

Market Overview

The Solid Waste Recycling Market is emerging in Southeast Asia and offers immense potential for companies with promising sustainable technologies that hold the key for a greener future. The market is currently witnessing steady growth rates and is poised to expand further during the period 2006-2012. The growing trend witnessed in the solid waste recycling market in Southeast Asia may be attributed to the following reasons:

- Increasing solid waste disposal problems witnessed in the developing nations of Southeast Asia due to increasing urbanization, consumption, creating immense opportunities for recycling.
- Inadequacy of Landfill spaces coupled with high cost of incineration favoring waste recycling as an attractive alternative.
- Increasing public acceptance of environmental controls.

Challenges Facing this Market

- *Cleaner Production Concept Minimizing waste recycling options*

The most significant challenge facing the Solid Waste Recycling Market in Southeast Asia is adoption of waste minimization concepts like cleaner production by manufacturing companies that ultimately limit recycling options. With clean and green production concepts ruling the roost, waste recycling companies are bestowed with the task of highlighting the benefits of recycling and promoting recycled goods.

Other challenges that may have an impact on this market include

- *Lack of regulations specific to waste recycling challenging market growth*
- *Low awareness on solid waste recycling coupled with lackluster Government initiatives in most of the Southeast Asian countries leading to passive growth.*

Competitive Structure

The Solid Waste Recycling Market in Asia is heading towards a steady growth phase with opportunities emerging not only for recycling equipment and services but also for commercially transferring know-how and providing technical assistance in developing recycling systems as well as for developing new products using recycled materials. The market is predominantly import-driven, with local production limited to only spare parts for equipments. Equipments are usually imported from U. S., China, and Germany among the prominent ones. The market can be compartmentalized as follows:

- Several local manufacturers who are involved in producing spare parts for recycling equipments as they do not have the technological capability to produce stand alone products
- 20 to 30 medium companies that offer recycling services as well as supply equipments
- 5 to 6 larger conglomerates that specialize not only in waste recycling but also in resource recycling, that are predominantly service oriented.

Award Categories & Relevance

The Southeast Asian Solid Waste Recycling market is currently emerging and is witnessing intense competition from industry participants. Given the dynamic nature of this market, being on par with the latest technological advancements becomes the prerogative of companies determined to leave an indelible mark in this market. Innovations in technology/product, strategic partnerships and penetrating new markets would therefore be the prime factors for companies to gain competitive sustenance in this market.

Given that the Solid Waste Recycling Market is technology driven, the impetus would be on the companies offering cutting edge technology that is also affordable at the same time. Being a predominantly service-oriented market, companies those offer waste recycling services with affordable technology as their unique selling proposition (USP) tend to stand out distinctly in this market.

A comprehensive analysis of these factors has enabled Frost & Sullivan to identify three companies in the Southeast Asian Solid Waste Recycling Markets as deserving recipients of Frost & Sullivan Awards 2006 for demonstrating best practices in the areas of technology innovation, entrepreneurial leadership and market share leadership.

2006 Frost & Sullivan Awards for the Southeast Asian Solid Waste Recycling Markets Market Leadership of the Year Award

Award Description

The Frost & Sullivan Award for Market Leadership of the Year is given to the company that has exhibited market share leadership through the implementation of market strategy. The recipient has displayed excellence in all areas of the market leadership process, including the identification of market challenges, drivers and restraints, as well as strategy development and methods of addressing these market dynamics. Furthermore, the Award recipient has continually demonstrated solutions

for monitoring market changes and for implementing superior market strategies. By utilizing these strategies for success, the company has established itself as the market share leader in its respective industry.

Research Methodology

To choose the recipient of this Award, the analysts track competitor revenue and market share within the industry. This is achieved through interviews with all market participants and extensive secondary research of proprietary data sources. Finally, the competitors are compared and ranked for relative position. Frost & Sullivan then presents the Award to the company that received the number one industry rank.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used to ascertain final competitor ranking in this industry. The recipient has excelled by substantially increasing one or more of the following criteria:

- Market share
- Revenue growth rates
- Profitability
- Market and technology innovation

Award Recipient: IRI Philippines, Inc

The 2006 Frost & Sullivan Market Leadership of the Year Award is presented to IRI Philippines, Inc (IRI) for demonstrating its leadership credentials with finesse in a dynamic solid waste recycling market. IRI became the first and only company in the Philippines to specialize in the recycling and reclamation of non-ferrous and precious metals from electronic production reject, computer parts and telecommunication equipment. It is also engaged in the trading of nonferrous and precious metals, as well as recycled plastic materials. It has been servicing the waste disposal requirements of the country's semiconductor and electronics industries since 2001.

