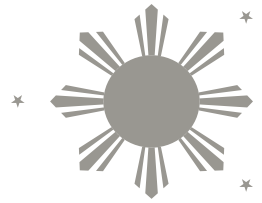




MARITIME



I. MARKET OVERVIEW

The geographic structure and strategic location of the Philippines are among the main factors for it to be recognized as the ship construction and repair hub of Asia. As the second largest archipelago in the world, the Philippines is fit for establishing bases for shipbuilding. With excellent management and skilled human resource matched with capital, technology and global market opportunities, the Philippines can be one of the largest shipbuilding nation in the world in the next five to ten years.

II. MARKET DATA

The Philippine islands boast of clusters of ship operators, ship builders, ship repairers, and fishers. Majority of the domestic vessels are passenger (60%) and cargo (28%) ships, which are mostly imported to the Philippines. Almost 80% of the shipping operators are single proprietors, while 20% of the ships are operated by corporations.

Ports in the country have played a big role in the

socio-economic development of the country. Port services account for 6% of logistics costs in the Philippines and the logistics market is expected to grow 3–10% a year during the next decade.

Filipino seafarers contribute more than €4,2 billion to the national economy through remittances. European countries are currently the largest employer of Filipino seafarers in the world.

III. MAIN LEGISLATIVE FRAMEWORK

By virtue of Republic Act No. 10635, the Maritime Industry Authority (MARINA) was established as the Single Maritime Administration responsible for the implementation and enforcement of the 1978 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers.

The MARINA Strategy for the Philippine Maritime Industry (2011-2016) was formulated in line with the strategic direction and advocacy for good governance and anti-corruption of the Department of Transportation and Communications (DOTC). The MARINA



CREATING BUSINESS OPPORTUNITIES
for **EUROPEAN COMPANIES** in the **PHILIPPINES**

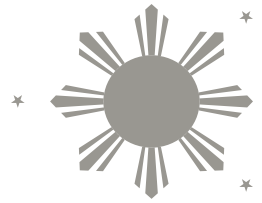


This project is co-funded by the European Union





MARITIME



Strategy is a governance framework based on the Performance Governance System (PGS) approach, which embodies MARINA's commitment to undertake the necessary reforms founded on performance, good governance and systems innovation, and is expected to generate the following results: (a) an integrated framework for the various maritime industry sectors of the country; (b) meaningful strategic directions and desired outcomes for the maritime industry and its sectors validated and adopted; and (c) needed essential changes in the Agency to achieve its Vision, Mission and Objectives identified and implemented.

In 2015, the state enacted the Foreign Ships Co-Loading Act to open up the shipping sector and encourage more competition in the industry, allowing foreign shipping lines to dock at multiple Philippine ports and co-load import and export cargos cleared by the Bureau of Customs.

III. MAJOR OPPORTUNITIES FOR EU BUSINESSES

Situated along some of the busiest trade routes in the world and catering to an inflow of raw materials from Africa and the Middle East as well as an outflow

of manufactured goods, the Philippines' transport and logistics sector is strategically positioned to take control of the massive movement of goods steaming past its territory. More than half of the world's annual merchant fleet tonnage passes through the Straits of Malacca to the west of the Philippines and the Straits of Sunda and Lombok in Indonesia to the south, with the majority continuing on to the West Philippine Sea. The relevance of the routes within Philippine territory provides a strong incentive for foreign investment.

Technological transfer of EU companies have brought the latest technological innovations to the Philippines and the use of the most modern technology available in the world. Lufthansa Technik, as well as other innovation-driven EU businesses, exemplify the latest European technology that is being combined with the skills of the Filipino workers.

EU maritime companies could also consider tapping into the country's expanding shipbuilding industry by participating in the construction of ships with larger tonnage capacities such as bulk carriers, container ships, and passenger ferries.



CREATING BUSINESS OPPORTUNITIES
for **EUROPEAN COMPANIES** in the **PHILIPPINES**



This project is co-funded
by the European Union

