

Department of Transportation & Communications
MARITIME INDUSTRY AUTHORITY

**SUPERVISORY & REGULATORY FUNCTIONS
CY 2000**

Complementing the promotion and development aspect of MARINAs functions is the need to insure that certain standards, declared policies, guidelines and laws are complied with by those engaged in maritime operations, and also those availing of established development programs and incentives for the industry. Thus, MARINAs supervisory and regulatory functions principally involves the processing of applications and grant of approvals involving various aspects of maritime operations, as embodied under P.D. No. 474 and other laws, enactments, policies and circulars subsequently formulated/issued over the years. This function is being processed by both the Central Office (CO) and the ten (10) Maritime Regional Offices (MROs).

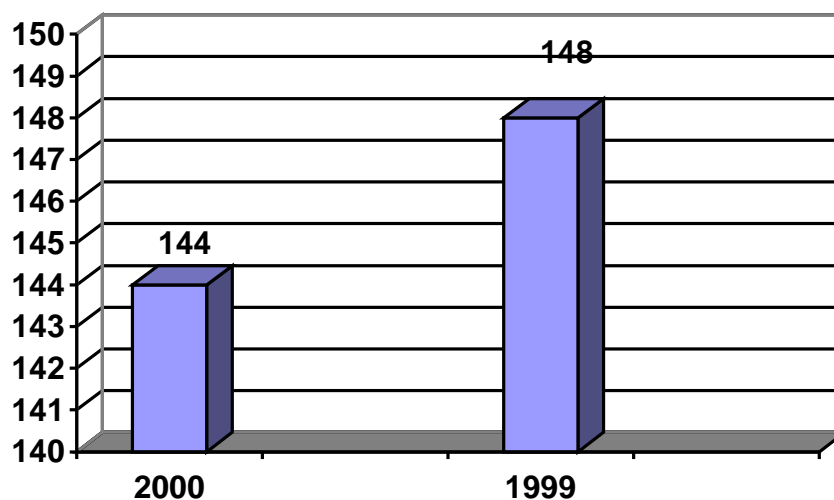
In reviewing the supervisory and regulatory functions of the Authority for the year 2000, the following major programs/thrusts were considered.

A. Promotion of Investments

Given the capital intensive nature of required investments in shipping, the MARINA has endeavored to alleviate the attendant financial burden of shipowners/operators. To galvanized such efforts various programs/projects were implemented and various related policies were promulgated.

• **DOMESTIC SHIPPING SECTOR**

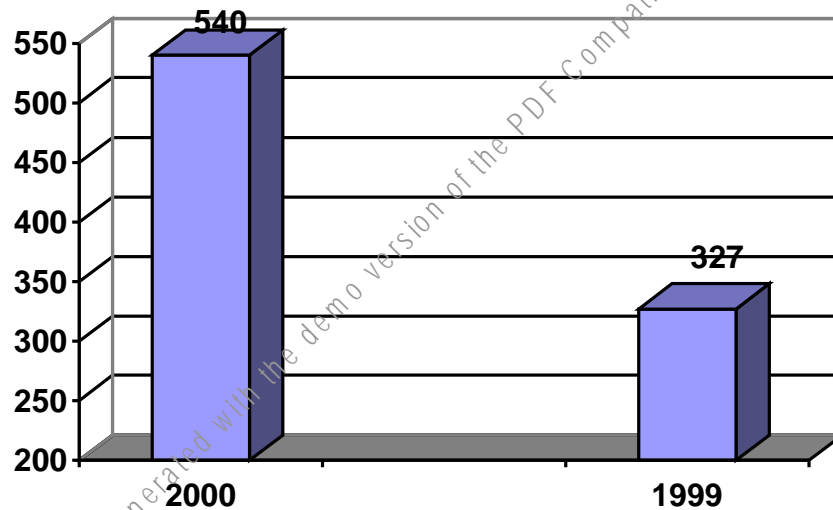
No. of Companies Endorsed to the Securities & Exchange Commission



A total of 144 companies were endorsed to the Securities and Exchange Commission (SEC) for incorporation for the year 2000 to engage in domestic shipping, overseas shipping,

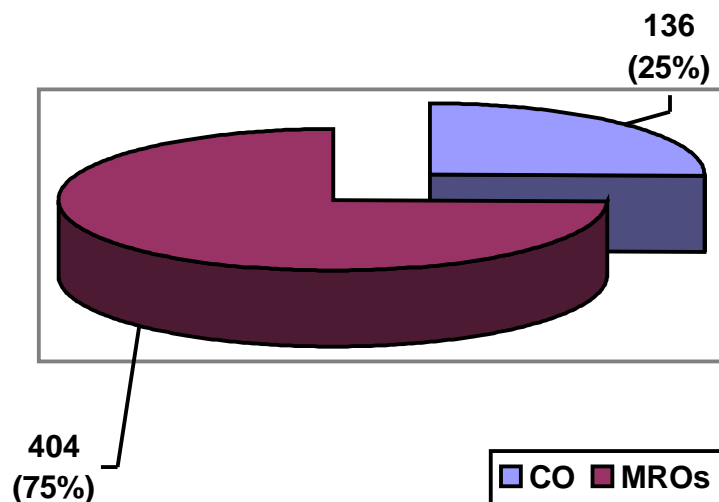
shipbuilding & shiprepair, including other maritime-related enterprises with a combined paid-up capital at the time of incorporation amounting to P157.4 million. The year 2000 data showed a decrease of 2.7% (144) from the 148 companies endorsed to the SEC in the year 1999.

No. of Domestic Shipping Companies Registered/Accredited under MC No. 79



Accreditation/registration under this circular shall apply to all persons, corporations, firms and entities engaged in the use of vessels for the carriage of passengers and/or cargoes between various ports and places in the Philippines. For the year 2000, MARINA has accredited a total of 540 domestic shipping companies or an increase of 65% from the 327 companies registered in 1999.

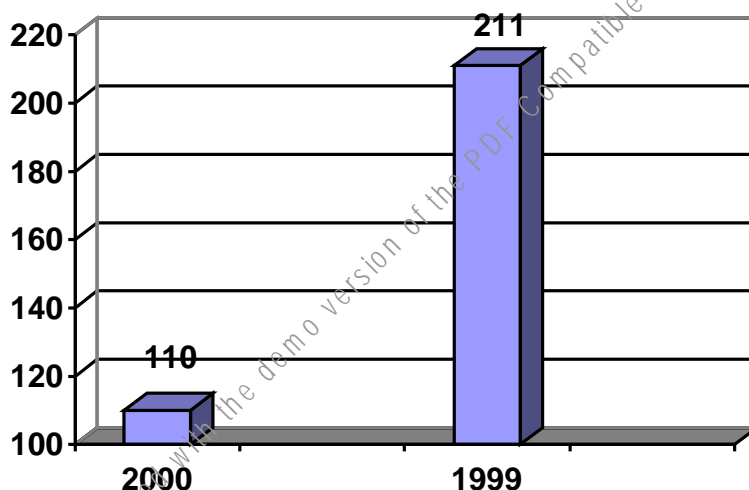
No. of Domestic Shipping Companies Registered (CO vs MROs) 2000



For the year 2000 figure, 136 (25%) companies were registered by the Central Office while 404 (75%) companies were registered by the MROs. Region IV (Batangas Maritime

Regional Office) composed of the provinces of Batangas, Occ. Mindoro, Or. Mindoro, Quezon, Aurora, Marinduque and Palawan registered the most number of entities or 33.4% (135) of the total number registered at the regional level.

