. And all of these, of course, come in different varieties, often patterned after some fruit or other naturally-occurring source.

If you're like me—who accidentally stumbled upon the whole Korean skin care system, found that it works much better than everything else you've tried before, and want to catch up with all the time you lost to acne and blemishes—it's quite hard to figure out where to start.

So you start poking around at Google. Or, in my case, I had my girlfriend—who was also going through such a phase after we vacationed in Seoul—look at product reviews. We'd talk about how Koreans have a very detailed routine that can take up to ten steps, about how they layer product after product, about how that works better than the usual all-in-one products we see here. That's the mind-boggling variety sorted. But, still, where do you start?

You go to a store—by now you've done your research and are hoping that the brand you first put a stake on works for you—and ask the kind ladies hovering around, offering free samples or, maybe, some make-up demonstration. Whether they are of any help, however, will depend on their knowledge of the product—how to use it, when best to use it, perhaps any insider tips? Of course, their advice is no golden bullet: there's a lot of trial and error involved. You might get a breakout, or you might get no results. I guess I got lucky an impulse purchase on our last night in Seoul worked wonders for my previously pock-marked face.

It's rare for someone to start something based purely on gut feel. Whether it's purchasing a gadget or launching a new product, we are compelled to get as much information as possible. Will this be worth it? Will it bring us satisfaction or grief? Same goes with supply chain. Of course, information is a critical part of supply chain management: knowing what drives demand for which item, knowing which item is available sooner than later—all of these things allow us to make informed decisions that ultimately allows us to be more responsive to the needs of our customers.

And yet the idea of big data—the term itself, "big data", it sounds so intimidating, you might rather

TECHNOLOGY HAS GIVEN US THE ABILITY TO SEE THE WHOLE PICTURE, END TO END, RATHER THAN SEVERAL PICTURES SHOWING DIFFERENT ASPECTS OF THE SUPPLY CHAIN not take a dive and stick to the things we've been doing before.

Admittedly, it is. When I first came across the concept of big data, it was accompanied by an explanation of how technology can help us make sense of all the data we collect on our supply chain operations. Sure, we know that we do collect a lot of these information, and we make use of them to make decisions, but technology enables us to access more of these details, and faster. Suddenly we have at our hands all this information that demands our attention. A classic case of analysis paralysis.

These days, however, tapping into all this information is critical to remain competitive. Customers are demanding more. At a time of immense choice, customers cannot afford to just pick a product and hope it suits their needs perfectly. Customers are now arming themselves with information before making that purchase, whether its online or offline. It's up to us to provide that information—not just to them, but to ourselves as well, to better understand just what we're up against and be able to adapt.

Supply chain, after all, is not just about the movement of goods, but about the movement of information, of feedback, allowing us to make better decisions and optimize our systems. You can say it's a supply chain on one end, and a data chain on another.

First, a bit of reassurance: we are already collecting this information. We know which products go to which trucks, and when these trucks leave, and where they are headed, and where those products will ultimately land—and that's just on the distribution side. Those working in production, in demand planning, in warehousing, in marketing—they are all tracking particular sets of information that help them make informed decisions on their end.

Technology, however, has given us the ability to see the whole picture, end to end, rather than several pictures showing different aspects of the supply chain. It allows information to break out of their own silos, out of their individual spreadsheets, and into an environment that provides more context. It has given us the ability to identify challenges and opportunities faster than before. It has given us more control. However, it all comes down to whether we can make the most of it.

While there are developers selling software suites that can slot into your current supply chain set-up, this still relies on whether you can plug in the relevant information into it; otherwise you just bought a box of CDs that you won't get to use much. So, that first step: get your house sorted. Organize your information. If you know what you have at your disposal, you can easily find a software solution that works best for you, whether it be a simple analytics tool, or a full-fledged warehouse management system, or a solution that involves automating certain tasks. You'll also find that the people selling you software would appreciate you having this information at hand, so they can better recommend a set-up that works for you.

Organizing your information is also prudent even if you're not pursuing a software solution. Not every operation requires (or can afford) such a set-up, after all—but organizing your data so it is clear and transparent to all involved allows you to make better decisions.

You can also choose to complement particular aspects of your supply chain with technology, especially if you're looking to dipping your feet into the pool for the first time. You can just, say, track your trucks so you can better trace the movement of your goods, and know whether they arrive on time (and therefore in peak condition, especially if you're shipping perishable goods). You can also use this information to determine bottlenecks in your transport routes, and perhaps devise a new one that could bring your goods to their destination faster.

