

Maritime Industry Authority 2004 MARINA ANNUAL REPORT

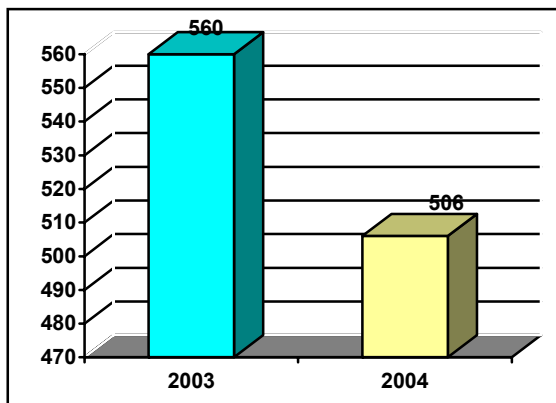
This period proved to be challenging for the Maritime Industry Authority (MARINA) in the pursuance of its mandated functions.

As it maintains a strong proactive stance in its effort to represent the maritime industry at both the international and national levels, the Authority has played and continued to play a key role in the development of a rigorous safety regime aimed at ensuring an accident and environment pollution-free water transport services in the overseas and domestic trades.

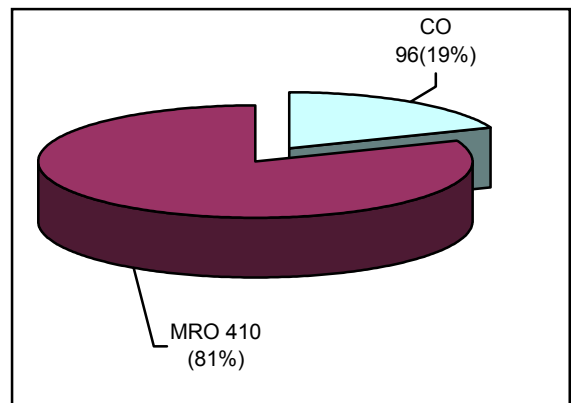
MARINA's accomplishment for the period under review indicated significant progress in the promotion of the maritime industry, yet further work still needs to be done before the industry's ultimate goal of providing an efficient, effective, adequate, safe and economical means of transportation is fully realized.

A. SUPERVISION AND REGULATION

Domestic Shipping Sector

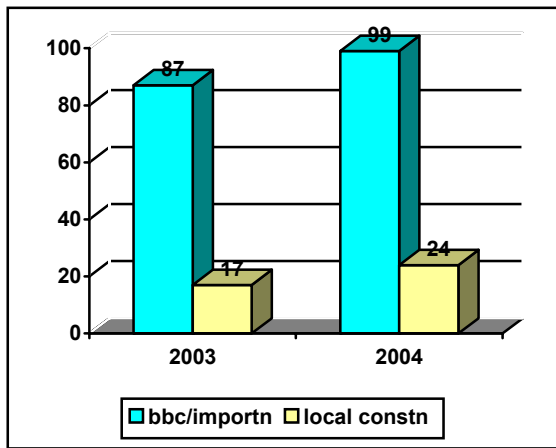


Registration of Shipping Companies
2003 & 2004

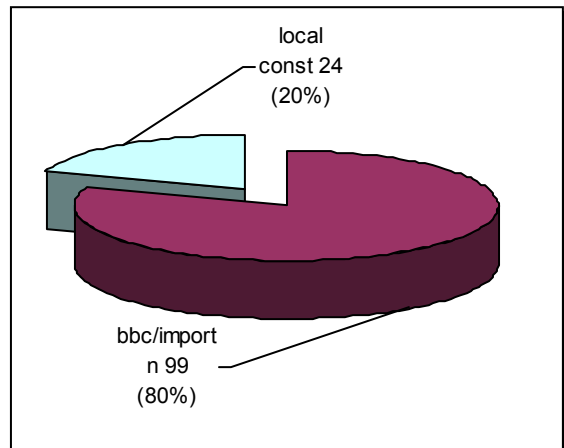


No. of Companies Registered
CO vs. MROs
2004

The 506 shipping companies registered from January – December 2004 showed a decrease of 10% from the 560 entities registered for the same period in 2003. For this year's figure, 96 (19%) entities were registered by the CO, while 410 (81%) was contributed by the MROs.

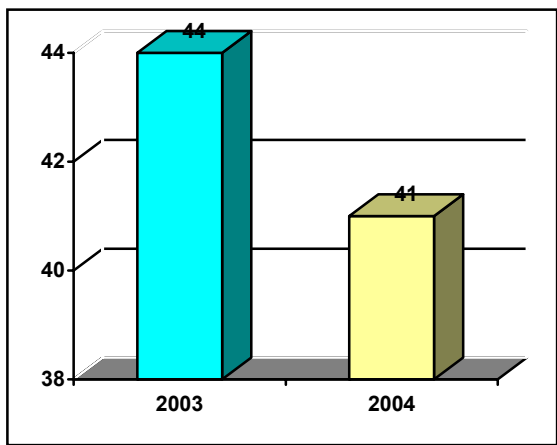


Acquisition of Vessels for Domestic Operation 2003 & 2004

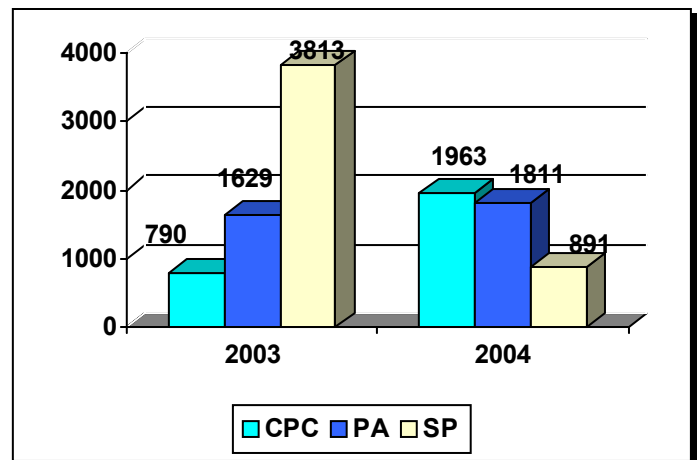


No. of Vessels Approved for Acquisition By Type of Acquisition 2004

The 123 vessels approved for acquisition for the period under review manifested an increase of 18% from the 104 vessels acquired in 2003. From the over-all total, 99 vessels (80%) were acquired through bareboat charter/importation, while 24 vessels (20%) were locally constructed.



Special Permits/Exemption Permits Issued to Overseas Vessels Deployed for Domestic Trade 2003 & 2004



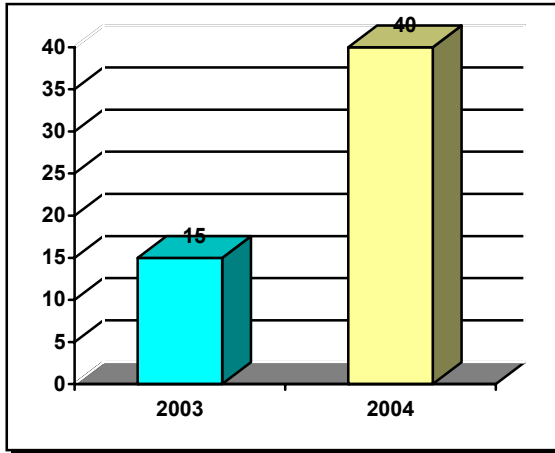
Quasi-Judicial Issuances 2003 & 2004

The number of Special Permits/Exemption Permits issued for overseas vessels to temporarily engage in the domestic trade for the period under review decreased by 7% from the 41 issuances to the 44 issuances in 2003. The number of Certificate of Public Convenience (CPC) issued both by the CO and the MROs grew by as much as 13% from the 790 issuances in 2003 to 891¹ issuances for the period under review. Similarly, the Provisional Authority (PA) issued increased by 11% from the PAs issued last year, while a 49% decrease in the number of Special Permit (SP) issued was

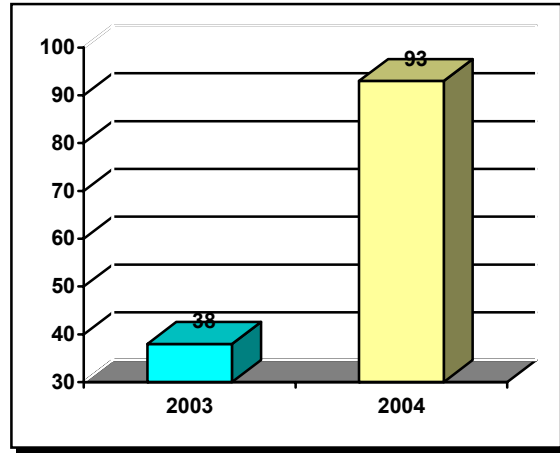
¹ Cover CO issuance until Sept. only

recorded from the 3813 issuance in 2003 to the 1963 issuances for the period under review.

