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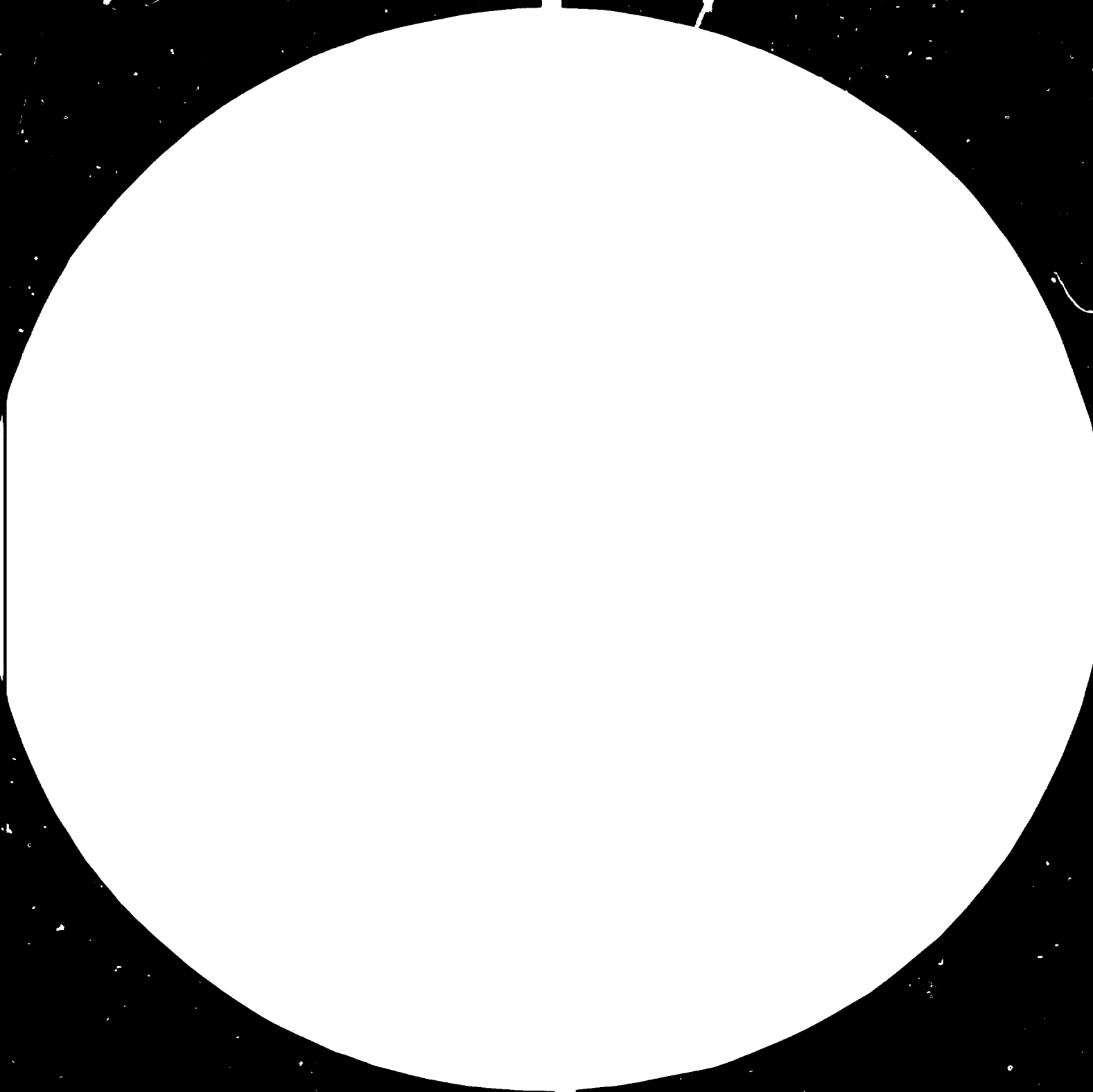
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Distr.
LIMITED

ID/WG.350/11
25 February 1982

ENGLISH

United Nations Industrial Development Organization

Expert Group Meeting for Exchange of
Experiences on Technology Services
Delivery System (TSDS)

Manila, Philippines, 2 - 6 November 1981

METALWORKING INDUSTRY IN REGION X *

by

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I. INTRODUCTION

The metalworking industry of Region X is basically composed of cottage, small and medium-scale fabrication and service shop with a few foundry and manufacturing shops. Majority of the establishments are small automotive repair shops with capitalization of less than ₱50,000.00. Most often, these shops only have a welding machine, a portable drill and some hand tools.

An important sector in the metalworking industry is the machine shop industry sector which is considered as an industry in itself.

Establishments of machine shops in Region X started in the 1950's. At that time, they were engaged namely in providing maintenance and repair services to the transportation industry. Machineries and equipment acquired were those which could do a wide range of jobs and were generally second hand ones. Because of the very limited market and the lack of technology and financial resources, progress of the industry was rather slow. By the early 1970's, however, expansion of the industry started to pick up as a result of the growing industrialization of the region. This occurred despite the existence of such pressing problems as outdated machineries and lack of

skilled manpower. The newly established shops, however, majority of which are located in the cities of Cagayan de Oro and Butuan, are better equipped and could accommodate the repair and service requirements not only of the transportation industry but of other large industries as well. Fabrication of simple replacement parts for instance, forms part of their business activities.

