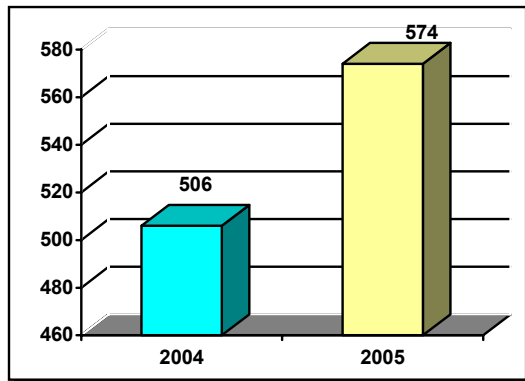


# Maritime Industry Authority 2005 MARINA ACCOMPLISHMENT REPORT

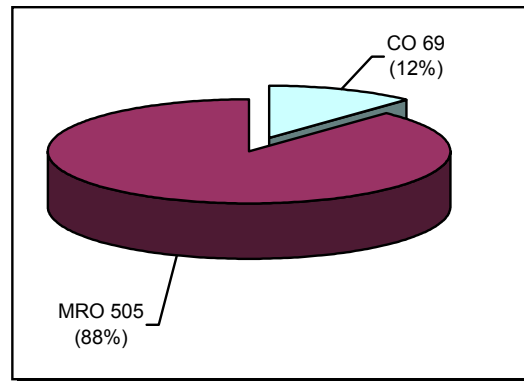
## A. SUPERVISION AND REGULATION

In 2005, the Authority continued to intensify its regulatory and supervisory activities affecting various operations of the maritime industry, in consonance with existing policies, standards, guidelines, rules and regulations, as presented hereunder.

### Domestic Shipping Sector

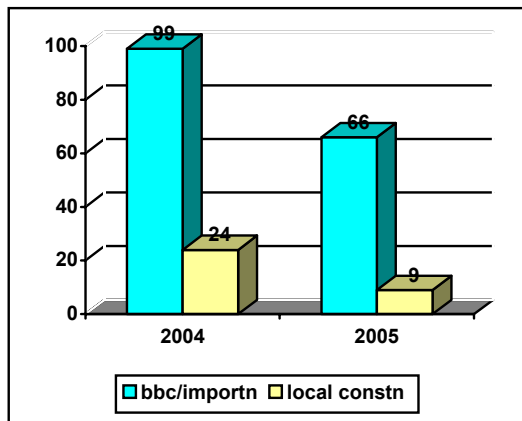


**Registration of Shipping Companies  
2004 vs 2005**

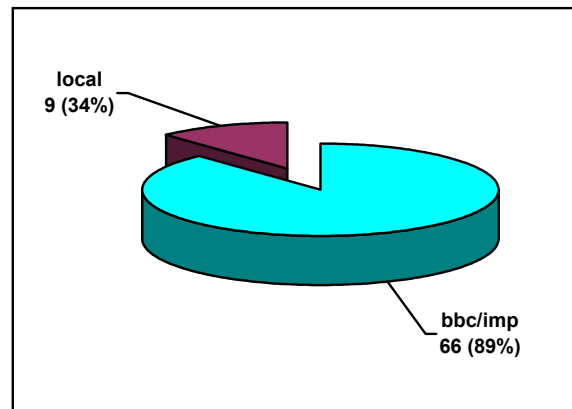


**No. of Companies Registered  
CO vs. MROs, 2005**

The 574 shipping companies registered from January – December 2005 showed an increase of 13% from the 506 entities registered for the same period in 2004. For this year's figure, 69 (12%) entities were registered by the CO, while 505 (88%) was contributed by the MROs.

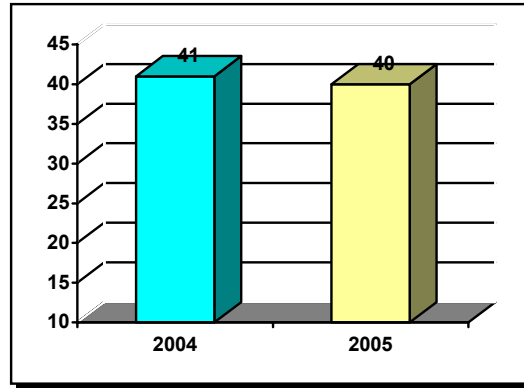


**Acquisition of Vessels for Domestic  
Operation  
2004 & 2005**



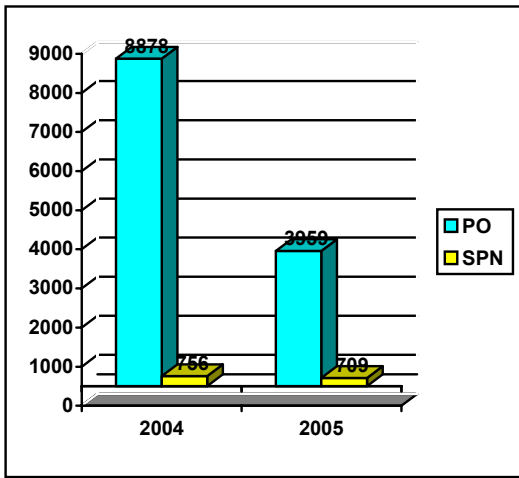
**No. of Vessels Approved for Acquisition  
By Type of Acquisition, 2005**

The 75 vessels approved for acquisition for the period under review manifested a decrease of 39% from the 123 vessels acquired in 2004. From the over-all total, 66 vessels (88%) were acquired through bareboat charter/importation, while 9 vessels (12%) were locally constructed.

