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PHILIPPINES

Electronics News (April 12, 1982) has discovered the Philippines. Geoff Lewis reports that there are about a dozen U.S. electronics firms there, including semiconductor assemblers Intel, Zilog (Exxon), Texas Instruments, Advanced Micro Devices (partially owned by Siemens), American Microsystems (Gould), [he doesn't mention National Semiconductor], and Fairchild (Schlumberger). "Data General, however, has graduated to complete board assembly and testing for shipment to final assembly plants in Hong Kong and the U.S."

The nominal wage is now US\$.65 to .70 per hour, lower than the other popular assembly locations. Turnover, according to a Data General manager, is extremely low, "perhaps 1 per cent per month compared with 6 per cent in Hong Kong."

There is a large English-speaking workforce. In fact, "the government claims the Philippines is the third-largest English speaking country in the world." There is an oversupply of engineers. Qualified engineers reportedly are often hired for assembly line positions.

Most Philippine electronics plants are still clustered near the Manila International Airport. Those firms that have ventured into Export Processing Zones have had problems. Fairchild has had problems with electricity and water supply at its Mactan EPZ (Cebu area) plant, while TI has had problems attracting workers to remote Baguio City.