Maintaining the Competitive Edge

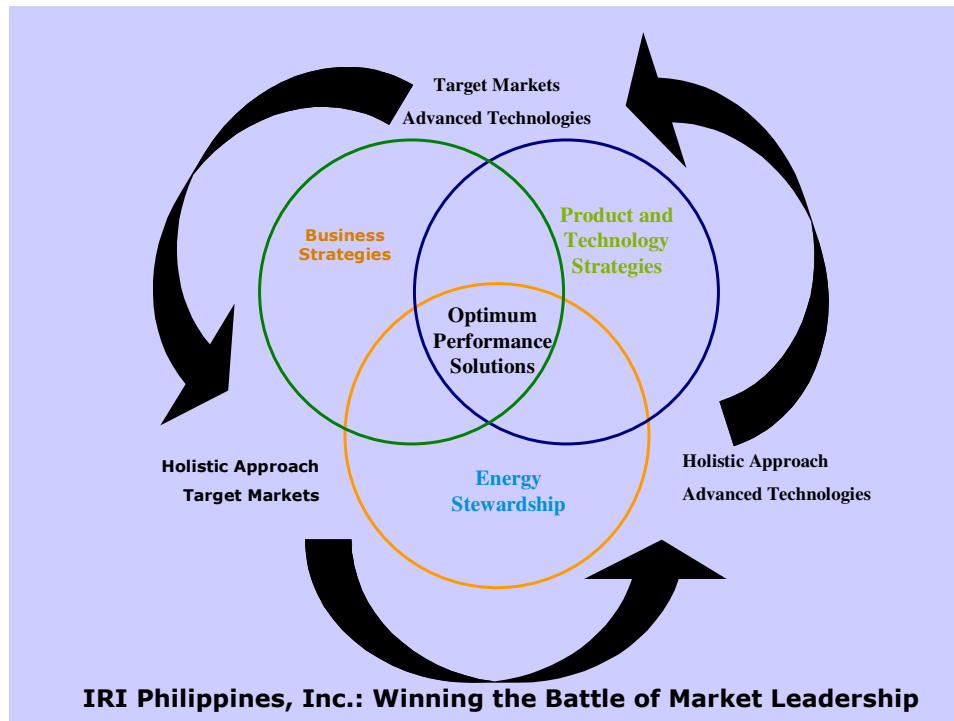
Since its inception, IRI has shown keen interest in staying ahead of its competitors by leveraging its core strengths. The company's exigence on this market was further strengthened when it brought online a state-of-the-art metal recovery system compliant with Philippine environmental laws and standards that is capable of recycling and treating 400 tons of scrap materials monthly. The notable features of the recycling facility include:

- Capable of recycling and treating 400 tons of waste materials monthly;
- Specifically designed to comply with Philippine environmental laws and standards, e.g. compliance with clean air act provisions; and
- Uses chemical separation and cutting-edge scientific extraction methods such as electrolysis, non-burn treatment.

Market Presence – Gaining Upper Hand?

Given the highly competitive nature of the metal and electronic waste recycling segment of the solid waste recycling market, companies like IRI are looking to build

their competencies in ways that can propel them. One such way of accomplishing it has been by striking a strategic partnership with Metech International, a pioneer in asset reuse and precious metal recovery, specializing in environmentally responsible, accountable recycling and reuse of industrial manufacturing scrap and end-of-life electronics. This partnership would further enhance and leverage IRI's strong customer base and complementary service offerings.



Strategies for Growth

Uncompromising on Quality

Quality in service becomes the reckoning factor for a company to remain an undisputed leader in any market. IRI fits the bill by providing quality, responsible and prompt scrap disposal services, ensuring total customer satisfaction. The company also has a quality policy in place that looks after its commitment to quality. The company has successfully upgraded its environmental management system from ISO 14001:1996 to ISO 14001: 2004.

Commitment Towards the Environment

The company has an Environmental, Health & Safety policy (EHS) in place that speaks volumes about its responsibility towards the environment. The company is committed to having environmentally sensitive and responsible processes in the reclamation of precious and non-ferrous metals, recycling of metals and plastic and treatment of waste of its clients' scrap, reject and excess material.

Ensuring total customer satisfaction

The company takes pride in providing total customer satisfaction through fully integrated capabilities, right from hauling to metal recovery and treatment. IRI offers very competitive prices for production rejects, scrap and excess materials in addition to offering environmentally safe processes with complete pollution control infrastructure.

Conclusion

IRI Philippines, Inc is a rapidly growing company with a firm strategic plan for success. The philosophies of ethical business practices, respect for the environment and responsible handling of customers' materials drive the point that this company is a clear leader in this market. Frost & Sullivan is pleased to present the 2006 Market Leadership of the Year Award to IRI Philippines, Inc in the Southeast Asian Solid Waste Recycling markets.