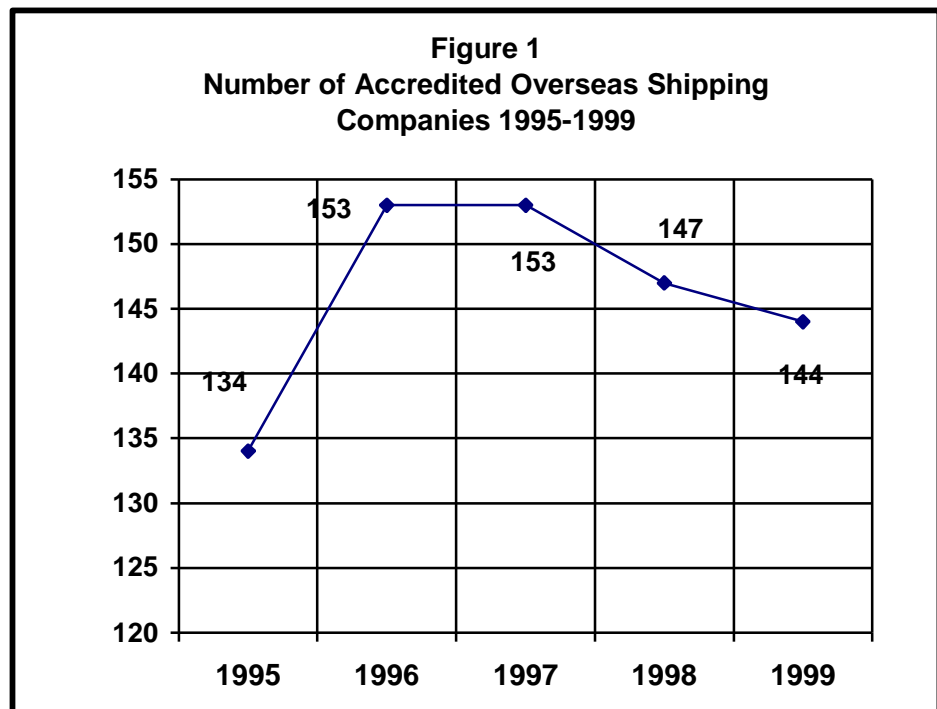


## II. OVERSEAS SHIPPING SECTOR

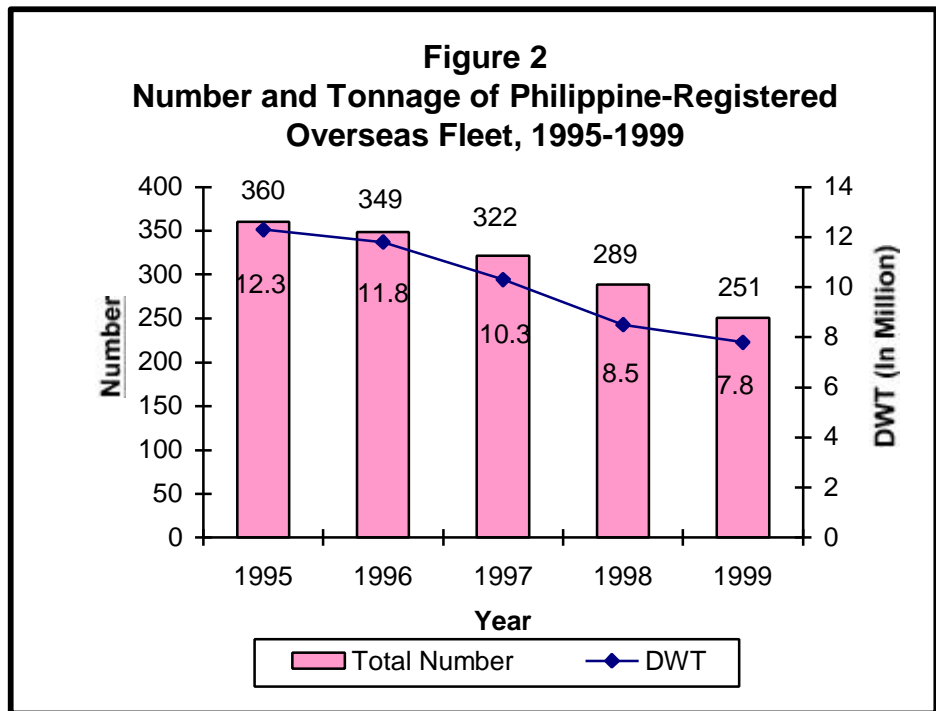
### A. PROFILE

- As a result of MARINA's initiative to restrict the bareboat chartering policy with the issuance of MC 33-A on 26 March 1990, the number of accredited overseas shipping companies indicated a continuous downward trend. As shown in **Figure 1** below in 1997 there were 153 accredited shipping companies while in 1998 and 1999 only 147 and 144, respectively, were accredited or a slight decrease of 6%.