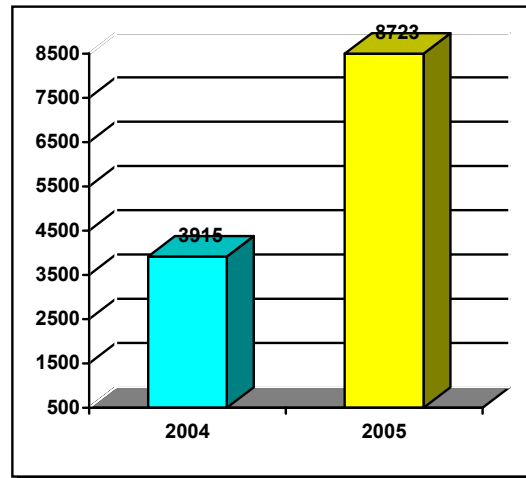


**Special Permits Issued to Overseas Vessels  
Deployed for Domestic Trade  
2004 vs 2005**

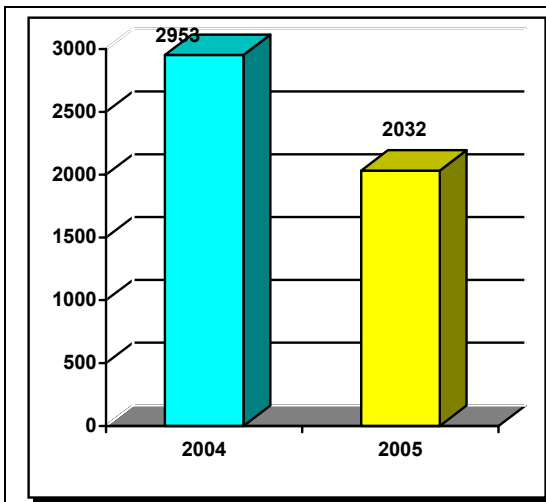
The number of Special Permits issued for overseas vessels to temporarily engage in the domestic trade decreased by 2% from the 41 issuances approved in 2004 to 40 issuances in 2005. Meanwhile, PO issuance decreased by 55% over that issued in 2004 in view of the non-submission by PCG to the CO of data issued on this deputized function. However, Special Permit to Load Inflammable Cargoes increased by 123%.



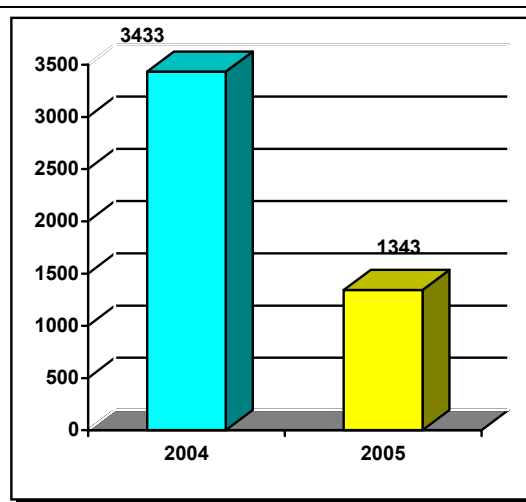
**No. of Permit to Operate & Special Permit to  
Navigate/Tow Issued  
2004 vs 2005**



**No. of Special Permit to Load Inflammable  
Cargoes Issued  
2004 vs 2005**

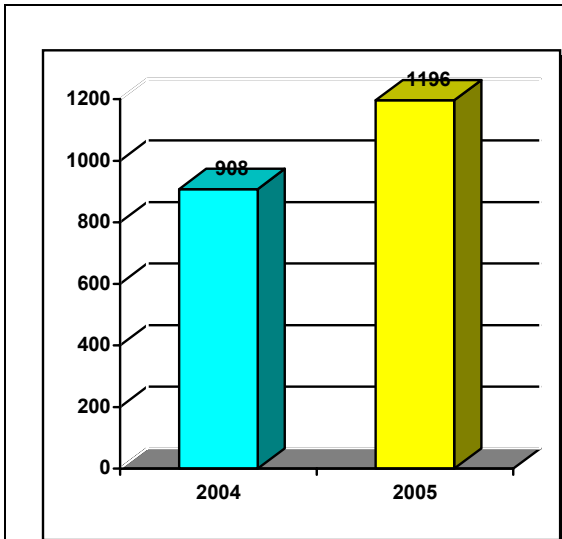


**No. of Domestic Vessels Issued CVR  
2004 vs 2005**

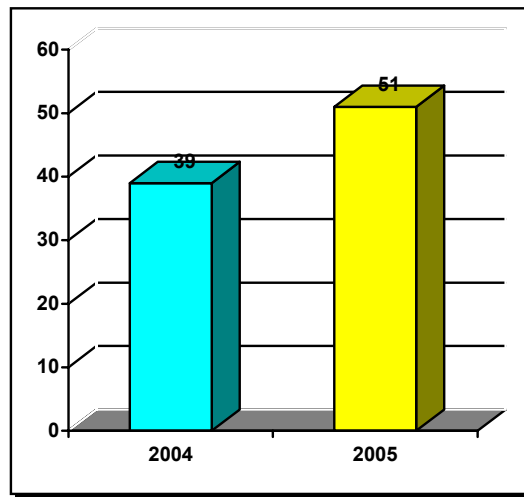


**No. of Domestic Vessels Issued CN  
2004 vs 2005**

There was less activity for the registration of vessels as shown in the above table, which manifested a decrease of 29% over that of 2004 data. Similarly, the issuance of CN also manifested a decrease of 61%.



**Quasi-Judicial Issuances  
2004 vs 2005**

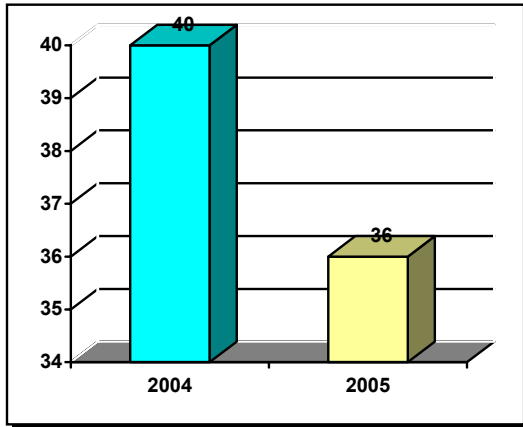


**No. of Deletion Certificates Issued  
2004 vs 2005**

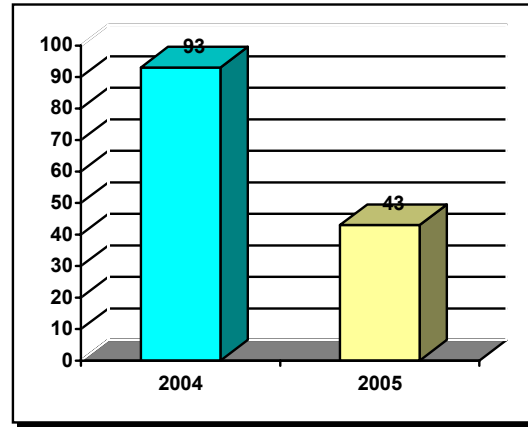
The number of Certificate of Public Convenience (CPC) issued both by the CO and the MROs grew by as much as 32% from the 908 issuances for 2004 to 1196 issuances for the period under review.