Or you can first implement an inventory system so you can better track which items fly off the shelves faster and which items are not so popular. Getting a grip on this helps you, of course, in pouring your efforts into items that are worth your (and your bottom line's) while, by ensuring you are responsive to what your customers really want. You could also address accuracy in picking by implementing a picking system side by side with your inventory system.

That brings us to the second element of harnessing all this data: properly addressing feedback from customers. Sure, inventory levels and other particulars can give us some idea about what is doing well and what isn't, but feedback can also be qualitative. Perhaps a product is buzzy, and many people want to buy it, but are turned off because they don't reach stores in an optimal condition, or they don't get to the customers in the first place due to external factors.

The dawn of big data has led to a more prominent presence for analytics, tools that help us make sense of the information we collect about our supply chain and enabling us to make better decisions. The term "analytics" may sound intimidating, but

Chinese online retailer Alibaba, who has used data effectively to power growth, saw sales of up to RMB 91.2 billion during their Singles Day promotion in 2015

MAKING SENSE OF BIG DATA: NESTOR FELICIO ON THE IMPORTANCE OF ANALYTICS

Who knows you better than yourself?

It seems like an irreverent question, but your apps may know more about you than yourself. If you have a Facebook account, it has 98 facts and secrets about you—from your relationship status and your significant other's birthday, to whether you're likely to move to another house or buy a car, and where you're going in your next vacation. From the moment you wake up, each click on your mobile phone or tablet gives away some information about yourself. The new world of analytics and artificial intelligence (AI) is here, tracking your every move like George Orwell's Big Brother.

But wouldn't you want to have the ability to know your supply chain just as well?

We do have so much data in the supply chain. Many of them are structured such as ERP transaction records, forecasts, and contract costs, but there are also "unstructured" data such as customer calls, web logs, RFID and GPS locations, just to cite a few. Analytics and AI are now finding their way into supply chains to help make sense of them.

One such application is "demand sensing." In addition to forecast tools like time series analysis, new information—for instance, the effect of a product promotion—can be immediately included to provide "self-learning" prediction of demand. And new tools are being developed to spot trends in consumption behaviors and other lead indicators of demand.

Another application is inventory optimization. With so much information to process—supplier lead times, reliability, forecast error, cost of holding inventory, ordering cost, etc.—a "one-size-fits-all" safety stock policy becomes the default. This leads to sub-optimal results where some SKUs have too much inventory while others have too little. Analytics can optimize inventory by SKU, saving inventory cost, while meeting service level targets.

In order fulfillment, the use of simple analytics tools can reduce cycle time and increase throughput. For instance, "processing time" by order, picker or zone can be tracked in a pick-and-pack warehouse operation for proper load assignment and balancing.

In the service industry, tracking customer arrivals and call patterns allow adjustments for peak periods to reduce waiting times. This can be applied to logistics, such as transport providers that aim to balance asset utilization with delivery performance.

Today's supply chains are becoming global and more complex, and uncertainty and variability are increasing. The company that is able to use "big data" not only has an advantage in managing supply chain complexity, it can also have an edge in predicting trends and preparing for them.

Such tools already exist or can be developed and their benefits can make a compelling case to invest in them. End-to-end visibility of your supply chain is foreseeable in the not-so-distant future. Who knows, soon you may be able to say that you know your supply chain better than Facebook knows yourself.

Nestor Felicio is corporate vice president for integrated planning and logistics management of United Laboratories, and president-elect of the Supply Chain Management Association of the Philippines.

Analytics can help a supply chain operation make sense of increasing complexity

it's really something we do in every day life. Do we take our usual route to work, or take a different one? Do we buy at our usual lunch haunt because it's familiar and inexpensive, or do you look for some place tastier? And more often than not, these decisions do not just involve hard data (although it is an important aspect, no doubt) but also subjective perceptions and observations. Chances are you take the faster route to work not just because you spend less time driving, but because you find that you don't get frustrated on the road.

Unless you're a one-man operation, you're probably getting only a particular set of data. Supply chain people have one set of numbers; production people have a different set; marketing people have immediate access to feedback on social media or demographic information through promos, surveys and customer relationship programs. If you are able to make sense of all this, you can be confident that you're making an informed decision. Your item may be selling fast, but people may not be satisfied with it, despite what your focus groups and research have suggested in the past.