No. of Domestic Vessels Approved for Acquisition



A total of 110 vessels, which includes fishing vessels were approved for acquisition for the year 2000. This is 47.8% lower than the 211 vessels approved for acquisition in the year 1999. The downtrend could be attributed mainly to the negative effects of the economic and political crisis experienced by the country. Of the total acquired vessels for 2000, 27 (25%) vessels were acquired through bareboat charter, 62 (56%) were acquired through importation, while 21 (19%) vessels were acquired through local construction.

1. Bareboat Charter

Type of Vessel	Number	Total GRT	Ave. Age
Fastcraft	2	340.78	4
Piling Barge	1	358.00	16
Cargo	3	10,202.31	16.33
Tanker	4	2,709.0	15.25
Container	2	5,708.00	11
Cable Ship	1	1,336.00	17
Passenger	1	92.00	14
Training Ship	1	325.67	30
Dive Cable Ship	1	156.00	26
Cement Carrier	1	3,067.00	27
Barge	5	7,197.70	8
Tugboat	2	338.62	17
High Speed Catamaran	3	1,431.00	4
Total	27	33,262.08	

Phil Fast Ferry and Sunshine Maritime Development had the most number of bareboat chartered vessels, respectively, with three (3) high speed catamaran with a

combined GRT of 1,431.00 for the former, and four (4) tanker with a combined GRT of 2,709.00 for the latter.

2. Importation

Type of Vessel	Number	Total GRT	Ave. Age
Passenger Cargo	2	10,378.89	18
Speedboat	1	1.5	10
Workboat	1	14.00	30
Cargo	4	2,868.92	18.25
Barge	2	516.00	5.5
Roro	6	4,692.12	24.33
Tugboat	8	1,318.93	27.25
Fishing	13	1,124.65	16.76
Passenger Ferry	8	263.00	5
Passenger Roro	6	3,665.64	19.16
Tanker	3	5,071.20	18
Container/Car	2	5,708.00	11
Passenger	6	511.52	20.40
Total	62	36,134.37	

Starlite Ferry Inc. had imported eight (8) vessels ranging from tugboat, passenger ferry and passenger roro with a combined GRT of 420.82.

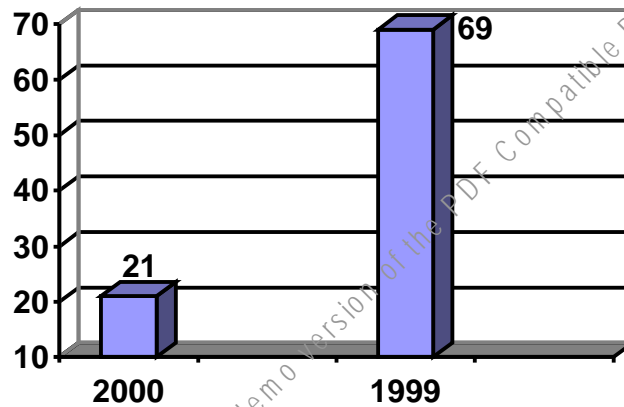
3. Local Construction

Type of Vessel	Number
Fishing	1
Fastcraft	1
Barge	5
Bulk Carrier	10
Tanker	2
Tugboat	2
Total	21

Tsuneishi Heavy Industries had ten (10) bulk carrier vessels locally constructed for the year 2000.

- **OVERSEAS SHIPPING SECTOR**

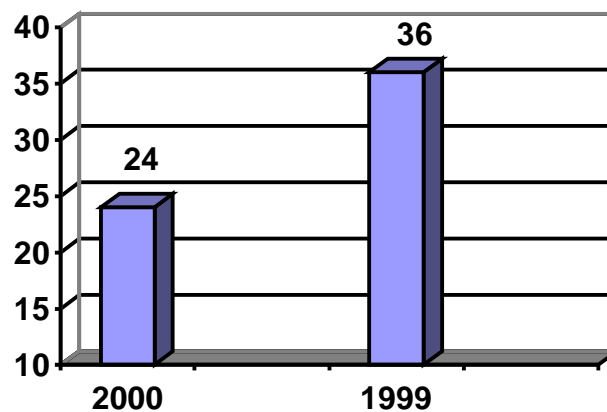
No. of Overseas Shipping Companies Accredited under MC 33-A



Only Philippine shipping companies, firms and entities authorized to engage principally in overseas shipping are required to be accredited/registered under this circular and such accreditation is renewed every three (3) years.

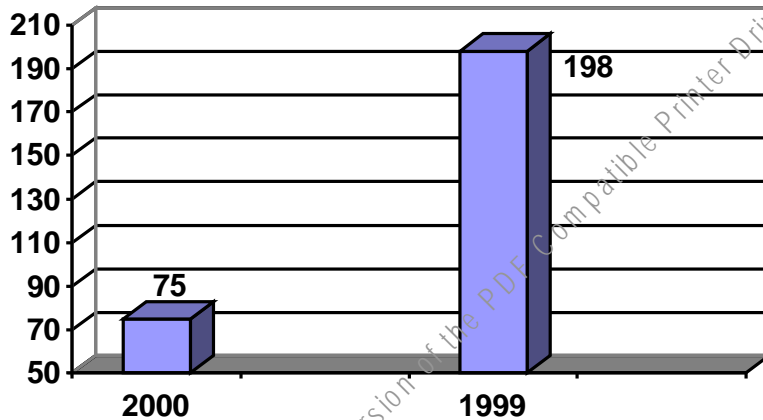
There was a 69% decline in the number of overseas shipping accredited under MC 33-A contracted from 69 companies for the year 1999 to only 21 companies for the year 2000. Since accreditation under this circular are renewed every three (3) years, those that were renewed for the year 2000 were those registered in the year 1997 and this accounted to 24 companies, while for 1999 were those accredited in 1996 which totaled to 63 companies.

Other Maritime-related Enterprises Registered under MC 9/MC 6



A total of 24 other maritime-related enterprises were registered in the year 2000 or a 33% decrease as against 36 for the year 1999.

No. of Overseas Vessels Approved for Acquisition



Acquisition of vessel could be through bareboat chartering, importation, local purchase and through lease-irrevocable purchase. For the year 2000, a total of 75 overseas vessels were acquired or a decrease of 62% against those acquired in 1999. The downtrend could be attributed mainly to the negative effects of the economic and political crisis experienced by the country.