The number of Deletion Certificates issued for 2005 increased by 31% over that issued in 2004.

## Overseas Shipping Sector

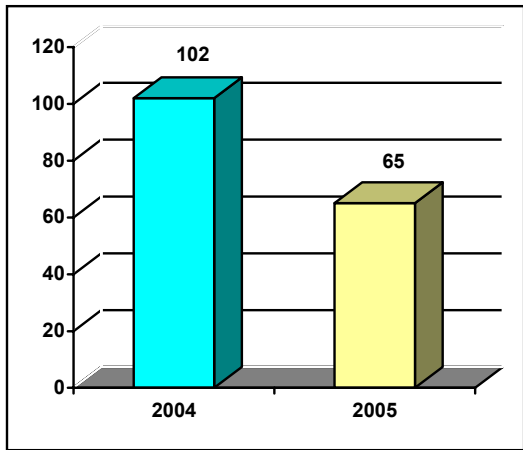


**Accreditation of Overseas Shipping Companies under Memorandum Circular No. 181 (MC 33/33-A) 2004 vs 2005**

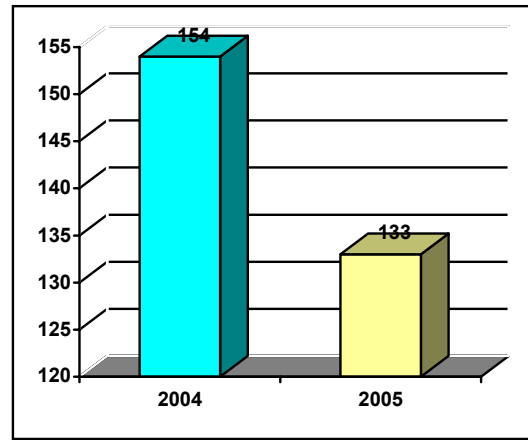


**Accreditation of Overseas Shipping Companies under Memorandum Circular No. 186 (MC 9) 2004 vs 2005**

The number of overseas shipping companies accredited under MC No. 181 (MC 33/33-A) registered at 36 or a decrease of 10% from the 40 companies registered in 2004. Accreditation under MC 186, on the other hand decreased by 54%.

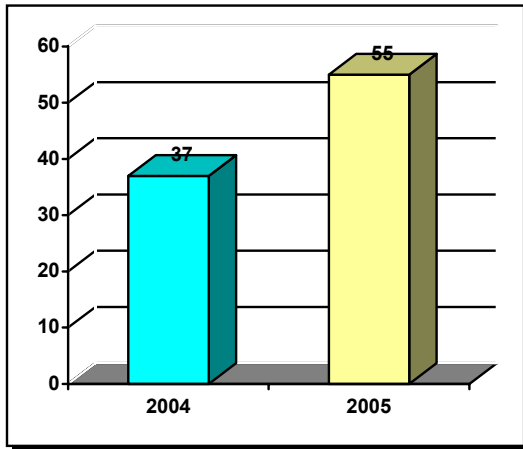


**Overseas Vessels Approved for Acquisition 2004 vs 2005**

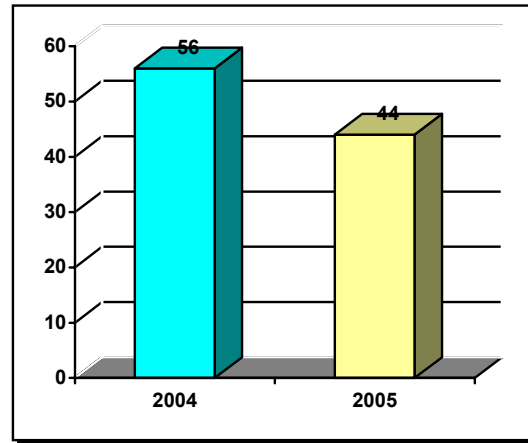


**Overseas Vessels Registered 2004 vs 2005**

For the period under review, the MARINA approved the acquisition of 65 vessels through bareboat chartering. This figure registered a decrease of 36% against the 102 approvals issued in 2004. No vessel importation under RA7471 was recorded for the period. On the other hand, 133 vessels were registered, a decrease of 14% against the 154 vessels registered in 2004.



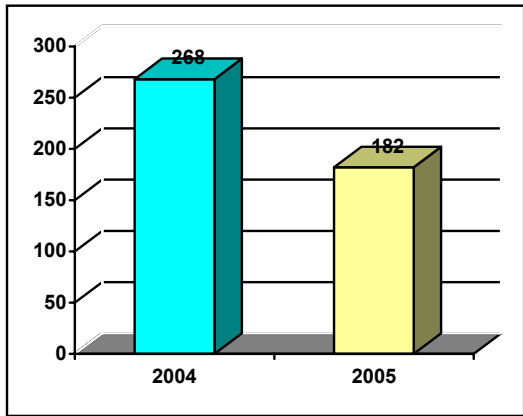
**Overseas Vessels Deleted  
2004 vs 2005**



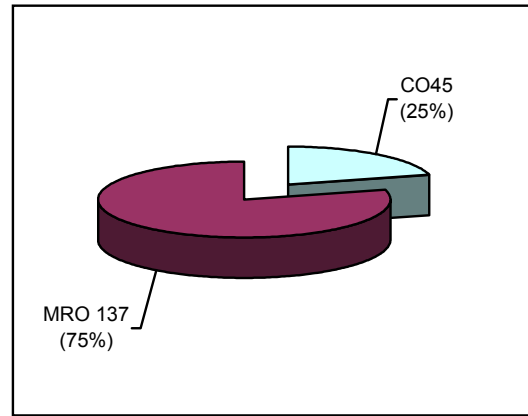
**Special Permit to Domestic Vessels Deployed  
for International Trade  
2004 vs 2005**

The 55 vessels deleted from the Philippine Registry for the period under review was higher by 49% compared to the 37 vessels deleted in 2004. Special Permit to temporarily engage in the overseas trade were issued to 44 domestic vessels. This is 21% lower than the 56 vessels issued special permits in 2004.