This, however, requires close coordination with other people in your team. Supply chain is an important part of any business, of course, but other departments may carry insight that cannot be explained away by hard data.

That brings us to perhaps the most important aspect of harnessing the power of the data chain: ensuring that you are decisive amidst all the information in your hands.

While information is at our fingertips, and it is easier than ever to make sense of it, only a few have truly turned things around with it. Inevitably the most prominent examples are online retailers: with the advent of the Internet and its many associated technologies—cloud computing, for instance—they have adapted early, become decisive in critical points, and are now reaping the rewards. Amazon, for one, has dominated the online retail front: from being a book seller, it now offers everything under the sun. It has even broken out of its online barriers and begun rolling out brick-and-mortar stores in the United States.

Closer to home, Alibaba has harnessed big data to become the biggest online retailer in China, and a looming presence worldwide. It has empowered its merchants to understand its customers through big data, while also allowing them to predict what comes ahead and be able to adapt to it. With Alibaba sales continuing to grow—its last Singles Day sales, in 2015, reaching RMB 91.2 billion—data is proving to be a sturdy foundation.

Yes, data can be intimidating, but imagine the possibilities. Imagine what information can do for your operation. Imagine that this information is already at your fingertips, and all it takes is for you to organize it, collate it, analyze it, decide on it. All it takes is for everyone in your operation to get their heads together: to be truthful, to be transparent, to be all on the same page.

With that, you—and your customers—can make better decisions. Perhaps you can do better business, too. Customers get their products on time and in best condition, and they tell you what they need (and don't need). And you can respond to their needs in the best and most adaptive way possible.

It is, after all, what supply chain really is: a continuous conversation, an ongoing relationship between the producer and the consumer. •

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SCMAP says hello (again) to Mindanao

Cagayan de Oro plays host to events recognizing the region as a supply chain hub—and its role in the growth of the national economy

2016 was a momentous year for one of SCMAP's flagship events.

One, it got a new name—what was then the Logistics Immersion Course is now Supply Chain Immersion, in recognition of the continuing evolution of the supply chain profession, from transport and distribution to the multiple disciplines it covers today.

Two, its destination was Cagayan de Oro City, a major supply chain hub serving northern Mindanao, and the country's gateway to the Mindanao market.

Held last May 18-21, the event was, as always, two-prong: a series of talks on board a ship en route to Cagayan de Oro, and a day-long conference on land, attended by supply chain managers from both Manila and across Mindanao—the first ever SCMAP Mindanao Supply Chain Conference. In total, over 120 attendees took part in both events.

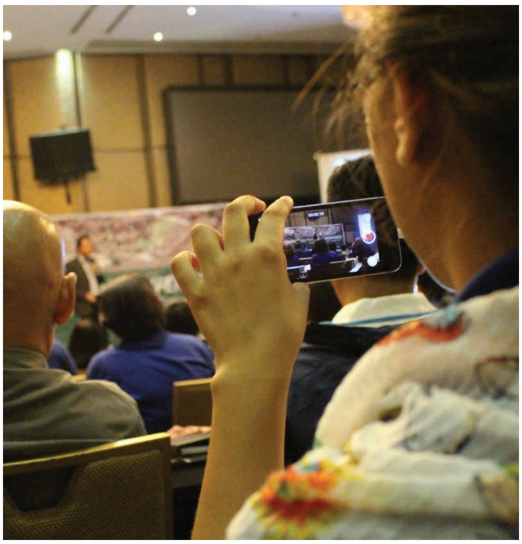
The event began on Wednesday afternoon with the Manila delegation getting a first-hand look at the operations of the North Harbor, as well as insight into the plans of Manila North Harbour Port Inc. to enhance its capacity. Then it was off to 2GO's MV St. Pope John Paul II for welcome cocktails and some rest before a day of discussions.