Overseas Shipping Sector

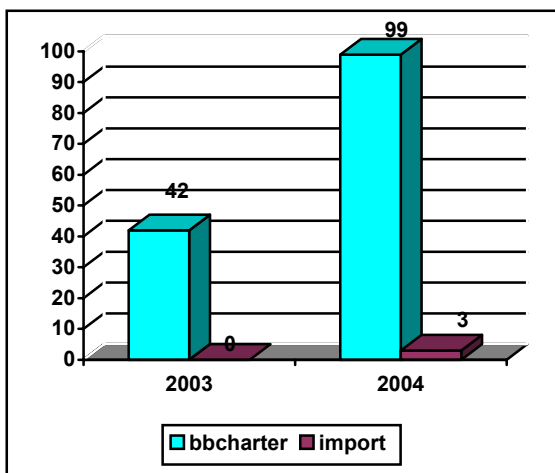


Accreditation of Overseas Shipping Companies under Memorandum Circular No. 181 (MC 33/33-A) 2003 & 2004

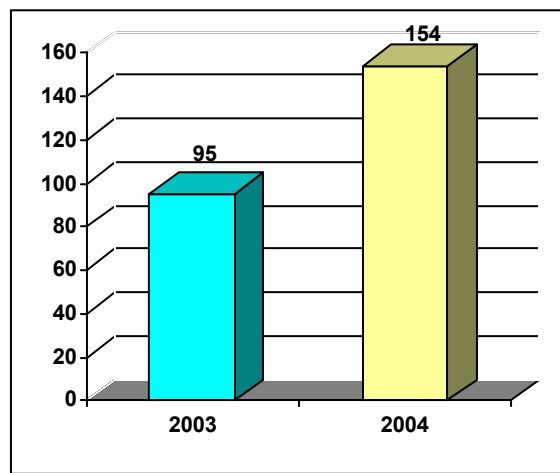


Accreditation of Overseas Shipping Companies under Memorandum Circular No. 186 (MC 9) 2003 & 2004

The number of overseas shipping companies accredited under MC No. 181 (MC 33/33-A) posted a remarkable increase of 161% from the 40 companies accredited for the period to only 15 companies in 2003. While accreditation under MC 186 increased tremendously. This was due mainly by re-accreditation of companies accredited prior to 01 January 2001 pursuant to MC 9 and upon the effectivity of MC 186.



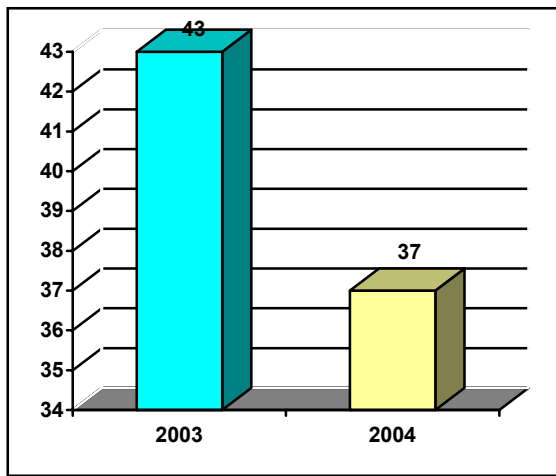
Overseas Vessels Approved for Acquisition 2003 & 2004



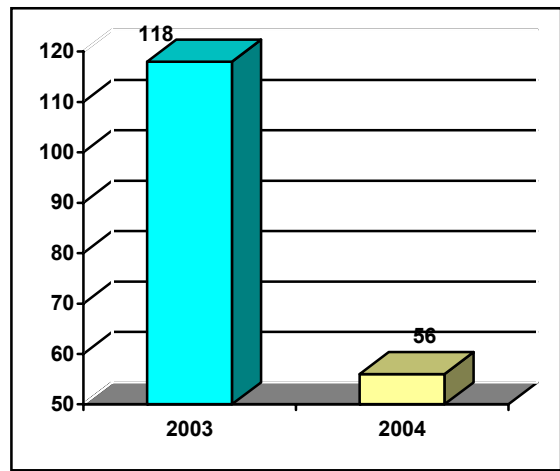
Overseas Vessels Registered 2003 & 2004

For the year 2004, MARINA approved the acquisition of 102 vessels, 99 (97%) of which were acquired through bareboat chartering while 3 (3%) were acquired through importation. This figure registered a tremendous increase of 143% against the

42 approvals in 2003. On the other hand, 154 vessels were registered, showing an increase of 62% against the 95 vessels registered in 2003.



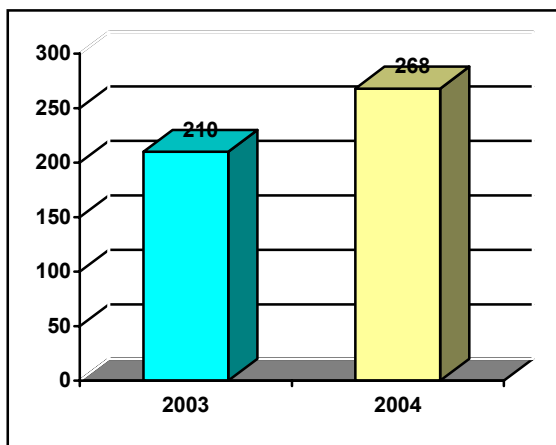
**Overseas Vessels Deleted
2003 & 2004**



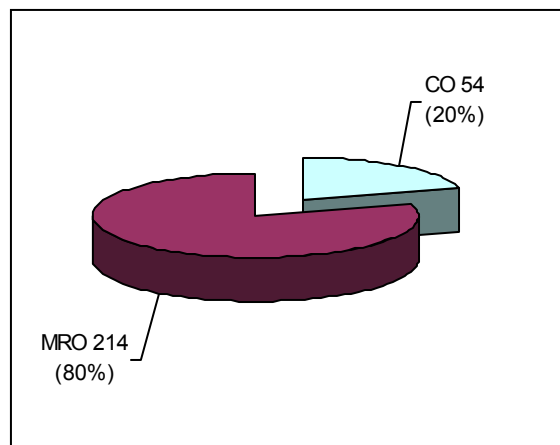
**Special Permit to Domestic Vessels
Deployed for International Trade
2003 & 2004**

There were 37 vessels deleted from the Philippine Registry for the period or 14% lower to the 43 vessels deleted in 2003. Special Permit to temporarily engage in the overseas trade were issued to 56 domestic vessels. This is 53% lower than the 118 vessels issued special permit in 2003.