1. PHILIPPINE-REGISTERED OVERSEAS FLEET, as of December 2000

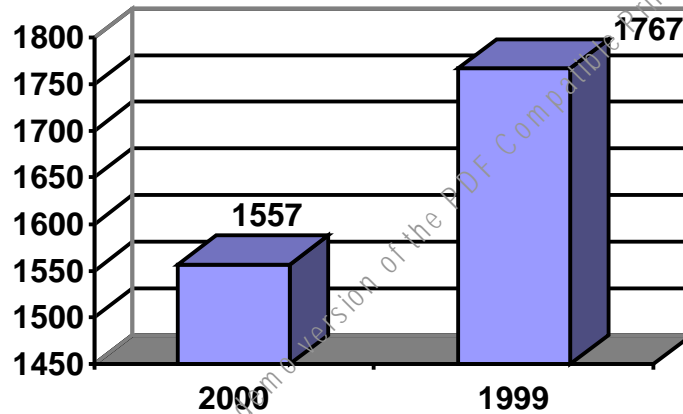
Type of Service	Number	GRT	DWT	Ave. Age
General Cargo	37	390,989.85	563,188.62	10
Bulk Carrier	129	3,213,372.00	5,652,918.92	7
Tanker	10	62,193.06	91,317.00	11
Multi-Purpose Carrier	9	71,662.00	85,236.30	12
Roll-on/Roll-off	3	24,138.00	23,500.47	7
Reefer	10	57,526.85	63,204.00	17
Livestock Carrier	10	51,89.07	45,917.64	17
Car Carrier	13	328,694.70	167,927.72	14
Container/GC	3	69,091.00	82,327.00	12
Passenger	1	24,690.00	8,712.00	48
Dry Cargo	3	10,883.00	19,096.64	17
LPG Carrier	1	3,433.00	3,500.00	5
Vehicle Carrier	1	38,844.00	44,700.00	8
Wood Chip Carrier	13	519,926.00	616,374.00	4
TOTAL	243	4,867,342.53	7,467,920.31	9

B. Enhancement of Maritime Safety

Pursuant to Section 12 (e) of Executive Order 125-A as amended, the MARINA is mandated to undertake the safety regulatory functions pertaining to vessel construction and operation including the determination of manning levels and issuance of certificates of competency to seamen. To promote such, the MARINA has continuously evolved and

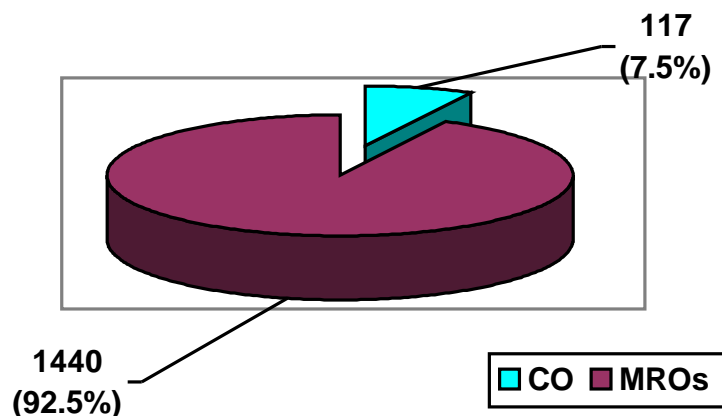
implemented policies and programs to insure that the vessels deployed in the domestic trade are seaworthy and safe.

No. of Vessel Plans Approved



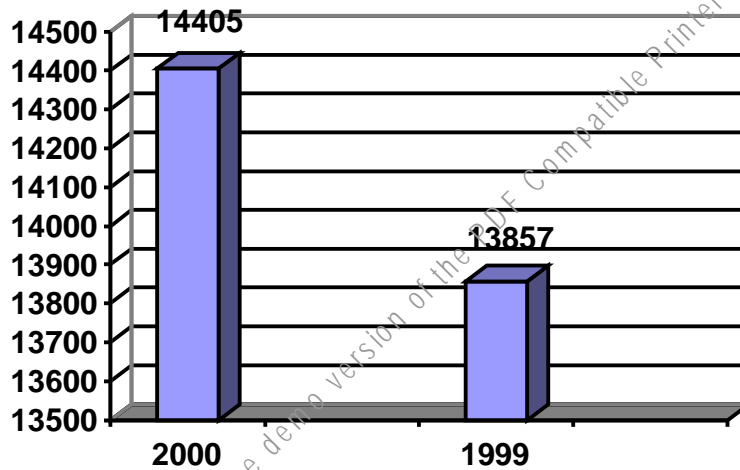
Under Presidential Decree No. 1059 the MARINA shall undertake the approval of the plans of shipbuilding and/or ship repair facilities and the plans and specifications for the construction, repair, improvement, alteration and/or reconditioning of any watercraft by shipyards in the country. Vessel plans approved for the year 2000 accounted for 1557 or 11% less than the 1767 figure of 1999. The slight decrease could be attributed to a low demand for the construction, repair or improvement of vessels due to the prevailing high cost of materials to be used.

Vessel Plans Approved (CO vs MROs) 2000



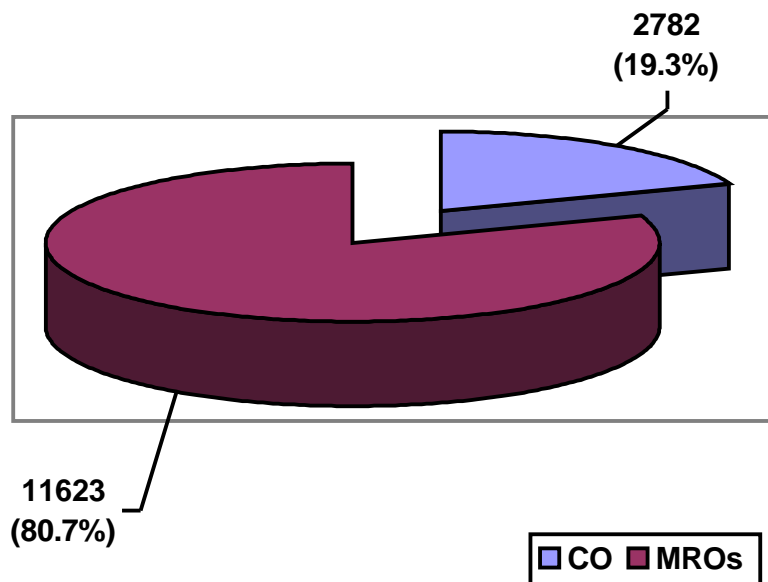
For the year 2000, 117 (7.5%) vessel plans were approved by the CO as against 1440 (92.5%) approved by the MROs. Region IV (Batangas Maritime Regional Office) had a total of 365 vessel plans approved for the year 2000 or 25% of the total number of approved applications.

No. of Certificate of Inspection (CI)/Interim Certificate of Inspection (ICI) Issued



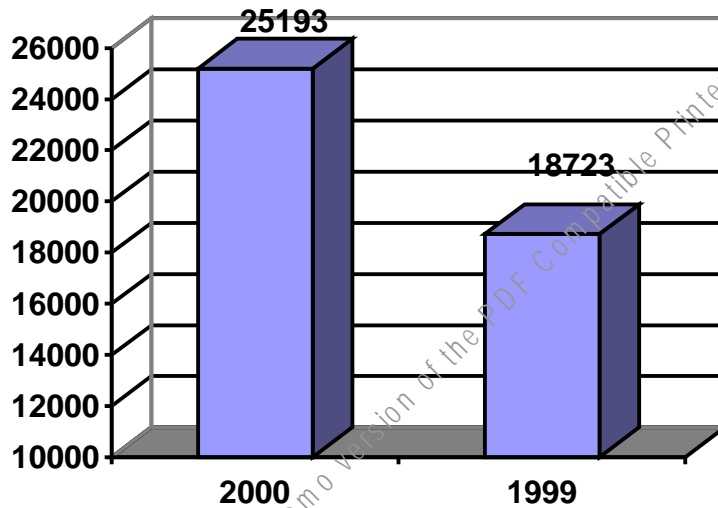
The number of Certificate of Inspection/Interim Certificate of Inspection issued for the year 2000 accounted for 14405 or a 4% increase from 1999 figure of 13857.