Thursday was devoted to a discussion of distinct aspects of supply chain. Emma Susara, manager of commercial services for the Philippine Port

Top: The participants of this year's Supply Chain Immersion snap a pose upon arriving at Cagayan de Oro

Bottom left: The Limketkai Luxe Hotel is filled with delegates to the first Mindanao Supply Chain Conference

Bottom right: Getting to know each other on board MV St. Leo the Great



Top left: A breather as the vessel hits Cebu

Top right: An ice breaker in the middle of a packed day on board

Middle: Vjandep Dr. Viel Jose takes a conference selfie

Bottom left: SCI participants are toured around MV St. Pope John Paul II's bridge

Bottom right: Smartphones—the new way of taking down notes

First row, from left: DTI's Sarah Lope, PPA's Emma Susara, ADMU's Gus Arguelles, URC's Dario Arive and Unilab's Roselie Manlangit.

Second row, from left: REID Foundation's Ronilo Balbieran, Nestlé's Anghelita Santor, Vjandep Bakeshop's Dr. Viel Jose, Unilab's Nestor Felicio and LF Philippines' Gilbert Cabataña,

Third row, from left: USAID-COMPETE's Jeremiah Acena, SCMAP's Cora Curay and Del Monte's Manny Santiago.

Fourth row, from left: SCMAP's Norman Adriano, 2GO's Bimsy Mapa and MNHPI's Raul Quisumbing.

Authority, and Sarah Lope, head of the Department of Trade and Industry's supply chain management and logistics division, discussed developments in their respective agencies.

Then it was on to the practitioners: Dario Arive Jr. of Universal Robina Corporation, Roselie Manlangit of United Laboratories and Gus Arguelles of the Ateneo Graduate School of Business presented case studies and workshops on particular challenges in the profession.

Of course, the delegation's time on board was not complete without a tour of the ship's bridge.

As the vessel arrived in Cagayan de Oro early on Friday morning, the next stop was the Limketkai Luxe Hotel, the venue for the first ever Mindanao Supply Chain Conference. Delegates from Manila and across Mindanao—including manufacturers, retailers and even government agencies—gathered to hear about the challenges and opportunities facing supply chain in the region.

The day's speakers were of high caliber: USAID-COMPETE's Jeremiah Acena, REID Foundation's Ronilo Balbieran, LF Philippines' Gilbert Cabataña (also president of SCMAP's Visayas chapter), United Laboratories' Nestor Felicio and Nestlé Philippines' Anghelita Santor, talked on a wide range of topics, from analytics to environmental sustainability.

Perhaps the most anticipated speaker was Dr. Viel P. Jose, operations manager of Vjandep Bakeshop, makers of the popular delicacy pastel. He talked about how supply chain turned a small bakery in Camiguin into a major business waving the flag for the region—and gave some of his products away for those who have yet to try it.

The Manila delegation had time to network with colleagues and peers, over lunch and dinner, as well as in individual tours of Cagayan de Oro—or in queues at Vjandep to buy more pastel, as most ended up doing before flying back to Manila on Saturday afternoon.

The Mindanao Supply Chain Conference was done at the heels of SCMAP's first event in Cagayan de Oro in 2014, with the aim of formally establishing a chapter in the region. The high turnout and wide spread of attendees—some came from Davao and General Santos—was a sign of increased interest in SCMAP and its work to move the competitiveness of the supply chain industry.

As for the Supply Chain Immersion, indeed, a new name brought forth a new energy, showing the full breadth of the profession in a way only SCMAP can.

We would like to thank our sponsors, Manila North Harbour Port Inc., 2GO Group, Messe & Handel and American Technologies Inc.; the companies that contributed to our gift packs; and, of course, to everyone who took part. •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First row, from left: SCMAP's Gilbert Cabataña, REID Foundation's Ronilo Balbieran, LF Logistics' Emmanuel Bautista and RFM's Eric Perdigon.

Second row, from left: Mondelēz Philippines' Cris John Garcia, Mariners Professional's Capt. Rodien Paca, Unilab's Nestor Felicio and PLDT's John Thomas Nanguit.

Visayas chapter mounts successful SCM congress

The Vismin Supply Chain Management Congress in Cebu attracts a record number of participants

SCMAP's Visayas chapter saw a record number of delegates take part in the Vismin Supply Chain Management Congress, a one-day conference held at the Bayfront Hotel in Cebu City on July 15.

Over 160 delegates—supply chain managers and professionals from across the region—took part in the event, which tackled new developments affecting the industry in the region and across the country, from technological innovations to new regulations.

Uniquely, the conference tapped speakers from both Cebu and Manila. The aim, according to SCMAP Visayas chapter president Gilbert Cabataña, is to bring world class knowledge and knowhow to a regional audience.

