

VAPCO AND CARWORLD SIGN LEASE AGREEMENTS WITH SBDMC, LAUS AUTO GROUP OPENS FORD AUTO DEALERSHIP



SBDMC President Jeff Lin and Mr. Mohammed K. Tell, Chairman and Managing Director of VAPCO International Corporation, shook hands after signing the lease agreement for a 5-hectare lot in SBGP Phase 2.



SBDMC President Jeff Lin and Mr. Levy Laus, Chairman of Laus Auto Group, signed lease agreement for another lot in SBGP Commercial Area for Carworld. Executives of Laus Auto Group and Carworld, Incorporated witnessed the signing ceremony.

SBDMC President Jeff Lin has announced recent developments in Subic Bay Gateway Park. "We have signed lease agreements with VAPCO International Corporation and Carworld, Incorporated," he said.

VAPCO International Corporation has acquired a 5-hectare lot in SBGP Phase 2. Stockholders of the company flew all the way from Jordan for the signing ceremony.

VAPCO, a Jordanian company, will build a facility for formulating, researching and developing, manufacturing, marketing, selling, importing and exporting and distributing veterinary pharmaceutical and animal health products, crop protection chemicals, public health and environmental science products, disinfectants, crop protection biological and other related products.

Carworld, Incorporated, the Laus Group of Companies' flagship company, has leased a lot in the SBGP I Commercial Area for the sales, display and service center of Mitsubishi. Carworld will sell and distribute motor vehicles, spare parts, accessories, batteries, tires and other related products of Mitsubishi.

Laus Auto Group also held the inauguration of its Ford auto dealership located in SBGP I Commercial Area. Ford Subic, also known as West Coast Automotive, is the fifth dealership in the country under the Laus Group, and the company's fourth operation north of Metro Manila. The company also has showrooms in San Fernando, Pampanga; Cabanatuan City, Dagupan City, and Libis, Quezon City.

"I think we have chosen a very good location that is inside the Subic Freeport, because this has become a very busy trading spot. So our confidence level is high," Levy Laus, chairman and founder of the Laus Auto Group, said during the inauguration of the dealership.

"Together with the valuable patronage of the people of Subic and the nearby communities, I feel we have made one of the best corporate decisions in coming to locate here in the Subic Freeport Zone," Laus added.

SBDMC has also received queries from manufacturing companies and commercial establishments for available lots.

Existing SBGP locators have likewise expressed interest to lease lots for expansion of their operations.

"The developments in SBGP prove that it remains a top investment site for foreign and local investors," Mr. Lin said.



Perspective of the Mitsubishi center that will rise in SBGP Commercial Area



SBMA READIES EXPANSION OUTSIDE SECURED AREAS

SUBIC BAY FREEPORT – The Subic Bay Metropolitan Authority (SBMA) is now ready to implement its expansion program, following the release of the Implementing Rules and Regulation (IRR) covering the extension of the boundaries of secured areas of the Subic Bay Freeport.

The IRR was drafted after a series of consultations among the SBMA, Bureau of Customs (BoC) and local government units within the Subic Special Economic and Freeport Zone (SSEFPZ), which may be declared as additional secured areas, or additional areas, as provided under Executive Order No. 675.

These areas include the municipalities of Subic and San Antonio in Zambales; Morong, Dinalupihan and Hermosa in Bataan; and Olongapo City.

Under EO 675, areas within the LGUs may be developed through local government or private sector initiative and become part of the SSEFPZ. These may then avail of appropriate tax, duty-free, and fiscal investment incentives and privileges, upon application and after approval by the SBMA.

SBMA Administrator Armand Arreza said that the expansion of the secured areas of SSEFPZ is necessary in order to address the shortage of space for lease to investors.

"This is necessary to push development into communities outside Subic's 'secured area', and also to guarantee the realization of the Subic-Clark economic corridor as a world-class logistics and service hub," Arreza said.

Under the IRR, areas contiguous to the Subic Bay Freeport may be declared by the SBMA for inclusion as additional secured area after proper consultation with local officials and approval of a resolution by the concerned city or town council.

In addition, any business individual or organization may also apply with the SBMA for inclusion within the SSEFPZ as privately-owned additional secured area or additional area, provided that they submit pertinent documents, clearances and registration certificates.

Meanwhile, lands and buildings in the additional secured areas, whether privately owned or not, may only be leased to SBMA-registered enterprises, subject to the approval or ratification of the SBMA Board of Directors.

Once declared as additional secured areas by SBMA, the areas concerned will be classified either as industrial, tourism, recreational, investment or financial center, or a mix of these developments.

These areas shall be organized, administered, managed and operated directly by the SBMA through an area manager, appointed by the SBMA administrator.