### Shipbuilding and Shiprepair Sector

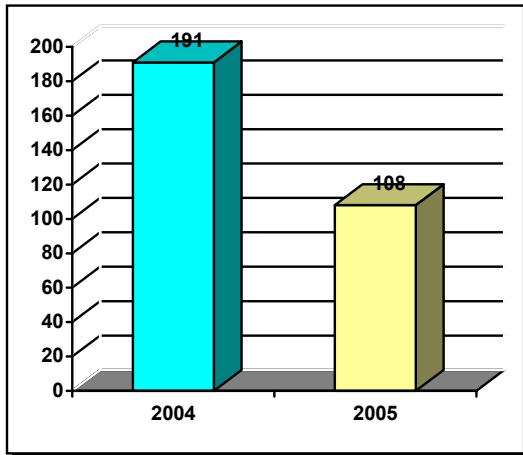


**Licenses Issued to SBSR Enterprises  
2004 vs 2005**

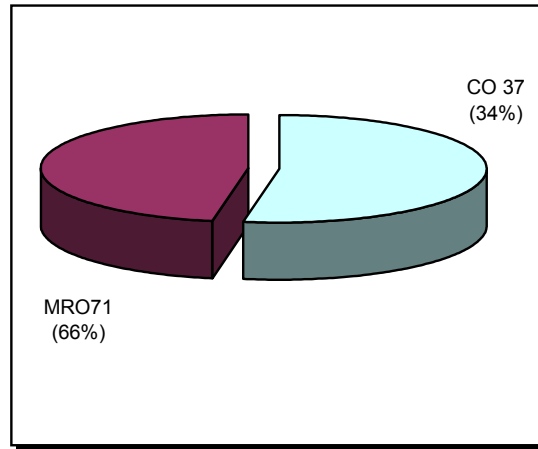


**Licenses Issued to SBSR Enterprises  
CO vs. MRO, 2005**

The number of SBSR enterprises issued license to operate recorded a decrease of 32% (100) from the 268 companies in 2004. From this year's figure, 45 (25%) licenses to operate were issued by the CO, while 137 (75%) were issued by the MROs.



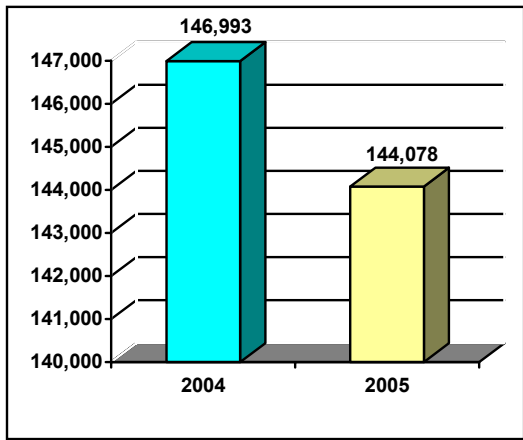
**No. of SBSR Enterprises Inspected  
2004 vs 2005**



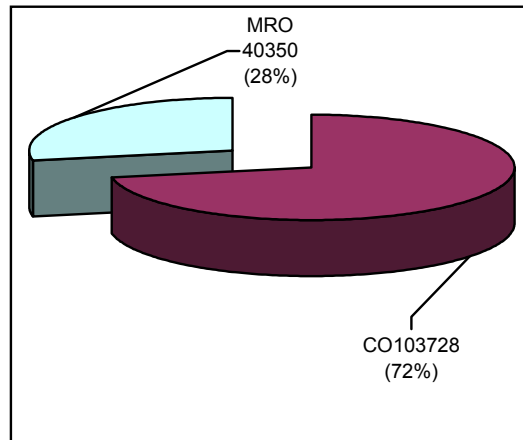
**No. of SBSR Enterprises Inspected  
CO vs. MRO, 2005**

A total of 108 shipyards were inspected or a 20% decrease against the 191 recorded in 2004. From the total, 34% are located in areas under the jurisdiction of the CO while 66% are situated in the regions.

### Maritime Manpower Sector

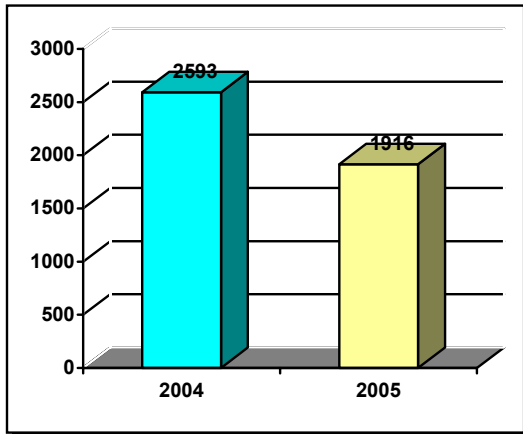


**No. of SIRB Issued  
2004 vs 2005**

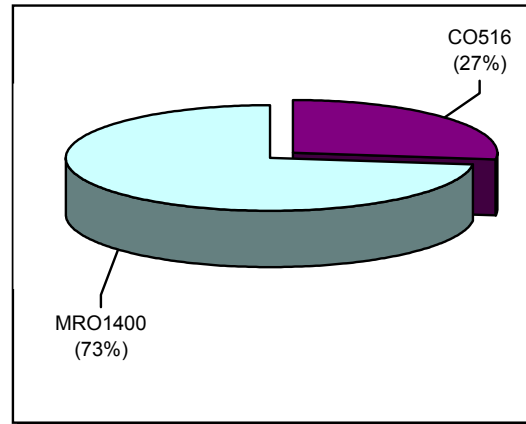


**No. of SIRB Issued  
CO vs. MRO, 2005**

The number of SIRBs issued by the MARINA for 2005 decreased by 2% (144,078) from 146,993 in 2004. The CO was able to issue 103,728 (72%) while 40,350 (28%) were issued by the MROs.