Among the speakers were former DMAP president Eric Perdigon, now working with RFM, and incoming SCMAP president Nestor Felicio of Unilab. Also speaking were REID Foundation's Ronilo Balbieran, LF Logistics' Emmanuel Bautista, Mondelēz Philippines' Cris John Garcia, PLDT's John Thomas Nanguil and Mariners Professional Shipmanagement's Capt. Rodien Paca.

The packed conference also served as a venue for networking amongst the delegates and sponsors who, while mostly from Cebu, also included those coming in from surrounding provinces in the Visayas, as well as from Luzon and Mindanao.

The success of the event was a sign of the strength and prominence of the Visayas chapter, which was formally founded in 2014. Previous events in the region—including last year's Vismin Supply Chain Conference, also held in Cebu—were spearheaded by the national chapter in coordination with the Visayas chapter. Setting aside their regular general membership meetings, the Vismin Supply Chain Management Congress is their first major event, and one that surpassed expectations. •


Top: The Bayfront Hotel's Bantayan Hall room is packed with delegates to the Vismin Supply Chain Management Congress

Middle left: No SCMAP event is complete without raffle prizes

Middle right: VIsayas chapter vice president Marivic Esmero introduces the team behind the event

Bottom left: The open fora were particularly lively

Bottom right: Delegates came not just from Cebu, but from all over Visayas—and all over the country as well


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ON-SITE REGISTRATION

Strengthening connections with the 4Tfy Network

SCMAP joins a network of organizations committed to fostering connections that pave the way for a stronger Philippines

Top: A photo with stakeholders and guests

Bottom left: SCAD's Linda Pamintuan

Bottom right: MACCII's Frankie Villanueva Jr.

The year-long collaboration between the Supply Chain Management Association of the Philippines, the REID Foundation and Fountainhead Technologies has borne fruit: the birth of the 4Tfy Network, a coalition of organizations committed to fostering connections to achieve good governance in tourism, trade, transport and technology.

Unveiled during SCMAP's General Membership Meeting held last June 16 at the Marco Polo Ortigas, the network is the result of the project the three organizations have worked on with the assistance of the World Bank.

In the past year the organizations have visited different parts of the country, meeting with stakeholders in the public and private sectors, all with the hopes of leveraging the strengthening economy to bring inclusive growth to more Filipinos. Among these fora are events held in Clark and Palawan, as well as SCMAP's Supply Chain Outlook held last February.

These events recognized the critical role of partnerships, whether between government agencies or between the public and private sectors, in taking economic growth and moving it towards tangible products and results that benefit the population at large.

During the June GMM—which also doubled as a forum on good governance with regards to the 4Ts (tourism, trade, transport and technology)—REID Foundation's Ronilo Balbieran cited the example of the Tourism Road Infrastructure Project, a venture between the Department of Tourism and the Department of Public Works and Highways. Conversations between the heads of two agencies, he remarked, led to a project where the DOT identifies roads, most leading to tourist destinations, that need repair or upgrading, and the DPWH works on it, regardless of whether these are designated as national roads or local roads (which is under local government units).

There are also public-private partnerships, a concept heavily pushed by the Aquino administration. Among its successes are the Muntinlupa-Cavite Expressway (MCX) which opened to the public in 2015, as well as a large number of infrastructure projects currently under planning or construction.

The unveiling of the 4Tfy Network formalizes this network, and commits its members to work towards strengthening these connections and collaborations. It acknowledges that these tie-ups are the way forward in a country that, while blessed with resources and on a path of economic growth, is challenged by slow investment, its archipelagic nature and its vulnerability to natural disasters such as typhoons and earthquakes.

Among the guests were members of industry groups, student groups and members of the supply chain community. Speaking at the forum were Linda Pamintuan, executive director of the Subic Clark Alliance for Development, and Frankie Villanueva Jr. of the Metro Angeles Chamber of Commerce and Industry; both talked about the opportunities present in the region, especially with the proposed expansion of Clark International Airport in a bid to decongest Metro Manila. The attendees later signed a covenant that commits them to doing their part in expanding the network.

