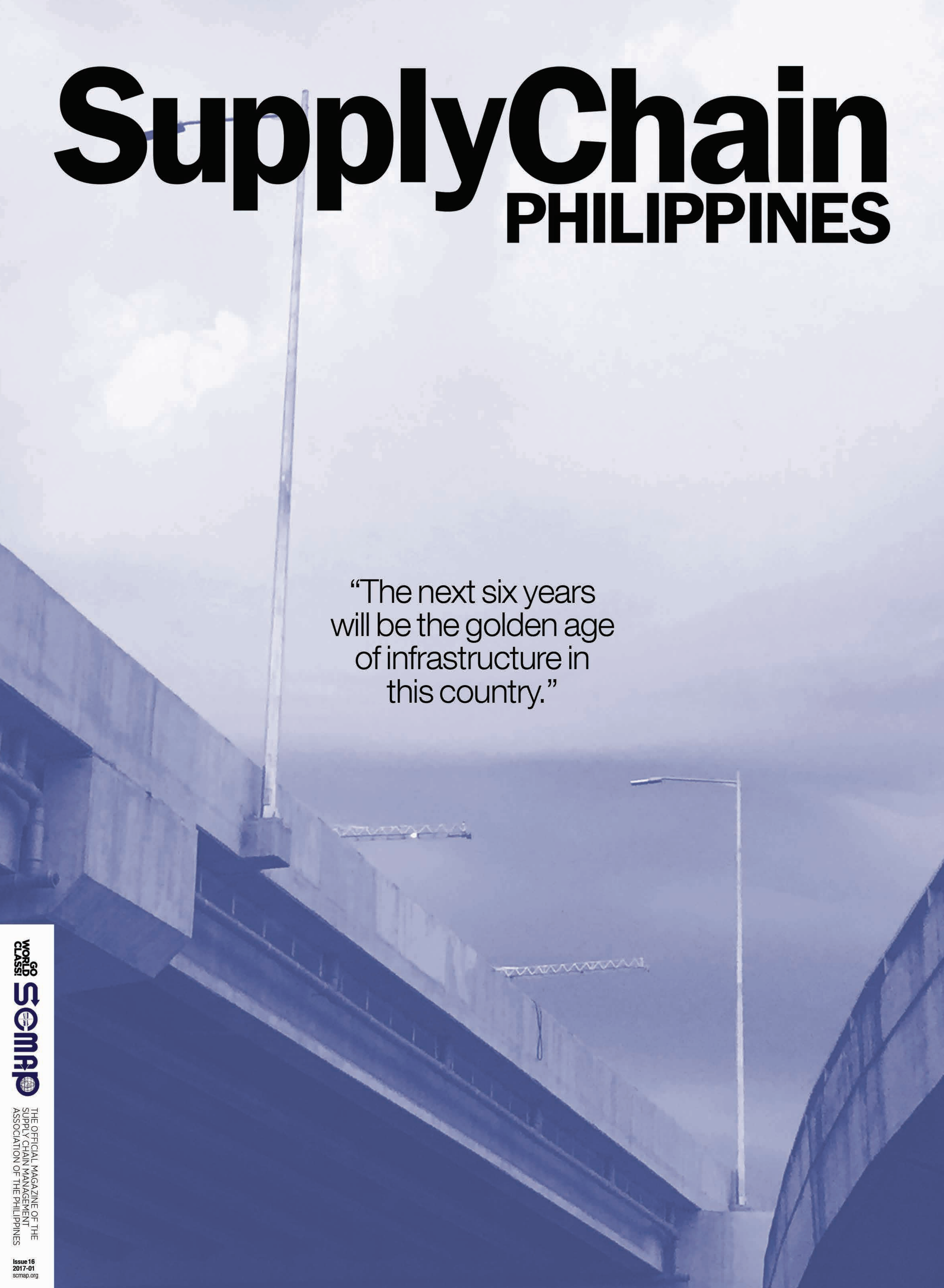
SupplyChain PHILIPPINES



"The next six years will be the golden age of infrastructure in this country."

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SupplyChain PHILIPPINES

“These things take a long time to materialize, and there are many processes involved before the figurative first brick is laid.”

The road to “the golden age of infrastructure”—page 12

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NESTOR FELICIO

PRESIDENT'S MESSAGE

"New distribution and retailing models, such as e-commerce and omnichannel, are also coming into play, and companies want to secure their place in the future."

It seems like 2017 has hardly begun, and yet here we are almost halfway through the year! How time flies when you're having fun—or simply busy!

Well, SCMAP has been very busy and, thanks to your participation, is having a great start for the year in line with our theme "Connect. Engage. Move."

We started with our Supply Chain Outlook last February 7, where prominent economist Dr. Bernardo Villegas gave his economic outlook for 2017. Dr. Henry Basilio followed with his presentation on the "Golden Age of Philippine Infrastructure." In the same forum the hot topic of "endo" was discussed, starting with DOLE undersecrectary Bernard Olalia, followed by practical tips from Atty. Pol Sangalang and former PMAP President Jesse Rebustillo.

Last February 15, SCMAP opened a new door in Luzon. Founding members from the Clark Economic Zone and surrounding areas banded together to form the SCMAP Northern Luzon chapter. The launch of this new chapter is timely as massive spending on infrastructure is to further develop this economic and logistics hub in the next five years. The new chapter officers are crafting strategies and we are as excited for their future as we are.

Our SCMAP Visayas chapter has also been busy, holding its Seminar Workshop on "Sharpening the Supply Chain Practitioners" on April 21. This targets our Cebu-based members on topics relevant to personal growth and quality operations.

Back in Manila, our second General Membership Meeting on April 27 focuses on supply chain collaboration. This is also a timely topic as integration with upstream suppliers and downstream customers is becoming a new imperative.

Industry developments like the SM Group investing in 2GO and MPIC acquiring Basic Logistics and Ace Logistics come as no surprise. With the economy growing six to seven percent annually, the demand for moving goods will continue to increase. New distribution and retailing models, such as e-commerce and omnichannel, are also coming into play, and companies want to secure their place in the future.

It all sounds exciting and, truly, these are exciting times for us in logistics and supply chain. Future supply chains require greater collaboration and integration to succeed. They will also demand good supply chain practitioners.

SCMAP has always been at the forefront of providing training and education for its members. We have a successful collaboration with TESDA on accreditation of warehouse personnel, supervisors and managers. We also have an ongoing project with the University of the Philippines for continuing education on supply chain management, and on-going discussions with other institutions to develop advanced courses.

One flagship project of SCMAP is the Supply Chain Immersion, where participants are immersed, literally and figuratively, in supply chain learnings. Half of the immersion is on a ship where participants get the chance to experience the nitty-gritty of logistics operations from port side, all the way to the shipping of cargoes to their destination. Lectures and workshops by practitioners and professors are conducted on board and, this year, we are adding an interactive supply chain game to supplement and integrate the topics covering procurement, inventory management, demand and supply planning. The remaining half is at the destination where more supply chain perspectives, including local experiences, are shared. The Supply Chain Immersion happens on May 12-13, heading to Iloilo City, touted by Dr. Villegas as the place for the "next economic boom."

There's more in store for SCMAP this year. This early, we are already planning for our Supply Chain Conference, which we aim to make even bigger!

Let's continue to "Connect" and "Engage" and "Move" our industry forward! Visit our website (scmap.org) or follow us on Facebook (facebook.com/supplychainphilippines).

HENRIK BATALLONES
CHAIN REACTION

"Perceptions are a tricky thing to manage, so perhaps it's time we look past that."

Just when we thought we were ready to send this issue to press, the Duterte administration's economic team mounted a press conference touting its infrastructure plans for the next five years. We've long heard of the "golden age of infrastructure" but this time there was a new term to play with: "Dutertenomics".

I thought there were new projects in the pipeline that were not mentioned in previous presentations made by this government, as well as previous ones. Apart from a new name for the series of highways going through Luzon (the Luzon Spine Expressway Network) and a new alignment for the proposed subway system (before the press conference we thought the link would go through Bonifacio Global City, Makati and the Mall of Asia complex), most of the announcements were for projects that have been mulled in previous months, if not years. Luckily for me, that meant only one minor change to this issue's cover story, which traces the history of this so-called "golden age".

That said, this administration's ambitious plans make for a grand statement of intent: if we're to get this country going, we must build, and build a lot. We must ramp up spending to finally address the many bottlenecks this growing economy has encountered. We've seen our GDP rise in the past few years, but it hasn't benefitted everyone. The intentions are good: it's not just about solving traffic in heavily congested Metro Manila, but also bringing development to the regions. It's time to spread the love, so to speak.

If you have not been following the news closely you could be forgiven for thinking that all these plans were hatched up only from the moment Rodrigo Duterte took office. (Why else would they call it "Dutertenomics" all of a sudden?) But, as our cover story outlines, these plans have been in the works for years. We all have the urge to attribute this thing or that thing to specific administrations, but we fail to grasp the fact that while priorities change along with a change in leadership, it doesn't mean things start from scratch. Already I've seen some friends argue that some of the projects the Duterte administration intend to build have been in the works since the Noynoy Aquino years. Limiting it to that is being partisan, I believe. Some of these projects go even further. That is how long these things take, for better or worse.

But then again, perceptions are important. Perceptions inspire confidence, or despair. In 2010, many were inspired by the perception of Noynoy Aquino's integrity, that he will finally squash corruption in government. A few years later, many felt despair at the perception that Noynoy Aquino gets little done.

In 2016, many were inspired by the perception that Rodrigo Duterte will get things done: get rid of crime, stamp out corruption once and for all, build all these things. Reactions may be mixed—polarizing, even—but some see the new president's "action man" reputation as a good thing. Investments will come in, businesses will flourish, because of this newfound confidence.

But then some feel Duterte is doing many things wrong, and that is also affecting perceptions elsewhere. The European Union, for instance, is looking to review the Philippines' GSP+ status—allowing exports to enter the EU with less or no tariffs—due to its concerns over human rights violations.

Perceptions are a tricky thing to manage, so perhaps it's time we look past that. Returning to the question of infrastructure: it's good that we have these plans, and it's good that the government aims to finish all these by 2022, but whether these will mean good things for the country—we'll have to keep watch. We'll have to understand what came before (and have the patience for it). And more importantly, we'll have to see things with a more critical eye.

