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PortCalls

The Philippines' only shipping and transport guide

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PH logistics stakeholders identify 2021 industry prospects, challenges

- Port and supply chain stakeholders in the Philippines express varying levels of optimism for this year amid the COVID-19 pandemic
- Industry challenges include rising COVID-19 cases, increasing fuel costs, high shipping charges, port congestion, Customs concerns, conflicting government regulations
- Opportunities are tied to e-commerce, automation and digitalization, vaccine distribution, and cold chain operation
- Effective and widespread vaccination will help spur economic activity and revive trade and commerce, according to stakeholders

PORT and supply chain stakeholder groups in the Philippines have voiced varying levels of optimism this year amid the COVID-19 pandemic, the health crisis that has brought new challenges to the fore and highlighted existing ones.

Supply Chain Management Association of the Philippines (SCMAP) president Pierre Carlo Curay told *PortCalls* their overall outlook "is quite bullish, as supply chain and logistics is essential to almost

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More reefer containers eyed as agri-fishery cold storage facilities

- The departments of agriculture, transportation, and energy agreed to provide farming and fishing communities access to refrigerated container vans or reefer containers serving as cold storage facilities
- The memorandum of agreement aims to strengthen and expand implementation of the existing “Palamigan ng Bayan” program for the agri-fishery sector nationwide
- The program is seen to boost the agriculture sector by helping reduce heavy farm and fishery post-harvest losses

THE departments of agriculture (DA), transportation (DOTr), and energy (DOE) have signed a tripartite memorandum of agreement (MOA) to provide farming and fishing communities access to refrigerated container vans or reefer containers that will serve as cold storage facilities.

Agriculture Secretary William Dar, Transportation Secretary Arthur Tugade, and Energy Secretary Alfonso Cusi on March 12, 2021 signed the MOA to strengthen and expand the implementation of the existing “Palamigan ng Bayan” program for the agri-fishery sector in strategic areas nationwide.

The Palamigan ng Bayan was started in 2018 by DOTr and its attached agency, Philippine Ports Authority (PPA), in partnership with the private sector. The program saw a dozen reefer containers deployed to selected sites to serve as cold storage facilities for farmers and fishers to preserve the quality of perishable goods, reduce wastage and fetch reasonable prices.

The reefer containers were donated by the Association of International Shipping Lines, an organization of foreign carriers calling Philippine ports, and deployed in

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With the MOA, the program will be expanded and sustained to cover more areas and allow more farmers and fishers nationwide to benefit.

Dar said the program will be a big boost to the agriculture sector because it will help reduce farm and fishery post-harvest losses, which currently range from 15% to 30%.

“[If we have] container reefer vans, we could therefore save by 15 to 30% our postharvest losses and make additional quality and reasonably-priced food available for our countrymen. *Maliban dito, ang mga produkto ng ating mga magsasaka*

at mangingisda ay darating sa merkado nang sariwa at mas malaki ang kanila kikitain [The products of our farmers and fishermen will also arrive at the market fresh, resulting in bigger earnings],” Dar said in a statement.

Under the MOA, the three agencies will promote the use of reefer containers as cold storage facilities to store fresh fruits, vegetables, fish, meat products, and other perishable goods to address concerns on food quality and safety.

The agencies also committed to ensure the steady and affordable supply of farm and fishery products in support of DA’s Plant, Plant, Plant program and food se-

curity agenda, provide technical and other support services to farmers and fisherfolk, and promote continuing technology innovation.

Under the MOA, DA will identify priority areas where the reefer containers will be established in partnership with qualified farmers’ and fishers’ groups.

The DOE, on the other hand, will help ensure the needed energy access for the efficient and uninterrupted operation of the reefer vans.

A joint technical working group will be constituted to discuss the needed policy, technical requirements and related concerns in view of the initiative.

MARINA pilots auto processing of domestic shipping applications

- **Maritime Industry Authority (MARINA) is pilot testing the first phase of its web-based application that automates filing and processing of domestic shipping-related applications**
- **Applicants under the jurisdiction of selected MARINA offices are invited to participate in pilot testing of the Integrated Domestic Shipping Information System (IDSIS), which started on March 15**
- **Electronic certificates generated through IDSIS will be recognized by port authorities and Philippine Coast Guard**
- **A separate advisory will be issued on the full implementation of IDSIS nationwide**

THE Maritime Industry Authority (MARINA) has started pilot testing Phase 1 of its web-based application that automates filing and processing of relevant domestic

shipping-related applications.

