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# GLOBAL ELECTRONICS INFORMATION NEWSLETTER

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## PHILIPPINES

The Philippines, already a booming site for offshore electronics assembly, is taking steps to encourage more investment. In addition to the anti-strike rules promulgated by President Marcos in July (see issue no. 23), the government has eased taxing provisions and eliminated a requirement that large firms grow grains to feed their employees. In addition, the government has announced its intention to organize a massive, industry-wide training program.

In 1981, semiconductors outpaced coconut products and sugar to become the country's leading export for the first time. Chip exports reached \$632.2 million. Semiconductor companies employed about 40,000 people. The eleven U.S. chip firms currently assembling in the Philippines are Advanced Micro Devices, American Microsystems, Deltron/Sprague, Fairchild (Schlumberger), Intel, Motorola, National Semiconductor, Raytheon, Signetics (Philips), Texas Instruments, and Zilog. Signetics is presently the only foreign-owned plant with a recognized union.

Synertek (Honeywell) and Analog Devices have both announced plans for Philippines facilities as well. Raytheon recently took over Philippine-owned Carter Semiconductor (originally a British affiliate) following a month-long strike there. Raytheon had accounted for more than 90% of Carter's work.

Of the eight non-captive assemblers in the Philippines, locally controlled Stanford Microsystems and Dynetics account for 75% of the contract assembly capacity. Stanford, the largest contract assembler, employs 6,000 workers at its "super plant" at Pasig (metropolitan Manila).

In addition to the chip-makers, computer builder Data General produces printed circuit board and other assemblies in the Philippines and Timex assembles watches. (Ron Iscoff, "Philippine Update," *Semiconductor International*, August, 1982; *Asian Wall Street Journal*, July 26, 1982)