A new China connection

*China is seeking to enhance its ties with its neighbors through several initiatives. **Henrik Batallones** breaks these down and looks at what's in it for the Philippines*

What a difference a few months can make. Just last year the Trans-Pacific Partnership was a hot topic on the trade front. The free trade agreement largely backed by the United States was seen as a critical plank in boosting trade in the Pacific Rim and growing the economies of the twelve member countries, but it was similarly controversial for its proposed restrictions and regulations. While it was an important part of Barack Obama's foreign policy strategy in Asia, largely seen as an effort to combat the growing influence of China, the major candidates of the 2016 US presidential elections saw it as detrimental to American jobs and growth.

Now, the US has officially backed out of the TPP, the result of one of the first executive orders signed by president Donald Trump. The deal did not originally involve the US, but their joining—and later departure—has put the future of the trade deal in doubt. To take effect, the Trans-Pacific Partnership has to be ratified by at least six member-countries accounting for 85 percent of the group's combined gross domestic product. This means the approval of the governments of the United States and Japan are critical. With their February 2018 deadline looming, the clock is ticking.

Several observers have called the US backing out of the TPP as an opportunity for China to become a more dominant economic force in the region. Apart from its strength as a manufacturing center for global supply chains, two initiatives currently under way could see their status solidified. As a player in the region, the Philippines has also looked into these efforts—and with the Duterte administration's pronouncements of a more "independent" foreign policy and its slow pivot away from the US and towards China and the Association of South East Asian Nations (ASEAN), these moves could be more important than ever.

A REGIONAL TRADE DEAL

While the Trans-Pacific Partnership was being negotiated, a similar trade deal was being mapped out among members of the ASEAN, including the Philippines. The Regional Comprehensive Economic Partnership (RCEP) was first introduced during the 19th ASEAN Summit held in Bali, Indonesia in 2011, with formal negotiations beginning the following year at the 21st ASEAN Summit in Phnom Penh, Cambodia.

Parties to the RCEP include the ten

members of the ASEAN, including the Philippines, as well as six countries with which the ASEAN has existing free trade agreements with: Australia, China, India, Japan, New Zealand and South Korea. The sixteen countries altogether represent 30 percent of the world's GDP, amounting to USD 21.4 trillion.

Negotiations are still ongoing, which means details of the deal are still unclear. However, the RCEP is expected to build on and improve the existing FTAs the ASEAN has with the six other countries, with provisions lowering barriers for exchange of goods, services and capital.

An important difference between the TPP and the RCEP, however, is what it doesn't do. The TPP contains provisions obliging its members to liberalize their economies uphold labor and environmental standards, and protect intellectual property. Some of these provisions were introduced or broadened upon the entry of the United States into TPP negotiations—the original four members of the group were Brunei, Chile, New Zealand and Singapore, all members of the Asia Pacific Economic Cooperation (APEC).

The RCEP, on the other hand, is expected to resemble a more straightforward free trade agreement, with a focus on lowering tariffs and other trade barriers. It recognizes, however, the significant economic cachet now brought to the table by China and India, which alongside Japan represent the three biggest economies within the group of sixteen.

Also, the RCEP is open to other countries with significant economic dealings with the group of sixteen. The United States, for instance, can choose to join the RCEP—but it has to first secure a free trade agreement with the ASEAN. Currently the two parties only have a Trade and Investment Framework Arrangement (TIFA), which establishes a framework for expanding trade and resolving disputes, but does not allow for the lowering of tariffs and other barriers. With the Trump administration moving towards protectionist economic policies—apart from pulling out of TPP negotiations it is also looking to rework the North American Free Trade Agreement with Canada and Mexico—it's unlikely the United States will be a significant presence in the RCEP in the near future.

From a geopolitical perspective, this would allow China to forge stronger linkages with its neighbors, and possibly combat growing US influence in the region, efforts of which were doubled down under Obama's "pivot to Asia" strategy. While the TPP was not originally devised to isolate China—indeed, both the TPP and RCEP were seen as parallel efforts to expand free trade on both ends of the Pacific—the entry of the United States gave it a different geopolitical meaning.

More importantly, if the TPP does collapse—and most indications say it will—and the RCEP is passed, China will be catapulted to a much more pivotal position in the global economy. Already it is a major player in international trade: the country is responsible for roughly 11% of world exports in 2014. In the same year, China is responsible for 14% of all trade to and from ASEAN countries. While the ASEAN will work together as a bloc, it cannot ignore the increased prominence of its neighbor to the north, and to an extent, India.

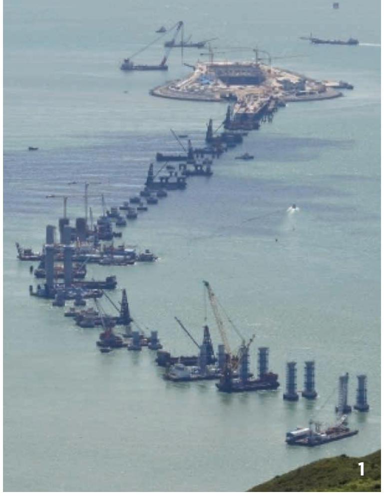
CHINA REACHING OUT

China is also expanding its influence by funding and supporting infrastructure development for neighboring countries. Already Chinese banks are financing more infrastructure projects—roads, energy, social services—in African countries. In 2014 alone, Chinese companies have worked on African projects valued at USD 58 billion.

China's view is not limited to Africa, however. In 2015 it founded the Asian Infrastructure Investment Bank, a financial institution aiming to support infrastructure development across the Asia Pacific region. First proposed in 2009, it was officially supported by president Xi Jinping in 2013, in part as a response to perceived dominance of American, European and Japanese proponents in similar institutions like the World Bank and the Asian Development Bank.

The Philippines is among the 21 countries that first expressed interest in joining the AIIB, becoming a signatory to its articles at the end of 2015 and ratifying its membership the following year. While most of its members are from Asia, several western countries have also signed up, such as Australia and South Korea. The decision of the United Kingdom to join the AIIB paved the way for the entry of other European countries such as Germany and France. The United States has expressed concerns about whether AIIB-funded projects will meet existing standards, and has not provided any intention to join. Japan, who has also provided funding to infrastructure projects across the region, has also announced it will not join the bank.

As of this writing, the AIIB is funding several important infrastructure projects relating to connectivity, such



1—The Hong Kong-Macau-Zhuhai Bridge has been in the works for over thirty years and has been beset with construction delays **2**—Gwadar Port in Pakistan, a critical node in China's Belt and Road Initiative, is expected to become a new shipping hub in the Middle East

as a national highway project in Pakistan and separate railway and seaport projects in Oman. The Philippines is looking to tap into the AIIB for its own infrastructure projects, with a flood management system for Metro Manila on top of the list.

The AIIB is just one plank in China's Belt and Road Initiative, a framework designed to expand the country's role in the world arena by enhancing connectivity to its neighbors and expanding its own industrial capacity. It involves building the modern-day equivalent to the Silk Road, the main trade route that connected China to India, the Middle East and Europe; and the Maritime Silk Road, which is designed to foster collaboration with countries in east Asia such as the Philippines.

The Belt and Road Initative builds on previously announced economic partnerships between China and its neighbors. One example is the China-Pakistan Economic Corridor (CPEC), a USD 54 billion project connecting the western Chinese town of Xinjiang and the Pakistani town of Gwadar, and particularly Gwadar Port, a deep-water port that is poised to rival Dubai, Hong Kong and Singapore in cargo capacity—and more importantly provides China with access to the Arabian Sea, bypassing the Malacca Strait in Malaysia. The highway linking the two is expected to be finished by the end of this year.

Another important component is the New Eurasian Land Bridge, a rail link connecting China and other east Asian countries with Europe. Expected to run roughly 12,000 kilometers, ultimately connecting the eastern Chinese city of Lianyungang to Rotterdam in the Netherlands, it is expected to decrease delivery time with minimal impact on cost. While services are already running, cargo traffic is expected to balloon by 2020.

The initiative's maritime component is also focused on improving connectivity with ASEAN member countries, primarily by developing and expanding ports along its coastal cities. Another project with a similar aim is the Hong Kong-Macau-Zhuhai Bridge, a road connection which will drastically decrease travel between China's two Special Administrative Regions, from over three hours to just 75 minutes by car. This also provides an alternative route from mainland China to Hong Kong, one of the world's major ports. Despite being beset by delays, the bridge is now projected to open at the end of 2017.

Other ASEAN member countries have expressed interest in taking part in the initiative, particularly Cambodia. In the Philippines, the Hong Kong Trade Development Council has begun discussions with stakeholders in both the public and private sector, looking into how the country can be better integrated into the Maritime Silk Road.

TAKING ADVANTAGE

With the Philippines' thrust towards enhanced connectivity with its neighbors—notably this year, as the country chairs the ASEAN—the opportunities posed by these developments should be welcomed.

With global economies working closely together, we have to exert every effort to be more competitive, not just in infrastructure but also in our products and services. The former improves our standing in global value chains and makes our country more attractive to investments both domestic and foreign. The latter is a much bigger challenge, as we are not just limited to resources within our borders, but outside it as well. As part of several free trade agreements through our membership with the ASEAN, we are able to trade our goods to our neighbors and regional economic partners more easily. We have to work to ensure that our products and services are competitive and attractive as the region continues to play in a more level playing field.

The Philippines is one of China's major trading partners. In 2015, they imported roughly USD 19 billion from our country, and exported over USD 26.6 billion. This is due to the significant presence of Chinese companies in the country, either as principal or toll manufacturers. From our perspective, China is our biggest importer and third biggest destination for our exports. We also have significant trade with several ASEAN countries such as Thailand, Malaysia and Vietnam. These initiatives, coupled with the government's new regional focus, could enhance our standing.

But we should also treat these initiatives with some caution. Again, it's the geopolitics rearing its head. China's initiatives are not just for economic co-

2

operation but to improve the country's position as a regional leader. A white elephant with regards to the Maritime Silk Road initiative, for instance, is the ongoing dispute over the South China Sea, and its impact on shipping routes and aquatic resources. This could heavily affect the Philippines, an archipelago that relies heavily on sea routes to connect to its neighbors. Political concerns about the current administration's attitude towards what is seen as China's encroachment into Philippine territory also abound.

