

News Clipping

Client: SMWPI Date: December 13, 2016
 Publication: Malaya Business Insight Section/Page: A1, A2

Santa Clara marine plywood expands use

BY IRMA ISIP

SANTA Clara, the 93-year old Filipino brand, is the marine plywood of choice for boat builders, but recently, it is fast getting the favor of home builders and furniture makers.

Santa Clara Marine Plywood has gone mainstream, now available in two of the country's largest home depots.

For real estate, marine plywood is used as base for asphalt shingle roofing, ceiling and wall panel. In furniture, it is mostly used for cabinets and surfaces in kitchens and bathrooms.

Santa Clara Marine Plywood is made in the Philippines by a company which has changed hands over the years. Despite this and the entry of imports, the brand has kept its sizable market share in the business.

Now owned and manufactured by SMWPI Wood Products, Inc., Santa Clara Marine Plywood still considers boat building its main market but has grabbed the opportunity to serve the property and furniture markets.



Eight years ago, the company doubled its production to 6,000 cubic meters of plywood per month after opening a plant in Agusan.

See SANTA ► Page A2

FROM PAGE A1

SANTA

Benjamin Ng, assistant to the president of SMWPI, in an interview said people in the boating community would attest that Santa Clara is the only marine plywood brand that can stay soaked in sea water longer, and will not have any chip or signs of rotting.

"There would always be a need for vessels as fishing is one of the country's main livelihood. We will continue to need boats for the transport of goods and people," Ng said.

But Ng noted the ordinary consumer market would still have to be educated on the use of marine plywood.

He added while Santa Clara has carved out a niche in the market on the advantages of marine plywood, it is SMWPI's vision to educate the market to "know the difference between higher grade and inferior plywood."

"The upfront cost may be higher but it would turn out to be cheaper because you spend less on renovation," Ng said.

Plywood is composed of many plies of wood bonded together to a certain thickness. Boats would require thicker and higher density or more compact plywood but homes and furniture, being less sensitive, would have different requirements.

Ng said in recent years, SMWPI has been joining trade fairs and exhibits not only to showcase its products but to educate the market on the difference between real

marine plywood such as Santa Clara's and cheaper alternatives like particle board or medium density fiberboard or MDF.

There, Ng said, SMWPI would put its products on display side by side with competitors not on shelves but under a stove where it boils cuts of plywood in water to show which brand withstands heat and water the longest.

According to Ng, Santa Clara Marine plywood can withstand 72 hours of continuous boiling and would not delaminate.

But making Santa Clara Marine is not without challenges.

All of the wood has to be imported and Ng said it is important to have a very organized procurement process to ensure it would be able to deliver on orders.

"Raw material sourcing is a challenge. With scarcity of raw materials, it is difficult to sustain operations to make sure we have enough production," Ng said.

Bigger countries with economies of scale like China also snap up at every wood available in the market, a handicap for smaller producers like the Philippines.

Another challenge confronting plywood manufacturers is that logs now have become smaller in diameter.

SMWPI responded to the challenge through the acquisition of new equipment. Unlike in other countries, plywood mak-

ing in the Philippines is labor-intensive, part of the operations being mano-mano.

Through an organized production chain, SMWPI constantly improves its efficiency to increase wood recovery.

SMWPI also has to deal with some gray areas in implementing product standards.

Ng said while the industry in general is deregulated, some form of self-regulation should be done to ensure the protection of consumers who know little about good quality plywood.

This way, the market is rid of cheap imports of questionable quality.

Ng is optimistic of the company's prospects with more infrastructure and construction projects in the pipeline.

To address the growing demand, SMWPI has been quietly expanding.

Eight years ago, the company doubled its production when it opened a second plant in Agusan.

Combined, this and its original plant in Davao produce 6,000 cubic meters of plywood per month.

The Davao factory, for example, imports 5,000 to 6,000 cubic meters a month of wood - eucalyptus - from South America, South Africa, Papua New Guinea and Malaysia.

Both factories now have a combined workforce of 600.