Presently, the industry offers a wide range of jobs that are well within the capacity of the available machineries and equipment. These jobs are classified into two major groups, namely, spare parts fabrication and engine rebuilding. The first group includes activities such as turning, inside and outside threading, boring, drilling, gear making and repair, welding, etc. Engine rebuilding, on the other hand, involves activities related to the repair or reconditioning of automobiles, trucks and heavy equipment engine such as crankshaft grinding, cylinder and line reboring, connecting rod, resizing, valve seat refacing, honing, etc.

Although it is still essentially of the jobbing type, the industry is gradually expanding into the manufacture of some metal products, as indicated by two shops which have gone into mass production of agricultural implements.

II. PROJECT

With the increasing involvement of the government and the participation of more financing institutions in the development of small and medium-scale industries, the machine shop industry has greater opportunities for growth.

Meanwhile, the industry needs to develop better technical and managerial know-how to be able to overcome its present problems and in anticipation of forthcoming ones.

In response to these needs, SBAC Region X as part of its regular function and to better service the industry, organized the machine shop owners in three strategic areas of the Region into three (3) associations. These are the Agusan Machine Shop and Engineering Works Association (AMASEWA) of Butuan City, the Cagayan de Oro Engineering Works and Engine Reconditioning Association (COEWERA) which is composed of shop owners in Misamis Oriental and Ozamis City Machine and Automotive Shops Association (OCMASA) whose members are shop owners of Misamis Occidental.

The formation of these associations was not an easy task considering that a typical shop owner regards his counterpart in the business with distrust and suspicion. Nevertheless, SBAC Region X took the initiative of organizing them because they felt that the best way to deliver technical and consultancy services to individual firms composing the industry was through an organized group or association.

Thus, it was through dialogue and consultation with the associations that SBAC Region X ascertained the problems and needs of the industry.

One of the problems that surfaced was the need for training courses both technical and managerial for the shop owners, their supervisors and skilled workers. It was in this context that the Technology Services Delivery System (TSDS) project was tapped to provide funding for the training courses specifically sought or requested by the members of the association. Identification and prioritization of specific training needs was done by the members of the association themselves with the assistance of some SBAC staff consultants. After a particular training need was identified the sourcing of expertise and resource speakers was done by the head office of the Ministry of Industry.

In effect, the TSDS project was supportive to SBAC Region X in the latter's thrust of assisting the firms composing the industry.

III. DELIVERY TO TECHNICAL SERVICES

Training

In implementing the training programs, SBAC Region X initially did most of the work such as the recruitment of participants, preparation of seminar handouts, choosing the venue and preparation of the budget. In terms of cost sharing, SBAC with TSDS funding shouldered a bigger share of the seminar training expense. At this initial stage, SBAC had to take care of the plane fare, accomodation and honoraria of the resource speakers, and the association had to pay for the meals, snacks and venue of the seminar. This arrangement was considered necessary at this stage because the organization or the association being new was still

financially inadequate to share a bigger responsibility in the training expenses. However, with the succeeding training courses, more cost/responsibility sharing was given to the association. In fact in the later stage of the training project the cost sharing ratio was lowered down to 40% for SBAC and 60% for the association. Also, the recruitment of participants as well as the physical arrangements regarding the venue and accommodation of the resource speaker were passed on to the association.

To illustrate, here are some of the training courses implemented by SBAC Region X with TSDS funding:

1. Basic supervisory Development Course as requested by the Cagayan de Oro Engineering Works and Engine Reconditioning Association (COEVARA) which was held from November 29, to December 5, 1979. The main objective of this course was to train and develop better supervisors so that the owners/managers can focus their attention on the other functional areas of management. This course with 22 participants was conducted with the cooperation of the COEWERA and the National Manpower and Youth Council (NMYC). Of the 22 participants, 4 were sent by the Agusan Machine Shops and Engineering Works Association (AMASEWA) and 5 came from the Association of Iligan Machine Shops (AIMS). AIMS was also organized by SBAC Region X but its supervision was handled by SBAC Region XII which has an operational control over the area.

2. Management Development Course as requested again by the COEWERA which was held from March 24-28, 1980. Fifteen (15) owner-managers participated in the Course; 2 from AMASEWA, 1 from AIMS and 12 from Cagayan de Oro. This course was again conducted with the cooperation of the National Manpower and Youth Council (NMYC) and COEWERA.

3. Marketing Management Course was requested by the Machine Shops and Engineering Works Association (AMASEWA) which was held from June 9-June 10, 1981. Thirteen (13) participants attended this course, all members of AMASEWA.

IV. EVALUATION/RECOMMENDATIONS

Although not very conclusive, a recently concluded SBAC Machine Shop Industry Study of Region X showed that majority of the firms surveyed (55%) signified their need for production/technical trainings while only 23% wanted a training on organization and management. In effect, it would seem valid to point out at this point that the training needs of the industry is in production/technical training courses since the past training courses implemented with TSDS funding were management oriented.

Furthermore, these seminars/training courses also provided an opportunity for the other government agencies concerned with the growth and development of the small and medium industry (SMI) sector to become aware of the problems facing the small and medium industries.