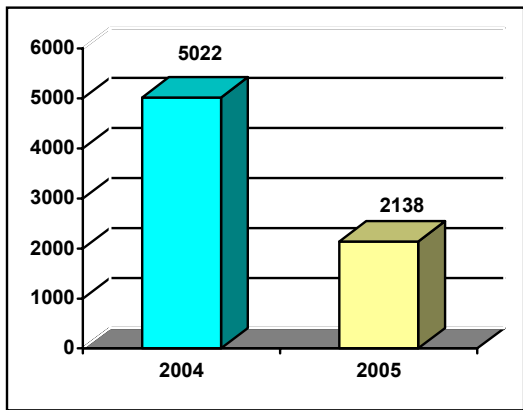


**No. of Examination Permit Issued  
2004 vs 2005**

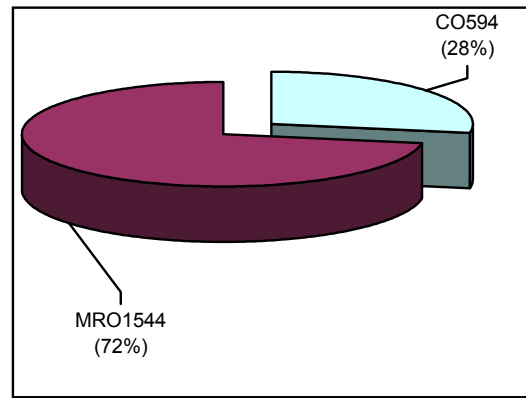


**No. of Examination Permit Issued  
CO vs. MRO, 2005**

The number of examination permit issued for Harbor Pilot/MAP/MIP/Boat Captain/Marine Diesel Mechanic examinees in 2005 was registered at 1916 and showed a 26% decrease from the 2,593 permits issued in 2004. This could be attributed to the deferment in the implementation of MC No. 190 pursuant to Flag State Administration Advisory No. 48 dated 14 October 2003. From the total, 27% (516) were issued by the CO while the remaining 73% (1400) came from the MROs.

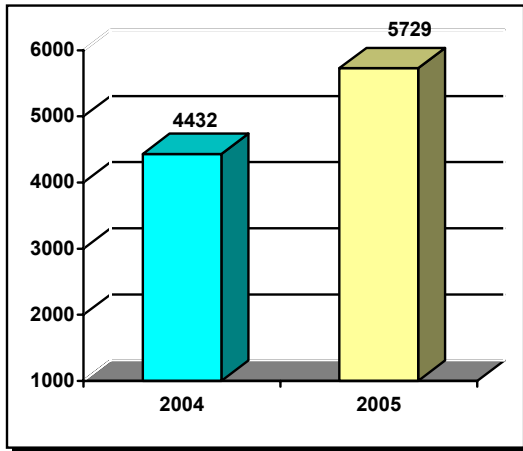


**No. of Licenses Issued  
2004 vs 2005**

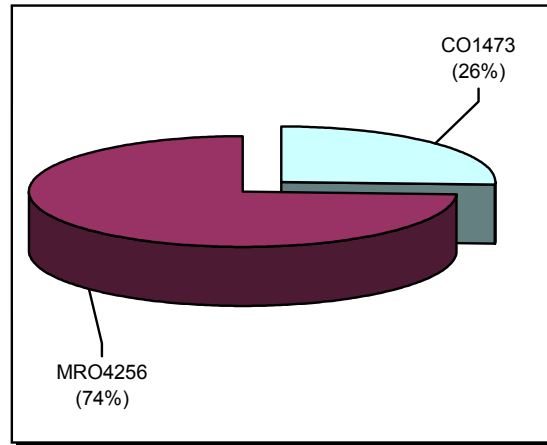


**No. of Licenses Issued  
CO vs. MRO, 2005**

The 1057 licenses were issued to successful passers of the Harbor Pilot/MAP/MIP/Boat Captain/Marine Diesel Mechanic examination for the period under review. This is 67% lower than the 5,022 licenses issued in 2004. Of the total licenses issued, the CO issued 594 (28%) licenses, while 1,574 (72%) were issued by the MROs.

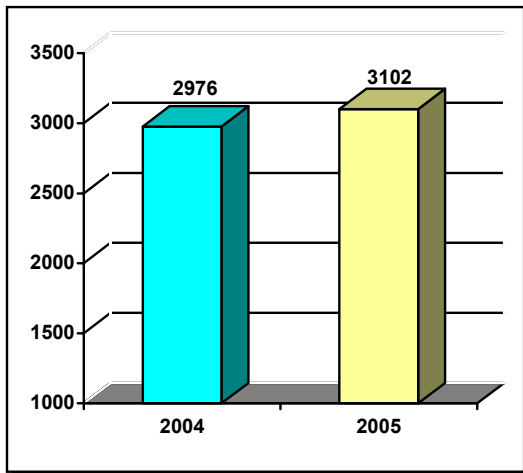


**No. of Qualification Documents Certificates (QDC) Issued 2004 vs 2005**

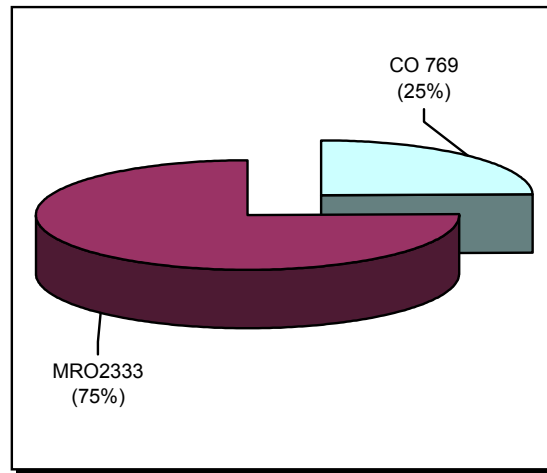


**No. of Qualification Documents Certificates (QDC) Issued CO vs. MRO, 2005**

The issuance of Qualification Documents Certificates (QDC) to seafarers for the period under review increased by 29% (5,729) from the 4,432 QDC issued in 2004. The QDC issued by the CO represented 26% of the total (1,473) issued by the MARINA while the remaining 74% were issued by the MROs.