Applicants under the jurisdiction of select MARINA offices are invited to participate in pilot testing the Integrated Domestic Shipping Information System (IDSIS), which started March 15.

According to MARINA Advisory (MA) No. 2021-15 dated March 3, these MARINA offices are the Domestic Shipping Service, Shipyard Regulations Service, National Capital Region Office, Regional Office Nos. 1 & 2, and Regional Office No. 4

IDSIS “will improve the services of MARINA specifically on data capturing, application processing, production and issuance of the different certificates/licenses/ approvals,” according to IDSIS’s user’s manual.

The new application will provide an end-to-end solution which includes online filing of application, online submission of the documentary requirements, online payment through a third party, capturing of details of the applications, online

submission of inspection data, automatic generation of certificates/licenses/approvals, and generation of management reports.

MARINA said the IDSIS implementation seeks to promote competitiveness of the country’s domestic shipping industry and support ease of doing business.

In a recent press briefing, MARINA Management Information Systems Service (MISS) officer-in-charge Luisito Delos Santos said MARINA is headed toward automating all its processes, including the issuance of electronic certificates.

With IDSIS, shipping lines will not have to go to MARINA offices and they can print their electronic certificates in their office using the QR codes. Delos Santos said port authorities and the Philippine Coast Guard will be advised to honor the electronic certificates.

Covered transactions for the Phase 1 pilot-testing are the following:

- Accreditation of maritime enterprises/entities
- Vessel clearance name

- Authority to Acquire Ship
- Vessel Plans approval
- Issuance of Certificate of Ownership/Certificate of Philippine Registry/License
- Issuance of Tonnage Measurement Certificate
- Registration of Recreational Boats

Phase II will cover vessel inspection and issuance of safety certificates by Maritime Safety Service.

MA 2021-15 also advises port authorities to recognize the QR-coded electronic certificates generated by the IDSIS.

Applicants should send an email request to MISS on creating an account so they will be able to access IDSIS through <https://idsis.marina.gov.ph/>.

A separate advisory will be issued on the full implementation of IDSIS nationwide, MA 2021-15 noted. – **Roumina Pablo**

ARTA orders integration of regulatory agencies in TradeNet

- **All trade regulatory government agencies (TRGAs) are mandated to get on board TradeNet, the government’s online platform for processing applications for import and export permits**
- **Within 10 weeks from the issuance of Anti-Red Tape Authority Memorandum Circular No. 2021-01 and receipt of a letter-**

request for onboarding, TRGAs should be on board the TradeNet platform

- **The complete mandatory onboarding of these government agencies is necessary to “effectively implement trade facilitation in the country, promote whole-of-government approach, generate more investments, and**

improve ease of doing business”

ALL trade regulatory government agencies (TRGAs) are now mandated to get on board TradeNet, the government’s online platform for processing applications for import and export permits, according to a circular issued

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PH logistics stakeholders identify 2021...

Continued from page 1

all industries,” and the industry’s growth is tied to the economy bouncing back from the effects of the pandemic.

Curay said the industry is “quite resilient,” and in both good and bad times, its services are needed and contribute to cost savings and survivability of any enterprise.

He added that in general, the industry is “adaptable” and has been able to adjust to and overcome challenges encountered during last year’s multiple lockdowns.

The Philippine Multimodal Transport and Logistics Association, Inc. (PMTLAI) also has a generally positive outlook for the year, expecting 2021 to be slightly better but not dramatically improving from last year, according to president Marilyn Alberto.

Association of International Shipping Lines (AISL) general manager Atty. Maximino Cruz said they are “cautiously optimistic” that import volumes in the country will grow 10% to 15% this year as against 2020. The group, however, sees no significant growth for exports this year.

Preliminary data from the Philippine Ports Authority (PPA) showed foreign cargoes decreased by 7% in 2020, with imports down by 10% and exports by 2.4%. Foreign container traffic dropped 14.5%, with imports and exports plunging 14.2% and 14.9%, respectively.

With COVID-19 cases increasing again, the Port Users Confederation of the Philippines (PUCP) holds a conservative outlook but expects a better year than last year.

Philippine Coastwise Shipping Association (PCSA) president Paul Rodriguez, on the other hand, said the domestic shipping sector still holds a negative outlook even until next year and 2023 due to weak consumption brought about by the pandemic-induced global economic slowdown.

