



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



06685



Dist.
LIMITED

ID/WG.217/2
4 September 1975

Original: ENGLISH

United Nations Industrial Development Organization

Second Training Programme on the Production
and Application of Synthetic Fibres

Vienna, Austria, 29 September to 30 October 1975

PRESENT STATUS AND FUTURE PLANS OF THE
DEVELOPMENT OF THE SYNTHETIC FIBRE INDUSTRY
IN THE PHILIPPINES^{1/}

by

M. S. Palmario*

* Officer-in-Charge, Research and Development Division, Philippine Textile Research Institute, Biocutan, Taguig, Rizal.

^{1/} The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO.
This document has been reproduced without formal editing.

1. HISTORICAL BACKGROUND

The synthetic fiber industry in the Philippines is relatively very young. It started in 1969 with an initial production of 500 tons of polyamide 6 filaments which went up to 1,525 tons in 1970. The establishment of a polyester plant in 1971 almost doubled synthetic fiber production in the country. In 1973, production went up to 8,083 tons which supplied about 30% of the total polyamide and polyester fiber requirements of the local textile industry. Table 1 gives the yearly production figures for each type of fiber.

Table 1
Production of Synthetic Fibers in the Philippines
(metric tons)

	1969	1970	1971	1972	1973
Polyamide Filament*	500	1,525	2,010	2,173	2,143
Polyester Filament**	-	-	500	1,954	2,310
Polyester Staple**	-	-	900	3,071	3,630
Total	500	1,525	3,410	7,198	8,083

Source:

* Texfiber Corp.

** Textile Mills Association of the Philippines

II. PRESENT STATUS AND FUTURE PROSPECTS

A. Manufacturing Facilities

1) Polyamide 6

At present, the Texfiber Corporation is the only company producing polyamide 6 filaments. Texfiber is registered with the Philippine Board of Investments (BOI) as a preferred pioneer enterprise for a total capacity of 6,060 metric tons per annum. It has an investment worth 63 million pesos. The company has a technical tie-up with Vicker-Zimmers Corp. of Germany. Another polymerization plant of the same company is presently under construction which is expected to increase production to 11,000 metric tons per annum.

In addition to Texfiber Corp., two more companies have registered with the BOI for polyamide 6 production. These are Philippine Polyamide Corp., a tie-up with Ataka & Co., Limited of Japan and American Philippine Fiber Corp., a joint-venture with Bouligny & Co., of Switzerland. Their registered production capacities are 5,690 and 2,000 metric tons, respectively. This would then increase the total aggregate production capacity to 18,690 metric tons of polyamide 6 per annum.

2) Polyester

The local production of polyester fibers and filaments is presently under monopoly of Filipinas Synthetic Fiber Corp. which has a capital investment of 120 million pesos and a registered capacity of 13,200 tons per annum. This company is technically and financially assisted by Teijin Limited of Japan.

By the later part of 1975, another company will go into commercial production of polyester. This is the Lakeview Industrial Corporation which has a registered capacity of 4,500 metric tons per annum and an approximate investment of 150 million pesos.

B. Raw Material Supply

The supply of raw materials is mainly dependent on importation inasmuch as there is no petrochemical industry in the country. The monomer materials are imported from Japan, Europe and the U.S.A. Importation figures are given in Table 2. Problems on supply mostly lie on increasing cost of raw materials.

Table 2
Importation of Raw Materials
(metric tons)

	1970	1971	1972	1973
1. Caprolactam*	1,815	2,390	2,585	2,550
2. Ethylene glycol**	-	490	1,759	2,079
3. Dimethyl terephthalate**	-	1,512	5,427	6,415

Source:

* Texfiber Corp.

** Board of Investments

C. Demand for Synthetic Fibers

With the increased popularity of synthetic and rayon fibers in the local textile business, domestic consumption of these materials increases annually as shown in Table 3. For the period 1965-1972, domestic supply of synthetic and rayon fibers reached an average level of 14,665 and 7,482 metric tons per year, respectively.

Table 3

Domestic Consumption of Synthetic Fibers*
(metric tons)

<u>Year</u>	<u>Rayon</u>	<u>Synthetic</u>	<u>Total</u>
1972	18,012	19,533	37,545
1971	20,178	19,893	40,071
1970	18,697	11,311	29,968
1969	20,413	8,472	28,885
1968	17,139	11,888	29,027
1967	16,788	4,816	21,604
1966	11,557	6,220	17,777
1965	8,818	2,332	11,150
1964	10,352	566	10,918
1963	4,740	533	5,273
Total			232,218

Sources:

Studies on Philippine Industries by Private Development Corporation of the Philippine.

* Domestic supply equals production plus importation less exportation.

Based on historical consumption, domestic textile requirement is projected to increase from 741.2 million square yards in 1973 to 850 million square yards in 1976 to more than a billion square yards in 1980. This would lead to an annual consumption of about 40,000 to 60,000 metric tons of rayon and synthetic fibers which is above the maximum aggregate registered production capacities of local fiber producers.