We must also remember that connectivity efforts with other countries are under way. For instance, the first ASEAN CHARO route, linking Davao to Bitung, Indonesia, is now open. ASEAN economic integration is also being rolled out; once completed it should give the Philippines a better position in the global arena—and allow us to take better advantage of the RCEP, if finalized and ratified.

Setting aside the political brownie points of declaring an "independent" foreign policy, we should be able to take advantage of the opportunities offered to us by our neighbors, and work towards something truly in our interests: economic growth for the Philippines, and prosperity for most, if not all, Filipinos. •

New challenges as China leaps forward

A report from the Asian Logistics and Maritime Conference

Once again we had the chance to take part in the Asian Logistics and Maritime Conference, the annual logistics event organized by the Hong Kong Trade Development Council. As one of its partners SCMAP led a 29-strong contingent from the Philippines—the largest so far—to learn about the latest developments in supply chain, particularly relating to China and Hong Kong.

The event, held on November 21-22, again tackled familiar topics: the rise of e-commerce, the emergence of big data, and the Chinese government's Belt and Road Initiative. But the conference came at the heels of the Chinese government releasing its latest Five-Year Plan, outlining its policies and proposals for the country.

The government is looking to revamp its manufacturing industry through the Made in China 2025 and Internet Plus initiatives, where producers are assisted in tapping the strengths of information technology to upgrade their capabilities. Digitizing these manufacturers are expected to make them more competitive and responsive to evolving customer needs. "The era of low-cost, low-quality China manufacturing is coming to a close," LF Logistics president Joseph Phi said.

This goes hand in hand with the Belt and Road Initiative, which is still underway. I have been attending the ALMC for the past three years but only in 2016 have I seen this initiative at work: the Hong Kong-Macau-Zhuhai bridge, which will connect the three cities by land, is taking shape, with parts of it now visible for anyone leaving the Hong Kong International Airport heading to the city. "The initiative has created great opportunities for us," said Zhao Huxiang of the China Merchants Group.

In recent years, however, China has seen its labor costs grow, putting a strain on manufacturers. This is in part to an increased demand for skilled labor, particularly in IT-intensive industries. Dr. Qu Jian of the China Development Institute believes that the Belt and Road Initiative should be taken into account to ensure these manufacturers get the best value for their evolving supply chains.

"There are always headlines saying China is running out of labor, but this is definitely not the case," said Dr. John Cheh of the garments manufacturer Esquel Group. "China is running out of cheap labor, but I always say, what's wrong with that? Do we always want to jump on the backs of cheap labor?"

He proposes other ways of combating increasing labor costs, such as turning to automation, which will increase efficiencies as well as product quality—and, in his company's case, also resulted in a high retention rate for his employees.

E-commerce remains a big topic at the ALMC, and a particular challenge is limited infrastructure. It is a challenge Andrey Zatsepin of Ozon.ru particularly faces in Russia, and thinks logistics networks must be developed to adapt. "It's not just one step that needs to be improved, but a combination of all steps that need to be developed," he said.

The end goal, according to Zheng Changquing of eBay, is a seamless and truly global e-commerce experience. "Enabling global commerce would allow flow from Asia to the rest of the world," he said. But he stresses consumers' preference for a local experience, adding that establishing warehouses allow them to do just that.

E-commerce may have made shopping more convenient for consumers but it does not mean the end of the store front. "I think people will see the store less as a place to pick up inventory but a place to experience the brand," said Peter Wittgen of Grana.com, which started as an online retailer but later went the bricks-and-mortal route. "There definitely is relevance for the store: experience and customer service."

For his part, DHL e-Commerce's Malcolm Monteiro believes supply chain must evolve to match a customer's experience. "The customer wants choice and demands experience," he said. "He demands control." E-commerce is growing, he says—but traditional stores are also growing, too.

Dealing with digital disruption in logistics

New technologies and evolving expectations are forcing logistics providers to adopt rather than be left behind. ***Tarek Sultan*** *discusses how he and his team at Agility have approached the question*

Digital disruption in the logistics industry is happening in ways big and small. For a mature company in a mature industry like ours, this can be either terrifying or exhilarating.

Personally, I am excited about the potential to close known gaps with our customers, drive efficiencies, deepen access to services, and open entirely new markets with new ways of doing business. Our approach at Agility is two-fold. First, disrupt ourselves from within, and simultaneously, invest in the disrupters.

THE CERTAINTY OF DISRUPTION

Change in our industry is inevitable. Here's a quick example. Even if you only spend USD 10 on an e-commerce platform like Amazon, you get a digital experience that works simply, easily and well. You can buy your product, track its progress enroute, and manage returns or concerns, all on a single platform.

However, when it comes to freight forwarding, shippers can spend anywhere from hundreds of thousands to millions of dollars on freight and still have to write emails, make calls, fill out paperwork, and very often, still not know with precision where their goods are at any point in time. It doesn't add up.

It's neither coincidental nor surprising that venture capitalists have quadrupled investments in freight forwarding start-ups in the last couple of years, according to the *Wall Street Journal*. Venture capital funding for

freight forwarding companies exceeded USD 1 billion in 2015, more than double the amount invested in the five prior years. Put simply: the industry is ripe for change.

DISRUPTING OURSELVES

While a number of logistics start-ups are trying to reshape how freight is booked and managed, they face the challenge of not having the logistics infrastructure to execute consistently across different markets. That's where a company like Agility has an inherent advantage. We're betting that we will gain a unique lead in the marketplace if we can develop and intuitive, online customer experience supported by a proven ability to deliver across the globe.

We are paying particular attention to the massive spike in smartphone penetration and growing comfort with e-commerce in emerging markets. We believe that our customers, especially in the small and medium enterprise segment, will increasingly demand self-service capability and increased functionality online. For bigger customers with more complex shipments, the ability to manage supply chains more effectively online is already a key competitive advantage.

Agility has invested in a development center in India to build platforms and tools that are cutting edge in our industry. Agility Connects is one example: a powerful customer platform that allowa customers to book shipments, manage orders, documents, exceptions, inventory, vendors online, and to customize reports that improve shipping efficiency. Our commitment to developing a global operating platform that drastically simplifies and standardizes our business is another.

PARTNERING WITH THE DISRUPTERS

Digital disruption is not just about improving the business we have today. It's also about anticipating new ways of doing business. On this front, Agility has created a new technology venture to invest in disruptive technology related to logistics.

The idea is to look outside our company at new business models that we feel that we can either adopt internally or promote through our business. For example, we have invested in CargoX, a platform that is looking to revolutionize how road freight is booked in complex markets like Brazil. We are eager to see CargoX at work in Brazil. Undoubtedly, there will be interest among customers, shippers, transport suppliers, regulators and other parties in other countries.

We have looked at investment opportunities brought to us by venture capital firms. One of the technologies that is intriguing is a hybrid technology for the trucking industry that reduces fuel consumption and corresponding emissions by a staggering 30 percent. These savings are achieved by recycling otherwise wasted kinetic energy and doing it through a simple, 30-minute trailer retrofit. The technology has the potential to disrupt multiple industries, from supply to oil-and-gas and beyond. Imagine for a moment the impact of a near-term 30 percent reduction in diesel consumption for trucks.

While we believe that this technology will succeed in its own right, we also believe that we can accelerate value creation by using the technology in our own fleets and promoting the technology with customers around the world. This philosophy of finding multiple points of leverage is at the heart of our tech strategy.

DISRUPTION WITHOUT DISTRACTION

The challenge of being a big company is not distracting the core business, even as we invest in the technologies that may change it forever. There are many cautionary tales of logistics titans in our industry that spent hundreds of millions of dollars on transforming their technology platforms and ultimately failed.

Internally, our approach has been measured change: engage widely, pilot at every step, and roll out in phases, fixing problems early and continuously. From our technology venture perspective, we ring-fence our investments from the business until it makes sense timing-wise, geography-wise or service-wise to link them together. In this way, we hope to reap the benefits of revolution with the relative ease of evolution. •

Tarek Sultan is the chief executive officer of Agility, one of the world's leading integrated logistics providers. This article originally appeared in their company magazine, *Tradelanes*.

Don't forget the customer

As online shopping grows in the country, ***Henrik Batallones*** *has a reminder: above everything else, good customer service still matters most*

At the end of 2016, Amazon—the American online retailer—was worth more than all major department stores in the United States. While Amazon saw its value balloon from USD 17.5 billion in 2006 to a staggering USD 355.9 billion ten years later, the major traditional retailers saw their market values drop massively. Sears, for instance, went from USD 27.8 billion to just (if you could call it that) USD 1.1 billion. The only exception is Walmart: while it also saw a drop, its scale and presence meant it only dropped 1% across the decade.

There are many factors, of course. For one, there's been a trend away from big-box shopping centers and back towards standalone stores, especially for those who consider themselves with more discerning tastes. But these figures show the way online retailing has changed things, not just for customers but for retailers, too. And these are just American figures: the Chinese retailer Alibaba saw USD 20 billion in sales during its Singles Day sales last year.

It's easy to see why online shopping is a force to be reckoned with. It provides us shoppers with a wider choice. We're no longer limited to what our local stores have to offer. And we can shop wherever we may be, whatever time it is. Alibaba's big numbers are in part because of the wide penetration of smartphones: Chinese shoppers can just pull up an app on their phone, browse with a few swipes, do a few taps, and wait for their purchase to arrive.

This isn't quite the case yet in the Philippines, but already customers are spending idle time (stuck in traffic, perhaps?) pulling up shopping apps on their phone and browsing for offers. On one such occasion, my girlfriend showed me an irresistible offer: a box containing hard-to-find make-up and skincare products for a really cheap price. She did not buy it, though—she was saving up for Christmas gifts.

Last month I made my first ever online purchase. I bought a magazine from abroad—it was not available here, and I was not going to be abroad any time soon to buy it in a store. It didn't matter that shipping costs were more than double the item's price. I wanted the item, and the magazine store near the SCMAP office was not going to stock it any time soon (they told me so, I asked), so I punched in my credit card details (I was not using a phone) and hit send. The next three days was spent tracking my purchase as it flew from London, to Cologne, to Shenzen, and finally to Clark. It was fascinating to watch.