While the project is officially over, the work continues. Apart from the establishment of a Facebook group for the 4Tfy network, collaborations between the group's members continues: for one, plans to establish SCMAP chapters in central Luzon (based in Clark), southern Luzon (based in Laguna) and Palawan are in their early stages, bringing together members of the private sector and connecting them to government agencies, all in a bid to truly see growth—short- and long-term—reach as many Filipinos as possible, in as many provinces these possible. •

Warehousing certification in full swing

***Ana Rose Ochoa** reports on the groups' work to create a certification program which will impact on skills of those working within warehouses*

The Technical Education and Skills Development Authority (TESDA) and SCMAP embarked on the development of the training regulations for National Certification Level III on Warehousing Services for the Transport and Logistics sector.

The training regulations serve as basis for the competency assessment and certification, the registration and delivery of training programs and the development of curriculum and assessment instruments.

This level focuses on competencies related to warehousing documentation and relevant administrative work in the warehouse. Among the competencies in this level are complete receipt and dispatch, identification and inspection of stored products, maintenance of container cargo records, participation in inventory count, and application of customer service skills.

Last June 23, the training regulations validation activity was held at the TESDA Women's Center in Taguig City. Selected practitioners from SCMAP member companies took part, including Adsia Logistics, Basic Logistics, Fast Logistics, Gliese Inc., LF Logistics, Metro Retail Stores Group, Metropac Movers, Nestlé Philippines, Rustan Supercenters Inc., Unilab and Zuellig Pharma. They reviewed and analyzed the units of competency and the dimension of each competency.

The SCMAP team was composed of Norman Adriano, Dario Arive Jr., Pierre Carlo Curay, Juliet Yao, Annie Espiritu and Ana Rose Ochoa, while Edwin Maglalang and Dory Elpiades acted as focal persons for TESDA.

Another recent milestone was the validation of the Competency Assessment Tools (CATs), held last August 9 and 23 at the TESDA Center. On both days, pilot testing was done on the developed competency tools consisting of written and oral examinations, as well as structured demonstration tasks. Among the participants were practitioners from Adsia Logistics, Basic Logistics, Fast Logistics, LF Logistics Metropac Movers, Rustan Supercenters Inc., Unilab and Zuellig Pharma.

The SCMAP team was once again composed of Norman Adriano, Pierre Carlo Curay, Juliet Yao, Annie Espiritu and Ana Rose Ochoa, with Sahra Tecson and Sol Javier as focal persons for TESDA.

The next phase shall be the finalization of the competency tools to facilitate the integration of results of the validation, to incorporate changes to the competency assessment tools, and to review and finalize the CATs package. •

Asian Logistics and Maritime Conference returns for sixth edition

The Asian Logistics and Maritime Conference, Asia's largest conference for logistics and maritime services users and providers, returns for its sixth edition on November 22-23 at the Hong Kong Convention and Exhibition Centre.

Organized by the Hong Kong Trade Development Council and the Hong Kong SAR government, the two-day event will feature panel discussions on topics affecting logistics, maritime and supply chain in the region. This includes the latest Five-Year Plan issued by the Chinese government early this year, the continuing Belt and Road initiative, and the possibilities presented by the explosion of e-commerce across the region.Over a hundred speakers and panelists are taking part, comprised of experts and professionals from around the world. They are led by Lord Mountevans, chairman of the British shipping non-profit Maritime London. Also speaking at the opening session is C. Y. Leung, the chief executive of Hong Kong SAR. Confirmed panelists include Tommy Lui of Li & Fung, Zheng Changqing of eBay, and Malcolm Monteiro of DHL eCommerce.

The conference is accompanied by an exhibition, housing around 100 exhibitors centering on logistics, shipping and services.

Last year's ALMC saw over 2,000 participants from across the world, mostly from Hong Kong and China, but with a sizeable delegation from the Asia Pacific. As in previous years, the Supply Chain Management Association of the Philippines is supporting the ALMC, as well as its official magazine, *Supply Chain Philippines*.

More information on the panels, as well as links to register, is available on its website, www.almc.hk. •


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NEW MEMBERS

SCMAP welcomes its new members: **Sultan Kudarat Milling and Trading**, represented by Manuel Siy Cha; **8R Flanders Inc.**, represented by Praxedes Yu Tan; **Metro Retail Stores Group**, represented by Ricardo Aguas Jr.; **De La Salle–College of St. Benilde**, represented by Emilio Velez; **Sysu International**, represented by Christian Jay de Castro; **Sanofi Aventis Philippines**, represented by Michael Cuan; and **Bloom with Looms Logistics**, represented by Marilyn Casimero.

