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TECO — Welcome to 4IR Smart Energy

TECO is Taiwan's predominant energy conglomerate company developing and designing infrastructure supportive solutions and energy efficient electrical products.



Sophia Chiu,
Chairman of TECO

Traded on Taiwan's Stock Exchange, TECO is recognized for its award winning corporate social responsibility and globally diversified business portfolio. Through the Company Vision (Energy Savings, Emissions Reduction, Intelligence and Automation), TECO products — such as the industry recognized Motors, Drives, E-Houses, Smart Factory Solutions, and Energy Storage Systems — can be found worldwide.

Fortune Magazine (December, 2020) (For full report, refer to page 3.)

In line with the vision of "energy conservation, emission reduction, intelligence, and automation," TECO Electric & Machinery over the years has developed motors, inverters, and various solutions, including E-House, smart factory, and micro-grids, for sales to markets around the world.

In 2020, TECO was granted golden award of Taiwan Excellent Awards for its electric-car power train "T Power," boasting combination of auto motor and driver, the only such indigenous product, applicable to various passenger cars and commercial cars, for which the company has been in talks for supply to domestic and overseas carmakers, including those in Southeast Asia, Asia-Pacific, and Europe.

VoL_eMag_Taiwan_2020 (For full report, refer to page 2.)

Confronted with the reshuffle of global supply chain amidst Sino-U.S. trade war and COVID-19 pandemic, TECO has made adequate preparations well in advance, including establishment of decentralized global network for manufacturing and supply system and introduction of smart manufacturing and automation, encompassing stamping center in Wuxi of China, automated electric-wire production lines in Chungli of Taiwan, high-efficiency motor plants in Vietnam, and other production bases in the U.S., Europe, and Southeast Asia, which gives the company great flexibility in production and shipment to cope with rapid changes on the global market.

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DEVELOPING SMART FACTORY SOLUTIONS

From the onset of the Industry 4.0 IoT revolution, TECO set up its AI team and invested in IoT Smart Manufacturing to provide factory productivity enhancements with automation and digital tools. TECO's Chairman Sophia Chiu stated, "Smart production lines maintained our manufacturing resilience and kept the company's competitiveness during the Sino-US trade war and COVID-19 epidemic." TECO's AI team also developed related agile engagement technologies and derivative solutions, such as the AGV solutions being introduced to industrial and commercial sites, through its Meal-Delivery service robots, AMR, and its disinfection service robot early this year.

RELEASING EV POWERTRAIN SYSTEM

For the EV Powertrain, TECO launched its modularized expandable PM synchronous motor and drive solution for cycles, passenger cars, light-duty commercial cars, and the electric bus. "This high-performance powertrain is engaging in several joint-development projects in the markets of Asia-Pacific, Southeast Asia, and even Europe", said Chairman Chiu.

This demonstrates that TECO thinks ahead to provide its customers with energy solutions for a better and safer world. ●

TECO



TECO — Still Going Strong Post-Pandemic

Energy company TECO has been resistant to the effects of COVID-19 whilst moving into its new chapter of AI technology and new supply lines.



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Chairman of TECO



INTERVIEW

Voices of Leaders: This year has been interesting to say the least. How has it been here at TECO in the first half of 2020?

Sophia Chiu: It has been a very challenging year up to today because our business is not only affected by Covid-19, but we are also very seriously affected by the energy industry, which is the oil and gas related business. Luckily we maintain a very diverse business portfolio so domestically as you just mentioned there is not much impact on the Taiwanese economy so far, and we are engaged in several major infrastructure projects, so those government sponsored projects, and also projects related to the tech sector like the IDC, those types of investments are still very hot, so we are benefiting from the growth in those businesses. On the other hand, like Amazon, the local e-commerce business is also booming thanks to the lockdown and everything in the first quarter of the year. Within the group we have a home delivery company called Taiwan Pedican, they are doing this courier service for the e-commerce business, so they have also enjoyed very good profits and growth. So overall for the group I think, luckily, we are still safe, alive and actually have made some progress on our bottom-line, so we feel very good about that.

But if we look at the markets in the United States, Europe, and also Australia — where our major overseas markets other than China are — those markets are suffering more than what we are seeing here in China or Taiwan. We are doing very well in China. As you can see, China still sees a positive GDP growth till now. The new challenges have also given rise to a lot of innovative ideas.

VoL: How would you assess Taiwan's current position in the global supply chain, now with Covid-19, since Taiwan did not have any lockdown, any disruption of manufacture whatsoever?

SC: Of course I think it gives Taiwan a very good chance to strengthen our manufacturing base because most of our business over the last two decades has moved to China and we are seeing a lot of money returning to Taiwan, partly to invest in Taiwan but also to build second supply chains elsewhere, like in Vietnam, India and other countries. People realize that you cannot count on China's supply chain alone. The current situation is that even if we build a manufacturing base in Taiwan, you still rely heavily on the supply chain in China. So I think you still need some time to build a complete supply chain locally or together with the production side in South-East Asian countries. It takes time. During the trade war, after the US levied import duties on motors made in China, we immediately shifted production to our Vietnam plant. But we are seeing a lot of difficulties because most of the components still come from China and it is very difficult to find local supply. During the past year we have struggled with building the local supply chain and building a second source from India and other countries. So yes, it gives us other opportunities and challenges. But to totally replace China's supply chain will take a lot of time and joint effort from many companies.