The IRR also provides that privately owned areas shall be managed by a Property Management Board composed of the president of the association of investors, representative of the municipality concerned, two independent private sector representatives chosen by SBMA and LGU, and an official of SBMA.

To prevent smuggling and abuse of duty-free privileges, the SBMA shall establish secured fence-in perimeters for the additional areas within which tax- and duty-free articles and merchandise shall be limited.

According to Arreza, duty-free shop operators shall be allowed within the additional secured areas, provided that they establish their own control system in coordination with the SBMA and the Bureau of Customs.

"In addition, if the LGU concerned agrees, the SBMA Law Enforcement Department shall also provide and establish security forces for the additional secured areas to police and maintain law and order there," Arreza said.

Arreza also disclosed that as the SBMA seeks to spread development outside the controlled area of the Freeport towards Olongapo, Zambales and Bataan, it will also put in place significant infrastructure investments like roads, schools and bridges that are considered essential in convincing investors to establish operation in these areas





INAUGURATION OF FORD SUBIC

The Philippines' largest multi-brand automotive network – LausAutoGroup – made another prolific venture in automotive dealership as it formally opened Ford Subic, a pioneering endeavor made by any local car dealership inside Subic Bay Freeport Zone.

Held last May 14, 2010, the event was attended by LausGroup Chairman and CEO Levy P. Laus, SEVP and COO Frank de Jesus and Deputy COO Lisset Laus-Velasco and top executives from Ford Group Philippines headed by the newly appointed President Randy Krieger, VP for Sales and Marketing Steven Tan and VP for Finance Bruce Shallcross. Valued clients and bank partners also graced the affair.

The inauguration rites began with the traditional ribbon cutting ceremony spearheaded by top executives of LausGroup and Ford Group Philippines with SBMA Senior Deputy Administrator for Business Development Group, Stef Saño, and followed by the blessing of the dealership's premises.



COMMENDATION



SBDMC management recognized Ms. Juliet S. Tan, Officer-In-Charge of the Investment Services Department, for her exemplary efforts in providing excellent customer service as expressed in a letter by Tong Lung (Phils.) Metal Industry Co., Inc.



4 WHY ADOPT ISO 9000?

WHY ADOPT ISO 9000?

BY: RAFAEL PABLO M. FERNANDO



ISO 9000 is a series of international quality standards that have been developed by the International Organization for Standardization. More than 100 countries now recognize the 9000 series. The idea behind the standards is defects (or poor service) can be prevented through the planning and application of best practices at every stage of business—from design through manufacturing and then installation and servicing. These standards focus on identifying criteria by which any organization, regardless of whether it is manufacturing or service oriented, can ensure that product leaving its facility meets the requirements of its customers. These standards ask a company to first document and implement its systems for quality management, and then verify, by means of an audit conducted by an independent accredited third party, the compliance of those systems to the requirements of the standards.

Regardless of whether an organization is involved in a total manufacturing operation, including design, or only inspection and testing process, it can develop a quality management system based on one of the ISO 9000 requirements standards. By design, these standards can accommodate variation from company to company and between economic sectors. It is simply up to each individual business to interpret the appropriate requirements standards of its own processes.

The principal standards within the group are ISO 9001, 9002 and 9003. These are the requirements standards, and all the other standards within the series are related to these three. Of these three, ISO 9001 is the most comprehensive. Divided into 20 specific elements, it provides a foundation for basic quality management and continuous improvement practices. Each of its 20 elements covers a particular area of an organization's business processes:

1. Management Responsibility
2. Quality Planning
3. Contract Review
4. Design Control
5. Document & Data Control
6. Purchasing
7. Control of Customer—Supplied Product
8. Identification & Traceability
9. Process Control
10. Inspection & Testing
11. Control of Inspection, Measuring & Test Equipment
12. Inspection and Test Status
13. Control of Nonconforming Product
14. Corrective & Preventive Action
15. Storage, Handling, Packaging Preservation & Delivery
16. Control of Quality Records
17. Internal Quality Audit
18. Training
19. Servicing
20. Statistical Technique

ISO 9002 and ISO 9003 are derivatives of the 9001 requirements standard. But why is it important to become ISO 9000 certified? For one reason, it is essential from a purely competitive standpoint. Simply stated, ISO 9000 compliance is “good business practice”. Adopting ISO 9000 should produce the following benefits:

- Improved efficiency of operations
- Optimized company structure & operational integrity
- Improved utilization of time and materials
- Clearly defined responsibilities and authorities
- Improved accountability of individuals, departments, and systems
- Improved communication and quality of information
- Improved records in case of litigation against the company
- Formalized systems with consistent quality, punctual delivery, and a framework for future quality improvement
- Documented systems with useful reference and training tools
- Fewer rejects; therefore, less repeated work and warranty costs
- Rectified errors at an earlier stage; therefore, less scrap
- Improved relationships with customers and suppliers
- Ability to tender for ISO 9000 contracts at home and abroad

The ability of implementing ISO 9000 is directly proportional to management commitment. Executive management must realize that the quality element plays a key role in the success of the business. The quality system must be “lived day-to-day.” Its success or failure does not rest on the shoulders of the quality manager alone. If a business is not profitable, does management fire the finance manager? Of course not! A successful company is operated through teamwork.