**No. of Certificate of Inspection (CI)/Interim Certificate of Inspection (ICI)
(CO vs MROs) 2000**



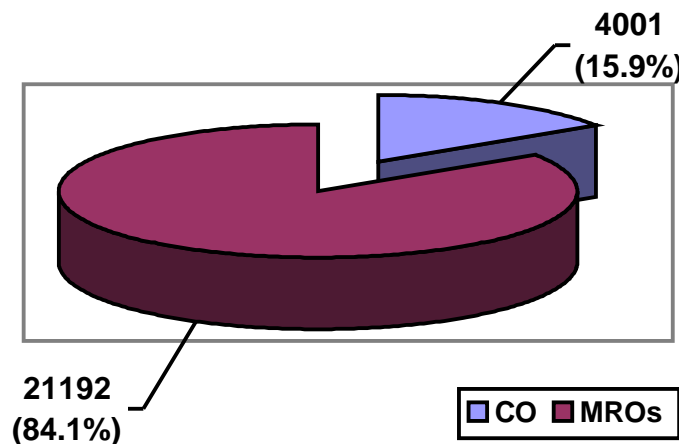
Of the total number of CI/ICI certificates issued for the year 2000, 80.7% was issued by the MROs while 19.3% was issued by the CO. Region 11 (Davao Maritime Regional Office) composed Sarangani Province, South Cotabato, Davao del Norte, Davao del Sur and Surigao del Sur had the most number of CI/ICI issuances or 81% of the total number of certificates issued.

No. of Permit to Operate (PO) Issued



In line with the pro-poor program of the Estrada administration, the MARINA came up Memorandum Circular No. 144 on Pro-Poor Reduced Vessel Fees which included the issuance of Permit to Operate on Fishing vessels below 3 gross tonnage. For the year 2000, the MARINA was able to issue a total of 25,193 permits or an increase of 34.6% over the issuance made in 1999 of 18,723 permits.

No. of Permit to Operate (PO) Issued (CO vs MROs) 2000

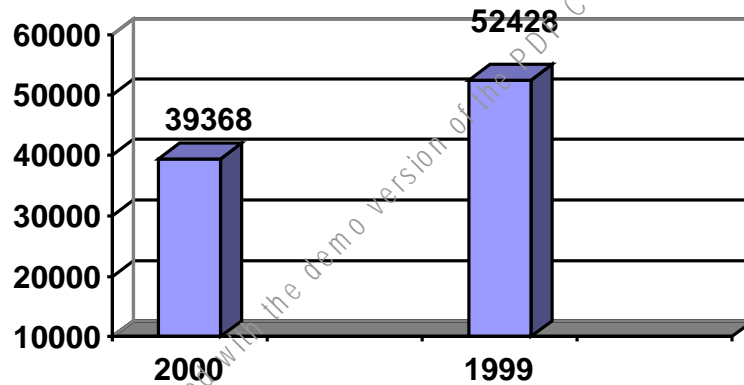


Issuances made by MROs for Permit to Operate of fishing vessels below 3 gross tonnage posted an 84.1% of the total number of permit to operate issued as against 15.9% issued by the CO. Region IV (Batangas Maritime Regional Office) had the most number of issuances (11,144) or 53% of the total number of permit issued.

The International Maritime Organization (IMO) adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) on 07 July 1978, which aims to promote safety of life and property at sea and the protection of the marine environment by establishing in common agreement international standards of training, certification and watchkeeping for seafarers. Hence, all parties to the Convention, must take all necessary steps to ensure that seafarers are qualified and fit for their duties vis-à-vis the safety of life and property at sea and the protection of the marine environment.

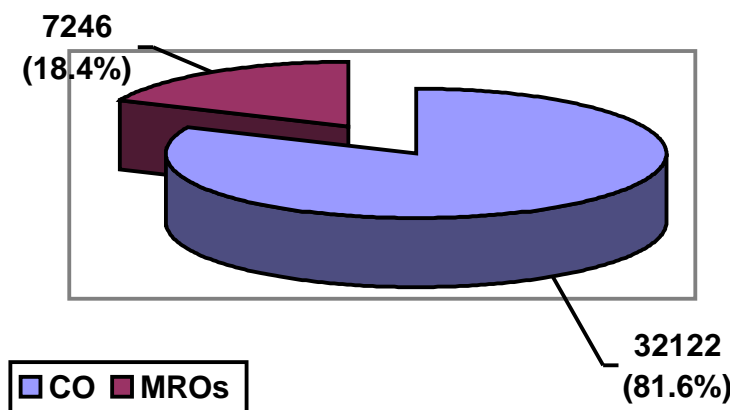
After the issuance of Executive Order No. 125, as amended, and in view of the country's accession in 1984 to the International Convention on Standards of Training, Certification and Watchkeeping (STCW) for seafarers, the MARINA started to assume the functions relative to the issuance of Endorsement of Certificates and Ratings Certificate following the issuance of the pertinent Memorandum Circular in January 1988.

No. of STCW Endorsement Certificate Issued



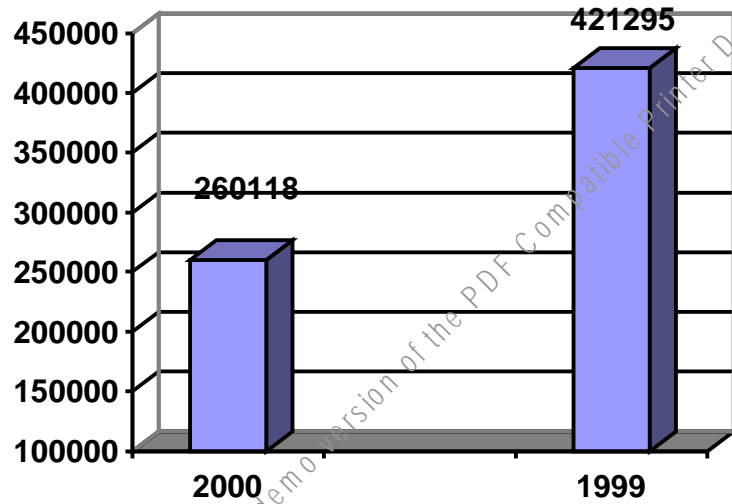
The MARINA in the performance of its function as the Administration for purposes of implementing the STCW Convention, issued a total of 39,368 endorsement of certificates and rating certificates or 24.9% less than that issued in 1999 which is 52,428 certificates. The decrease was a result of the issuance of Executive Order No. 242 designating PRC to issue certificates for officers on 12 May 2000.