Shipbuilding and Shiprepair Sector

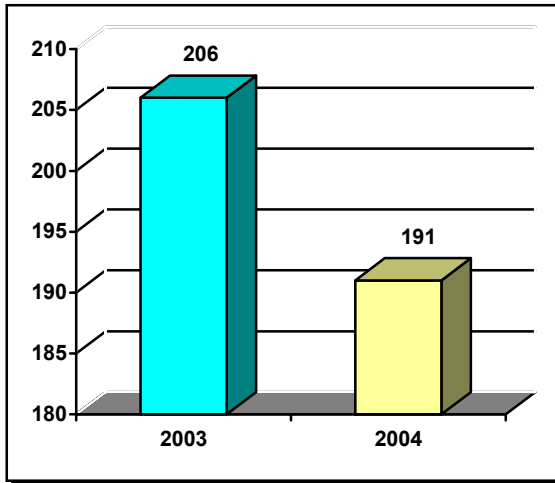


**Licenses Issued to SBSR Enterprises
2003 & 2004**

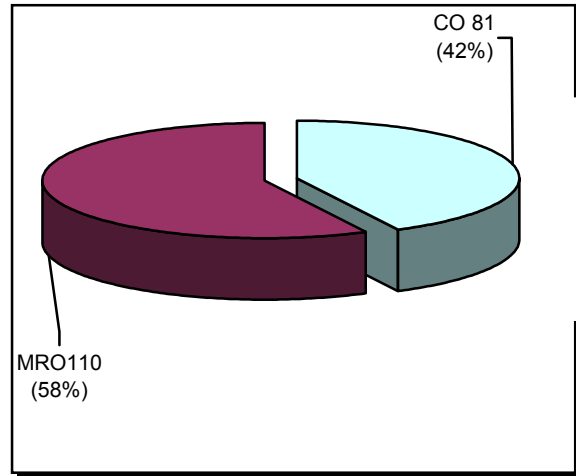


**Licenses Issued to SBSR Enterprises
CO vs. MRO
2004**

The number of SBSR enterprises issued licenses to operate recorded an increase of 28% from the 268 companies for the period under review to the 104 companies recorded in 2003. From this year's figure, 54 (20%) licenses were issued by the CO, while 214 (80%) were issued by the MROs.

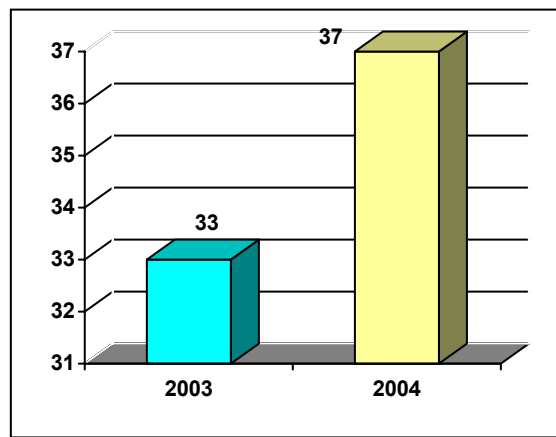


**No. of SBSR Enterprises Inspected
2003 & 2004**



**No. of SBSR Enterprises Inspected
CO vs. MRO
2004**

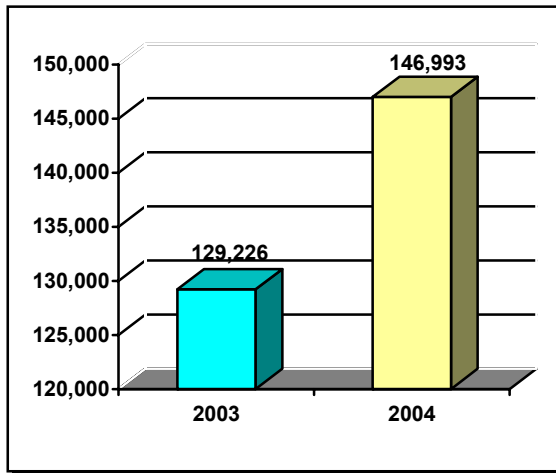
A total of 191 shipyards were inspected for 2004 or a 7% decrease against the 206 inspected in 2003. From the total, 42% (81) are located in areas under the jurisdiction of the CO while 58% (110) are situated in the regions.



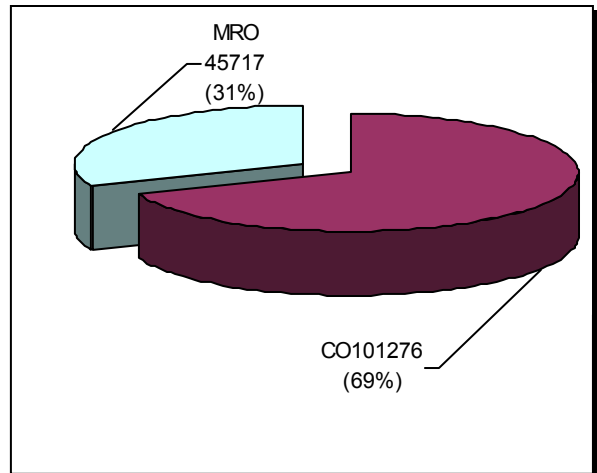
**PD 1221 (Emergency Repair/Drydocking)
2003 & 2004**

For the year 2004, a total of 37 permits were issued for the emergency repair and drydocking of vessels. This recorded a 12% (37) increase over that issued (33) in 2003.

Maritime Manpower Sector

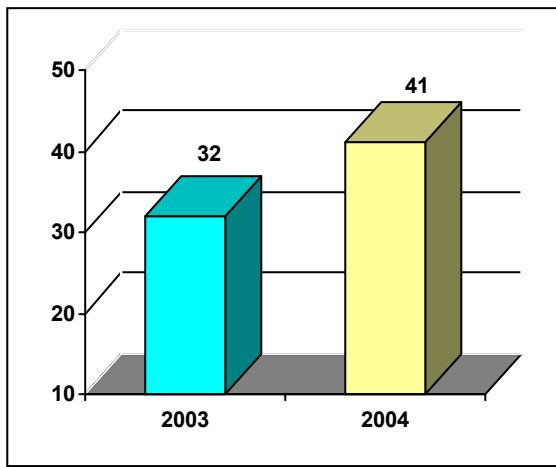


**No. of SIRB Issued
2003 & 2004**

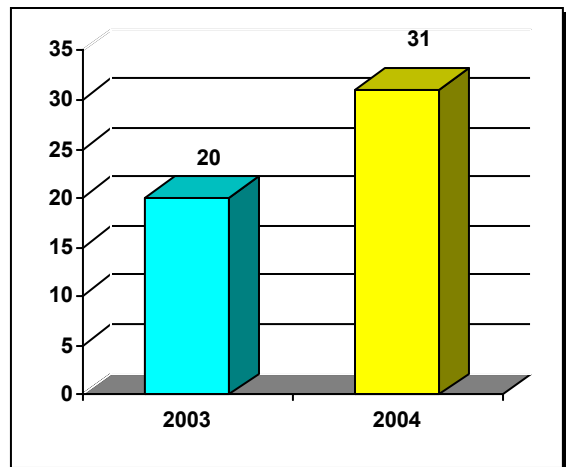


**No. of SIRB Issued
CO vs. MRO
2004**

The number of SIRBs issued by the MARINA increased by 14% from 129,226 for the 2003 to 146,993 in 2004. The CO was able to issue 101,276 (69%) while 45,717 (31%) were issued by the MROs.

