

Pacific Glass expands glass processing business

Founded in 1949 and incorporated 14 years later with an authorised capital of just US\$115,000, Pacific Glass started out importing sheet glass from Japan and Europe. Since then, the Philippine company has registered steady growth and currently has a sales turnover of US\$4.6 million.

Pacific Glass has also expanded its product line and now serves the glass processing requirements of furniture makers in both the local and export markets.

Steven J. Trow

H istory

Founded in 1949 by the father and uncle, Keng Suywat and Angelo King, of the current president Jeffrey Keng, Pacific Glass Corporation was established to import sheet glass from Japan

Jeffrey Keng,
President

and Europe. However, with the founding of Republic Glass in the late 1950s, the Philippines finally had its own flat glass manufacturer and Pacific Glass was appointed as one of its 18 distributors. Due to competition at the time, only Pacific Glass remained as a



distributor covering the Metro Manila, as well as the area between Baguio and Davao.

For many years, the Philippine company concentrated on selling glass and installing windows. However, in 1990, Pacific Glass started to process glass in order to create value added products to complement its distribution line. As the company's reputation for quality and prompt delivery grew, more and more furniture companies were being supplied with its processed glass.



Current situation

At its 4,800-square metre facility in Mandaluyong, Pacific Glass now supplies and processes all types of float and figured glass. Its product range includes ready-to-install vanity and full-length mirrors, glass furniture and glass tables, while it is also committed to supplying local furniture exporters with their processed glass requirements through competitive pricing and quality service.

Bavelloni straight and shaped bevelling and edging machines

For example, Pacific Glass is currently supplying one of the biggest furniture exporters based on the island of Cebu. The company's turnover is presently a steady 120 million pesos (US\$4.6 million). Although prices have fallen slightly, Pacific Glass has been able to increase its sales volume and hence maintain its turnover figure. Prices are expected to remain more or less at their current level, although there could be a slight fall.

HISTORY AT A GLANCE

1949	<i>Pacific Glass Company established to import sheet glass from Europe and Japan.</i>	
Late 50s	<i>Republic Glass Corporation established to manufacture glass in the Philippines. Pacific Glass appointed as one of its distributors.</i>	<i>compensate for its decreasing market share, the company expands its product line to include glass processing and buys two edging/bevelling machines.</i>
1963	<i>Incorporated as Pacific Glass Corporation with authorised capital of P3 million.</i>	1992 <i>Bought third edging/bevelling machine.</i>
1978	<i>Transferred to its current building in Mandaluyong, Metro Manila.</i>	1993 <i>Acquired fourth machine, with straight edging capacity.</i>
1988	<i>Imported glass blocks from Germany added to product line.</i>	1994 <i>Acquired one straight bevelling machine and one shaped edging machine.</i>
1989	<i>Authorized capital reaches P40 million.</i>	1995 <i>Launched the first locally manufactured ready-made mirrors (vanity and full-length) and shelves under the brand name Profiles. This line also includes all-glass furniture.</i>
1990	<i>Republic Glass' merger with Asahi Glass changes sales distribution system. The number of distributors in Manila rises from 4 to 8. Pacific Glass' territory reduced to Manila and Luzon only. To</i>	1996 <i>Acquired a computerised glass engraving machine (first in the Philippines) to expand its glass processing services.</i>



The processing business of Pacific Glass continues to grow in terms of the percentage that constitutes the overall turnover. At present, 20% of sales come from processing.

Machinery used (Bavelloni, Italy)

- 2 straight bevelling machines
- profile edging machine
- shaped bevelling and edging machines
- drilling machines
- glass engraving machines

Further to a gentleman's agreement between the two companies, Pacific Glass buys all of its glass from Republic-Asahi. The only exception to this is the purchase of glass blocks from Indonesia and Thailand because Republic-Asahi does not manufacture this product.

Investments planned

Pacific Glass is planning the formal launch of a full "Profiles" line, which will include vanity and full-length mirrors with bevelled edges and engraved designs, all-glass furniture, shelves, shower enclosures and other accessories. The company is also looking to acquire its first automatic glass drilling machine and, moreover, a computerised edging and milling machine for glass and stone.

Following the interview with Jeffrey Keng, on which this article is based, as a result of the recent currency crisis and devaluation, fuel and other costs have increased in the Philippines. Regional Wage Boards have already been given the go-ahead to review current salary scales and upwards adjustments are inevitable. Republic-Asahi has implemented a price increase on most items by as much as 30% effective the month of October. Pacific Glass says that while prices have risen in the domestic market, it still aims to protect its furniture export market based on an agreement with Republic-Asahi for special pricing of glass for exports. The company adds that recent events have had a considerable impact not only on its operations but on the industry as a whole.

Bavelloni B52
beveller &
TR87 edging
machine

Bavelloni
VTI250 drilling
machine

The future would appear to be bright for Pacific Glass. The continued economic growth in the Philippines means that more and more people can afford higher value products. Despite the competition in the processing glass sector, the company is confident that it can build on the good progress that it has already made since 1990.

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