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# GLOBAL ELECTRONICS

# INFORMATION NEWSLETTER

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## ATARI

Atari, the Silicon Valley-based video-game pioneer now owned by Warner Communications has announced plans to produce home computers in Hong Kong and Taiwan, beginning January, 1983. Production will take place at facilities already producing games for Atari. Atari-Wong, the company's joint venture in Hong Kong, will enlarge employment from 700 to 1000.

One should not, at this point, project a massive shift of home computer assembly to the Far East, however. Atari says computers produced in the Far East will be marketed there, while the U.S. market will be served from its home facilities in Silicon Valley (**Electronics News**, October 11, 1982). It is possible that shipping costs outweigh the savings of cheap labor.

## FAIRCHILD CUTS

Pioneer chip-maker Fairchild Camera and Instrument, now a subsidiary of Schlumberger, is reducing its workforce again. In September the company laid off about 800 workers. Although cyclical business trends may have accelerated the lay-offs, they are part of a five-year plan to reduce employment from 30,000 worldwide in 1979 to 19,000 to 20,000. (**Electronics News**, September 27, 1982)

## MATTEL

Mattel, the toymaker whose home computer entry is considered overpriced, has switched to an offshore manufacturer of keyboards to cut costs. Mattel has contracted with Radofin, which is a subsidiary of Fobel PLC, London, to assemble keyboards in Hong Kong. Radofin already assembles Mattel's Intellivision video-game system. Radofin plans to open a new manufacturing facility in China, near Hong Kong, in February, 1983. **Electronics News** (September 27, 1983) suggests that the new plant will produce Mattel computers.

Meanwhile, Mattel's former keyboard supplier, Compro Electronics of Costa Mesa, California, is suing Mattel for breach of contract.

## INDIA

In India, the government-backed Council of Scientific and Industrial Research failed to develop an indigenous color television receiver design by the government's November deadline. The project faced both technical and political problems, but wanting to have Indian-assembled sets available for the Asian games, the government in June authorized the import of 90,000 kits. Those kits were distributed to 22 Indian manufacturers for assembly and marketing.

## THAILAND

Five foreign semiconductor companies now employ about 7,700 workers in Thailand. National Semiconductor, which opened in October, 1973, has 4,500 workers on its payroll. In 1981 National produced 68% of Thailand's integrated circuit output. Eighty percent of its product – in 1980 – were finished chips. Data General, a leading manufacturer of small computers, produces chips for its own consumption. It employs 500 assembly workers in Thailand. The finished product, representing 3.7% of Thailand's chip production in 1981, is shipped to Hong Kong for inspection.

Signetics, based in Silicon Valley but gradually being integrated into its parent firm, Philips, started operations in Thailand in 1980. It employs 1,600 and produces 27.8% of Thailand's chips. Sixty-five percent of its circuits were finished goods in 1980.

Synertek, the merchant semiconductor subsidiary of Honeywell, also opened a Thai facility in 1980. Presently, it employs 300 Thai workers, but it has plans to expand. In 1981, reportedly, its product only represented .5% of Thailand's integrated circuit production.

Sidtha International, which was awarded promotional privileges in 1979, plans to employ 809. It will supply circuits to an affiliate in India which will manufacture video recorders. Sidtha is 85%-owned by the World Government of the Age of Enlightenment Trust (headquartered in Switzerland), 10% Thai-owned, and 5%-owned by Indian interests.

Thai integrated circuit exports, which grew rapidly during the late 1970's, have leveled off with the current recession:

	Quantity (million units)	Value (million Baht)
1977	171.1	1,144.1
1978	254.7	2,157.9
1979	314.1	2,903.1
1980	618.8	6,156.8
1981	592.5	6,144.8

Because chips are assembled from imported materials and components, those exports exaggerate the foreign exchange earnings generated by the industry. The Thai Finance Ministry has released a study showing that 63.03% of chip export earnings pay for associated imports. Of the remaining 36.97%, 1.67% goes for local raw materials and 35.30% for local value added:

<b>Raw Materials</b>	<b>1.67</b>
Chemicals and Gases	0.79
Packaging	0.07
Electricity	0.81
<b>Value Added</b>	<b>35.30</b>
Depreciation	2.01
Wages	17.65
Profits	15.64

It is interesting to note that profits are counted as earnings of foreign exchange, and that they almost equal wages. (*Bangkok Bank Monthly Review*, June, 1982)

## SINGAPORE

General Electric and Dutch-owned Philips, the two largest electronics employers in Singapore, began laying off workers this October. GE's clock radio and tape recorder division laid off 250, primarily foreign and junior employees, from its 3,000-strong workforce, due to slow demand. Philips laid off 3% of its workforce, in part due to government encouraged automation.