COMING UP

SCMAP is set to represent the private sector in the first **National Logistics Summit**, organized by the Department of Trade and Industry, happening on September 20 at the Philippine International Convention Center in Manila. The **Asian Logistics and Maritime Conference**, organized by the Hong Kong Trade Development Council and the Hong Kong SAR government and supported by SCMAP, returns on November 22-23 at the Hong Kong Conference and Exhibition Center in Hong Kong. Two **General Membership Meetings** are set for October 20 and November 17, the latter also serving as the elections for SCMAP's upcoming board of directors. Finally, SCMAP's **Christmas Fellowship** will be held on December 1 at the Makati Sports Club. You can keep up to speed with SCMAP through our Facebook page or our website.

1: 1-Stop's John McLoughlin presents on TABS at April's General Membership Meeting

2: An exchange of ideas during the workshop segment of April's Supply Chain Mornings

3: SCMAP swears in representatives from Sanofi Aventis Philippines and Blooms with Looms Logistics as new members during August's General Membership Meeting

4: Mondelēz Philippines' Cris John Garcia discusses customs reforms during July's General Membership Meeting

5: A group photo at the end of SCMAP's event in Clark, with representatives from the area's locators

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Mornings explores technology's impact

Supply Chain Mornings explored the impact of technology on supply chain in a seminar held on April 28 at the Astoria Plaza. Sponsored by Globe Business, the session featured talks from Globe's Raymund Reyes and Cathlyn Pavia, and Mynt's Jose Luis Reyes.

Stakeholders gather to discuss TABS

SCMAP's General Membership Meeting on April 28 focused on the Terminal Appointment Booking System, the new truck booking system being rolled out in Manila's ports.

John McLoughlin, business development manager for Australian software company 1-Stop—who are behind the system—explained the benefits of the program to an audience of stakeholdes and SCMAP members at the Astoria Plaza.

He later fielded questions from guests, which include Rona Gatdula of the Philippine Interisland Shipping Association, Teddy Gervacio of the Inland Haulers and Truckers Association, and Abraham Rebao of the Aduana Business Club.

SCMAP named as GoNegosyo partner

SCMAP was recognized as a partner of GoNegosyo in the private sector as it launched the Kapatid Project, a joint venture with the Department of Trade and Industry, on August 1 at the Manila Polo Club. The initiative centers on linking micro and small entrepreneurs with medium and large enterprises. SCMAP is particularly involved in the MentorMe program, providing seminars on supply chain management to entrepreneurs.

GMM takes on new shipping laws

New regulations and laws affecting shipping in the Philippines was the focus of SCMAP's General Membership Meeting on August 18. Cris John Garcia, operations and logistics manager for Mondelēz Philippines (and topnotcher of the customs brokerage licensure examination in 2005) talked about the Customs Modernization and Tariffs Act, as well as the revisions to the cabotage law and the new regulations on verified gross mass being rolled out internationally.

The GMM also featured a presentation on the Department of Transportation's plans under the Duterte administration, and a survey on government regulations from the Development Academy of the Philippines, led by former SCMAP director Rolando Lazo.

North Luzon chapter starts taking shape

SCMAP met with businesses and organizations based in Clark, Pampanga to kickstart the formation of a new chapter serving northern Luzon. Leading the charge were Frankie Villanueva of the Metro Angeles Chamber of Commerce and Industry, and Linda Pamintuan of the Subic Clark Alliance for Development.

All in all, around thirty people attended the lunch meeting at the Rendezvous Restaurant in Clark on August 25, which featured a talk on the draft National Logistics Master Plan by REID Foundation's Ronilo Balbieran, and a primer on SCMAP from president Cora Curay and executive director Norman Adriano.

Curay and Balbieran, alongside SCMAP's Henrik Batallones, even managed to squeeze in a television appearance: an hour dedicated to supply chain on Villanueva's weekly show *Business Hour*, which airs locally in Angeles.

Supply Chain Philippines

SCMAP

Supply Chain Philippines is the official magazine of the Supply Chain Management Association of the Philippines.

Published twice a year, it contains a briefing on trends and developments affecting the country's supply chain industry and the national economy as a whole, as well as updates on SCMAP's advocacies and activities.

