

## FOR THE ASEAN INTEGRATION

# MERALCO POWERS PHILSTONE RAMP-UP

Right out of college, Philip N. Te could have settled comfortably in his family's thriving garment business. But they were not known for being complacent, and a burning entrepreneurial spirit kept them dreaming of growth and new ventures.

"I joined the family business after college but my dad said he wanted to put up a new business," recalls Te, now president and general manager of Philstone. "Although we were in the garments industry, there was an opportunity to get into this (business) at the time."

The Te family had identified a business opportunity and soon opened Philstone Industrial and Manufacturing Corporation, a manufacturer and supplier of calcium carbonate. This substance is an essential compound processed from limestone used in the production of household and industrial products such as paints, tires, high grade plastic, cosmetics, detergent soap, cement and grout, and many others.

The trailblazing 1990 venture paid off. Philstone is now a strong domestic player in the calcium carbonate industry and was recently hailed as Meralco Biz Partner's Business Luminary at the Meralco Luminaries Awards at Makati Shangri-La.

The Luminaries is an annual celebration of best practices exhibited by Meralco partners from the private and public sector that showcase originality and excellence in strategy, thought leadership, execution, and application of technology.

The Meralco Biz Partners serves the energy needs of businesses whose contracted power capacity ranges from 5 kilowatts (kW) to 499 kW. Companies in the Biz Partners segment include those in food manufacturing, hotels and restaurants, rubber and plastics manufacturing, business offices, construction, or agriculture.

### POWER CONSULTATION KEY TO BUSINESS EXPANSION

After 25 years of continued growth, Philstone is now undertaking a massive expansion project.

The company has made significant investments in new machinery and warehousing assets to prepare for a big role in the international market with the upcoming ASEAN integration.

The turning point came when, upon advice from Meralco, Philstone enrolled in the Peak/Off-Peak (POP) program on 2011. POP is a special rates program that offers lower electricity generation rates for clients who shift their operations to off-peak hours.

Enrollment in POP led to annualized savings of P1.5M million for the company.

"Savings from POP turned into profit," said Te. "We availed ourselves of the program and made some adjustments to our production schedule. That resulted in being able to grow our production."

In the last three years, Philstone has been one of Meralco's top savers under the POP program with more than P4.5 million in savings, which Te has funneled back into operations. Since availing of the POP program, Philstone has posted a 20 percent growth in production, resulting to increased sales by 25 percent.

Currently, production of Philstone's products is at par with local demand. But when the ASEAN Economic Community finally opens by the end of 2015, Philstone will already be competitive in a common regional market that provides access to freer flow of goods, services, investment and skilled labor.

"Our business primarily comes from local demand right now, but our collaboration with Meralco has been instrumental in preparing us to conduct business on an even larger scale," said Te. "Meralco has been very responsive and efficient. I'm thankful for Edwin Cabanban, my Meralco Biz Partner. He pointed me in the right direction."

Furthermore, Meralco's Biz Group introduced Philstone to T&D Power System, an Accredited Meralco Contractor (AMC), to guide Philstone in meeting its expansion needs and counsel them on properly optimizing power requirements in the operation of heavy machinery for increased production.

While Philstone plays an important role in maintaining the local supply of calcium carbonate and minimizing the need to import this key raw material from other countries, its preparations for the ASEAN integration make the Philippines a key player and worldwide economic partner in the global calcium carbonate industry.

"If there are requirements from other ASEAN countries, then we will go after that. That's what motivated us to improve the business. We will

have the capability and the resources to compete," said Te.

### AN ENERGY PARTNER AND BUSINESS ENABLER

As a dry run for the ASEAN blueprint, Philstone started running at full capacity in March 2015 with Meralco at its side.

"Meralco is proud to be a part of Philstone's ongoing story. We recognize that we are a partner in business growth so we do our best to provide quality services," said Cecille Domingo, Sales Head of Meralco's Biz Partners Group.

As the country's leading power utility, Meralco does its part not just as an energy provider but

as an enabler of business success.

"Philstone's growth indicates a positive turn for the rest of the country. Businesses like them are critical in nation-building and national development, so all share in their success. This is why we celebrate the best of the best of these success stories during the Meralco Luminaries Awards," Domingo concluded.

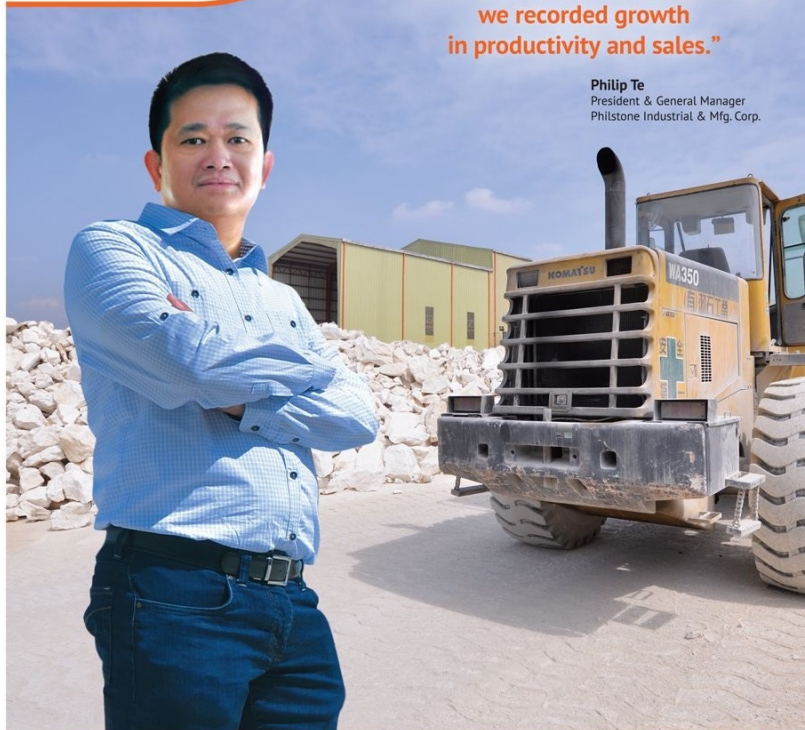
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"Thanks to Meralco's Peak/Off-Peak program, my company was able to save up to P1.5M on electricity bills within a year of enrolling. Because of that we recorded growth in productivity and sales."

Philip Te  
President & General Manager  
Philstone Industrial & Mfg. Corp.



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|--------------------|---------------------------|-----------------|
| Monday to Saturday | 9:00pm - 8:00am           | 11 hours        |
| Sunday             | ALL DAY except from 6-8pm | 22 hours        |

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