Hewlett-Packard, which employs 2,300 in Singapore, has started awarding shares in the company to workers with ten years service. More than 300 workers, 60% of H-P's original workforce, are receiving ten shares worth US\$40 each. (*Singapore Straits Times and Business Times*, October 1982)

## PUERTO RICO

Employment in Puerto Rico's electrical and electronics industry has continued to grow, despite the recession. In October, 1979, the industry employed 17,300. A year later the total reached 18,000. In 1981 employment rose to 19,200. In the two-year span, growth was spread over several segments of the industry, but the employment actually fell in SIC 367 (components, including semiconductors) and electrical industrial apparatus (SIC 362). (Puerto Rico Business Review, July-August, 1982 and November, 1981)

SIC Code	1979 Employment	1981 Employment
361	5,178	6,518
362-3	1,301	870
364	2,454	3,034
365	750	1,213
366	2,386	2,879
367	3,997	3,344
369	1,269	1,337

## PSC Publications

The following occasional publications, including special issues of Pacific Research, are available from PSC:

- "Background Report on Silicon Valley," prepared for the U.S. Commission on Civil Rights, September 1982 (US\$4.50 plus \$.50 postage)
- "U.S. Strategic Arms in the Pacific," June, 1982 (US\$1.50 plus \$.50 postage)
- "El Salvador: Reagan's First Stand," March, 1981 (single copies free, \$4.00 per hundred plus postage)
- "Delicate Bonds: The Global Semiconductor Industry," January, 1981 (US\$1.50 plus \$.50 postage)
- "'500 Mile Island': The Philippine Nuclear Reactor Deal," June, 1979 (US\$2.00 plus .50 postage)
- "Silicon Valley: Paradise or Paradox?" September, 1977 (US\$2.00 plus \$.65 postage)
- "Regionalism and the Bay Area," December, 1972 (US\$1.50 plus \$.50 postage)

## H-P IN MEXICO

Despite Mexico's financial problems, Hewlett-Packard has built a computer plant in Guadalajara. H-P won approval for a wholly owned subsidiary, unusual for U.S. computer-makers in Mexico, by agreeing to supply to the Mexican market computers produced in Mexico. By 1983, the plant should employ 100 Mexicans, eventually reaching a total of 500. H-P plans to pay for imported components by exporting some of its finished product. (San Jose Mercury, May 10, 1982 and November 1, 1982)

## SILICON IN JAPAN

Monsanto and Wacker, the world's top two suppliers of semiconductor-grade silicon, are moving to increase their sales in Japan. Monsanto opened a new service and distribution center near Tokyo in October, and German-owned Wacker plans to open a similar facility, with some light manufacturing. Monsanto is considering the construction of a wafer production facility in Japan, reportedly among several other alternatives. (Electronics News, October 15, 1982)

## ROSEVILLE

Roseville, a California community just northeast of the state capital of Sacramento, has been considered a major growth area for Silicon Valley spin-offs. Hewlett-Packard and Shugart/Xerox opened facilities there in 1980. Electronic Arrays/NEC announced plans to follow. Growth has halted, however, while the city, neighboring communities, and the state Department of Transportation review plans for the area. To accommodate industrial growth, Roseville needs a new highway bypass and a supply of rental housing for low-paid assembly workers. Officials hope that careful planning will bring some of Silicon Valley's benefits without its problems. (San Jose Mercury, September 20, 1982)

## CONFERENCE IN APRIL

"International Perspectives on Women and Work in the Third World" is the topic of a research conference focusing on the impact of industrialization and global economic interdependence, to be held April 14-16, 1983, at the University of California in Berkeley. It is sponsored by the Center for the Study, Education and Advancement of Women, with partial funding from the Office of Women in Development at US AID.

This is a follow-up to a May, 1982 conference on Third World women and work, where U.S.-based scholars presented their research. The second conference will feature international scholars and practitioners from Africa, Latin America, Asia, and the Middle East discussing various aspects of women's participation in industrial production in their countries. American scholars, governmental, and business representatives will also participate.

For more information, contact Nagat El-Sanabary, Associate Director, CSEAW, room 112, Building T-9, University of California, Berkeley, CA, 94720, USA, or call 415/642-4786.

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