Is online shopping the new normal? Perhaps, most definitely. Retailers here are starting to look at their operations and wondering whether the costs of going online would be worth it. The Internet has allowed smaller retailers, especially niche ones, to tap into a wider market. It has also allowed bigger retailers to offer their products to more channels—like, again, that market of bored people stuck in traffic.

Online shopping, of course, has its own demands. A successful operation depends highly on an effective supply chain operation, handling multiple orders from any point, and able to fulfill them on time and with no damage to the product. This, however, comes with the risk of subpar customer service, where transactions are treated just like that, and the customer is left to fend for himself when a problem arises with the purchase—say, if it comes late, or with significant damage, or if it turns out to be a counterfeit product. Also, some customers still prefer to take their time in deciding what to buy, taking into account many factors. I, for one, take a long time to look for a new addition to my wardrobe. I look at the colors, I feel the texture of the clothes, I test whether it's really a fit for me. No wonder Zalora has experimented with pop-up stores.

Online shopping has been called a disruptive force in the retailing industry, but it has also shifted the attention back towards the need for good customer service. Smaller retailers, in fact, have begun looking at brick-and-mortar stores as an experience—and bigger ones, like SM, have slightly tweaked their stores to exude more warmth and feel less like a big box. However, this is a difficult formula to get right. Some appreciate a knowledgeable person who can guide them through a store's offerings, while others just want to browse in peace and not be disturbed. One thing's certain: you can have excellent logistics, but if the customer's had a bad experience with you, he may never go back again. •

This article originally appeared in the January 9, 2017 issue of *PortCalls* as part of SCMAP's fortnightly column, SCMAP Perspective.

Conquering the Last Mile

In the realm of Supply Chain Management, does the end justify the means? While the Last Mile is said to be at the tail end and as it is, the face of the businesses to the customer—neglecting the significance of having an overall, integrated system behind it would have a direct impact on quality and sustainability of the business in the long run. Nothing should be left to chance.

As big and established players continue to innovate and look beyond last mile fulfilment, smaller players will continue to require supply chain execution integration.

"Competition gets tougher and challenging nowadays more than ever, not only on the business, but the technology side as well. We are seeing phenomenal and rapid transitions." says Ramon Garcia, President of In1go Technologies, Inc. (In1go).

The need to have an organized, orchestrated, and seamless flow of information and processes from procurement to the "last mile" delivery to customers is paramount. This convergence remains a goal for many enterprises to date—industry and technology experts such as In1go helps organizations to achieve this.

In order to get that perfect smile in the last mile, organizations should be able to sync all information across all its various systems and supply chain process stages below to provide absolute visibility and render superior customer service:

Ordering and Scheduling

With an Order Management System (OMS) feature such as In1go's—CentrixMobile Ordering System (CMOS) as a starting point, delivery scheduling capability plays a significant part for last mile fulfilment.

Scheduling order deliveries at point of sale while considering delivery costs as well as existing routes need to be synchronized with inbound lead times and outbound route plans. Enhanced collaboration with customers are achieved with capabilities such as events management and alerts.

Route Plan and Optimization

The heart and soul of last mile delivery. Idea is to maximize available resources and along

the way uplift service levels while lowering cost of operations. Technology has since evolved and made a significant impact in supply chain management as we now have enablers such as Roadnet software from In1go to help enterprises achieve this with ease and remarkable speed. Obtaining more deliveries utilizing fewer vehicles driving at lesser distance or close proximities would be the ultimate objective.

Dispatch Management

Having a solid and stable process in the movement of goods from Fulfillment Centers (FC) and Distribution Centers (DC) to their delivery destinations translate to efficient and productive operations. Tools such as 1Go Logistics provide for a collaborative, web-based Loadboard and Yard Management portal where the entire team converge—Warehouse, Dispatch tower, fleet, haulers, carriers, shipper, and all other units responsible for order fulfilment. The system provides real-time collaboration including chat facility, delivery updates, and vehicle tracking.

Driver Ally

We live in a connected world now more than ever. Mobile devices such as laptops, phones, and tablets enable far more collaboration and real-time interaction between drivers and across the entire delivery team. Fleet management applications such as Centrix-Mobile Delivery Information System (CMDIS), a mobile platform integrated into Loadboard/Yard Management systems locates and monitors all driver activities (Arrive Location, Enter Dock, Loading, Unloading, Exit Dock, Depart Location). This application is capable of pre-scheduling and pre-planning routes, likewise capturing electronic signatures (Proof of Delivery), all in real-time. The system utilizes HERE maps for navigation and routing.

Returns and Reverse Logistics

Taking on the path towards a perfect delivery, it pays to be prepared for the unexpected. A typical scenario would be returned orders and items coming from the customer and are then put back in to your supply chain. Having a solid and tightly integrated system would certainly make operations highly effective and efficient.

In the realm of Supply Chain Management, does the end justify the means? While the Last Mile is said to be at the tail end and likewise known as the face of the businesses to the customer—neglecting the significance of having an overall, integrated system behind it would have a direct impact on quality and sustainability of the business in the long run. Nothing should be left to chance.

In1go helps organizations establish a clear roadmap towards effective and efficient supply chain management processes and systems focused on visibility, optimization, and synchronization across the entire operations to achieve absolute supply chain execution excellence. "The game is changing—it's time to level up, or be left behind.", adds Garcia.

In1Go Technologies, is an IT Services and BPO company providing a range of value solutions specializing in project management, salesforce management and distribution automation, location based services/marketing, supply chain and marketing enablers. We offer a suite of internet-enabled solutions including applications and systems software. We undertake projects ranging from Re-engineering, Business Operations, Web enablement, Application development, and BPO Operations.

Our software development infrastructure is based in Manila - Philippines with representative offices across the country, in Canada and Singapore. In addition to software development, we offer internet solutions, call center infrastructure and services as required by our clients.

We are focused on implementing strategic solutions based on internet technologies and software services for improving business processes & making it cost effective. Visit us at www.in1gotech.com or email customercare@in1go.com.ph and find out how your business can leverage on our products & services.

Building up the Philippines

The Duterte administration is promising to accelerate infrastructure spending in the next five years. How did we get here, and what should we expect? Henrik Batallones connects the dots and breaks it all down

Even if it seems like a problem that mostly concerns those living in and around Metro Manila, traffic became a major discussion point in the months leading up to the 2016 presidential elections. The case was made that decongesting Manila would have a positive impact on the economy. Most, if not all, of the major candidates for president vowed to increase infrastructure spending if they are elected, citing an International Monetary Fund statement that a country should spend at least five percent of its gross domestic product to infrastructure in order to sustain economic growth.

In the end, it was Rodrigo Duterte who was given the mandate to fix the traffic problem, among others. His response is a vow to usher in a "Golden Age of Infrastructure" in the country: a commitment to significantly invest in infrastructure for the country throughout his six years in the country, resulting not just in plans, but in structures that can be used. Whatever your opinion of the president may be, his administration's plans on infrastructure may prove to be the thing that makes the most impact on the Philippines. And yet, it is worth remembering that these things take a long time to materialize, that there are many processes involved before the figurative first brick is laid. So how exactly did we get here?

WHAT CAME BEFORE

First, we must clarify that "infrastructure", in the eyes of the government, covers more than transportation facilities and networks. It also covers infrastructure relating to utilities, such as energy, water and telecommunications, as well as social infrastructure like housing, education and medical facilities. Here, however, we will focus almost exclusively on transport networks—on roads, seaports and airports, which form the arteries through which goods and services flow, powering our economy; as well as public transport systems, which impacts the effectivity of said arteries by providing travelers multiple options, as we have discussed in previous issues of this magazine.

While previous administrations have exerted efforts to expand infrastructure, spending has been below the five percent of GDP prescribed by the IMF. According to figures presented by the current


PETRON
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DRIVE SAFELY

Previous spread—The NAIA Expressway was opened in December 2016 **This spread**—Heavily congested EDSA remains Metro Manila's major thoroughfare

government, the Arroyo administration spent 1.9% of the GDP in infrastructure across its nine years in power. The Aquino administration improved on this figure, but very modestly: 2.9% in six years.

Infrastructure projects laid out during the Arroyo years were aligned according to her vision of five "super regions" for the Philippines: apart from the "urban beltway" stretching from Aurora to Mindoro, there are agribusiness-focused regions in northern Luzon and Mindanao, a tourism-focused region in the Visayas and Palawan, and a "cyber corridor" linking the country's major cities.

Originally initiated during the administration of Joseph Estrada, the construction of the Subic-Clark-Tarlac Expressway (SCTEX) begun in 2005, with the first phases being opened three years later. Construction on the Tarlac-Pangasinan-La Union Expressway (TPLEX)—which extends the highway system further north—begun in 2008, but delays meant it would only partially open in 2013, with the final phase expected to be finished in 2018. The Arroyo years also saw the extension of the South Luzon Expressway, connecting it to the STAR Tollway in Batangas, opening up a new route from Metro Manila to the passenger and cargo port in Batangas City.

The Duterte administration's plans on infrastructure may prove to be the thing that makes the most impact on the Philippines.

The pride of the Arroyo administration, however, is the RORO (Roll-On, Roll-Off) system, a network of roads and ports across the country designed to shrink travel time between major logistics, manufacturing and agricultural hubs in Luzon, Visayas and Mindanao. Opened in 2003, what is dubbed as the Philippine Nautical Highway System offers three main routes, taking off from Batangas or Matnog, Sorsogon and linking all the Visayan islands to ports in Cagayan de Oro, Surigao del Norte and the Zamboanga peninsula.

However, another infrastructure project—the NorthRail project, linking Metro Manila to Clark—was mired under allegations of corruption, and was ultimately cancelled in 2011 due to ballooning costs. Other initiatives, such as the rehabilitation of the LRT and the MRT, and the expansion of airports across the country, faced similar outcry.