Domestic shipping has been hit hard by the pandemic, with volumes falling 24% to 79.274 million metric tons (mt) last year from 104.428 million mt in 2019, according to preliminary data from PPA. Data from the Philippine Statistics Authority also showed domestic trade volume and value declined in all quarters of last year, with a historic decline of 77.8% in volume and 69.1% in value in the second quarter of 2020 when lockdowns were stricter.

Persistent, pressing issues

SCMAP’s Curay said that while optimistic, the group anticipates that one of the persistent challenges this year is the rising number of COVID-19 cases.

“Having the majority of the industry that needs to be on the field will be quite a challenge,” Curay noted.

Another challenge, according to both Curay and PCSA’s Rodriguez, is the rising cost of fuel, as fuel represents a major chunk of logistics cost.

Curay noted that as fuel prices rise, “logistics costs [do] the same.”

PMTLAI’s Alberto said higher fuel costs are triggering increases in ocean carrier bunker surcharges, “adding to the hardships of shippers already struggling with record high freight rates and additional surcharges.”

Moreover, Alberto said port congestion in major ports around the world is unlikely to significantly improve in the short term. She noted this means longer dwell times, irregular sailing schedules, and importers taking more time to return empty containers, which in turn is causing artificial shortage of containers.

Sky-high freight costs will also remain a challenge, with global sea freight carriers continuing to impose general rate

increases, low-sulfur fuel surcharges, and container recovery charges, according to Alberto.

“While exporters/importers are used to rates going up and down, too much freight rate increases can make some businesses unsustainable (especially those with low-value products) and can change shipping decisions—from near shoring, postponing or deciding not to ship at all—which can mean lost business for our exporters and eventually logistics service providers like us,” the PMTLAI president pointed out.

With all these challenges, Alberto said logistics service providers “have to be more creative and proactive in providing solutions to address the challenges.”

“The effectiveness of each company’s solution will largely depend on the strength of their network, their relationships with the carriers that they are using, and their close coordination with their clients,” she said.

“Considering the fact that there are a lot of uncontrollable factors in the current market situation, close and constant communication of all stakeholders will be of big help in forecasting, capacity planning, and the execution of mutually agreed cargo transportation solutions,” she added.

Shipping line charges are also still a concern for PUCP, which last year filed a complaint with PPA’s newly created Shippers’ Protection Office (SPO), urging it to act on the long-standing concern. PUCP said they are “in the midst of having its concerns with international shipping companies resolved by the SPO.”

For AISL, meanwhile, Cruz said “the bottlenecks that hamstringing the supply chain starting from the time of vessel arrival up to the actual delivery of goods to destination continue to remain pressing issues.”

“While much credit can be given to the Bureau of Customs [BOC] because of its relentless effort to automate its cargo clearance process, there are still a lot of concerns on its ability to efficiently dispose of overstaying cargoes which eat up considerable space in the terminal,” Cruz noted.

He said it is high time for BOC to completely reengineer its cargo disposal system, from the sale to goods at auction to the condemnation of cargoes. Disposal of overstaying cargoes has been a concern of AISL for years since their containers are also held inside the terminals and cannot be used instead for exports.


AISL also wants to actively participate in the review of the 2010 Customs Port Operations Manual in order to harmonize it with pertinent provisions of the Customs Modernization and Tariff Act (CMTA).

He noted that shipping lines were left out in the cold when BOC issued the manual, which he said customs officers still rely on despite the effectivity of the CMTA. Cruz said relying on the outdated manual for guidance affects efficiency of vessel and port operations.

On the infrastructure side, Cruz noted that while construction of the government’s infrastructure projects, completion of which has been delayed by the pandemic, has resumed, “these [projects] will not be enough to address problems faced by the logistics sector in terms of timely delivery and distribution of goods.”

Conflicting regulations

Moreover, the varying responses of local government units (LGUs) in meeting emergency situations have led to conflicting and confusing local executive orders which have only caused serious disruption



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in the supply chain, Cruz said.

He noted that unless LGUs’ actions are carefully calibrated through the intervention of the national government, conflicting orders “will always be a concern not only for 2021 but for the years to come.”

“No amount of infrastructure building will satisfy the logistics requirements unless and until local leaders will be able to wield their vast powers and authority in harmony and in tandem with its neighboring cities for the common good,” Cruz added.

Stand together

To effectively address concerns of the industry, Cruz bats for close collaboration of affected stakeholders.