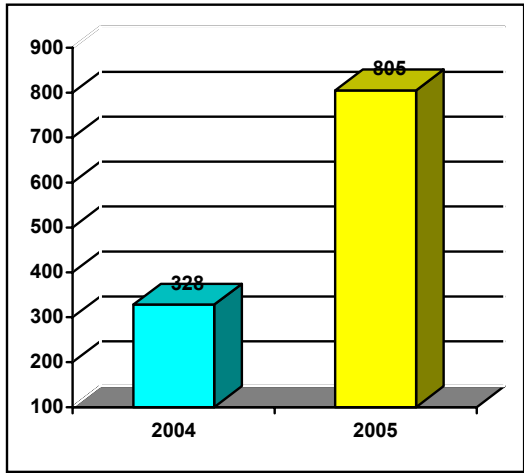
**No. of Training Record Book Registered for Cadets 2004 vs 2005**



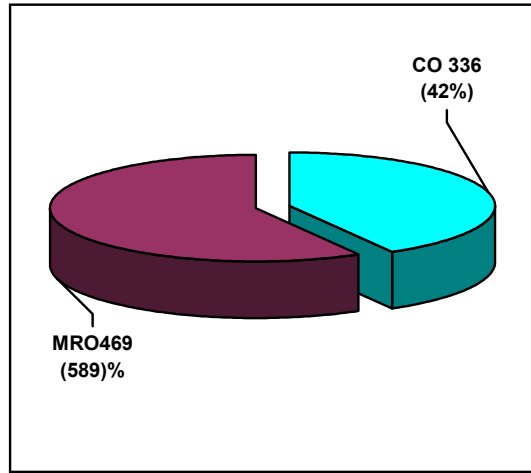
**No. of Training Record Book Registered for Cadets CO vs. MRO, 2005**

The number of Training Record Book Registered for the period under review was recorded at 3,102. This is 4% higher from the 2,976 training record books registered in 2004. From the total, 25% (769) was registered by the CO, while the remaining 75% (2,333) came from the MROs.

## Enforcement of Maritime Laws, Rules and Regulations

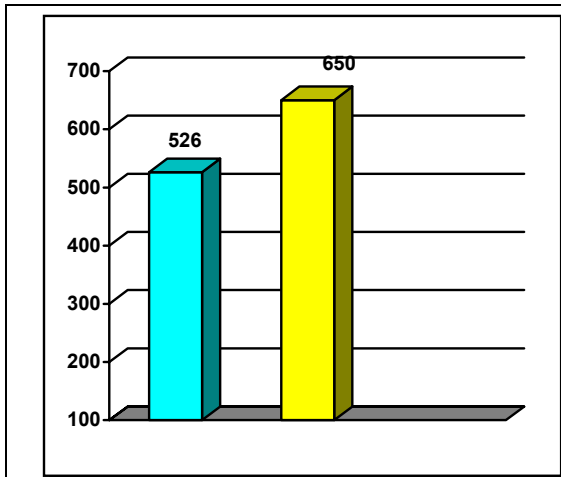


No. of Vessels Monitored/Inspected  
2004 vs 2005

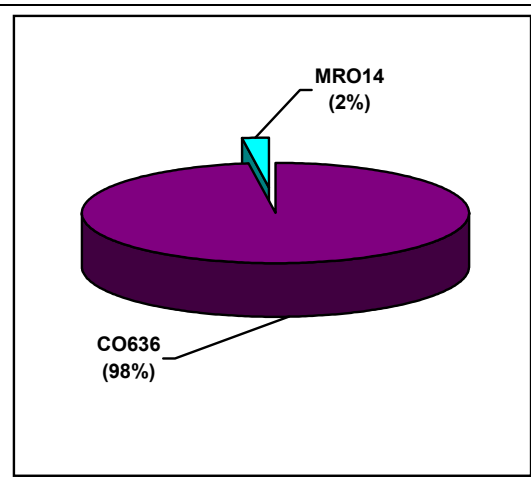


No. of Vessels Monitored/Inspected  
CO vs MRO, 2005

The number of vessels monitored/inspected increased tremendously by 145% (805) from the 328 data in 2004. From the total 42% was inspected/monitored by the CO, while the remaining 58% was handled by the MROs.

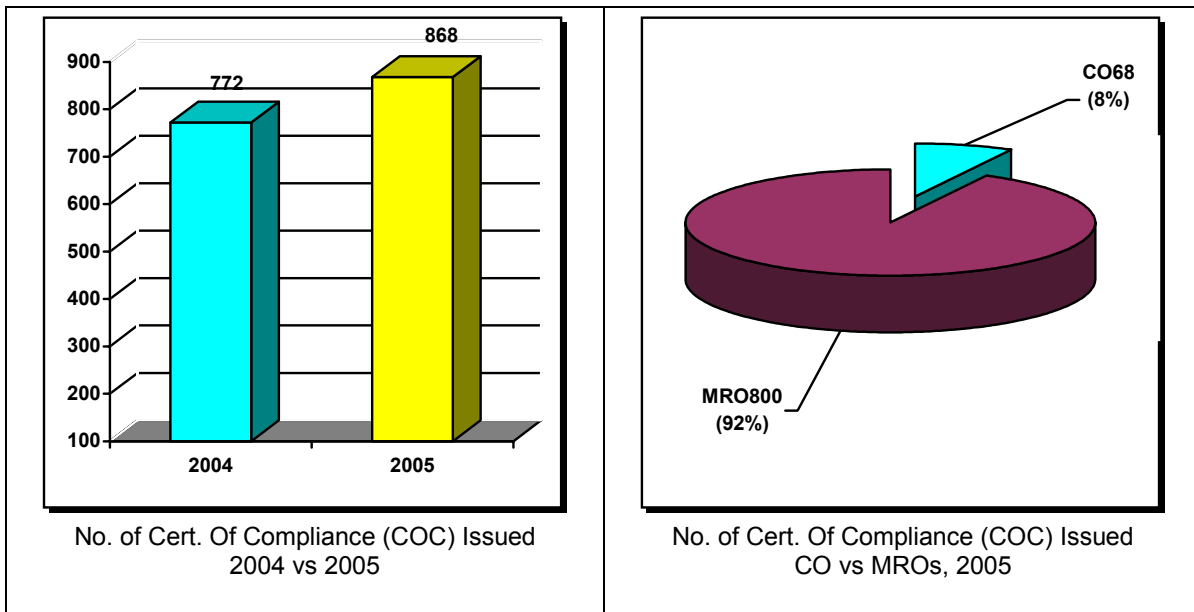


No. of Cases Resolved/No. of Decision Issued  
2004 vs 2005



No. of Cases Resolved/No. of Decision Issued  
CO vs MROs, 2005

The number of cases resolved and decisions issued for the period under review was registered at 650 or a 24% increase from the 526 data in 2004. The CO issued 98% from the total while the remaining 2% came from the MROs.



The number of COC issued for the period under review increased by 12%. CO contributed 8% of the total issued, while the remaining 92% came from the MROs.

## B. PROMOTION AND DEVELOPMENT

The promotion and developmental efforts of the Authority consisted primarily of policy reviews and formulation, designed to respond to the changing needs of the various sectors of the maritime industry and to further improve maritime safety in the country. These were complemented by project undertakings envisioned to sustain the continued growth and development of a particular sector of the industry.