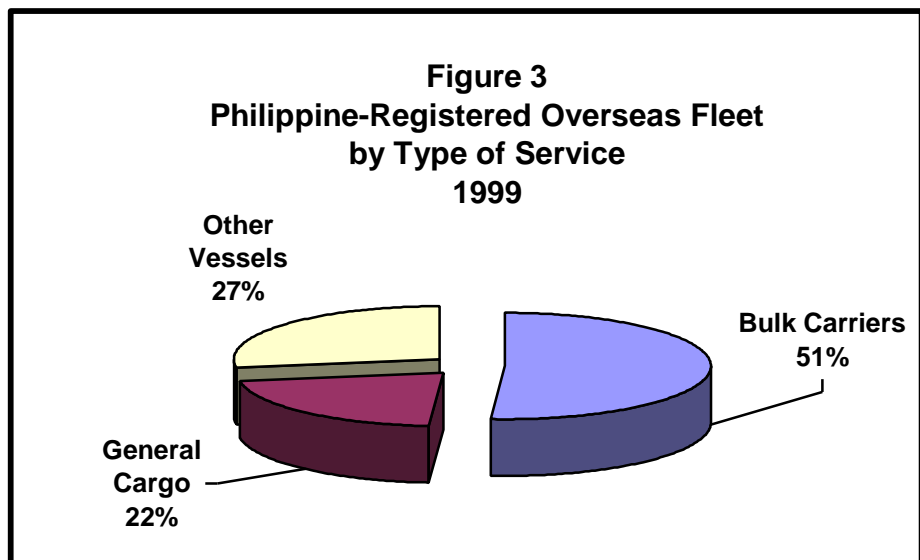
Source: MARINA - OSO

- Similarly, there was an observed decrease in the number of Philippine-registered vessels in 1999 which totaled 251 as compared with the 1998 figure, 289 or a noted decrease of 16%. Details are presented in **Figure 2**.



Source: MARINA - OSO

- In 1999, 51% of the total number of the country's overseas fleet of 251 were comprised mostly of bulk carriers followed by general cargo (22%) and other vessels (27%).