“The association cannot do it alone. Most of the challenges faced by port stakeholders are common. Issues ranging from the need to accelerate infrastructure building, disposition of overstaying cargoes, conflicting LGU policies and others all emanate in one overarching consideration, that is, a continuous, uninterrupted supply chain for the whole country. We need one, united voice in order to be heard,” Cruz said.

For PMTLAI, Alberto said they are hoping the country will finally have an institution similar to the United States’ Federal Maritime Commission (FMC), an independent agency responsible for regulating the US international ocean transportation system.

Freight forwarders and other port stakeholders in the country have been pushing for an agency that will regulate foreign shipping lines and their charges; there is currently no agency overseeing the lines.

While there are challenges, Curay said major opportunities for this year are the growth of e-commerce and the rise of digitalization in supply chain and logistics operations.

“Logistics and supply chain is actually a major part, if not the most important component, of e-commerce,” Curay pointed out.

“In fact, because of the pandemic, digitalization and e-commerce have been accelerated by 5-10 years, so basically welcome to 2031. Having said that, the industry players should move into digitalization just like what the banking sector did 5 years ago. Those banks who digitized were able to grow exponentially last year even through the pandemic but those who didn’t had more difficulty during

that period,” Curay said.

PMTLAI’s Alberto also sees the “spiraling growth of e-commerce” as presenting an opportunity this year, as do transportation options which were not widely used before the pandemic and “which may eventually become one of the norms if found effective.”

Earlier, Alberto noted the rise of “freighters,” or passenger aircraft used as freighters to transport cargoes while passenger traffic is still low due to travel restrictions.

Opportunities are also seen in the transportation of COVID-19 vaccines and cold chain, according to a PMTLAI member. Several logistics service providers and cold chain operators have been tapped by the government to store and distribute COVID-19 vaccines.

AISL also sees automation of processes and online transactions as providing opportunities for this year.

Cruz said the present situation has paved the way for Republic Act No. 11032, also known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, to be in full swing.

PMTLAI’s Alberto hopes for “real and effective automation and streamlining of processes of each government agency we deal with.”

As the economy slowly opens, PUCP expects the country’s volume of trade to grow significantly. PCSA’s Rodriguez also hopes for the re-opening of economic activities so normal trade and commerce can resume.

PMTLAI’s Alberto and SCMAP’s Curay hope for “an effective and widespread vaccination program to help in spurring economic activities.”

To help the country bounce back faster, Curay is pushing for a more collaborative approach to the distribution and implementation of vaccines.

“To add to that, more visibility and transparency are needed on vaccine distribution,” he said, noting the industry is working closely with government partners, particularly with the Department of Trade and Industry.

Curay and PMTLAI members still look forward to the completion of the government’s infrastructure projects such as ports, roads, bridges, and rail as this will cut transport time, support faster delivery times, especially for e-commerce, and lower the cost of goods.

— Roumina Pablo

Senate committee bats for passage of Public Service Act

- The Senate Public Services Committee is endorsing approval of the bill amending the Public Service Act (PSA) to improve and lower the cost of basic services, including transportation
Senate Bill No. 2094 aims to limit the coverage of "public utility" to just distribution of electricity, transmission of electricity, and water pipeline distribution and sewerage pipeline systems
The domestic shipping sector opposes the bill that will open the industry to foreign players, citing the threat to national security issues and small and medium-sized players

THE Senate Public Services Committee (SPSC) is endorsing approval of the bill amending the Public Service Act (PSA) as a way to improve and lower the cost of basic services, including transportation.

In a sponsorship speech on March 10, SPSC chair Senator Grace Poe said the proposed amendment of the 85-year-old Commonwealth Act No. 146, or the PSA, seeks to make the law in tune with the need of 110 million Filipinos for more and better providers of public services.

Poe said Senate Bill (SB) No. 2094 aims to clear "the ambiguity surrounding the interchangeably used terms 'public utility' and 'public service,'" and limit public utility to just three services—distribution of electricity; transmission of electricity; and water pipeline distribution and sewerage pipeline systems.

Excluded from the definition of public utility are transportation, telecommunications, broadcasting, and other public services. Their exclusion will effectively allow 100% foreign ownership in these industries as they will no longer be considered public services or be covered by the 60%-40% ownership principle under the Constitution.

Poe explained that public utilities are to be treated as natural monopolies, entry to which must be restricted pursuant to Section 11, Article XII of the Constitution. All other public services that are not natural monopolies will be freed from such foreign equity restriction but not from any of their other responsibilities as public service providers, she pointed out.