No. of STCW Certificates Issued (CO vs MROs) 2000



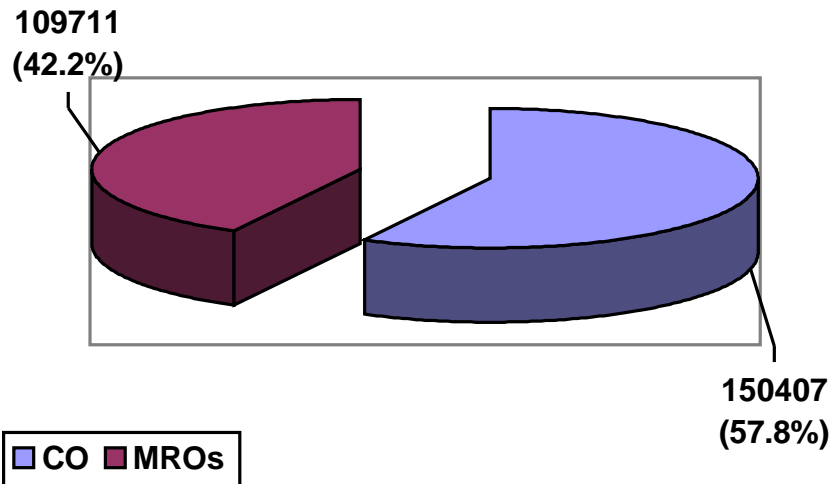
Issuances made by the CO on the STCW Endorsement Certificates covered 81.6% of the total number of STCW certificates issued as against 18.4% made by the MROs. Region VII (Cebu Maritime Regional Office) composed of Cebu Province, Negros Oriental, Bohol and Siquijor) shared 39% of the total certificate issued at the regional level.

No. of SOLAS Certificates/Documents Authenticated



The Authentication made by the Authority on SOLAS Certificates/Documents for the year 2000 posted a 38.3% decrease over that issued on 1999. The decrease is mainly due to the consolidation of the required courses, namely: Personal Safety and Social Responsibility (PSSR), Firefighting, Survival Craft and Medical Emergency which previously issue four (4) certificates into Basic Safety Course which requires the issuance of one (1) certificate.

No. of SOLAS Certificates/Documents Authenticated
(CO vs MROs) 2000

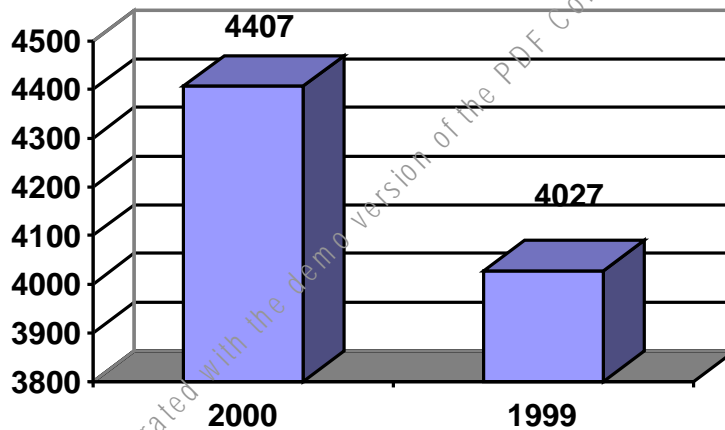


The authentication made by the CO on SOLAS Certificates/Documents covered 57.8% (150407) of the total volume, while the MROs authenticated 42.2% (109711). Region VI (Iloilo Maritime Regional Office) composed of Iloilo Province, Antique, Negros Occidental, Cagayan Island and Guimaras having the most number of training center/school registered 29.2% of the total number of SOLAS certificates/documents authenticated.

C. Insuring Adequacy and Quality of Shipping of Services

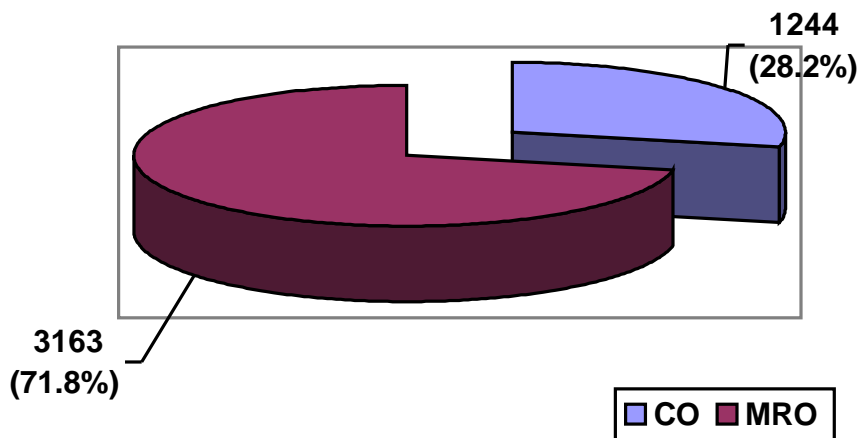
This objective was fostered with the assumption by the MARINA of the task to grant franchises/authorities to domestic vessels prior to their operation in the domestic trade.

No. of Quasi-Judicial Issuances



Quasi-Judicial issuances which includes, CPC, PA & SP for the year 2000 posted a slight increase of 9.4% (4,407) over that issued in 1999 (4,027).

No. of Quasi-Judicial Issuances (CO vs MROs) 2000

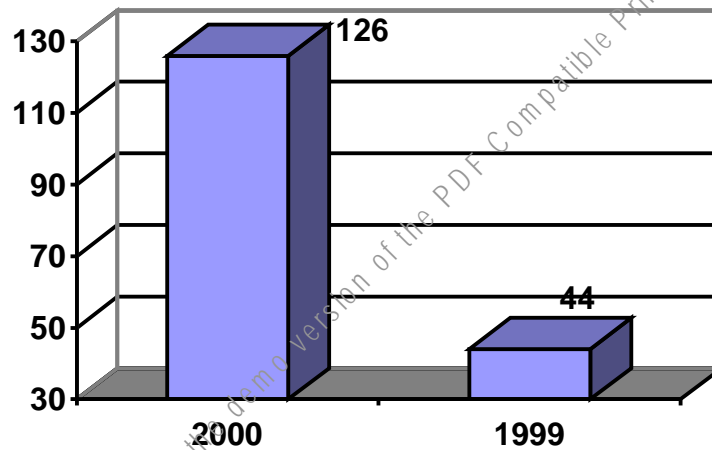


Issuances for CPC, PA & SP made by the MROs is 71.8% (3,163) of the total number of quasi-judicial issued, while issuances made by the CO is 28.2% (1,244). Region VII (CMRO) where most commercial vessels are homeported, contributed 28% (897) of the total number of quasi-judicial issued at the regional level.

The MARINA has allowed from time to time the temporary operation of foreign-registered vessels in domestic waters, in response to certain needs to transport critical

commodities (oil, perishable goods, construction materials) on occasions that Philippine-registered vessels are not available.

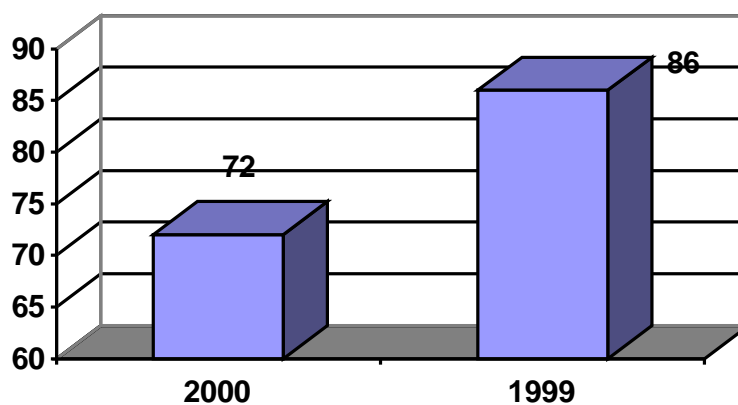
**No. of Special Permit (SP) Issued
(Overseas to Domestic Operations)**



For the year 2000, the MARINA issued a total of 126 Special Permit for foreign-registered vessels to temporarily ply in Philippine waters, or 186% over the issuances made in 1999, which accounted for a total of 44 issuances.