### • POLICY DEVELOPMENT

#### Memorandum Circular Issued

1. Memorandum Circular No. 204  
Subject: Assumption of Functions Under Republic Act 9295  
This MC provides guidelines on the assumption of functions pursuant to Section of RA 9295 and Section 2, Rule XVIII of its IRR which shall be exercised by the MARINA effective 11 June 2005.
2. Memorandum Circular No. 205  
Subject: Amending Memorandum Circular No. 203 on the Rules Governing the Implementation of the Ship Safety Inspection System (SSIS)  
All domestic shipping companies/operators/charterers, masters and all those concerned were given enough time within which to secure the required Ship Safety Certificates as a replacement of the CI as provided under Section IV of this MC.
3. MARINA Circular No. 2005-01  
Subject: Revised Schedule of Fees and Charges

This Circular applies to all concerned shipping companies, shipowners/shipoperators, shipbuilding/shiprepair yards/operators, seafarers, manning agents and other maritime entities, pursuant to PD No. 474, the Public Service Act, as amended, EO 125/125-A, EO 292 and RA 9295, and in compliance to EO 197 s. 2000 providing the increase of rates of fees and charges by not less than 20%.

4. MARINA Circular No. 2005-02  
Subject: Rules Amending Chapter XV, Regulation 8 of the 1997 PMMRR on the Official Number and Marking of Ships and Providing for its Annual Validation

This Circular was formulated to foster a more effective and easy identification, supervision and monitoring of all shipping transport service in the country, generate a more accurate and realistic profile of the country's domestic operating fleet for purposes of formulating promotional and developmental programs for the industry and periodically verify and ensure in the interest of maritime safety, that the required certificates/documents for the operation of ships remain valid and updated.

#### **Flag State Administration Advisories (FSAA) Issued**

1. Flag State Administration Advisory No. 64  
Subject: Acceptance and Processing of Application for Issuance of Certificate of Public Convenience (CPC) under RA 9295  
To ensure the uninterrupted service in the domestic trade, this FSAA provides that all applications for issuance of company/entity CPC under RA 9295 shall be accepted and acted upon pending the issuance of the rules on the compliance with the submission of the Compulsory Cargo Insurance Coverage under Sec. 1.1.2, Rule IX of the IRR of RA 9295.

#### **MARINA Advisory**

- No. 01 - Initial List of Missionary Routes Pursuant to Section 10, rule IV of the Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9295

This advisory identified missionary routes where there are no regular or shipping activity existing as of 25 January 2005 pursuant to Section 10 of the IRR of RA 9295.

- No. 02 - Adoption by MARINA of PCG Memorandum Circulars Nos. 03-96 and 04-98

MARINA adopts the provisions of PCG Memorandum Circular Nos. 03-96 and 04-98 dated 27 May 1996 and 20 October 1998, respectively in the conduct of enforcement functions by the PCG the submission of the Master's Oath of Safe Departure and the conduct of Mandatory Pre-departure Inspection of Philippine registered ships operating in the domestic trade.

- No. 03 - Strict Implementation of FSAA 57 and 65 and Strengthen the Security Personnel Onboard Ship while in Port or Anchorage

This Advisory provides specific measures/instructions to enhance security measures and to further ensure the safety and security of our ship's crew, passengers and cargoes specially oil tankers at berth or at anchor.

- No. 04 - Suspension of the Requirement for Tugboats and Barges to Secure Certificate of Public Convenience (CPC) under the Implementing Rules and Regulations (IRR) of Republic Act (RA) 9295

This Advisory was issued to give notice to all concerned that the MARINA Board during its 173<sup>rd</sup> Meeting held on 19 October 2005 has approved the suspension of the requirements for tugboats and barges to secure CPC under the IRR of RA 9295 pending the outcome of the study to be undertaken on the matter.

- No. 05 - Issuance of Special Permit to Operate Ships in the Domestic Trade due to Meritorious Circumstances

This Advisory provides guidelines in the issuance of Special Permit (SP) pursuant to Section 1 (1.5), Rule II of the IRR of RA 9295, authorizing the MARINA to require any domestic shipping operator to provide shipping services to any coastal area, island or region in the country and to ensure the uninterrupted service of ships in the domestic trade specifically during peak season.

### **Administrative Orders Issued**

1. Administrative Order No. 01-05  
Subject: Internal Establishment/Creation of MARINA Offices  
To further enhance efficiency and effectiveness in the discharge of agency function, this AO provides the following:
  - a) The internal creation of National Capital Region (NCR) and Maritime Industry Audit System Office (MIASO);
  - b) Designation of the AFO Director as the NCR Director; and
  - c) Transfer of the MLAO, EO and the MROs under the direct supervision of the Office of the Administrator.
2. Administrative Order No. 02-05  
Subject: Amendment of Administrative Order No. 07-04 series of 2004 re: Creation of MARINA Management Committee (MANCOM)  
This AO provides for the additional membership of the MARINA MANCOM Secretariat.
3. Administrative Order No. 03-05  
Subject: Further Amendment of Administrative Order No. 05-2004 re: Revised Delegation of Authority/Functions to MRO Directors  
To facilitate the speedy issuance of Decisions by appropriate MARINA Office relative to ships operating in their respective area of jurisdiction, application for issuance of Certificate of Public Convenience

(CPC) under RA 9295 and its IRR, the requirements under Rule IV, Sec. 9.1.1.a, shall be liberally construed in order to attain the objective of the law.