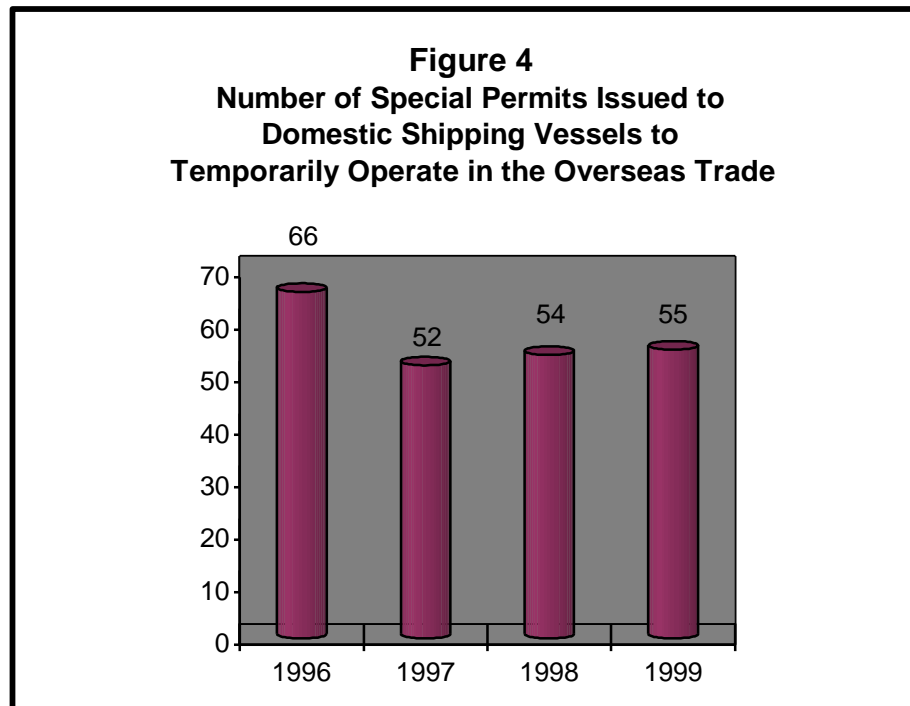


Source: MARINA – OSO

## B. PERFORMANCE

With regard to the sector's performance in relation to the Authority's mandate, the sector has undertaken significant moves to address various maritime issues and concerns, notable of which are the following:

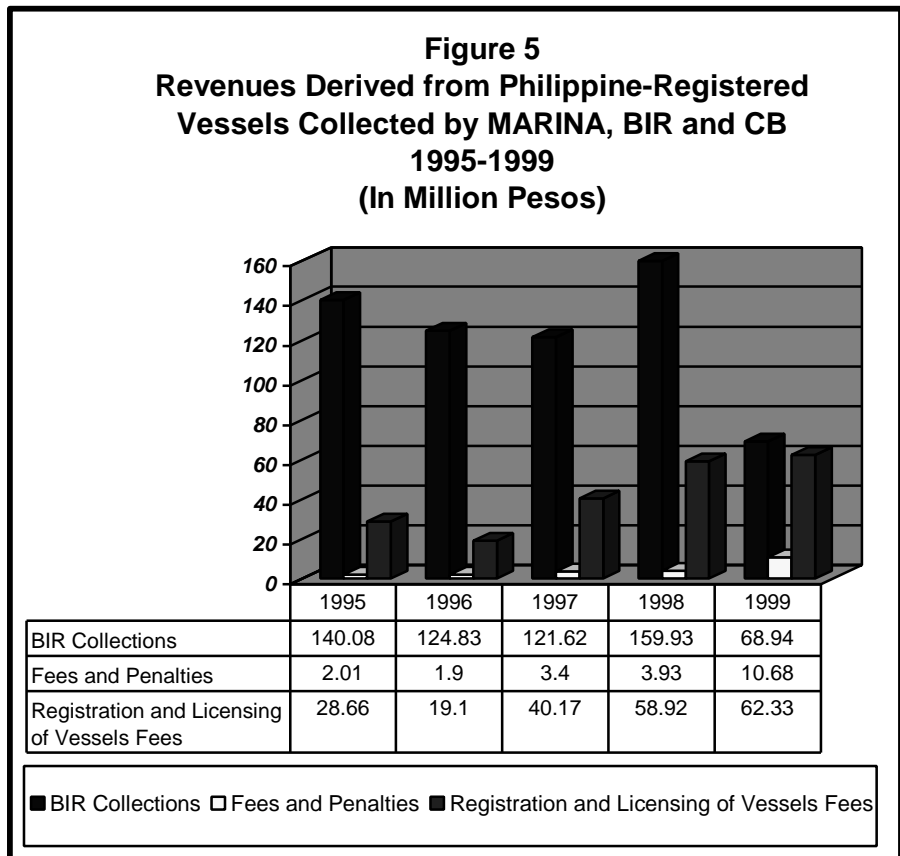
- The policy allowing the domestic vessels to operate temporarily in the overseas trade by way of issuance of Special Permit provides opportunities for domestic vessels to participate in the carriage of the country's exports and imports. **Figure 4** below shows that shipowners have been drawn into this chance to participate in the carriage of the Philippines' exports and imports through the short-term deployment of their vessels in the international trade.