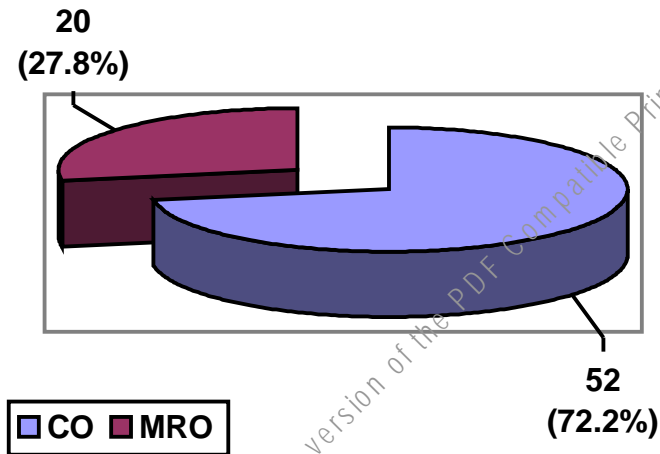
MARINA's efforts to enhance the competitiveness of Philippine-flag vessels have been directed by providing opportunities for domestic vessels to participate in the carriage of the country's exports or imports to enable their operators to gain management experience and competence.

**No. of Special Permit (SP) Issued
(Domestic to Overseas Operations)**



For the year 2000, the MARINA issued 72 Special Permits for domestic vessels to engage in international operations, or 16.3% less than the 86 special permits issued in 1999.

**No. of Special Permit Issued (SP) Issued
(Domestic to Overseas Operations)**

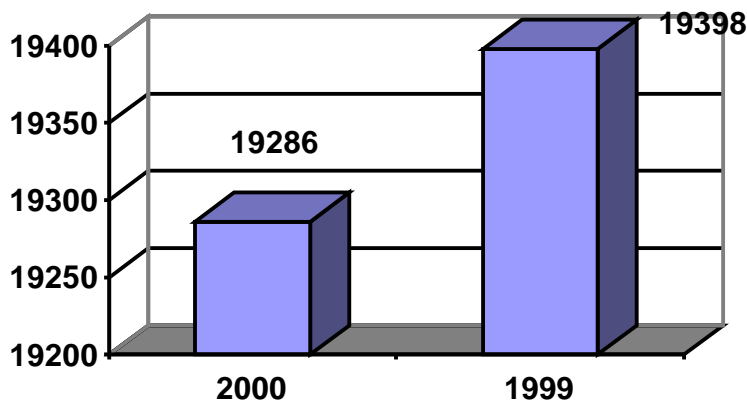


Issuances made by the CO of Special Permit for domestic vessels deployed for international trade is 72.2% of the total number of approved permit, while 27.8% were issued by the MROs. Region IX (Zamboanga Maritime Regional Office) composed of the province of Basilan, Sulu, Zamboanga del Sur and Zamboanga del Norte, being greatly involve in the provision of shipping services in the transport of foreign trade to neighbors in BIMP-EAGA (Brunei Darussalam, Indonesia, Malaysia, Philippines-East ASEAN Growth Area) contributed the biggest share 65% (13) of the total permit issued by the regional office.

D. Rationalized of Maritime Industry Operations

This objective was fostered through the adoption and issuance of policies and guidelines governing domestic shipping operations.

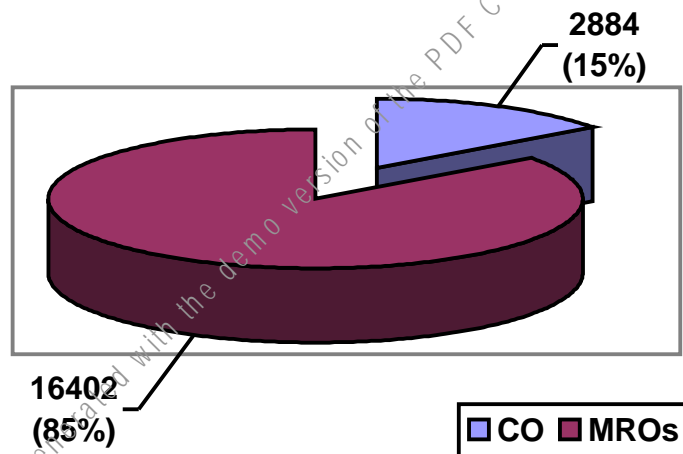
No. of Domestic Vessels Registered/Documented



The registration/documentation of domestic vessels shall entitle it to the protection of Philippine laws and the right to fly the Philippine flag subject to the obligations and disabilities under the laws of the Philippines.

The activity undertaken by the Authority under this function for the year 2000 (issuance of CVR & CO for vessels more than 15 GRT & CN for vessels below 15 GRT) is 6% (19,286) less than the 1999 (19,398) figure. The issuance of CO/CVR is being undertaken by the MARINA, while the issuance of CN is being undertaken by the PCG under Executive Order No. 125-A, as amended and DOTC Department Order No. 98-1180.

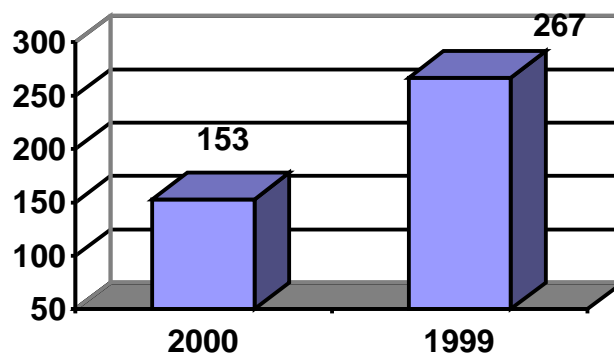
**No. of Domestic Vessels Registered/Documented
(CO vs MROs) 2000**



The number of vessels registered/documentated by the CO is 15% (2,884) of the total number, while 85% (16,402) was undertaken by the MROs. Region IV (BMRO) shared 39% (6,405) of the total number of vessels registered/documentated at the regional level.

Cognizant of the need to promote the integrity of the Philippine Registry so as to sustain the planned development of the overseas shipping sector, the MARINA has endeavored to evolve policies and guidelines designed to upgrade overseas shipping operations.