B. Infrastructure for Synthetic Fiber Industry

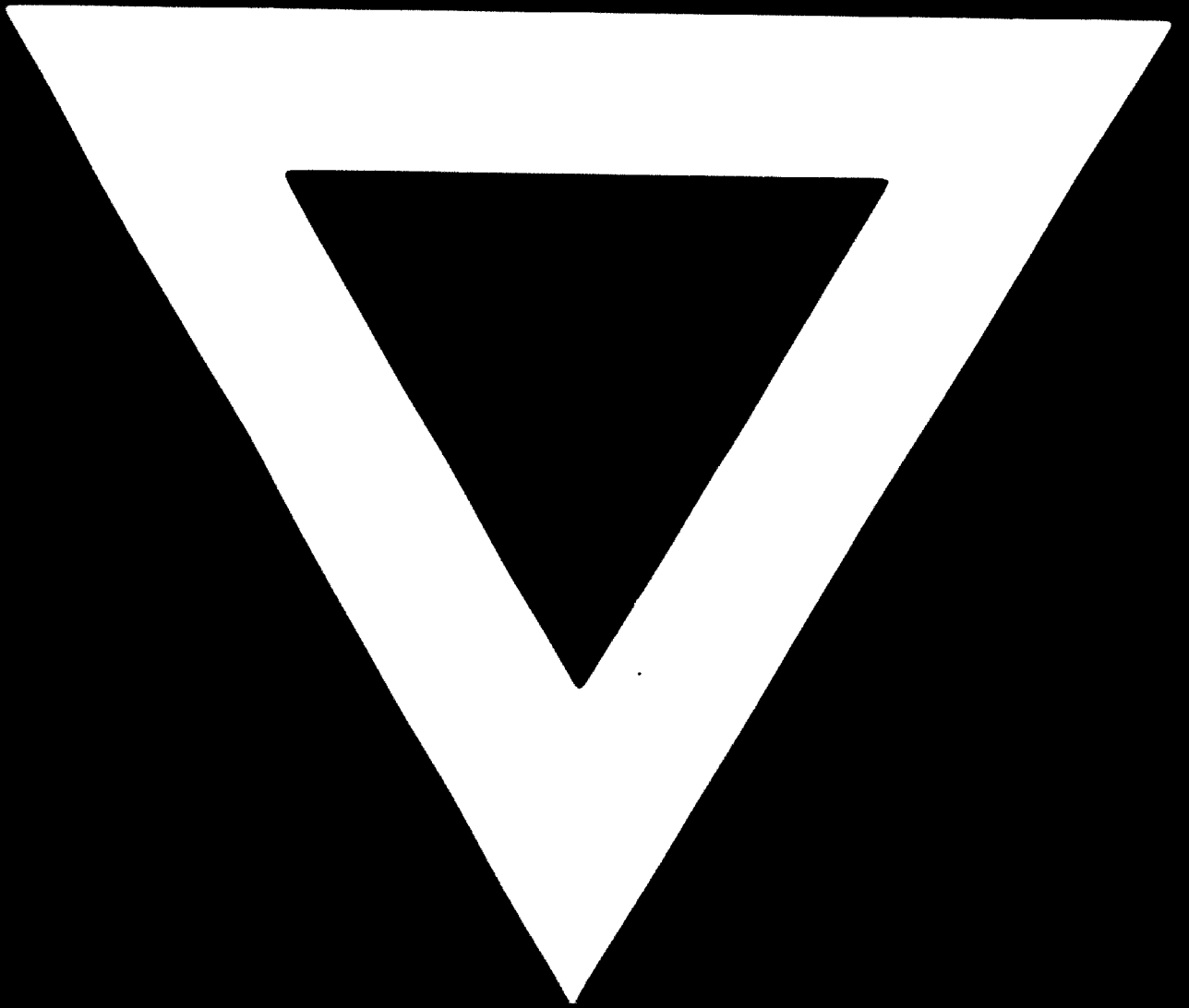
The local synthetic fiber producers are usually under the supervision of the companies in which they are technically tied-up. With this arrangement, recent technological develop-

ments are usually transmitted locally through these foreign companies. The local fiber producers have rigid testing facilities for quality control and for conducting research studies on product and process improvement. In addition, the Philippine Textile Research Institute maintains well equipped testing and research laboratories for almost all types of fibers, yarns and fabrics.

III. PROBLEMS AND NEEDS FOR TECHNICAL ASSISTANCE

The local synthetic fiber industry is too much dependent on importation of the monomer raw materials. Problems on supply mostly lie on increasing cost of raw materials. There is also a problem on restriction of technology due to technical tie-ups with foreign firms. UNIDO assistance would be most beneficial in this field through sponsorship of technical seminars and workshops on the recent developments on synthetic fiber technology.





76.01.16