The Aquino administration hinged its hopes to jumpstart infrastructure spending on the Public-Private Partnership (PPP) model, where private investors bankroll the construction of major

Thanks to Andrea Vicente, Nestor Felicio and Ronilo Balbieran for helping with this article.

projects in exchange for being a concessionaire for a set period of time. Delays, however, meant only four of these projects have been completed and are now fully operational, with two being additions to the capital's road network: the Muntinlupa-Cavite Expressway (MCX), providing residents in the province an alternate link to the South Luzon Expressway while bypassing busy Daang Hari Road and the Alabang district; and the second phase of the NAIA Expressway, providing a new route to all four terminals of the Ninoy Aquino International Airport, as well as to Entertainment City in Parañaque. (A third project also involves transportation: the establishment of an automatic fare collection system for all three LRT and MRT lines, which we now know as the Beep Card.)

However, several other infrastructure projects under the PPP model is underway. Some of these projects—such as the expansion of the Mactan-Cebu International Airport, the extension of the Metro Manila Skyway leading to Balintawak, and the MRT Line 7 reaching out to San Jose Del Monte, Bulacan—are already under construction. Even more projects that have already been awarded are in the early phases of pre-construction work, such as the Cavite-Laguna Expressway (CALA) and the extension of LRT Line 1 from Baclaran to Bacoor, Cavite.

Around this time, the Department of Public Works and Highways implemented a massive road development program. As of 2015, 97.2 percent of national roads have been paved. However, it cannot work on local roads, which are under the purview of local government units; LGUs, on the other hand, cannot spend over one percent of its annual budget on the expansion and maintenance of roads. Only 61.8 percent of city roads and 28.7 percent of provincial roads have been paved as of 2015.

To address that, the DPWH and Department of Tourism forged a partnership: the Tourism Road Infrastructure Program identifies and endorses local roads that are deemed important to tourism, which will then be developed using national funds. The project has overseen over PHP 86 billion in projects since it began in 2011. A similar partnership between the DPWH and the Department of Trade and Industry—the ROLL IT Project—began early in 2017, this time identifying roads essential to priority industries such as agriculture, manufacturing and logistics.

However, the Aquino administration's bid to squash corruption has led to cautious spending of the national coffers. Upon assuming power Aquino oversaw a review of all existing national contracts, including all infrastructure projects, which led to delays in some, and others being rebid outright. (The MCX, for instance, was envisioned as a simple road connecting Daang Hari to the Susana Heights exit during the Arroyo years; it was repurposed as a toll road during Aquino's term.) At one point, he said slowing down on the bidding process is in part to increase transparency and minimize graft. Government spending only accelerated when public sector underspending contributed to slower-than-expected economic performance, and even that was mired in controversy, thanks to the issues surrounding the Disbursement Acceleration Program, which was deemed unconstitutional by the Supreme Court.

WHAT KEPT US BEHIND

There are several reasons for the delays. Some of these are practical, such as difficulties on acquiring right of way. The signing of the Right of Way Act in 2015 aimed to solve this by simplifying land acquisition, by offering land owners the current market value of any property, as well as the cost for replacing and improving affected structures and the market value of crops and trees in a property. This is a change from the previous practice of offering land owners the property's zonal value, as calculated by the Bureau of Internal Revenue, which is usually lower.

Another reason is the many processes undertaken before a project is bid off: a series of feasibility studies, business cases and consultations with government agencies on various levels, before a lengthy bidding process, followed by alignment between the winning contractor and the government. This set-up has been, more or less, the same since the Build-Operate-Transfer (BOT) scheme was introduced in 1990, before evolving into the PPP program in 2010. The Duterte administration is looking to further reform this program, speeding it up and opening it further. "This is, first and foremost, an opportunity to bring private sector participation in nation building," finance secretary Carlos Dominguez said last year.

While this long process ensures that any piece of infrastructure will be beneficial to the country in the long run, it also means the gestation of such projects encompasses administrations. Take the new airport being planned in Panglao, Bohol. First announced during Arroyo's term, the prequalifying process was overseen during the Aquino administration, and saw many delays, particularly as it was bundled together with other regional airports

We have a plan...

The Duterte administration prides in its plans to increase infrastructure spending across its term. Projects that have been in planning for years on all fields—road, rail, sea, air—are being lined up for construction, and hopeful completion, by 2022.

Roads in the cities...

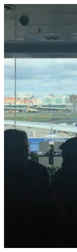
- Skyway Stage 3 and NLEX-SLEX Connector Road, two new routes connecting two major highways leading into Metro Manila
- C5 South Link (from MPCI) and C3 Elevated Expressway (from SM and Ayala), plugging gaps on major circumferential roads
- The Metro Manila Bus Rapid Transit System, a new public transport option along EDSA, with similar proposals from BGC to NAIA as well as in Cebu City

...and across the country

- The Iloilo-Guimaras-Negros-Cebu Link Bridge, a USD 1 billion project allowing road travel across the Visayas
- The Davao City Bypass Road is expected to half travel time from Digos to Panabo
- Additions to the highway system, including the North Luzon East Expressway passing through Cabanatuan, and the Manila-Bataan Coastal Expressway

Expanding through rail

- The Mindanao Railway System proposes 605 kilometers of track connecting the island's major hubs
- A high-speed rail link between Manila and Clark is envisioned to link the capital to Clark International Airport
- The Subic-Clark Cargo Railway is expected to link the former's airport to the latter's port
- A subway system for Metro Manila will start at Mindanao Avenue and end at NAIA



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in Bacolod, Iloilo, Davao and Laguindingan in Misamis Oriental. The Duterte administration has since unbundled these airports, with what is now called the New Bohol International Airport now being peddled as a separate PPP project, now expected to be completed in 2019.

Adversely, the long process reveals the fact that the government has not been as responsive to the changing demands of the population relative to increased development, particularly in urban areas and booming cities. Ideally, infrastructure projects would pave the way to regional development—that certainly is the mindset with, say, the expansion of the highway system in Luzon. But in some cases, development would cause congestion, leading to infrastructure projects that are reactive rather than proactive.

Take plans to establish a public transport system in Metro Manila. A study by Ma. Sheilah Napalang and Jose Regin Regidor of the University of the Philippines' National Center for Transportation Studies outlined the history of such efforts. As early as 1971, a recommendation for the creation of a rail network to serve the capital was made by the precursor organization to JICA, in a study commissioned by the government. This also identifies the role of buses and jeepneys as feeder services to the trains. The proposal was to implement such a program immediately, anticipating heavy traffic in Metro Manila in the coming years.

That proposal would be struck down by another study commissioned by the government, saying that such a network would be expensive and yet not have an impact on vehicle or passenger traffic. (It did, however, say one light rail line is feasible: that would be the original LRT.) As Metro Manila's population grew—both nighttime and daytime—the capital's infrastructure was strained. The shortsightedness of authorities then means we have been playing catch-up since.

In other cases, political priorities and other circumstances mean other regions end up under-invested in. Mindanao, for example, has not seen a major transportation network project in decades, although some projects relating to its ports have been put in consideration. Duterte aims to rectify during his six years in office, notably with a plan to build a railway network across the island.

Ultimately, these factors have led to the Philippines lagging behind its neighbors when it comes to infrastructure development, impacting not just traffic, but its competitiveness. Congestion on major transport networks have led to higher costs and lower reliability. This is sometimes compounded by other events such as natural disasters or the implementation of new regulations, like the controversial daytime truck ban imposed by the Manila city government in 2014.

The Philippines has dropped steadily in the Logistics Performance Index, a key indicator of perceived logistics competitiveness compiled by the World Bank. In 2016 our overall ranking fell to 71st out of 160 countries; the last survey in 2014 saw us ranked 57th. (This is our worst performance since the debut of the LPI in 2007, when we ranked 65th out of 150 countries.) Our performance in the infrastructure aspect—this looks at the quality of our roads, airports, seaports and IT networks—

ing up the skies

rivate sector proposals for alternative: San Miguel's opolis" in Bulacan, and the rmation of Sangley Point to nd sea hub proposed by the Tieng families

xpansion of Clark tional Airport to nodate eight million gers annually

opment of airports in Davao, Bacolod, Iloilo and dingan, Misamis Oriental

Reaching out to the seas

- The modernization of the Davao Sasa Port is expected to provide a new gateway to the south of the country, especially after the opening of the Davao-GenSan-Bitung ASEAN CHARO route
- ATI, ICTSI and MNHPI expanding their facilities in Manila and Batangas
- Rehabilitation and development of RORO ports, alongside the creation of a fourth RORO route

...but how long will it take?

At the moment, planning for infrastructure projects goes through many processes before bidding formally begins.

1. **Feasibility studies** including government agencies, foreign parties and consultants
2. **Evaluation** of the project, first by concerned agencies, then by NEDA
3. **Prequal-ification process** if government will not shoulder the project
4. **Bidding** where prequalified bidders submit their proposals
5. **Notice to Award** is issued to the winning bidder
6. **Alignment** between government and winning bidder in costs and design
7. **Notice to Proceed** is issued to the contractor
8. **Construc-tion** finally begins
9. **Concession agreement** is signed allowing contractor to operate project

dropped to 82nd from the previous survey's 75th. Among ASEAN countries, that puts us just ahead of Cambodia, Laos and Myanmar, countries that have yet to develop their infrastructure networks.

Our poor infrastructure has made a significant impact on the cost of goods. Former DTI secretary Adrian Cristobal stated that logistics costs account for 24 to 53 percent of wholesale prices, while shipping and port handling costs account for 8 to 30 percent.

DUTERTE'S BLUEPRINT

Upon assuming the presidency, both houses of the legislative submitted proposals to grant Duterte emergency powers to solve traffic in Metro Manila once and for all. The Lower House proposal would allow the president to reorganize or abolish government agencies directly responsible for transportation, override local permits or ordinances that are determined to obstruct traffic flow, and appoint a Traffic Czar to oversee such efforts. The Senate proposal sought to expand the law's coverage to the whole country, and would allow the government to use alternative modes of procurement for construction of critical projects, such as selective bidding, direct contracting and negotiated procurement. However, despite relatively wide support, the bill was watered down, removing any reference to emergency powers and now instead allowing for closer cooperation between concerned government agencies.