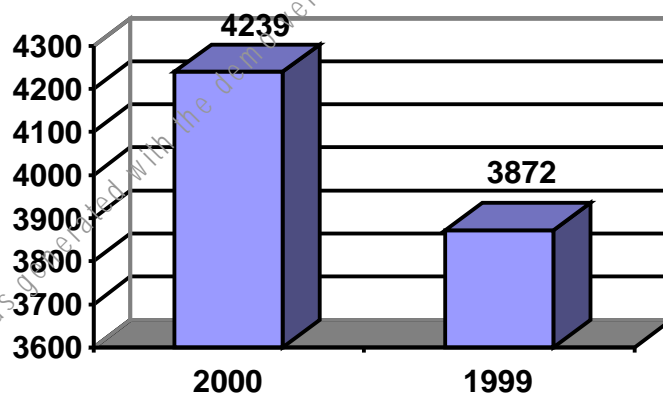
No. of Overseas Vessels Registered/Documented



For the year 2000, MARINA has registered/documentated 153 overseas vessels or 42% less than the 267 vessels registered/documentated in 1999.

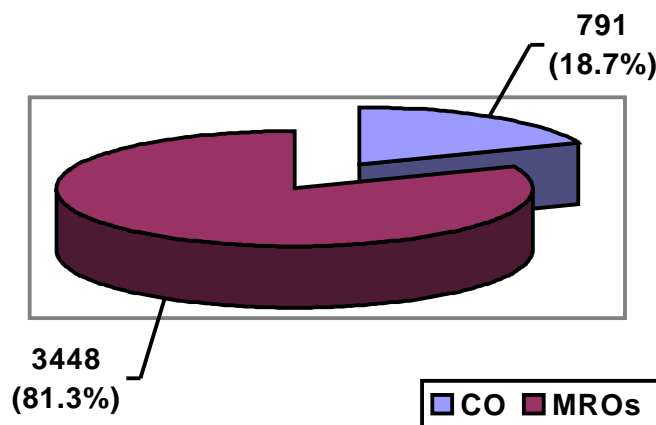
No vessel shall be allowed to engage in the coastwise trade unless a Coastwise License (CWL) is secured from and issued by the MARINA. This coastwise license shall be valid for a period of one (1) year from its issuance, and shall be separate and distinct from any other certificate issued by the Authority relative to the vessel's operation. Likewise, no vessel shall be allowed to engage in the business of towing or carrying of articles or passengers in the bays, harbors, rivers and inland waters navigable from the sea unless a Bay & River License (BRL) is issued by the MARINA. This license shall valid for one (1) year from its issuance and shall specify the particular port or other body of water in which the vessel my engage in business. Pleasure Yacht License (PYL) to those to be used and employed exclusively as pleasure vessels owned by Filipino citizens on terms which will authorize them to proceed from port to port of the Philippines and to foreign ports.

No. of Vessels Licensed (CWL, BRL, PYL)



To qualify to operate in Philippine waters, a total of 4,239 vessels were issued CWL, BRL & PYL license for the year 2000 or an increase of 9.5% over that of 1999 figure (3,872).

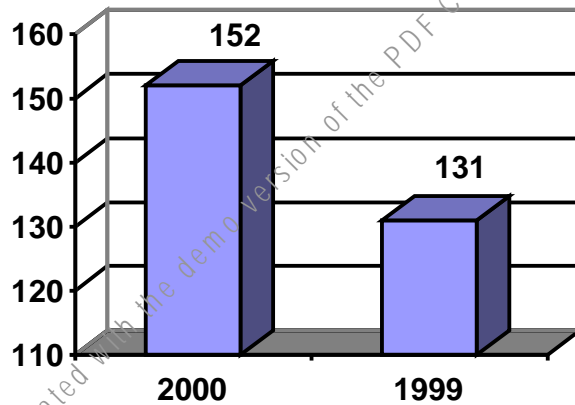
No. of Vessels Licensed (CWL, BRL, PYL)
(CO vs MROs) 2000



Vessels licensed by the CO for the year 2000 comprised 18.7% of the total number (4,239), while that of the MROs was registered at 81.3% (3,448). Region VII (CMRO) shared 22.6% of the total CWL, BRL & PYL license issued at the regional level.

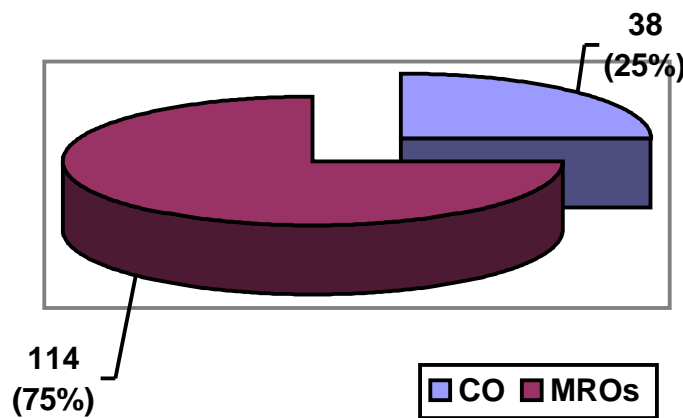
Playing an equally significant role for the country's economic development is the shipbuilding and shiprepair sector of the maritime industry. This was evidently a basic consideration of government in the issuance of PD No. 474 resulting in the creation of MARINA. Upon its creation, a series of policies and programs were implemented for the SBSR sector, all designed to support the development of a viable domestic shipbuilding capability for the country.

No. of Shipbuilders/Ship Repairers/Shipbreakers/Boatbuilders Licensed



The licensing of the SBSR enterprises for the year 2000 generated a total of 152 which is 16% more than the 131 license issued in 1999. The increase could be attributed to the implementation of a stringent monitoring scheme of SBSR enterprises whose licenses were expired or due to expire.

No. of Shipbuilders/Ship Repairers/Shipbreakers/Boatbuilders Licensed (CO vs MROs) 2000

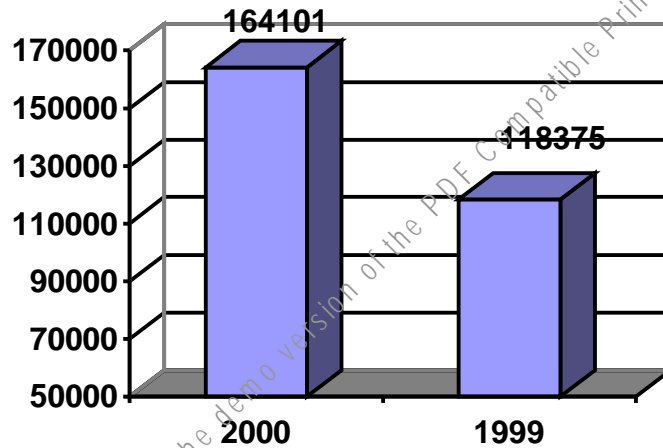


The total issuance made by the CO for the year 2000 represents 25% of the total volume as against 75% made by the MROs. Region XI (DMRO) contributed 35% (40) of the total number of license issued to SBSR enterprises at the regional level.