"We are not redefining things. We are declaring as public policy that the expansion of the investment base will benefit the public by allowing meaningful competition with more players, domestic and foreign, to slug it out to win the satisfaction of the consuming Filipino people," Poe said.

SB 2094 gives the National Economic and Development Authority, Philippine Competition Commission, and all concerned agencies the power to recommend to Congress to reclassify public services as public utilities based on these criteria:

- The service regularly supplies and directly transmits and distributes to the public through a network a commodity or service of public consequence
The service is a natural monopoly
The service is necessary for the maintenance of life and occupation of the public
The service is obligated to provide adequate service to the public on demand

The proposed measure also acknowledges the need for a flexible methodology

for rate setting that will allow recovery of prudent and efficient costs and a reasonable rate of return.

Moreover, it seeks to amend the old fines of erring public service providers from "a measly P200 per day" of violation to P2 million, plus "disgorgement of profits" and additional "treble damages."

To allay fears the proposed measure would put the country's sovereignty at risk, Poe said a provision was put tasking the National Security Council to initiate a review of foreign investments that would result in the control of any critical infrastructure in the country.

Critical infrastructure refers to assets that are so vital to the country that the incapacity of such assets would debilitate national security. These assets are the transmission and distribution of electricity, water and sewerage pipeline systems, telecommunications, and common carriers. This review will eventually be submitted for approval or appropriate action by the President.

Another safeguard, found in the reciprocity clause, provides that foreign nationals may own only more than 40% of the public services identified as critical infrastructure if their country accords a reciprocal right to Filipinos by law, treaty or international agreement.

Moreover, foreign employees are only allowed after the non-availability of a competent, able and willing Filipino is determined. Foreign employment shall not be more than 25% of the total employees of any given corporation.

Other safeguards in the bill include the critical infrastructure's compliance with ISO standards on information security, annual performance audit, regular studies and comprehensive baseline survey to be performed by several administrative agencies, and the conduct of a congressional oversight and periodic review.

Local opposition

Domestic shipping lines, however, have been opposing allowing foreign players in the domestic shipping industry, saying this would hurt local carriers, especially small- and medium-sized shipping lines.

Philippine Coastwise Shipping Association, Inc. president Paul Rodriguez said domestic ship owners "would be very much affected" if the bill is passed as they would be unable to compete with foreign players, who have the advantage of availability of capital in their own countries.

Rodriguez said domestic shipping is actually very competitive if looked at from the perspective that all of these costs form the door-to-door package, instead of comparing local costs to the freight rates of international shipping lines. Customers should unbundle the costs to have an "apples-to-apples" comparison between domestic and international

shipping rates, he continued.

Even economies like Japan, South Korea, and the United States never opened up their cabotage for reasons of national security and economy, Rodriguez pointed out. Cabotage is the policy of restricting the operation of sea, air, or other transport services within or into a particular country to that country's own transport services.

In addition, Rodriguez said opening the domestic transport industry could allow entities that pose threats to national security or are involved in smuggling to "just come in and go if they [foreign carriers] are not controlled by the Philippine government's maritime authority."

The Philippine Inter-Island Shipping Association and the Philippine Liner Shipping Association have also been asking Congress to include domestic shipping in the coverage of public utilities in the bill amending the PSA.

The groups also cited national security

as a reason, and stressed that domestic shipping is a strategic industry for an archipelagic country in times of national disasters, response and reconstruction, potential conflict over the West Philippine Sea or war, smuggling, drugs, illegal fishing, and piracy.

The groups also said that opening up transportation "will not bring down domestic transport costs so long as foreign corporations will be subjected to the same operating conditions as domestic transport operators." They noted that among the contributing factors to the high transport cost of domestic trade are the high operational costs, taxes and regulatory fees.

SB 2094 substitutes various Senate bills filed to amend the PSA, and takes into consideration House Bill (HB) No. 78, which also seeks to amend the definition of public services and was passed by the Lower House on third and final reading in March last year.

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USA SERVICE

Table with shipping schedule details for USA Service, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, KHH, Mother Vessel, and various destination ports like OAK and LAX.

Table with shipping schedule details for Pacific Southwest 4 Service via Kaohsiung, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, KRPUS, Mother Vessel, and various destination ports like VAN and SEA.

Table with shipping schedule details for Pacific Northwest 3 (PN3) via Busan, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, KRPUS, Mother Vessel, and various destination ports like VAN and SEA.

Table with shipping schedule details for East Coast Service 4 (EC4) Service via Singapore, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, SIN, Mother Vessel, and various destination ports like NYC, ORF, SAV, and CST.