It is interesting to note that according to the latest ISO Survey of Certifications — 2007 reveals certification activity around one or more of ISO's management system standards in 175 countries, up from 170 in 2006 — “a clear demonstration”, according to the survey, “that they have become essential tools of the world economy.” ISO Secretary-General Alan Bryden comments: “The survey illustrates in a very concrete manner the extent to which ISO management system standards are meeting the organization's strategic objective of ‘global relevance’ — in other words, adding value for the organizations that use them all over the world.” (ISO News 2008.)

Rafael Pablo M. Fernando is currently the Officer-in-Charge of the Total Quality Management group of the Subic Bay Metropolitan Authority (SBMA). He is also connected with Integral Transformation Group, Inc., a transformative management group giving organizations and its people alternative forms of managing and living life to the fullest. Formed 1992, ITG—TheGroup extends management services, education & training, and advocacy activities in the areas of: quality management—ISO implementation, organic agriculture, cooperatives, sustainable development, Vedic culture, good governance, among others. (February 25, 2010).

DRAGON BOAT FESTIVAL

Duanwu Festival also known as Dragon Boat Festival, is a traditional and statutory holiday associated with Chinese and other East Asian and Southeast Asian societies as well. It is a public holiday in Taiwan, as well as in Hong Kong and Macau, where it is known by the Cantonese name Tuen Ng Jit. In 2008, the festival was restored in China as an official national holiday. The festival is also celebrated in countries with significant Chinese populations, such as in Singapore and Malaysia.

The festival is traditionally celebrated on the fifth day of the fifth month on the Chinese lunar calendar.

The Dragon Boat Festival is a commemoration of the patriotic scholar, poet, and statesman Cyu Yuan (circa. 340 – 277 B.C.), who lived during in the Warring States Period of ancient China. During this turbulent period, regional warlords annexed smaller states around them to consolidate their rule. The seven most powerful warlords called themselves kings and tried every means to overtake and conquer one another. Cyu Yuan served the Chu state. Among the seven states, the Chu and the Cin later became the two strongest. Cyu Yuan was originally highly favored by the Chu King, who later distanced himself from Cyu Yuan because of vilifications from Cyu Yuan's political enemies. Cyu Yuan was then exiled. When the capital of Chu was captured by Cin's army, Cyu Yuan threw himself into the Miluo River to end his life and to show loyalty to his own political beliefs and also to the Chu king, despite his exile.

After Cyu Yuan's death, the common people organized search parties, rowing up and down the river to find his body. The women wrapped rice inside leaves to throw into the river in the hope of keeping the fish and shrimps from eating Cyu Yuan's corpse. This is the origin of the dragon boat race, while the rice balls wrapped in leaves became the festive dumpling snack called Zongzih. Today people still hold dragon boat races and eat Zongzih during the Dragon Boat Festival. More than just a traditional festive activity, today the dragon boat race has become an international sports event, with teams from around the world coming to Taiwan for the races every year. It is an event of intense excitement, with the colorfully decorated dragon boats, the cheering of the crowd, and the wild beating of the drums to spur the rowers on.

Zongzih, the festive snack, has nowadays become very common and popular with all Taiwanese. There are stalls or shops selling all kinds of Zongzih on the streets of Taiwan and the dumplings come in all kinds of shapes and flavors. Even the leaves that are used differ greatly. These different flavors, shapes and wrappings are a perfect reflection of the available ingredients and the palates of the people in the specific region. The choices of Zongzih alone are dazzling enough, let alone the different sauces that go with different kinds of Zongzih.

In addition to Zongzih and dragon boat races, there are many other interesting customs during this festival. People hang bouquets made of mugwort, sword-like iris leaves and banyan twigs on both sides of the entrance to their home. In the old days, mosquitoes, flies and many other insects multiplied with the summer heat, which begins to intensify at this time of the year. Consequently the risk of many infectious diseases became greater. Mugwort is considered to possess medicinal effects; the banyan twigs symbolize good health, while the sword-like iris leaves are considered to be able to expel evil spirits. Another very popular custom during the festival is fragrance sachets –colorful cloth sachets in various shapes such as animals, fruits, plants, lucky Chinese symbols and historical or imaginary characters. Inside the sachet is a fragrant powder made of various kinds of Chinese herbs. The sachets were originally regarded as amulets that worked to drive away evil spirits as well as expelling commonly seen pests and vermin in the heat of high summer. Nowadays, however, they are worn mostly for their decorative value.