The Authority's assumption of additional functions under E.O. 125/125-A on 22 November 1994 includes the issuance of the Seafarer's Identification & Record Book (SIRB). The SIRB is referred to as a document issued by the MARINA to qualified merchant

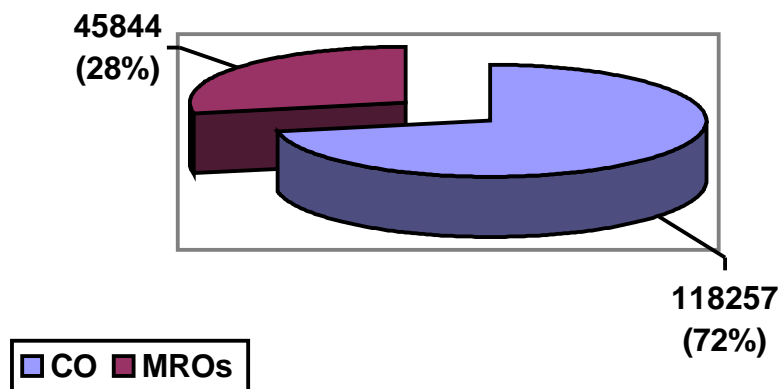
marine officers & ratings, fishermen & offshore workers to provide the holder with identity papers & record of their sea service as well as for the seafarer's registration purposes.

No. of Seafarer's Identification & Record Book (SIRB) Issued



The issuances made by the MARINA for the year 2000 under this function showed an increase of 38.6% (164,101) over the 1999 figure (118,375). The increase could be attributed to the revalidation of existing SIRB issued in 1995 (148,246), as well as new graduates of maritime-related courses who opted to secure SIRB.

**No. of Seafarer's Identification & Record Book (SIRB) Issued
(CO vs MROs) 2000**

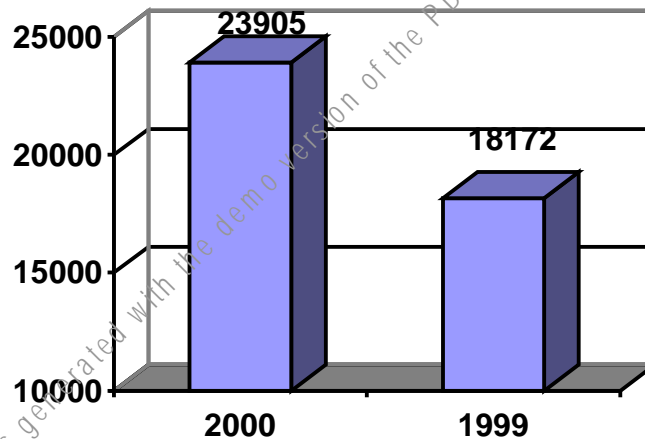


The SIRB issued by the CO represented 72% of the total issuances made in the year 2000, while 28% was made by the MROs. The marked representation by the CO could be attributed to the number of SIRB issued in 1995 which was recorded at 117,540 and were due for revalidation in the year 2000, as well as the number of new graduates of maritime-related courses who secured SIRB considering that NCR has the most number of maritime schools. Meanwhile, Region VII (CMRO) shared 26% (11,775) of the total number of issuances made at the regional level. The representation could also be attributed to the revalidation of SIRB issued in 1995 and the number of new graduates in maritime-related

courses considering that CMRO is listed as one of the regional offices' who has the most number of maritime schools.

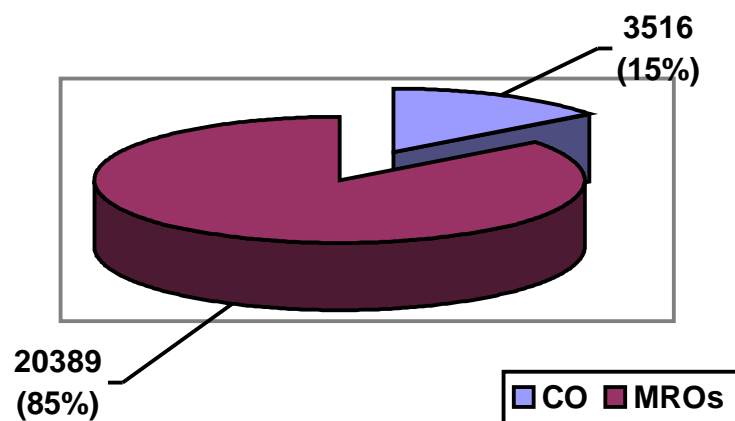
A Special Permit for Unlicensed Officer (SPUO) is granted to a vessel 35 GRT and below to operate without a licensed officer for a specific area of operation and not to exceed 100 miles radius from principal port of operations or homeport of the said vessel and at a distance from shore of not more than six (6) miles on daytime navigation only.

No. of Special Permit for Unlicensed Officer (SPUO)



The issuance of SPUO certificate undertaken by MARINA for the year 2000 generated a total of 23,905 or an increase of 32% over that of the 18,172 figure of 1999.

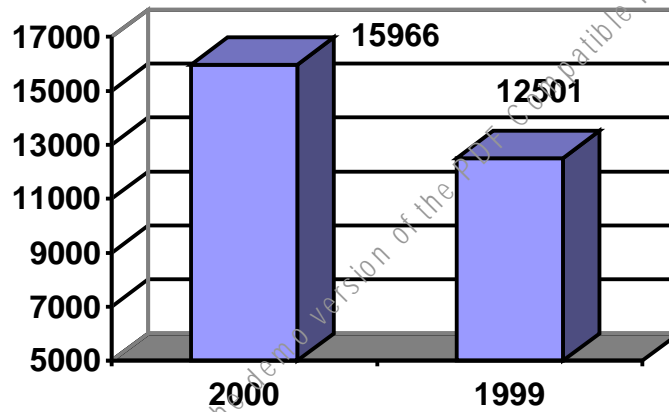
No. of Special Permit for Unlicensed Officer (SPUO)
(CO vs MROs) 2000



The SPUO issuances made by the CO represents 15% of the total number of issuances made in the year 2000 while 85% was made the MROs. Region XI (DMRO) contributed 49% (9,917) of the total volume issued by the MROs.

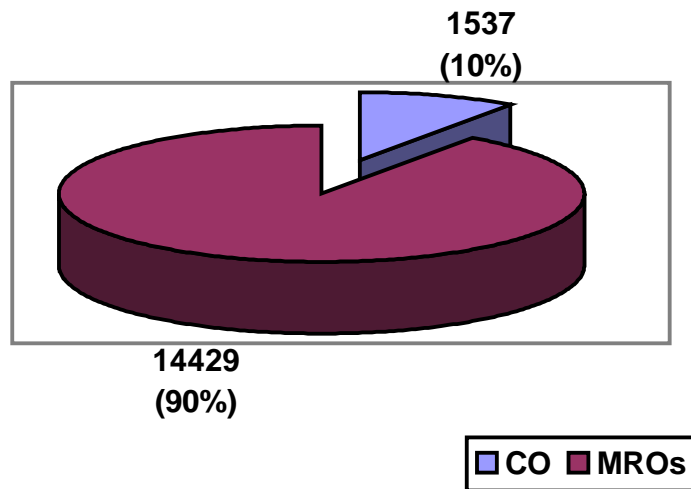
A Motorboat Operator's License (MBOL) is a license issued by the MARINA to an individual who is qualified to operate a motorboat of 3 GT and below in the absence of a duly licensed merchant mariner.

No. of Motorboat Operator's License (MBOL) Issued



A 27.7% (15,966) increase on the issuance of MBOL was registered for the year 2000 over that of the 1999 figure (12,501).

**No. of Motorboat Operator's License (MBOL) Issued
(CO vs MROs) 2000**



The issuances made by the CO is 10% of the total number issued for the year 2000, while 90% was issued by the MROs. Region IV (BMRO) contributed 44.8% (6,458) of the total issuances made by the MROs.