

Pag-asa Steel powers up capacity

Drives rods on the ground that can scale up to country's growth

Wellington Y. Tong, President of Pag-asa Steel Works, Inc. says his company is enjoying the country's favorable economics. But on top of the growth trends, he credits Meralco's Peak/Off-Peak Rates Program as instrumental in his expansion plans.

A partnership forged with the Manila Electric Company (MERALCO) is helping reinforce the position of the Pag-asa Steel Works, Inc. as a formidable and competitive player in Philippine construction raw materials trade.

Last year, the construction industry registered a growth rate of 13.7 percent or more than double the 6.6 percent growth rate of the Philippine economy. With the rally extending into 2013 and business optimism at an all-time high, Pag-asa Steel has driven the rods on the ground to ensure that it is able to scale up to the maximum heights that the Philippine economy is going.

To take advantage of demand, Pag-asa signed a deal with Meralco for the Peak/Off-Peak (POP) Rate Program, a pricing scheme that offers lower generation charges for eligible clients who maintain 24/7 operations and intensive energy consumption during off-peak hours and Sundays. POP generated an estimated savings of P416,000 per month for Pag-asa Steel – a cost efficiency that helped boost Pag-asa's expansion plans. Savings were plowed back into the business via a new plant in Pinagbuhatan Pasig that will triple production capacity.



Pag-asa Steel's large inventory of steel products are indicators of a healthy market demand. These rods will someday form part of the foundation of new schools, bridges, shopping malls, skyscrapers and homes.

Powering up for capacity

"To make a competitive product, we require reliable, competitive, and clean power from Meralco. Operationally speaking, poor power quality damages our automation and remote control systems and is the cause of many disruptions," says Pag-asa Steel President Wellington Y. Tong. "We have looked at Meralco as a working partner since our founding. They have become more proactive in offering consultation service to us in an effort to understand our needs. Meralco's POP program was a welcome development!"

"A huge segment of our population still dreams of owning a durable dwelling for their families and enjoying the basic amenities



Mr. Tong regularly consults with Meralco Relationship Manager Ver Arevalo (left). The Pag-asa Steel President cites the RM's visits for his strengthened partnership with the utility.

of modern living. The country also needs to build basic infrastructure in order for the economy to grow sustainably. Pag-asa will be busy producing the high quality steel products to make this happen," he adds.

In 2014, Pag-asa Steel will be celebrating its 50th year anniversary. This will coincide with the opening of its new mill with a capacity of 500,000 metric tons per annum to bring total production capacity to 750,000 metric tons.

A mutual commitment to nation building

The steel industry plays a key role in the development of infrastructure since their products provide critically needed strength and ductility to structures that eventually become schools, bridges, manufacturing centers, skyscrapers, shopping malls, and homes.

"As we are all stakeholders in nation building, when the steel industry ramps up production for infrastructure development, Meralco too has the obligation to fulfill its responsibility," said Meralco Vice President and Head of Corporate Business Group, Victor S. Genuino. "Our energy solutions go beyond cost-cutting. We need to provide energy efficiency, reliability, and quality to support this critical industry. With infrastructure being the unanimous clamor of business and industry, Meralco will literally help power up its customers."

In the coming years, new schools, bridges, manufacturing centers, skyscrapers, shopping malls, and private homes will have to be built. But amid the construction boom, Pag-asa Steel Works, Inc. will be ready to face those challenges, strengthened by its partnership with Meralco, and its steel rods ready to scale the heights that this country can soar to.

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President, Pag-asa Steel Works, Inc.



Pag-asa Steel's operations involve power-intensive processes that depend on clean, consistent and reliable energy with manageable costs, making its partnership with Meralco critical for its success.