The magazine is distributed to all SCMAP members, corporate and individual—this includes the country's biggest manufacturers, retailers and service providers—across the country. It is also distributed to members of the academe, government and the business community.

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Supply Chain Philippines is a platform for you to promote your products and services to the biggest players in Philippine supply chain.

Our ad rates are as follows: *outside back cover*—PHP 15,000; *inside front cover*—PHP 15,000; *inside back cover*—PHP 15,000; *whole inside page*—PHP 10,000; *half inside page*—PHP 5,500.

Deadline for all submissions for our next issue, which will be out in September, is on August 28. Rates are subject to change without prior notice.

For updated rates, ad specifications and to become an advertiser, please email us at secretariat@scmap.org.

BE A CONTRIBUTOR

We'd love to hear your ideas on what should be on the magazine, whether it's a piece on best industry practices, or a feature on technologies that couild change the way we work. Email secretariat@scmap.org with a synopsis of your article idea and some information about yourself. Writers who will get published will get freebies and perks.

We are a community that moves the global competitiveness of the Philippine supply chain industry.

The Supply Chain Management Association of the Philippines is the premiere supply chain organization in the country, playing a key role in supporting the industry through advocating for reforms, communicating developments and educating practitioners of every rank.

SCMAP was founded in 1989 as the Distribution Management Association of the Philippines (DMAP). The organization is currently composed of over 160 members, both companies and individuals, from the manufacturing, retail and logistics sectors. All members are committed to improving supply chain processes and professionalizing their supply chain workforce.

SCMAP's members are spread across three chapters: the national chapter, based in Manila, and two regional chapters based in Cebu and Cagayan de Oro.

The organization is led by a ten-member Board of Directors, elected annually by the membership among all official corporate representatives. The Board later elects, amongst themselves, the officers. The Executive Director works alongside the Board by supporting their initiatives, overseeing the Secretariat, and representing the organization in events and activities.

SCMAP'S THREE PILLARS

The work of SCMAP centers on three main pillars, helping position the country's supply chain industry towards competitiveness, and enhancing its role in nation building.

Advocate—Throughout its history SCMAP has advocated for policy reforms involving the supply chain industry. It has called for efficient port operations, justifiable transport costs and development of multi-modal logistics systems, among others. The organization frequently collaborates with government agencies, industry groups and other stakeholders to push these policy reforms.

Communicate—SCMAP strives to keep its membership up to date on industry trends, developments and opportunities. Regular events such as General Membership Meetings serve as a venue for discussion between stakeholders, while its flagship events, such as the annual SCMAP Supply Chain Conference, connect major players in industry, business and government with supply chain professionals of all stripes. *Supply Chain Philippines* magazine also provides background on industry issues and developments.

Educate—SCMAP is committed to equipping supply chain professionals with insight, tools and techniques to help them work better, through events such as Supply Chain Immersion and Supply Chain Mornings. The organization also works with groups such as TESDA and GoNegosyo in formulating programs aimed at enhancing supply chain capabilities for everyone—from those working in the front line, to entrepreneurs, to middle-level and corporate-level supply chain managers.

WHY JOIN SCMAP?

SCMAP members have benefitted from the organization's efforts to improve supply chain practices, from reducing logistics costs to preventing disadvantageous regulations and impositions.

SCMAP members also get opportunities to connect and network with their peers through regular events; for training and advancement; and for representation in policy formulation through surveys, FGDs and the like.

Membership is open for both companies and individuals. Email secretariat@scmap.org for more information.

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Each business is unique, with problems different from the rest. Our relationship managers make it a point to understand your situation thoroughly, so we can offer you thought-out, efficient, and tailor-fit solutions – the kind your business deserves.

Strong partnerships,
productive solutions,
and sincere customer service.

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Manila North Harbour Port, Inc.
sets the pace as partner port for growth

Manila North Harbour Port, Inc. (MNHPI) continues to scale a sterling record for port operations, steadfast on its modernization program for the Manila North Harbor.

Keen on providing the environment for growth, new equipment are set in place together with enhanced IT and management services.

Berths now accommodate longer and bigger vessels. MNHPI productivity is at a record pace and port capacity has increased to 2.5 million TEUs.

With a global outlook, MNHPI continues to deliver quality services and improve port facilities, spurring economic growth and building the image of the Philippines as a premier maritime hub.