6 LOCATOR'S PROFILE

BIDDEFORD: KEEPING PEOPLE WARM



Biddeford Subic Corporation was established and registered with the Securities & Exchange Commission on January 4, 2010 to engage in the manufacturing and exporting of electric heated blankets. The company's factory is located in No. 38, Golden Future Street, Subic Bay Gateway Park Phase 1.

This company is a part of Microlife Group that originated in Taiwan. Microlife is the leading manufacturer of healthcare equipment internationally and was founded by Mr. K.Y. Lin. The company has branches in Switzerland, China, USA and now Philippines.

Biddeford Subic manufactures electric blankets with room thermostats and digital controls and throws that are exported to USA, Europe and other countries. Its customers include major retailers such as K-Mart, JC Penney, Target, Sears, Kohl's and Bon Ton.

The company uses unique fibers and special blends to produce high quality products. Its Subic factory can produce up to 280,000 pieces of over-blankets and 200,000 pieces of throws each month.

It is ISO 9001 and ISO 13485 certified. ISO 13485 is an ISO standard that represents the requirements for a comprehensive management system for the design and manufacture of medical devices.

In addition, the company is up-to-date with the demands of information technology. It is dedicated to creating and promoting better quality healthcare products to serve any customer needs.

Biddeford's actions are guided by its four core values of Discipline, Trust, Support and Stretch:

- **DISCIPLINE** – Discipline requires commitment, and takes responsibility and accountability.
- **TRUST** – To have confidence in our staff's discipline, judgment, and spirit of contribution towards our company.
- **SUPPORT** – Develop each individual's potential. Cherish initiative, continuity of profession and experience.
- **STRETCH** – Stop improving and you stop being good. To have the ambition & motivation to make a breakthrough always.

It currently has a total of 499 employees and remains committed to creating more jobs in cooperation with the local government agencies. It will continue to expand in the months to come.

THE TOP MANAGEMENT



SBDMC SELECTS SCHOLARSHIP RECIPIENTS

SBDMC has awarded the scholarship slots under its Scholarship Program to Ms. Gerosé L. Escobar and Mr. Vincent O. Santos. They were selected as SBDMC's scholars after qualifying in the competitive examination and upon recommendation of the Scholarship Committee. The two has decided to enroll in Columban College in Olongapo City.

Gerosé is the daughter of Mr. Rogelio A. Escobar and Mrs. Rosalina L. Escobar. She graduated 9th honorable mention from the Olongapo City National High School–Special Science Curriculum last March. Gerosé's parents are her inspiration. She shared that both of her parents are persons with disabilities but this has not stopped them from finding ways to send their children to good schools.

This soft-spoken young lady knows what she wants. She dreams of becoming a Civil Engineer not only to help her family but also to give back and provide assistance to financially needy students. She stated, "I plan to give scholarships to students who want to finish their studies."

Her decision to take up Civil Engineering is not a surprise

considering that her favorite subject is Mathematics.

The other SBDMC scholar, Vincent, is the son of Mr. Arnold T. Santos and Mrs. Fe Evelyn O. Santos. He was a student of the Regional Science High School. He is also a member of the Sangguniang Kabataan.

He is musically inclined and can sing as well as play the piano and the guitar. He was actually the vocalist and guitarist of a school band in high school.

Vincent will take up B.S. Information Technology. He dreams of being successful in his chosen field to be able to improve his family's quality of life. "With your help, I can continue my studies and fulfill my dreams for me and my family," he said.

"We are happy to help these two deserving students realize their dream of pursuing a college education," said SBDMC President Jeff Lin. He added that SBDMC will not only provide fund to subsidize school fees, textbooks and uniforms but will offer guidance to the scholars throughout the duration of the scholarship.



The scholars were accompanied by their proud parents during the Scholarship Granting Ceremony



The scholars posed with SBDMC President Jeff Lin (3rd from right) and members of SBDMC's Scholarship Committee



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Editorial contributions are
welcome. Please send manuscript,
photo and other materials to:

anna@sbdmc.com

For inquiries, please call
+63 47 252 3456, 894 1546
Fax. +63 47 252 6401

SBDMC, INC., VISION / MISSION Statement

VISION: To make Subic Bay Gateway Park
(SBGP) a premier business destination
in Asia Pacific

MISSION: To develop a globally-competitive
Subic Bay Gateway Park (SBGP) that will
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SBDMC, Inc.

Subic Bay Gateway Park 1, Argonaut Highway cor. Rizal Highway, SBFZ

Tel No. : (6347) 252-3456 loc. 261 / 262 Fax: (6347) 252-7688

Email: leilani@sbdmc.com / carlson@sbdmc.com Web: www.sbdmc.com