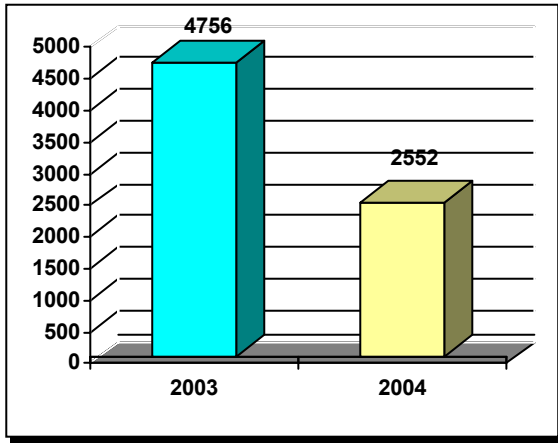


**No. of Harbor Pilot Examination
Permits Issued
2003 & 2004**

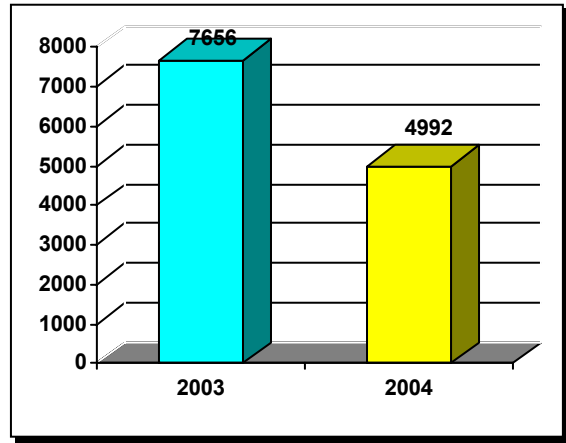


**No. of Passers
2003 & 2004**

In 2004, the number of examination permit issued for Harbor Pilot examinees was registered at 41, and 31 examinees or 77% have passed the examination as compared to last year's data which was posted at 63%.

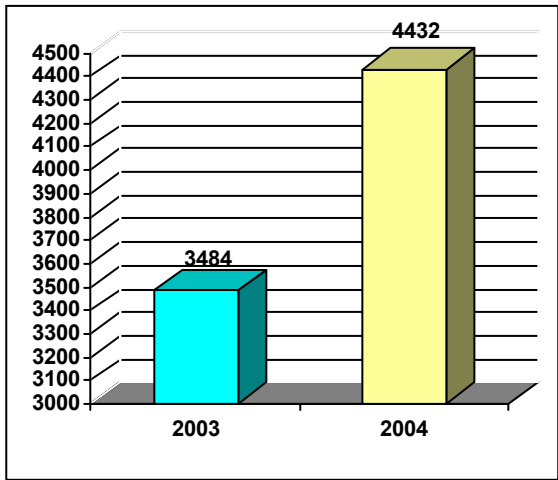


No. of MAP/MIP/BC/MDM Examination Permit Issued 2003 & 2004

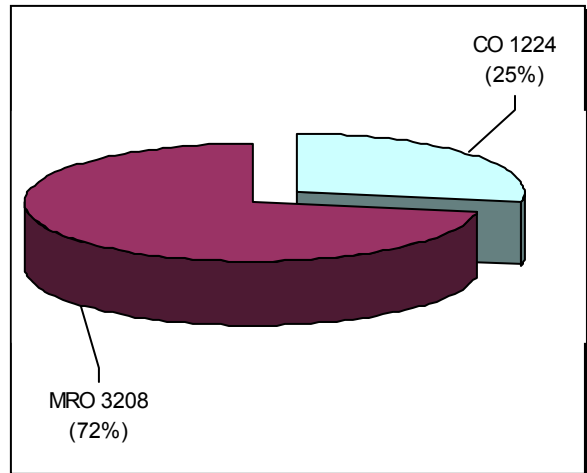


No. of MAP/MIP/BC/MDM Licenses Issued 2003 & 2004

The number of examination permits issued to MAP/MIP/Boat Captain/Marine Diesel Mechanic examinees for 2004 was registered at 2552. This is 46% lower than the 4756 permits issued in 2003. A total of 4992 licenses were issued for the year under review which posted a 35% decrease from that issued in 2003.

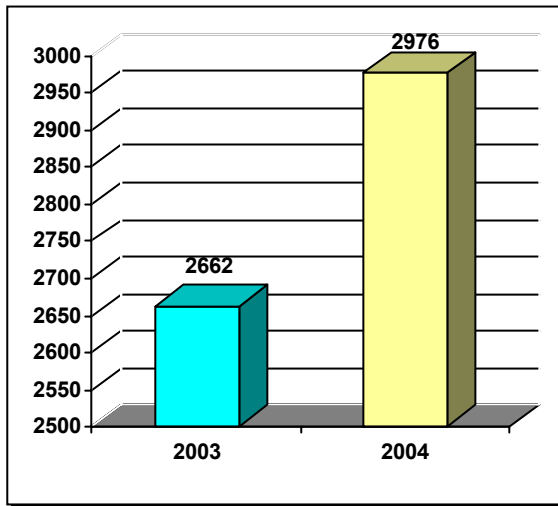


No. of Qualification Documents Certificates (QDC) Issued 2003 & 2004

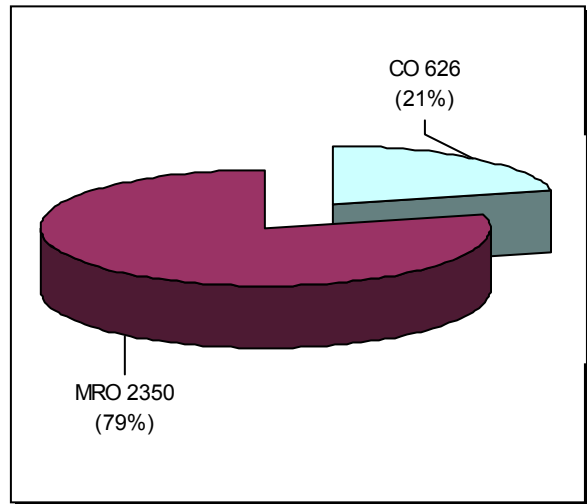


No. of Qualification Documents Certificates (QDC) Issued CO vs. MRO 2004

The issuance of Qualification Documents Certificates (QDC) to seafarers for the period under review is 27% (4,432) higher from the 3,484 QDC issued for the year 2003. The QDC issued by the CO represented 28% of the total issued by the MARINA while the remaining 72% were issued by the MROs.



No. of Training Record Book Registered for Cadets 2003 & 2004



No. of Training Record Book Registered for Cadets CO vs. MRO 2004

The number of Training Record Book Registered for the period under review was recorded at 2,976. This is 12% higher from the 2,662 training record books registered in 2003. From the total, 21% (626) was registered by the CO, while the remaining 79% (2,350) came from the MROs.

B. PROMOTION AND DEVELOPMENT

Policy Development

To respond to the changing needs of the various sectors of the maritime community and to further improve maritime safety in the country, related policy circulars/flag state administration advisories/administrative orders/bilateral shipping agreements were implemented. Such policies were issued in harmony with internationally accepted rules and regulations.

➤ Memorandum Circular Issued

1. Memorandum Circular No. 197
Subject: Revised Rules to Rationalize Life Saving Appliances Requirements Under Chapter IX of the PMMRR 1997

This Memorandum Circular (MC) requires all Philippine-registered ships regardless of hull construction operating in the Philippine waters, including fishing vessels temporarily operating in international waters to rationalize certain appliances and equipment required of ships operating in the domestic trade pursuant to the regulations under Chapter IX of the 1997 PMMRR

2. Memorandum Circular No. 198
Subject: Rules on Updating the Philippine Domestic Ship Registry

This MC is aimed to generate a more accurate and realistic profile of the country's domestic operating fleet for the purpose of formulating promotional and developmental programs for the industry, as well as foster more effective monitoring of all Philippine-registered domestic ships. The coverage of this Circular shall be all types of ships of domestic ownership, regardless of tonnage, issued with a Certificate of Vessel/Philippine Registry, including ships acquired under PD Nos. 760/866/1711 documented for domestic trade.

3. Memorandum Circular No. 199
Subject: Revised Class Requirement for Philippine-registered Domestic Ships

The MARINA has required passenger ships with above 3 gross tonnage regardless of hull material whether existing or to be acquired and registered under the Philippine flag to be audited by government-accredited/recognized classification groups through this MC. This is in line with the provisions of the newly enacted Republic Act 9295, or the Domestic Shipping Development Act of 2004.