Nonetheless, the government proceeded to implement policies that would, in the short term, decrease congestion in the capital, such as the "nose in, nose out" policy for bus terminals operating along EDSA. Its long term future, however, is pinned on a massive infrastructure development program across the country—what Duterte calls the "golden age of infrastructure". The vow is to increase infrastructure spending to 5.4 percent of the country's GDP in 2017, and 7.2 percent by 2022—a total of PHP 8 trillion spread across 5,000 projects. This, they say, would not just reduce congestion, but also generate jobs, decrease the price of goods, and disperse development to the regions.

Some of the projects being prioritized by the Duterte administration have been in the works for years. The NLEX-SLEX Connector Road, for instance, stemmed from an unsolicited proposal; it was officially awarded in September 2016. Some are newer proposals, such as the implementation of a Bus Rapid Train System in Metro Manila. Some of the projects are part of recommendations made in a JICA-NEDA report, the Metro Manila Dream Plan, which was issued in 2014.

A noteworthy aspect of the Duterte administration's proposals is its renewed focus on rail. The aforementioned Mindanao Railway System, perhaps this government's legacy project, is seen as a critical link to the island's major cities and transport hubs. It is composed of three lines: a 275-kilometer line connecting Surigao City and Cagayan de Oro, two end points of the RORO system; a 215-kilometer line connecting Cagayan de Oro and Davao; and a 115-kilometer line connecting Davao and General Santos, two nodes in the first ASEAN CHARO route to Bitung, Indonesia.

The government is also prioritizing the devel-

Opposite page—SCMAP executive director Norman Adriano takes part in ROLL IT consultation meetings held in Iloilo City last February

opment of a high-speed rail link from Manila to Clark, with the aim of finally opening up the latter as a secondary international gateway, dovetailing with expansion plans for Clark International Airport, already a stop for local and international airlines. Connected to this is a railway connecting Clark to Subic, primarily for cargo (linking the CIA with the Port of Subic) but also serving passengers. Also in the books are plans to rehabilitate existing rail systems in Luzon, as well as a new subway system, which will have thirteen stops, from Mindanao Avenue in Quezon City to NAIA via Katipunan, Ortigas and C5.

On sea, the Duterte administration is looking into the creation of a fourth RORO route, which would necessitate the development of a port in San Fernando, Cebu, as well as plans to rehabilitate and expand existing RORO ports, as well as increase the number of vessels calling said ports. The April launch of the Davao-General Santos-Bitung ASEAN CHARO route is expected to improve trade between the Philippines and Indonesia, providing an alternative (and faster) route, especially benefitting agricultural products. It is widely seen as a pilot project leading the way for other such routes in the region, particularly in the BIMP-EAGA region, with other routes originating from Batangas, Palawan and Zamboanga being considered.

> These projects did not just occur to anybody in the past years, but are actually results of years of study and planning.

At the same time, the Philippine Ports Authority is consulting on new guidelines for developing existing ports, with a significant change being the use of performance-based metrics, rather than investment-based ones, to inform increases in tariff rates. While these proposals are not seen to affect the ports in Manila—concession contracts for the three major terminals serving the capital are not due soon—private operators are also busy expanding. Manila North Harbour Port Inc. is adding capacity to their their facilities at North Harbor, while International Container Terminal Services Inc., operator of the Manila International Container Terminal, plans to build a barge and RORO terminal in Tanza, Cavite, alongside the reopening of its inland terminal in Laguna.

On air, apart from the aforementioned plans to expand and improve regional airports, the government is upgrading and connecting all thirteen radars in the country, allowing better tracking of all air traffic. (A similar effort will be rolled out in the maritime sector.) The government is also dealing with the question of congestion at the Ninoy Aquino International Airport. So far there seems to be no clear direction on what direction it will pursue. The government can take a dual-gateway strategy, utilizing an expanded Clark International Airport—the aim is to accommodate eight million passengers annually—and linking it to Manila via rail. It can also build a new airport from scratch. The unsolicited proposal from the San Miguel conglomerate to build an "aerotropolis" in Bulakan, Bulacan is being studied, but the government says it will not compel airlines to switch their operations to that facility if completed.

Another option is Sangley Point, whose development as a logistics hub is mandated by an executive order signed by Gloria Arroyo in 2007, but has not been given much notice since. While there are plans from a consortium, led by the Tieng family (best known as the owners of the Solar entertainment conglomerate) and the SM group, to develop the area into an international airport and seaport, the government has yet to receive these formally.

The government believes it can open most, if not all, of these projects by the end of Duterte's term in office, in 2022. Efforts are underway to pass a PPP Law which would address the causes of delay in implementing such projects, and also open project to more funding from the private sector. Proposed amendments to the Public Service Act could open these projects to foreign investment. It is also looking into expanding convergence programs between various government agencies, similar to TRIP and ROLL IT.

Finally, the National Logistics Master Plan is expected to call for the enactment of a National Transport Policy which will, among others, support intermodal transport and regional development. These legislative priorities, outlined within the Philippine Development Plan, also include the enactment of independent regulators for the railway and maritime sectors, and an independent body for transport safety and security.

But more importantly, according to the government, it can do the job better. "We are not a corrupt government," DOTr secretary Arthur Tugade said during his keynote address at the 9th Philippine Ports and Shipping held last February, adding that this administration's integrity will ensure quick infrastructure development. The agency also vowed to mandate entities involved in constructing said projects to do so 24 hours round the clock, with Tugade believing that the additional costs this will incur will be offset by the benefits of opening critical infrastructure projects early. It is also open to allowing multiple contractors per project, also to shorten construction time.

THE ROAD (AND RAIL) AHEAD

There are many reasons to be encouraged by the Duterte administration's proposals to boost investment in infrastructure. As demonstrated over the past few years, our current networks can no longer properly support the growth of the Philippine economy. We're chugging along nicely, but we are not as responsive to new trends and opportunities that we could take advantage of. Take e-commerce: while Filipinos are warming up to the idea of shopping without having to go to an actual store, the demands it puts on our infrastructure is so much that we can't fully optimize its potential. In other countries, people shop for groceries at the comforts of their home, assured that what they ordered will get there in the best condition. Doing that here, at this point in time, would be difficult. I imagine my broccoli would be wilted by the time I sign the receipt.

The expansion of our infrastructure networks would also bring development to the provinces, something that the country has admittedly dropped the ball at over the years. There have been efforts, sure, but these have not come fast enough. Until in recent years, development has been restricted to major business hubs. Now, traffic is no longer exclusively a problem in Metro Manila, with Cebu notably already dealing with road congestion. A better interplay between LGUs and the national government, particularly with shared development goals and targets, would be good to see. If we can harmonize the conflicting regulations at the national and local levels, better.

It's also encouraging to see that the "Golden Age" will not just be purely about physical infrastructure, but will also see regulatory and legislative reforms, such as the establishment of independent regulators and the addressing of conflicting roles within government agencies. I cannot stress enough the need for a National Transport Policy—an archipelagic country like ours needs a policy that would form the basis of regulations, ordinances and actions relating to the transport of both people and goods. Such a policy could truly encourage multi-modal transport, perhaps promoting other alternative means such as biking. It could even touch on urban planning policy, solving bottlenecks in supply chain and fostering the growth of new businesses, which would be a win for producers, businesses, entrepreneurs and customers.

My last point is really to all of us. We have had enough reasons to be impatient. There have been a lot of missed opportunities; we were not able to capitalize on them. However, that is not to say that nothing has been done all these years. We would be served well to understand that projects like these really do take time; that these projects did not just occur to anybody in the past years, but are actually results of years of study and planning. Yes, it could be faster. Yes, it could be more proactive. But it is in nobody's interests to have projects that are finished, but are not used anyway. For this to all work, we have to watch closely, and to be active in providing feedback, to tell stakeholders what is working and what isn't, what could be a good idea and what isn't. And with that, we hold our breath at what this "Golden Age" will bring us. Stay tuned. •

ROLL IT good

Yes, ROLL IT is an acronym: Roads Leveraging Linkages of Industry and Trade. The convergence program between the Department of Public Works and Highways and the Department of Trade and Industry helps identify roads near centers of business and industry that should be developed or repaired.

Patterned after a similar program between the DPWH and Department of Tourism, it plugs an important gap in infrastructure development. While the DPWH has a mandate to develop infrastructure in line with national development priorities, it can only work on what are designated as national roads; local and provincial roads are the responsibility of local governments. However, it can work on projects identified as a national priority, and the DTI is mandated to provide infrastructure support wherever it may be needed. Thus, the ROLL IT program: the DTI identifies roads that need work, and the DPWH gets on it.

A critical component of ROLL IT is the endorsement and support of the private sector. From January to March 2017 its proponents have gone across the country to help stakeholders and industry groups identify these projects. SCMAP has been taking part in this project, through its partnership with the REID Foundation, helping connect its members across the country to help with the initiative.

Technology plays an important role in the implementation of ROLL IT. Projects are identified with the help of smartphones (whose cameras attach geographic information to photos) as well as common tools like Google Earth.

Finally, ROLL IT is not a one-off thing. While most work happens in the first quarter of the year for projects to be included in the next year's government budget, it is expected to happen in successive years.

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GO WORLD CLASS! SCMAP

A light moment after keynote speakers Rommel Gavieta and Doris Magsaysay Ho officially open the 2016 SCMAP Supply Chain Conference

Our biggest conference ever? Sure, why not

The 2016 SCMAP Supply Chain Conference sees record attendance

Is the 2016 SCMAP Supply Chain Conference the organization's biggest yet? Arguably, yes.

The annual event, held once again at the EDSA Shangri-la Manila in Mandaluyong City last September 15-16, saw record attendance: 330 delegates taking part in two days of insight, networking and opportunities.

It was also a year of noticable changes to the conference, aiming at an enhanced experience for sponsors and delegates alike. Conference veterans would be quick to spot a new plenary venue layout, as well as a new location for registration and a smoother registration experience. But even we would say there's still room for improvement, and the upcoming conference for 2017 promises more of them—but that's for later.

The 2016 conference delivered in its promise of a world class roster of speakers setting their sights on the opportunities and challenges for the supply chain industry, with the backdrop of a changing global economy, stressing the importance of being more competitive. The theme—Go World Class: Onward to Vision 2020, a continuation of the previous conference's umbrella theme—reflected that.