4. Administrative Order No. 04-05  
Subject: Amendment to Administrative Order No. 07-04 dated 07 October 2004 on the Creation of MARINA Management Committee (MANCOM)  
This AO designates the NCR Director and the BMRO Director as MRO Representative to the MANCOM.
5. Administrative Order No. 05-05  
Subject: Activation of MARINA-National Capital Region (NCR)  
This AO activates the MARINA-NCR effective 05 May 2005, pursuant to AO No. 01-05 dated 18 February 2005 and SO No. 232-05 dated 18 April 2005. All applications stipulated under AO 05-04 dated 02 August 2004 re: "Revised Delegation of Signing Authority/Functions of MRO Directors" shall be filed and processed with this Office.
6. Administrative Order No. 06-05  
Subject: Further Amendment of Administrative Order No. 02-05  
Par. 3 of AO No. 02-05 dated 06 April 2005 provides that the MARINA office where the application was filed shall have jurisdiction over the application to the exclusion of other MARINA offices/units.
7. Administrative Order No. 07-05  
Subject: Amendment to Transitory Guidelines on Ship Inspection/Certificates  
This AO amends the transitory guidelines on ship inspection/certification as approved by the MARINA Board on 21 April 2005. This also supersedes memorandum on guidance for safety certification of ships with expiring CIs issued on 1 April 2005.
8. Administrative Order No. 08-05  
Subject: Additional Delegation of Authority/Functions to the National Capital Region (NCR) Director  
In addition to the delegated authority/functions of the MRO Director under AO No. 05-04 dated 02 August 2004, this AO further delegates additional authority/functions to the MARINA-NCR such as the issuance of Company Certificate of Public Convenience under the IRR of RA 9205, conduct of ship's safety inspection of all Philippine-registered ships and conduct of ISM/NSM audit.
9. Administrative Order No. 09-05  
Subject: Return of Processing of Application for Class Authorization and Inquiries Relative to SOLAS-Related Matters  
This AO provides for the immediate return of the processing of applications for letter of authorization to recognized organizations and inquiries on SOLAS 1974 as embodied in AO No 16-04 from MSO to OSO.

10. Administrative Order No. 10-05  
Subject: Amendment of A.O. No. 06 s. 2000  
This amendatory Order was issued to reflect the assignment of the delegated signing authority for purchase orders and vouchers.
11. Administrative Order No. 11-05  
Subject: Guidelines for Wearing of Official Attire  
This Order requires all MARINA Central Office personnel to wear the prescribed office uniform during office hours with the exception of MARINA Officials/ Directors/Lawyers. Non-compliance with this Order shall be considered as ground for disciplinary action for Violation of Reasonable Office Rules and Regulations, under Section 22 (c), Rule IV of the Administrative Code of 1987 (EO No. 292)
12. Administrative Order No. 12-05  
Subject: Designation of Senior Assistant in the Review, Revision, Development of Maritime Laws, Rules, Regulations, Policies and Issuances  
This Order designated the Head Executive Assistant as Senior Assistant to strengthen the efficiency and effectiveness of the Authority in the implementation of its mandated functions under R.A. 9295.
13. Administrative Order No. 13-05  
Subject: MARINA Energy Conservation Measures  
This Order identified measures that shall be adopted in compliance with A.O. No. 126 dated 13 August 2005 re: Strengthening Measures to Address the Extraordinary Increase in World Oil Prices, Directing the Enhanced Implementation of the Government's Energy Conservation Program, and for Other Purposes
14. Administrative Order No. 14-05  
Subject: Guidelines in the Selection of Candidates for the Third-Level Position  
This Order provided guidelines in the selection of candidates for the third-level position, incorporating its legal basis, compliance to pertinent CSC rules and regulations and the administering of additional instruments.
15. Administrative Order No. 15-05  
Subject: Computer Software Copyright  
This Order provides measures to be adopted concerning the illegal use or copying of commercial software, unlicensed duplication or unauthorized use of any software program pursuant to RA 8283.
16. Administrative Order No. 16-05  
Subject: Procedures in the issuance of Ship Safety Certificates  
This provides procedure that shall be observed in the issuance of Ship Safety Certificates on all inspection conducted by the PCG, Pursuant to Chapter 2 of the MOA signed between the MARINA and the PCG dated 14 September 2005

- **BILATERAL SHIPPING AGREEMENT**

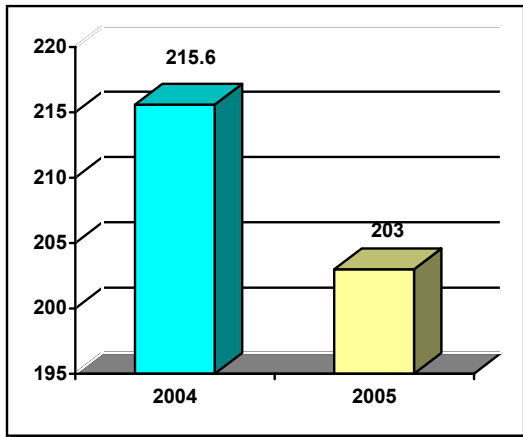
1. 6<sup>th</sup> RP-Netherlands JCMA Meeting - this undertaking was completed on 24 May 2005
2. RP-Cyprus Merchant Shipping Agreement of 1984 – also completed on 30 June 2005
3. RP Model Agreement on Merchant Shipping – finalized on 14 Dec 2005

**C. ADMINISTRATIVE, MANAGEMENT/ORGANIZATION and FINANCE**

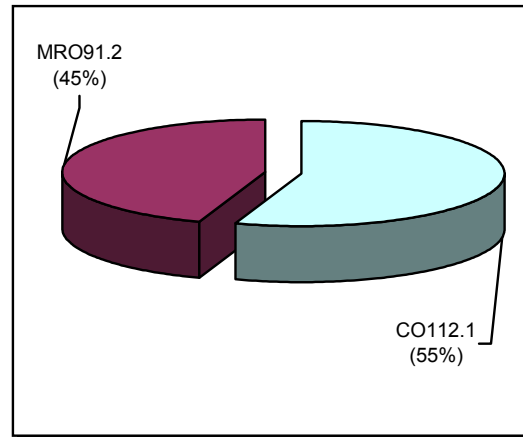
**PROFILE OF PERSONNEL COMPLEMENT**

The MARINA regular force for the period under review was composed of 471 employees distributed as follows: Central Office 257 (55%) and MROs 214 (45%). Regular personnel were complemented by four (4) casual/contractual hired to augment the workforce specifically at the Regional level.

**FINANCIAL OPERATIONS**



**MARINA Revenues  
2004 vs 2005**



**Revenues Generated: Central Office and MROS,  
2005**

The economic impact of the recent events did not cause a huge setback in the overall financial performance of the Authority as it generated a total revenue of P203.3M which is 6% lower than the P215.6 M revenue generated in 2004. This year's revenue showed that 54% was generated by the Central Office, while the remaining 45% was contributed by the Regional Offices.

Income generated from Processing Fees was listed at 39% of the total revenue earned, Other Services Income at 14%, and close behind accounting for 15% was income from Franchising and Licensing Fees.

On income generated at the Regional level, Region VII (CMRO) contributed 28%, followed by Region VI (IMRO) at 14% and Region IV (BMRO) at 13%.