



## MARITIME INDUSTRY AUTHORITY

**PRESS RELEASE 2014-020**

30 July 2014

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### **MARINA EXTENDS SPECIAL PERMIT OF A FOREIGN SHIP FOR THE MALAMPAYA GAS PROJECT**

The Maritime Industry Authority (MARINA) has extended the Special Permit of a foreign registered and specialized ship, MV “Lady Guro” for another six months to continue its operation as a multi-purpose offshore supply ship in the Malampaya Gas Project for Shell Philippines Exploration BV. under service contract with the Department of Energy.

MARINA Administrator, Dr. Maximo Q Mejia, Jr. said that the extension of the Special Permit was based on the newly issued **MARINA Advisory No. 2014-16**, which was approved by MARINA Board in its meeting on 08 July 2014, on the temporary suspension of the limitation of two year maximum duration of a Special Permit granted to other types of foreign ships, in particular to the highly specialized ships, provided in MARINA Circular No. 2011-04.

At present, there are no suitable Philippines flagged ships that could perform the service of MV “Lady Guro”, thus, it does not compete with the domestic shipping industry. The extension of the Special Permit of MV “Lady Guro” was endorsed by the Department of Energy Secretary Carlos Jericho L. Petilla in view of national interest since the natural gas from Malampaya Project, which the ship services, supplies power plants that meet approximately 40% of Luzon’s electricity requirements.

The ship is being operated in the Philippines by its agent, Supply Oilfield Services, Inc. acting on behalf of Farstad Shipping Pte. Ltd. of Singapore.

The ship is manned by 100% Filipino crew who are specially trained to handle volatile chemicals and manage the potential hazards that may be presented. MV “Lady Guro” is a special purpose ship with a combination of design features rarely seen on equivalent offshore support ships. The ships tanks are especially constructed for the carriage of Methanol which is critical to gas production at the Malampaya field. It has been modified to accept specialized dive equipment used during subsea inspection and maintenance campaigns. It is DP1 rated (Dynamic Positioning) enabling her to safely station to keep in close proximity to the

Malampaya platform during re-supply operations. It employs local agents, suppliers, ship chandlers and carry out all the repairs and drydocking in the Philippines.

The suspended provisions of Memorandum Circular No. 2011-04 provides that the Special Permit for the carriage of passenger or cargo shall be for a maximum period of one (1) year. Special Permit for other types of foreign ships shall be granted a longer period based on MARINA's evaluation of the temporary character of the need / demand to utilized foreign-registered ships, but not to exceed two (2) years, beyond which, the foreign ships will be required to be registered under the Philippine flag

The issuance by the MARINA of a Special Permit to foreign ship(s) to operate within the national territory is primarily for shipping services where such is not readily available and suitable from the domestic fleet, so as not to prejudice efficient trade and commerce, delivery of critical services / commodities, and infrastructure and development projects. It is specifically given to oil exploration projects contracted by the government which requires specialized ships not normally available from the domestic fleet. In view of the capital-intensive investment requirement for such ships, and their short-term nature of utilization, the grant of Special Permit to such foreign ships, as well as the period of operation within the national territory, take into account the importance that they play on the country's economic development.

To formulate a permanent solution to better address the persistent and recurring problem of extension of Special Permit for temporary operation in the domestic shipping, the MARINA Board has directed the MARINA management to immediately conduct a comprehensive review of existing policies, laws, rules and regulations in agencies and instrumentalities, and to submit to the MARINA Board a report within one year from the issuance of MARINA Advisory No. 2014-16 on 08 July 2014.

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### **MARINA, MARITIME PHILIPPINES, we move the world**

The Maritime Industry Authority is an attached agency of the Department of Transportation and Communications tasked to accelerate the integrated development of the maritime industry in the country. It has been implementing reforms and programs to transform the country's domestic shipping industry to global competitiveness and the MARINA into a premiere maritime administration in Southeast Asia. For more information, visit [marina.gov.ph](http://marina.gov.ph).

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