Leading the speakers were Doris Magsaysay Ho, industry icon and head of shipping conglomerate A. Magsaysay Inc., who illustrated the need for the supply chain industry to keep up with changing demands and conditions. Presenting government's efforts to increase competitiveness through new infrastructure projects was Rommel Gavieta, undersecretary of the newly founded Department of Transportation.

Also present with RFM Corporation CEO and GoNegosyo head Joey Concepcion, who talked about the importance of entrepreneurship in lifting Filipinos out of poverty, and the role supply chain can play. He was present as GoNegosyo and SCMAP signed an agreement formalizing the partnership between the two, as the latter takes part in the former's MentorMe program, bringing supply chain education to entrepreneurs across the country.

The event also saw SCMAP formalize its partnership with the University of the Philippines' National Engineering Center, with the goal of opening short courses on supply chain management, utilizing the expertise of SCMAP memebers and UP faculty.

Among the acclaimed roster of speakers include Emmanuel Bautista of LF Logistics; William Lorenzana, supply chain consultant formerly of Jollibee Foods; Capt. Rodien Paca of Mariners Professional Shipmanagement (and part of the board of SCMAP Visayas); and Robert Vallender of Nestlé Philippines.

Providing a unique insight into the economy as it affects supply chain are April Lynn Tan of COL Financial and Roni Balbieran, a familiar face in SCMAP events and current vice president of operations for REID Foundation.

Also among the speakers were Richard Barclay of Manila North Harbour Port Inc.; Kim Cabanig of Globe Business; Engr. Ludwig Federigan of the Climate Reality Project; Nestor Felicio of United Laboratories; Megan Fung of the Hong Kong Trade Development Council; Jose Manuel Mapa of the 2GO Group; Markus Meissner of AEB Asia Pacific; and Nicasio Rollan of Transfluent Management.

The conference offered a full picture of the state of the supply chain industry, with perspectives from government, the academe and business, tackling everything from efforts to increase competitiveness, to trends pushing the profession forward, to supply chain's bigger role in furthering the economy, bringing prosperity, and even preserving the environment.

The accompanying exhibit, on the other hand, proved to be a center of gravity for those providing products and services to the supply chain industry, with some of its biggest names represented. (And there was some star power too, with four members of the F2 Logistics Cargo Movers—the women's volleyball team at the Philippine Superliga—appearing at certain times.)

By the time the conference was capped of with the usual thanksgiving cocktails, delegates were already looking forward to the following year's event, noting the improvements and the truly world class experience.

And indeed, there will be more new things to look forward to in the 2017 SCMAP Supply Chain Conference, which will be held on September 21-22, again at the EDSA Shangri-la Manila. We aim for an even more relevant conference, with brighter insights cutting across all ends of the supply chain, better showing its role in national development and promoting quality of life. We are introducing panel discussions allowing for more interactive sessions, as well as revamped sponsorship packages for a better exhibit experience. Of course, we promise world class speakers, too. •

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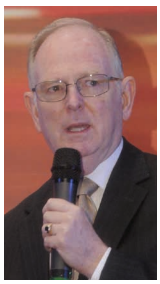

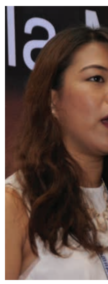

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SPEAKERS
Top row, from left—MNHPI's Richard Barclay, REID Foundation's Ronilo Balbieran, GoNegosyo's Joey Conception, HKTDC's Megan Fung, William Lorenzana, AEB Asia Pacific's Markus Meissner, Transfluent's Nicasio Rollan **Bottom row, from left**—Nestlé's Robert Vallender, LF Logistics' Emmanuel Bautista, Globe's Kim Cabanig, COL Financial's April Lynn Tan, The Climate Reality Project's Engr. Ludwig Federigan, Mariner Professional's Capt. Rodien Paca, Unilab's Nestor Felicio

1—Forging a partnership with GoNegosyo... **2**—...and the University of the Philippines **3**—A birthday surprise for Ochie Ochia and Cora Curay **4**—The welcoming party is up early **5**—Full crowds at the exhibit **6**—She won a vacation **7**—This year's conference saw a record number of delegates **8**—Queston and answer **9**—Aby Maraño, Cha Cruz and Kim Dy of the LF Logistics Cargo Movers

Director
German Martizano
Unilever Philippines

Director
Pierre Carlo Curay
XVC Logistics

Director
Anghelita Santor
Nestlé Philippines

Director
Mark Philip Comandante
Zuellig Pharma

Director
Tina Alvarez
Procter & Gamble

Auditor
Clarissa Castillo
Johnson & Johnson

Treasurer
Manuel Onrejas Jr.
Fast Logistics

Secretary
Dina Pilapil
LF Logistics

Vice President
Christine Pardiñas
Rustan Supercenters

President
Nestor Felicio
United Laboratories

2017 begins with refreshed Outlook

Infrastructure plans and labor reforms tackled on Supply Chain Outlook

This year's Supply Chain Outlook—SCMAP's kick-off event for the new year, looking at the issues that will impact the industry in the year ahead—sported a new look, in a bid to be more relevant to members.

For starters, the traditionally evening event was moved to afternoons, and was also designated as the first General Membership Meeting of the year. More importantly, the speakers—leaders and experts from government, business and the academe—took part in moderated panels across the program.

The new approach wasn't revolutionary—but it was received warmly by attendees, so we can expect more of this in future events.

Held last February 7 at the EDSA Shangri-la, the speakers were recognized leaders in their field. Kicking off the first half was renowned economist and writer Dr. Bernardo Villegas, who painted a positive picture of the Philippine economy for 2017. He was followed by Dr. Henry Basilio, head of USAID-COMPETE and a familiar face in SCMAP events, who gave his take on the Duterte administration's plans to boost spending on new infrastructure.

The second half was dedicated to efforts to reform labor laws, particularly the practice of "endo"—someone is hired for a six-month contract, only to be rehired after five months, preventing him from being regularized and getting the accompanying benefits.

Representing the government side was Department of Labor and Employment undersecretary Bernard Olalia, who outlined government efforts to combat the practice. Presenting a legal viewpoint is labor law expert Atty. Apollo Sangalang, while Jesse Rebustillo—who also spoke at Supply Chain Outlook the previous year—offered the perspective of management.

Supply Chain Outlook is also, of course, a chance for the new SCMAP board to outline their plans for the year ahead. After being sworn in, new president Nestor Felicio elaborated on the battle cry the organization adopted for the year: "Connect. Engage. Move." It is a challenge not just to SCMAP but to its members to reach out to every stakeholder in supply chain, engage them in meaningful discussion—and ultimately move not just the industry, but the country, towards greater global competitiveness.

Among programs lined up for 2017 is the launch of a supply chain program in partnership with several partners in the academe, deeper involvement with government efforts to strengthen the supply chain industry, and more relevant events. •

1—UA&P's Dr. Bernardo Villegas **2**—USAID-COMPETE's Dr. Henry Basilio **3**—DOLE Usec. Bernardo Olalia **4**—Atty. Apollo Sangalang **5**—Jesse Francis Rebustillo **6**—SCMAP president Nestor Felicio **7**—Two former presidents in one queue **8**—Can we have a photo together? **9**—SCMAP past president Corazon Curay **10**—Taking down notes **11**—The labor panel with Christine Pardiñas

A new chapter in the north

SCMAP's Clark chapter will serve companies in booming northern Luzon

1—SCMAP Northern Luzon members are sworn in **2**—Attendance did not just come from Clark **3**—Watching the results come in **4**—CDC director Edwin Rodriguez **5**—CDC vice president Eva Tejada **6**—CIAC vice president Lauro Ortille **7**—SCMAP president Nestor Felicio **8**—SCMAP executive director Norman Adriano **9**—Chapter president Dr. Frankie Villanueva

SCMAP has expanded its footprint across the nation with the establishment of SCMAP Northern Luzon, a new chapter based at the Clark Freeport Zone in Pampanga.

The new chapter targets the many companies operating in northern Luzon, from the free ports of Subic and Clark to major cities such as Baguio, Cabanatuan and Dagupan and beyond.

The chapter's thirteen charter members were officially inducted in a ceremony held last February 15 at the CDC Corporate Center in Clark. The chapter is unique in that it counts among its members several government agencies, such as the Clark Development Corporation and the Clark International Airport Corporation, a recognition of their key role in developing the region as a logistics hub and gateway to Luzon.

Dr. Francisco Villanueva of the Metro Angeles Chamber of Commerce and Industry was elected as president, while Evangeline Tejada of the Clark Development Corporation was named vice president. Linda Pamintuan of the Subic Clark Alliance for Development was named secretary; Jeff Tolentino of Dragon Boys Foodbox, treasurer; and Darwin Malinit of Cargohaus, auditor.

Other directors are Jose Adrian Brinas of RCS Logistics, Regina Castillo of Viskase Asia Pacific, Lauro Ortille of Clark International Airport Corporation, Francis Joseph Torres of Philippine Exporters Confederation, and Jaime Uy of Sentine Development Corporation.

The event featured presentations from Tejada and Ortille, plus remarks from CDC director Edwin Rodriguez and SCMAP president Nestor Felicio. •

1—USC's Dr. Perry Fajardo **2**—Wellcome's Philip Tan **3**—A large crowd for SCMAP Visayas' kick-off **4**—The Visayas chapter's newly-elected board

Good signs for Visayas

SCMAP Visayas looks ahead to 2017 with a discussion of hot topics and a new set of officers

SCMAP Visayas continues its active engagement with industry partners and members during its recent Supply Chain Management Forum and General Membership Meeting on January 20.

Almost 100 members—nearly twice the expected audience—composed of supply chain managers and professionals from the region gathered together at Sarrosa International Hotel in Cebu City to take part in the discussion on the Philippine economy and labor, headed by guest speakers Professor Fernando Fajardo and Philip Tan.

An economics professor at the University of San Carlos and the executive director of the Cebu Business Club, Fajardo shared his insights on the prospects of the Philippine economy and its effect on the economic performance of Visayas and Mindanao, and the leading business sectors and industries.