4. Memorandum Circular No. 200
Subject: Rules on the Issuance and Maintenance of Continuous Synopsis Record for Philippine-registered Ships Engaged in International Voyages

This MC provides the rules on the issuance and maintenance of the Continuous Synopsis Record (CSR) for all Philippine-registered ships engaged in international voyages and to establish a continuous system of ship's record in conformity with Regulation XI-1/5 of the International Convention for the Safety of Life at Seas (SOLAS), as amended and the International Maritime Organization (IMO) Assembly Resolution a.959(23) adopted on 05 December 2003. In order to strengthen the measures in implementing maritime security, all passenger and cargo ships of 500 GT and above engaged in international voyages including domestic ships temporarily engaged in international trade must have onboard the CSR effective 01 July 2004.

5. Memorandum Circular No. 201
Subject: Rules and Regulations to Implement Republic Act No. 9301, "An Act Amending Certain Provisions of Republic Act No. 7471, Entitled "An Act to Promote the Development of the Philippine Overseas Shipping and for Other Purposes"

This MC implements the amendatory rules and regulations of Republic Act No. 9301 that aims to create a healthy investment climate within the industry to attract and encourage the establishment of private enterprises and to extend the fiscal incentives to Philippine shipping enterprises for the next ten (10) years. This shall apply to all Philippine shipping enterprises which are operating or intending to operate Philippine-registered ships in the overseas trade that shall avail of the incentives under R.A. No. 9301.

6. Memorandum Circular No. 202
Subject: Amendment to Memorandum Circular No. 187, Revised Rules on Annual Supervision Fee

This MC provides the schedule of annual supervision fee for CY 2003. Any shipping company/shipowner/ship operator/charterer who fails to pay the 2003 annual supervision fee on or before December 31, 2004 shall be penalized in accordance with Section V of MC No. 187.

7. Memorandum Circular No. 203
Subject: Rules Governing the Implementation of the Ship Safety Inspection System (SSIS)

This MC prescribes the rules in the implementation of the SSIS which was adopted in the Rule VI Sec. 4 of the Implementing rules and Regulation (IRR) of RA No. 9295.

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

1. Flag State Administration Advisory No. 53
Subject: National Registration of Officers for Ships of 3 GT to 500 GT Operating in the Domestic Trade

This FSAA was issued with the following objectives:

- To prescribe the rules in the national registration of officers for ships of 3 GT to 500 GT;
- To establish and generate a database of licensed officers for ships 3 GT to 500 GT; and
- To enhance and upgrade the skills and competency of officers for ships 3 GT to 500 GT using such database in the formulation of policies relative to their additional qualification requirements, training needs and competency assessment.

2. Flag State Administration Advisory No. 54
Subject: Recognized Security Organization in the Implementation of the International Ship and Port Facility Security (ISPS) Code

The MARINA has authorized the following Internationally Accredited Classification Societies as Recognized Security Organizations (RSOs) to approve ship security plans (SSP) or its amendments, verify and certify compliance by ships with the requirements of Chapter XI-2 and Part A of the ISPS Code, issue and endorse interim/full term International Ship Security Certificate (ISSC) in behalf of the Administration:

- American Bureau of Shipping (ABS)
- Bureau Veritas (BV)
- Det Norske Veritas (DNV)
- Germanischer Lloyd (GL)
- Lloyds Register of Shipping (LR)
- Nippon Kaiji Kyokai (NKK)
- Hellenic Register of Shipping (HRS)
- Korean Register of Shipping (KR)

3. Flag State Administration Advisory No. 55
Subject: COMELEC Resolution No. 6498 Pertaining to the May 10, 2004 National and Local Elections

All holders of CPC/PA/SP are hereby directed to report within thirty (30) days following the day of the election, the use, rental or hiring of their facilities by any candidate, political party, coalition of political parties, or groups/organization in connection with the election campaign, including the amount paid for such use, rental or hiring, which report shall be submitted to the Regional Election Director, who in turn shall submit the same to the ERSD for purposes of proper accounting and monitoring expenses under Sections 100 and 101, respectively, in relation to Section 112 of the Omnibus Election Code.

4. Flag State Administration Advisory No. 56
Subject: Reiteration of Security Measures to Combat Terrorism as Embodied in Flag State Administration Advisory Nos, 18, 27, 34, 50 & 51

This FSAA is part of the Agency's continuing efforts to combat terrorism and the necessity of institutionalizing more stringent and vigilant measures to prevent and suppress this criminal act, and to ensure the safety and security of both passengers and/or cargoes on board ships, the crewmembers and the ship itself.

5. Flag State Administration Advisory No. 57
Subject: Designation of Maritime Marshals and Reiteration of Security Measures Onboard Passenger and Passenger-Cargo Ships in the Domestic Trade

To further ensure the safety and security of the maritime travelers, and as part of government's integrated effort to prevent and suppress terrorism, this FSAA was issued.

6. Flag State Administration Advisory No. 58
Subject: Strict Implementation of Ban on Import of Prohibited Products, Oil Bunkering and Other Acts at the Ports of Nigeria

This FSAA advises all Filipino crew on board ships bound for Nigeria and all Philippine-registered ships plying Nigeria sea ports to be more circumspect in the documentation of ships and cargoes, in view of country's implementation of banning the import of prohibited products, oil bunkering and such other acts which are considered as economic crimes.

7. Flag State Administration Advisory No. 59
Subject: Continuous Synopsis Record Onboard Philippine-Registered Ships Engaged in International Voyages

In order to strengthen the measures in implementing maritime security, this FSAA encourages all passenger and cargo ships of 500 GT and above engaged in international voyages to have onboard a

Continuous Synopsis Record (CSR) effective 01 July 2004, in order to provide the history of the ship. A corresponding MC governing the rules on the issuance and maintenance of the CSR onboard Philippine-registered ships engaged in international trading shall be issued by the MARINA. This directive shall also apply to domestic ships allowed by the Administration to temporarily engage in overseas trading.

8. Flag State Administration Advisory No. 60
Subject: Extension of National Registration of Officers for Ships of 3 GT to 500 GT Operating in the Domestic Trade

This FSAA extends the registration of officers of ships of 3 GT to 500 GT who have been previously licensed by the PRC or by the MARINA and who were not able to avail of the 90-day National Registration required under FSAA No. 53 dated 08 January 2004, up to end of September 2004. A mobile registration shall be undertaken in areas so designated for the purpose to be conducted by the respective MROs including those under the jurisdiction of the Central Office.

9. Flag State Administration Advisory No. 61
Subject: One Year Moratorium on the Issuance of New Commercial Fishing Vessel and Gear License (CFVGL)

Pursuant to the MOA entered into between the MARINA, PCG, NTC and the BFAR signed on 15 June 2004, and in order to harmonize the implementation of Fisheries Administrative Order No. 223 issued by BFAR on 29 December 2003, this FSAA puts into effect a one-year moratorium on the issuance of new Commercial Fishing Vessel and Gear License (CFVGL) from 22 July 2004 to 22 July 2005.

10. Flag State Administration Advisory No. 62
Subject: Reiteration of Security Measures Onboard Passenger and Passenger Cargo Ships in the Domestic Trade

As part of the government's continuing efforts to ensure maritime safety and security and the light of the anniversary of the 9/11 incident, all shipping companies/ship owners/ship operators are directed to strictly observe and to enhance security measures on board ships.