Source: MARINA - OSO

- Revenues generated in 1999 amount to P 141.94 Million. However, this does not include the dollar remittances from seafarers onboard Philippine overseas registered vessels. The 1999 figure is broken down as follows:

- As of June 1999, P68.93 Million were derived from the 4.5% tax withheld involving overseas shipping companies for charter hire remittances of their vessels. A decrease of 56.9% from last year's P159.93 Million recorded figure is a result of the Authority's stringent policy guidelines for the accreditation of overseas shipping companies.
- In line with MARINA's exercise of its regulatory and supervisory functions over the sector, fees and penalties collected amounted to P 10.68 Million, while registration and licensing of vessel fees reached P62.33 Million.



Source: MARINA - OSO

- There had been active participation in the negotiations / review of proposed bilateral agreements with the Governments of France, Norway, Cyprus, Panama, Netherlands, Germany and Brunei. Relevant amendments consistent with the foreseen growth brought about by globalization trends and developments were determined.

A Bilateral Maritime Agreement between the Philippines and Norway was finalized and signed on 22 October 1999.

- In the light of more recent developments in global shipping and as the countries maritime administration, the Authority pursued the following activities to ensure the country's compliance with the national and international rules, regulations and standards set forth by maritime bodies like IMO.
  - Implemented the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code) making all overseas-going vessels to be Safety Management certificated and shipping companies to be issued Document of Compliance. The sector has initiated the drafting of Memorandum Circular on Guidelines on the Recognition of Organizations Acting on Behalf of the Administration in the Implementation of the ISM Code for Philippine shipping companies and their ships.
  - Conducted the study on the mandatory pollution cover for all domestic vessels in accordance with the International Oil Pollution Compensation (IOPC) Fund '92.
  - Participated in the institutionalization of a Project on International Convention for Prevention of Pollution from Ships (MARPOL 73/78) with specific concern on marine pollution in bays, harbors and other navigable waters within the Philippine archipelago.
- Undertook activities towards the development of multimodal transport system in the country in coordination with the Department of Transportation and Communications (DOTC).

## **C. PROSPECTS**

- Philippine Ship Registry

The existing ship registry in the Philippines if and when strengthened and supported without necessarily joining the open registries wagon will maximize the economic opportunities that can be derived from the maritime sector.

➤ Bareboat Chartering

Among various flagging options, the bareboat charter registration regime is becoming increasingly popular. The Philippine bareboat chartering regime when improved and maintained without neglecting the administrative and procedural formalities and requirements for compliance with international regulatory conventions will enjoy economic gains from more tonnage added to the country's national fleet and employment of Filipino crew.

➤ Bilateral Agreements

Continuous forging of bilateral agreements between and among other shipping nations will ascertain not only the promotion of the country in the international trades, but economic well-being of its crew as well.

➤ Multimodal Transport System

The entry into force of the Hamburg Rules will significantly influence the modernization of the carriage of goods by sea thereby bringing a momentous impact on international trade and development. The Philippines' concrete moves towards the development of multimodal transport system in the country will enhance the facilitation of movement of goods and attainment of trade efficiency.

➤ Sub-Regional Groupings

The importance of sub-regional groupings such as the BIMP-EAGA, AFTA, APEC, among others, proves to be a viable move in enhancing the flow of services, capital and technical know-how and encouraging cooperation in various economic and technical aspects. With the country's continuous participation in these efforts, significant growth in trade and investments was thus far achieved.