As for the trending issue on labor contracting and end-of-contract or "endo", Tan led the discussion on possible solutions that would benefit both the labor and the business sectors given his experience dealing with the Department of Labor and Employment.

Gilbert Cabataña, incumbent president of SCMAP Visayas, spearheaded the forum to promote knowledge sharing in the region concerning topics which pose a significant impact on the supply chain industry. These dialogues provide players in the industry with further information and insight needed in order to take advantage of the opportunities brought about by current trends and better prepare for the challenges that come with them.

In addition to the forum, there was a general membership meeting, as well as the election of a new set of officers for the Visayas chapter. LF Logistics' Gilbert Cabataña was reelected as president and will continue to lead the organization together with his fellow officers: Marivic Esmero of AAI Worldwide Logistics, vice president; Mae Masnayon of Dropbox, secretary; Arnold Jumalon of Boeing Material Handling, treasurer; Roberto Cabaero ofTransfluent Management, auditor; and Dr. Rodien Paca of Naga Port and Shipping Marine Services, PRO.

Other directors include Alfie Amontos of ABM Global Solutions, Crisanto Elmer Dolina of Adsia Logistics, Glenn Manguilimotan od Treasure Island Industrial Corporation, and Alan Jesus Salmero of Julie's Franchise Corporation.

The success of the forum and the election of its new officials are sure signs of the potential and growth of SCMAP Visayas for 2017. •

Bringing SCM to MSMEs

SCMAP's partnership with DTI-GoNegosyo gives entrepreneurs access to supply chain education

In recognition of the importance of supply chain education to further the competitiveness of entrepreneurs across the country, SCMAP has forged a partnership with DTI-GoNegosyo.

The partnership allows SCMAP to take part in GoNegosyo's MentorMe program, where industry experts and practitioners go across the country to equip MSMEs with essential knowledge in running their business. This link was formalized through a signing of a Memorandum of Agreement attended by GoNegosyo head Joey Concepcion during the SCMAP Supply Chain Conference last September 15.

In the past few months, seminars have been held in locations such as Baguio, Tacloban, Cagayan de Oro, amd Tubud in Lanao del Sur. These seminars are held in Negosyo Centers managed across the country through the Department of Trade and Industry, and attended by local entrepreneurs.

On March 1, GoNegosyo formally rolled out the MentorMe program to the whole country, giving SCMAP the chance to further expand supply chain education to all 86 provinces of the Philippines.

The program's expansion also marks the launching of the ASEAN Mentor-Entrepreneur Network, which links MSMEs with industry experts across the region.

Leading the efforts for SCMAP is director Carlo Curay and former director Max Yap, who is now part of the training and academe committee. •

NEW MEMBERS

SCMAP welcomes its new members: **Abbott Laboratories**, represented by Maria Fatima Cunanan; **National Bookstore**, represented by Arnel Gamboa; **Procter & Gamble Philippines**, represented by Tina Alvarez; **Synerbyte**, represented by Cliff Eala; and **Solid Machinery**, representd by Eduardo Martin Chua. We would also like to welcome the thirteen charter members of SCMAP Northern Luzon.

COMING UP

Supply Chain Immersion heads to Iloilo on May 12-14, promising delegates an immersive look at supply chain management... **Supply Chain Perspective**, its accompanying event in Iloilo, promises local insights on supply chain on May 13 at the Days Hotel... two **General Membership Meetings** will be held on June 15 and August 17, details to be announced later... the **SCMAP Supply Chain Conference**, happening on September 21-22 at the EDSA Shangri-la Manila, promises an expanded, more world class experience, with more relevant panels manned by esteemed speakers. Updated information will be posted at scmap.org, as well as on our Facebook, Twitter and LinkedIn pages.

SCMAP members tour MICT

International Container Terminal Services Inc. sponsored SCMAP's General Membership Meeting last October 27. Despite a weeklong delay due to typhoon Lawin, members got a chance to tour one of Manila's major container ports, and also got insights into ICTSI's expansion plans.

Globe tackles efficiencies with SCM digitization

SCMAP welcomed Globe Business during its General Membership Meeting last November 18 at the F1 Hotel at Bonifacio Global City in Taguig. A workshop on the how supply chain operations can be more efficient with technology solutions was held.

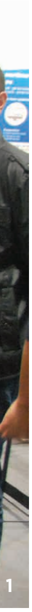
ALMC sees largest Philippine delegation yet

For many years SCMAP has supported the Asian Logistics Maritime Conference—the annual event for shipping, maritime and logistics professionals, organized by the Hong Kong Trade Development Council. But 2016 saw the largest Philippine delegation to the event yet. 26 delegates from the country flew to Hong Kong on November 18-19, led by SCMAP president-elect Nestor Felicio and secretary Christine Pardiñas. Also, for the first time, a Filipino company took part as an exhibitor: F2 Logistics sat alongside regional players in the supply chain industry.

Curay speaks at National Export Congress

SCMAP president Cora Curay represented the private sector at the National Export Congress last December 7 at the Philippine Trade and Training Center. Organized by the Department of Trade and Industry, Export Devleopment Council and Philippine Exporters Confederation, it looked at opportunities for the public and private sectors to enhance the business environment to spur growth in exports. Curay tackled the supply chain industry's role in growing exporters' competitiveness.

1—Some of the Philippine delegation to the Asian Logistics and Maritime Conference **2**—Cora Curay at the National Export Congress **3**—Nestor Felicio at 9th Philippine Ports and Shipping 2017 **4**—SCMAP members get a tour of the Manila International Container Terminal **5**—Heads down, busy, at the November GMM **6**—A little (too much?) fun at the Christmas fellowship **7**—SCMAP and AGSB talk certification programs



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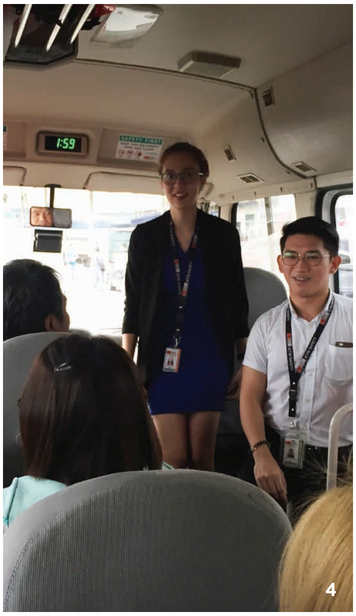

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Fun and games at Christmas fellowship

SCMAP's traditional Christmas fellowship—filled with fun and games, and gifts too—was held on December 1 at the Makati Sports Club. The theme was "Loud and Proud", a nod to the organization's many achievements over the past year, and so the participants were tasked to wear their brightest, loudest outfits. (Monette Bausas of Transfluent Management and Norman Aguilar of Fast Logistics won the honors of having the loudest outfit.) It was also a chance for the membership to get their first look at the new SCMAP board, as well as a farewell for Cora Curay, who stepped down from the board (but still heads the events committee). And of course, non-stop dancing, with the venue being transformed to a loud and proud dance floor.

SCMAP at 9th Philippine Ports and Shipping

SCMAP supported 9th Philippine Ports and Shipping, the biennial conference for port operators and stakeholders, held last February 22-23 at the Peninsula Manila. SCMAP president Nestor Felicio was among the speakers, outlining the perspective of the end user and suggesting fixes for various pain points in the supply chain. The event was hosted by the Philippine Ports Authority and organized by Transport Events Inc.

Workshop on ASEAN-China connectivity

SCMAP executive director Norman Adriano took part in a workshop to bolster trade facilitation by integrating logistics systems and standards between the ASEAN nations and China. The week-long workshop, held in Nanning, featured representatives from all ASEAN nations as well as China as the two parties look to boost trade stemming from the free trade agreement between the two. Among the issues tackled include the current state of trade, rules and regulations, and infrastructure projects. Also representing the Philippines is assistant secretary Arturo Boncato of the Department of Trade and Industry.

SCMAP, Ateneo open door to SCM program

SCMAP continues its move to expand supply chain education by beginning initial talks with the Ateneo Gaduate School of Business for the formulation of a certificate program targeting supply chain executives and professionals. The meeting, led by SCMAP president Nestor Felicio and AGSB dean Rodolfo Ang, paves the groundwork for the launching of a new supply chain program, hopefully for a September launch. SCMAP previously worked with AGSB for a certificate program in logistics management in 2013.

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.

ADVERTISE WITH US

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 18,000; *inside front cover*—PHP 15,000; *inside back cover*—PHP 15,000; *whole inside page*—PHP 12,000; *half inside page*—PHP 6,500; *advertorial*—PHP 14,000 per page.

Deadline for all submissions for our next issue, which will be out in September, is on August 25. Rates are subject to change without prior notice.

For updated rates, ad specifications and to become an advertiser, visit our website at www.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 hbatallones@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 180 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 regional chapters based in Cebu, Clark Freeport 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. 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. Visit our website at www.scmap.org for more details.

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Core logistics business; bringing efficiency to supply chains around the world.

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Portfolio of companies that strengthen trade infrastructure in emerging markets. Each operates under its own brand and management

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OCEAN FREIGHT

ROAD FREIGHT

CONTRACT LOGISTICS

CUSTOMS CLEARANCE

PROJECT LOGISTICS

LOGISTICS CONSULTANCY

SUPPLY CHAIN

SOLUTIONS

- Personalized Service
- IT Infrastructure
- Customized Packing
- Joint Approach for Cost Efficiency
- Warehouse outsourcing Solution
- Experienced Management Team

Building a durable, efficient supply chains that power businesses and drive trade, creating access to new opportunities.

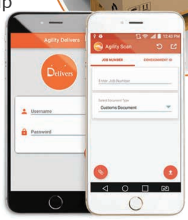
VALUE ADDED SERVICES

Agility Pack

Environment Friendly (Reinforced corrugated paper)
100% recyclable
Weighs approximately half of the usual wooden pallet.
Double Stacking allowed
Very light and easy to assemble
Cost Savings

Agility Delivers (ePod)

Common reference to identify a shipment
3D barcode available in the packing slip
Real time confirmation of receipts
SKU level information
Customer has its own access



Delivers
Scan

Agility Scan (E-Scan)

Keep track by downloading details of shipment
Downloadable Hard Copy
Data Management System
Customer has its own access