11. Flag State Administration Advisory No. 63
Subject: Quarterly Submission of Proof of Payment of Taxes

All shipping companies and operators engaged in the domestic trade are directed to submit to the MARINA Central Office or in any of its Regional Offices proof of payment of all taxes due for the first, second and third quarters of 2004 not later than 29 October 2004. For the fourth quarter of 2004 and every quarter thereafter, proof of payment of taxes due must be submitted to this Authority not later than thirty days after the end of each quarter. The deadline for submission of proof of payment of the 4.5% withholding tax on gross bareboat charter hire shall remain to be due and payable not later than 15 days after each month of payment.

➤ **Administrative Orders Issued**

1. Administrative Order No. 01-04
Subject: Procedures in the Conduct of Random Drug and Alcohol Testing of Domestic Seafarers Pursuant to Memorandum Circular No. 191

This Administrative Order provides the guidelines to ensure a safe and effective conduct of random drug and alcohol testing on board domestic ships pursuant to Memorandum Circular No. 191.

2. Administrative Order No. 02-04
Subject: Amendment to AO No. 03-02 dated 08 March 2000

This AO delegates the signing authority for transactions/documents being signed by the Franchising Director to the Division Chiefs of the said Office.

3. Administrative Order No. 03-04
Subject: Amendment to A.O. No. 07-03 on ISM/NSM Audits and Certification Policies & Procedures

This AO defines the direct management by the 2 Deputy Administrators, in the absence of the Administrator over the coordination, supervision, monitoring and control in the implementation of MC No. 143 & MC No. 159.

4. Administrative Order No. 04-04
Subject: Guidelines for Wearing of Official Attire

This AO provides the guidelines for the wearing of the office attire pursuant to CSC Resolution No. 002515 dated 31 October 2000: Revised Dress Code Prescribed for all Government Officials and Employees.

5. Administrative Order No. 05-04
Subject: Revised Delegation of Authority/Functions to MRO Directors

To further improve the delivery of frontline services to the public, the delegated authority/functions of the MRO Directors under AO 06-95, s. 1995 are revised and expanded through the issuance of this AO.

6. Administrative Order No. 06-04
Subject: Guidelines in the Requisition/Issuance of Supplies and Materials

This AO provides the guidelines in the requisition and issuance of supplies and materials in accordance with the New Government Accounting System (NGAS).

7. Administrative Order No. 07-04
Subject: Creation of the MARINA Management Committee (MANCOM)

The subject Committee was created in view of the current efforts to rationalize the process of policy formulation / review / revision / implementation, project development / implementation, plan implementation/ assessment and resolving issues / problems / conflicts in the discharge of the functions of the respective MARINA Offices / Units in the Central Office and the Maritime Regional.

8. Administrative Order No. 08-04
Subject: Issuance of Minimum Safe Manning Certificate for International Trading Ships

This AO directs the transfer of the function in the issuance of the issuance of the Minimum Safe Manning Certificate from the Overseas Shipping Office to the Maritime Safety Office pursuant to the provisions of MARINA Memorandum Circular Nos. 137 and 148, and Chapter 1 of SOLAS '74, as amended.

9. Administrative Order No. 09-04
Subject: Amendment to A.O. No. 03-04 on ISM/NSM Audits and Certification Policies & Procedures

This AO defines the signing authority of the Director of the Maritime Safety Office (OSO) or in his absence the Officer-in-Charge for ISM and NSM related activities. ISM/NSM certificates to be issued shall be signed by the Administrator or in his absence, either of the Deputy Administrators.

10. Administrative Order No. 10-04
Subject: Adoption of Austerity Measures

This AO provides the guidelines for the adoption of austerity measures pursuant to the provisions of Administrative Order No. 103 s. 2004 re: Directing the Continued Adoption of Austerity Measures in the Government.

11. Administrative Order No. 11-04
Subject: Amendment to Administrative Order No. 05-2004 (Revised Delegation of Authority/Functions to Maritime Regional Office (MRO) Directors)

In order to have a uniform application as regards compromise penalties Administrative Order No. 05-2004 relative to the delegated functions of the MRO Director on compromise penalties was revoked/withdrawn.

12. Administrative Order No. 12-04
Subject: Amendment of Administrative Order No. 10 s. 2004

This AO authorizes the Cash Section personnel at the AFO, MDO-SIRB and MDO-PSOC to render overtime services as the need arises to enable them to accept payment until 5:00PM.

13. Administrative Order No. 13-04
Subject: Guidelines on the Administrative and Maintenance of Hardware and Software Inventory

This AO provides guidelines to improve the maximum utilization of all hardware and software inventory pursuant to the NCC approved MARINA IS Plan 2002-2006 and to further develop the information and communication technology capability of the Authority in the delivery of frontline services and public information.

14. Administrative Order No. 14-04
Subject: Reiteration of Guidelines/Procedures for Franchising Related Applications

This AO provides guidelines, procedural measures and strict enforcement of franchising-related applications to further enhance the delivery of services to the public, and pursuant to Republic Act No. 9295, entitled "Domestic Shipping Development Act", Memorandum Circular No. 74, as amended, Memorandum Circular No. 161, and relevant Administrative and Office Orders and other issuances.

15. Administrative Order No. 15-04
Subject: Realignment of Office Functions

This AO adopts the realignment of office functions of the Domestic Shipping Office (DSO), Overseas Shipping Office (OSO) and Maritime Safety Office (MSO) to further improve the delivery of services to the public without prejudice to these basic functional mandates.

16. Administrative Order No. 16-04
Subject: Transfer of Processing of Applications for Class Authorization and Inquiries on SOLAS-Related Matters

This AO mandates the transfer on the processing of applications for letter authorization to recognized organizations on inquiries to SOLAS-related matters as embodied in MC Nos. 169, s. 2001 and 183, s. 2003 from the Overseas Shipping Office to the Maritime Safety Office.

17. Administrative Order No. 17
Subject: Vessel Plans Approval

The SRO is solely vested with the review and approval of all plans for the construction/conversion/alteration of vessels. Hence, all applications for plans approval shall be filed with the SRO.

18. Administrative Order No. 18
Subject: Amendment to A.O. Nos. 03-04 and 09-04 on ISM/NSM Audits and Certification Policies & Procedures

This AO defines the signing authority of the Director of the Maritime Safety Office (MSO) for communications/replies to letters/queries/inquiries

in relation to the implementation of MARINA Memorandum Circular Nos. 143 and 159.

19. Administrative Order No. 19
Subject: Transitory Procedures in the Issuance of Safety Certificates

This AO provides and adopts the guidelines to cover the transitory period in the implementation of RA 9295 pertaining to the issuance of safety certificates.

➤ Pursuance of Bilateral Shipping Agreements

1. RP - Netherlands

The 5th meeting of the RP-Netherlands JCMA was held on 23 June 2004, which tackled issues and concerns corresponding to the Agreement. The next meeting will be held in Manila tentatively scheduled on 24 or 25 May 2005.

2. RP - Cyprus

The Cyprus proposed Protocol Amending the 1984 Merchant Shipping Agreement was received by the MARINA in January 2004. After series of deliberation and consultation with concerned agencies, the Philippine counter proposal to the Protocol was finalized and submitted to the NEDA Tech Com and Cabinet Committee. The proposal was approved by both committees and has been forwarded to DFA for transmittal to Cyprus.

3. RP - Germany

Pending issues raised during the exchange of communications between Germany and the MARINA was discussed during at the NEDA TRM Sub-Committee meeting held in November 2004.

4. RP - Brunei

The Agreement signed on 27 January 2003 came into force on 22 April 2004, per Embassy of Brunei Darussalam's note no. 045/2004.

5. RP - France

Several pending issues on the proposed Agreement on Merchant Shipping between the Philippines and the France need to be resolved. Resumption of discussion on these issues will be at a time mutually agreed upon.

6. RP - Romania

The revised Philippine proposed draft agreement has been approved by the NEDA Technical Committee on 19 April 2004 and was forwarded to DFA for transmittal to the Embassy of Romania.

7. RP - Iran

The counter proposal which was submitted by Iran on September 2003 was considered by the NEDA TRM. The Philippines came up with a new draft which was submitted to DFA on 31 March 2004 for transmittal to the Embassy of Iran.

8. RP - South Africa

The 1999 proposed RP – South Africa Merchant Shipping Agreement was tabled for discussion during the meetings of the NEDA-TRM Sub Committee on

Shipping held last 16 September 2004 and 07 October 2004, respectively. Said proposal incorporated the Philippines recommendations and was finalized and presented to the Sub Committee on 16 November 2004.

9. RP - Slovenia

A draft matrix comparing the Slovenia draft with the RP Model Agreement was tabled for discussion during the NEDA-TRM Sub Committee meeting on 16 November 2004.

10. RP - Latvia

A draft matrix comparing the Latvia draft with the RP Model Agreement was tabled for discussion during the NEDA-TRM Sub Committee meeting on 16 November 2004.

➤ **Projects Implemented**

1. MARINA-NMD Shipboard Training Scheme

Objective: To provide deserving graduates of AMT/BSMT and AME/BSMarE with apprenticeship training on board Domestic vessels to qualify them for the licensure examinations for marine officers

To enhance the opportunity for employment of those who have completed the apprenticeship program onboard domestic and ocean-going vessels.

2. Enhancement of Ship Inspection and Administration in the Philippines

Objective: To carry out ship inspection in coordination with the PCG based on revised VSIS manual.

To enhance and maintain a safety database system.

To study, conceptualize and recommend an institutional arrangement to foster a more effective administration and implementation of ship inspection in the Philippines.

3. MARINA-NMD Project on "Competency-Based Professional Development Program for Filipino Seafarers via Distance Learning

Objective: To design and develop a modular and ladderized training program via distance mode to enable marine deck officers acquire the management level competence required by the STCW.

4. MARINA-SECOJ Shipboard Training Program

Objective: To provide deserving graduates of AMT/BSMT and AME/BsmarE graduates with apprenticeship training on board Japanese vessels to qualify them for the licensure examinations for marine officers.

To enhance the opportunity for employment of those who have completed the apprenticeship program onboard domestic and ocean-going vessels.

To strengthen further the relationship between Japan and the Philippines in training, shipping and other sectors of the maritime industry.

5. Regional Maritime Industry Factbook (10 MROs)

Objective: To come up with a Regional Factbook which covers the three (3) sectors of the maritime industry i.e. domestic shipping, overseas shipping and shipyard. It will contain the basic information, statistics and trends of the industry which will cater to the need of the local and foreign investors.

6. Career Development System for the Maritime Industry Authority

Objective: To institutionalize a rational and systematic approach for career advancement and/or movement in the organizational hierarchy in order to ensure a pool of qualified, trained and competent personnel.

7. Conduct of Feasibility Study on the Expedited Development of an Improved Seafarer's Identity Document (SID) System

Objective: To improve the existing Seafarer's Identification Document (SDI) System in the Philippines in order to comply with international requirements and standards, particularly those included in the revised Seafarer's Identity Documents Convention (International Labor Organization (ILO) No. 185) and other relevant documentation being developed by the ILO and the International Maritime Organization (IMO).

To update the existing SID system in the Philippines based on international requirements and standards to provide rapid, accurate and verifiable identification of approximately 550,000 Filipino Seafarers, of which at least 250,000 are employed overseas.

To enhance the Grantee's capability to develop, deploy, operate and manage the Philippine SID System, including its processing, security and data management aspects.

8. Study on Wooden-Hulled Ships

Objective: To recommend standards, rules and regulations for the continued operation of existing WHS in the different domestic shipping routes.

To recommend standards, rules and regulations for the construction, safety operation of new WHS.

To recommend a policy framework on ship replacement/retirement/financing for the domestic shipping industry.

9. Study on Domestic Shipping Development Plan

Objective: To formulate a domestic Shipping Development Plan (up to year 2015) for the enhancement of reliability and sustainability of the domestic shipping business;

To conduct a feasibility study on the Sustainable Ship Modernization Scheme (SSMS) that will continuously support the investment requirement of the domestic shipping sector; and

To provide relevant technology transfer to Philippine counterpart personnel during the course of the study.

C. ADMINISTRATIVE, FINANCE, MANAGEMENT AND ORGANIZATION

Profile of Personnel Complement

The Authority performed its mandated functions with a total personnel complement of 470 (as of October 2004). Contractual workers specifically at the regional level were hired to augment the workforce.

Percentage Distribution of Employees by Sex (as of October 2004)

Area	Number	Male		Female	
		Actual	%	Actual	%
Total	470	227	48	243	52
CO	263	112	43	151	57
MRO	207	115	56	92	44

As of October 2004, the MARINA had a predominantly female population. However, males dominated the regional level population.

Distribution of Employees by Salary Grade (as of October 2004)

Salary Grade	Number				Central Office		Regional Office	
	Total	%	Male	Female	Male	Female	Male	Female
Actual	470	100	227	243	112	151	115	92
1 - 9	140	30	76	64	31	42	45	22
10 - 14	51	11	12	39	5	17	7	22
15 - 18	169	36	8	85	41	45	43	40
19 - 22	64	13	33	31	18	27	15	4
23 & above	46	10	22	24	17	20	5	4

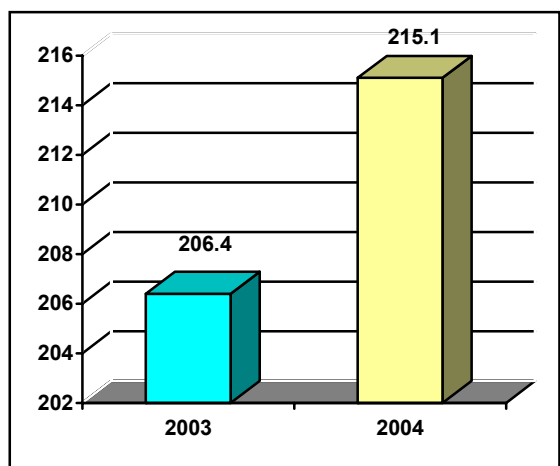
Thirty-six percent (169) regular employees occupy 2nd level position, while 10% (46) of the workforce occupy position with salary grade higher than 23. Of these key positions, 52% (24) are females.

Distribution of Employees by Age (as of October 2004)

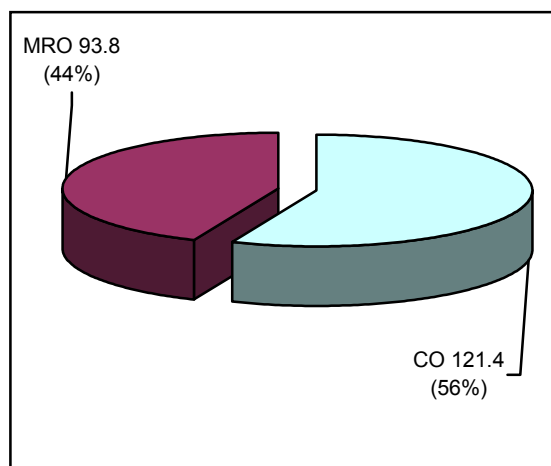
Age Group	Number				Central Office		Regional Office	
	Total	%	Male	Female	Male	Female	Male	Female
Actual	470	100	227	243	112	151	115	92
21 - 25	12	2	3	9	1	6	2	3
26 - 30	32	7	16	16	10	6	6	10
31-35	52	11	23	29	10	14	13	15
36 - 40	94	20	41	53	19	36	22	17
41 - 45	120	25	66	54	33	29	33	25
46 - 50	75	16	43	32	22	20	21	12
51 - 55	45	10	16	29	6	23	10	6
56 - 60	27	6	15	12	7	9	8	3
61 & above	13	3	4	9	4	8	0	1

Over 72% of all MARINA employees fall within the 31-50 age group. Three percent of the regular employees are 61 years old and over, 9 or 69% are females and assigned mostly in the CO. Modal age is 41-45 for all employees and are mostly males.

Financial Operations



**MARINA Revenues
2003 & 2004**



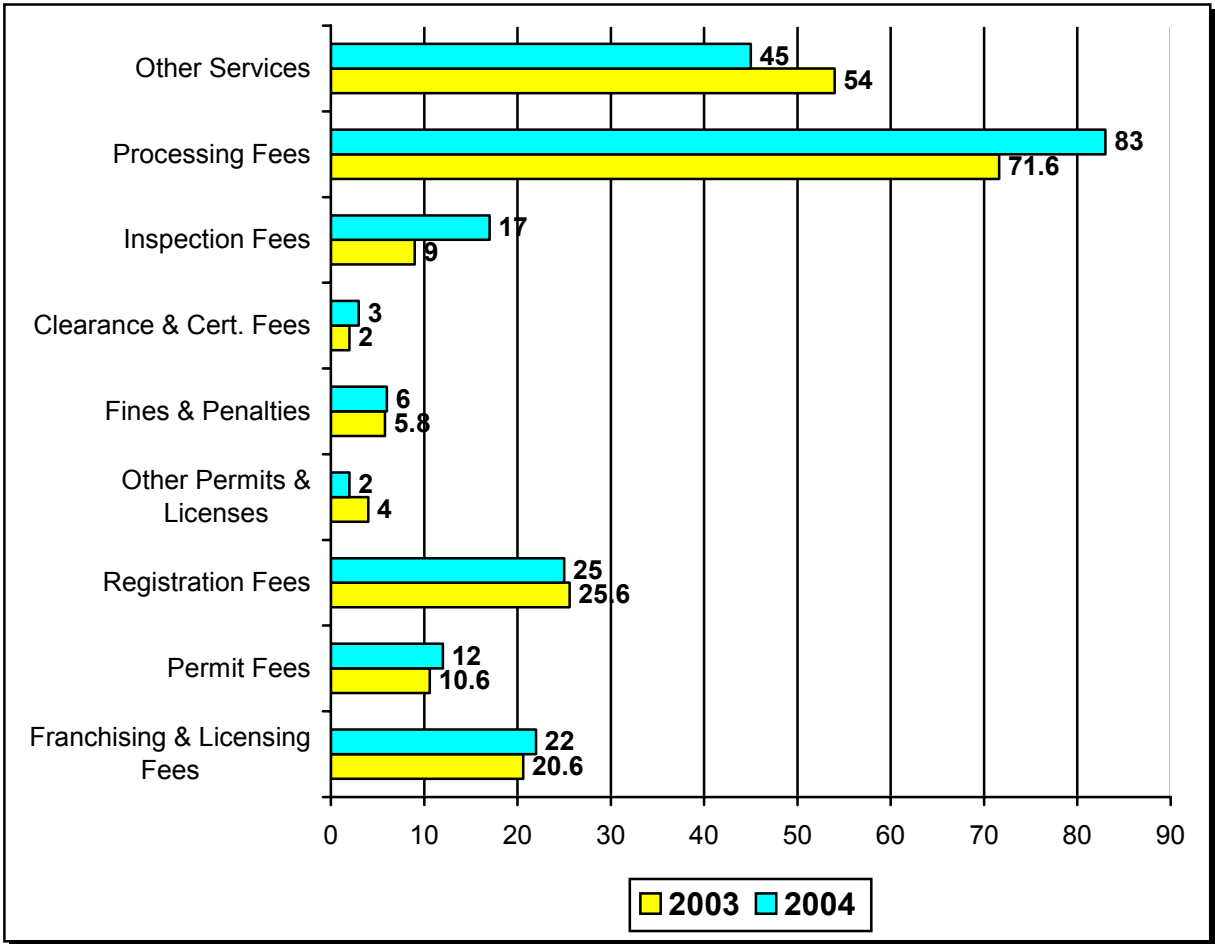
**Revenues Generated by the Central
Office and MROS
2004**

The revenue generated for CY2004 amounted to PHP 215.6 M. Getting the biggest share is the collection from Processing Fees, 39%. A close second is from Other Services Income, 21% and third is from Registration Fees, 7%. Compared with last year's figure of PHP 206M, this year's total revenue showed an increase of 4%.

Revenue collection from the Central Office was posted at P121.4M or 56% of the total with income derived from Processing Fee contributing 49%, followed by Other Service Income at 21% and Registration Fee at 7%.

Operations from the Regional Offices generated P93.8M or 44% of the total MARINA revenue. Region VII (CMRO) posted the highest revenue collection at P22M (23%), followed by Region IV (BMRO) at P14M (15%). Coming in close was Region VI (IMRO) with P13M (14%).

**MARINA Revenue Generated by Source
2003 & 2004**



With respect to source, Franchising & Licensing, Permit Fees, Clearance & Certification Fees, Inspection Fees and Processing Fees exhibited increases from last year's figures.

Management Profile

THE MARITIME INDUSTRY BOARD

Chairman	:	Hon. Leandro R. Mendoza	:	Sec., DOTC
Vice-Chairman	:	Hon. Vicente T. Suazo, Jr.	:	MARINA
Members	:	Hon. Gamaliel O. Cordoba	:	OP
		Hon. Oscar M. Sevilla	:	PPA
		Hon. Ruben F. Ciron	:	DND
		Hon. Marietto A. Enecio	:	DBP
		Hon. Pedro Vicente Mendoza	:	DTI
		Hon. Arthur N. Gosingan	:	PCG, Observer
		Hon. Carlos C. Salinas	:	Private Sector Rep.
Secretary	:	Atty. Gloria V. Bañas	:	MARINA

THE MANAGEMENT

Administrator	-	Mr. Vicente T. Suazo, Jr.
Head Executive Assistant	-	Atty. Antero A. Peñasales
Deputy Administrator for Operations	-	Atty. Lamberto V. Pia
Deputy Administrator for Planning	-	Atty. Gloria V. Bañas

THE DIRECTORATE

Domestic Shipping Office	-	Ms. Lilian T. Javier
Overseas Shipping Office	-	Ms. Evangeline G. Aquino - OIC
Management Information Systems Office	-	Ms. Arhleen A. Romero
Maritime Safety Office	-	Mr. Emerson M. Lorenzo
Franchising Office	-	Ms. Ma. Conception C. Arbolario - OIC
Maritime Legal Affairs Office	-	Atty. Virgilio B. Calag - OIC
Manpower Development Office	-	Mr. Liberato V. Frigillana
Planning and Policy Office	-	Ms. Myrna E. Calag
Enforcement Office	-	Engr. Bienvenido T. Ortiz, Jr.
Administrative and Finance Office	-	Mr. Roberto C. Arceo
Shipyard and Regulations Office	-	Engr. Rodolfo S. Llobrera

MARITIME REGIONAL OFFICES

Regional Office	Extension Office	Director
Region I (NorLumro)		Mr. Ricardo O. Romero ² Engr. Alfonso F. Rulloda - OIC
Region IV (Batangas)	Lucena & Palawan	Ms. Myrna C. Clemino
Region V (Legaspi)	Masbate	Ms. Lucita T. Madarang
Region VI (Iloilo)	Bacolod	Ms. Mary Ann Armi Z. Arcilla
Region VII (Cebu)	Tagbilaran	Atty. Glenn G. Cabañez
Region VII (Tacloban)		Engr. Jose Venancio A. Vero, Jr.
Region IX (Zamboanga)		Engr. Bashiruddin U. Adil
Region X (Cag. de Oro)	Surigao	Mr. Marianito D. Mendoza
Region XI (Davao)		Ms. Nannette V. Dinopol
Region XII (Cotabato)	Gen. Santos City	Atty. Irving L. Saipudin

² detailed at DOTC under Office for Maritimes Affairs and Special Concerns