Table with shipping schedule details for East Coast Service 5 (EC5) Service via Singapore, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, SIN, Mother Vessel, and various destination ports like USNYC, SAV, JAX, and ORF.

Table with shipping schedule details for Far East Pendulum 1 (FP1) via Sgsin, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, SIN, Mother Vessel, and various destination ports like RTM, HAM, and LEH.

Table with shipping schedule details for Far East Pendulum 2 (FP2) via Sgsin, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, SIN, Mother Vessel, and various destination ports like RTM, HAM, ANR, and SOU.

Table with shipping schedule details for MED1 (MD1) Service via Singapore, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, SIN, Mother Vessel, and various destination ports like BCN, VLC, and GOA.

Table with shipping schedule details for MED2 (MD2) Service via Singapore, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, PUS, Mother Vessel, and various destination ports like SPE, GOA, and FOS.

Table with shipping schedule details for New West Latin Service 2 (NW2) Service via Busan, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, PUS, Mother Vessel, and various destination ports like ZLO, LAZ, PTY, BUN, CLL, SAI, and LQN.

Table with shipping schedule details for KPX (Korea Philippines Express) Service, including columns for Feeder Vessel, VOY. NO., ETA, PHMNL, ETA, VNSGN, ETA, HKHKG, ETA, CNSHK, and ETA, KRINC.

Table with shipping schedule details for China South East 2 Service, including columns for Feeder Vessel, VOY. NO., ETD, MNL, ETA, HKHKG, and ETA, CNSHK.

Table with shipping schedule details for TTP Service (Tianjin to Philippines) Service, including columns for Feeder Vessel, VOY. NO., ETD, MNL, SH-NH, ETA, CNLYG, ETA, CNLTAO, ETA, KRTPUS, and ETA, CNSHA.

Table with shipping schedule details for FME (Far East Madras Service) Service, including columns for Feeder Vessel, VOY. NO., ETD, MNL, NH, and ETA, BUS.

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Cebu Pacific ships more COVID vaccines...

The vaccines were stored in a refrigerated storage container to ensure conditions are preserved until their release at local destinations. To date, CEB has already flown around 53,000 doses to Zamboanga and Tuguegarao.

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Subic port container traffic slumps 23% in 2020

- Container traffic at Subic Port declined 23% while non-containerized cargoes dropped 22% in 2020 due to the COVID-19 pandemic
- Shipcalls decreased by 35% while port revenues went down 21% last year
- Subic Bay Metropolitan Authority is embarking on several automation initiatives including incorporating a web-based port management system to upgrade its vessel traffic management

CONTAINER traffic at Subic Port declined 23% to 226,174 twenty-foot equivalent units (TEU) last year from 292,914 TEUs in 2019 as the coronavirus disease (COVID-19) pandemic impacted

global trade.

Non-containerized cargoes likewise dropped 22% to 7.094 million metric tons (mt) from 9.117 million mt in 2019, according to Subic Bay Metropolitan Authority (SBMA) Seaport Department assistant general manager Michael Lazaro in an online presentation.

Shipcalls decreased 35% to 1,988 vessels last year from 3,074 vessels in 2019. Cruise ship calls flunked 83% to just three from 18 in 2019, said Lazaro, who spoke recently at a webinar hosted by port operator Subic Bay International Terminal Corp.

With the decline in volumes, port revenues in 2020 fell to P1.2 billion, 21% down from P1.5 billion in 2019.

Lazaro said operations were "severely affected" by the COVID-19 pandemic, but noted that the port remained operational

despite challenges, as mitigation measures were implemented early, such as allowing online submission of requests for cargo inspection and shortening the approval process for documents.

Connectivity at the Tipo Sentry was also improved for faster retrieval and verification of documents at the gate pass management system.

SBMA senior deputy administrator for operations Marcelino Sanqui earlier said automation programs and processes were accelerated last year to allow the online processing of vessel entry applications and other applications that were previously handled manually.

Moving forward, SBMA is embarking on several automation initiatives which include upgrading its vessel traffic management system to incorporate a web-based

port management system.

In addition to its current gate management system, the port will also roll out additional modules to include transshipment and bring-in permit applications, which will lead to reduced physical transactions.

Lazaro said SBMA will also be hiring additional seaport personnel, including 38 cargo checkers and nine document examiners, and return cargo checking and processing to the One-Stop Shop facility, which had temporarily closed due to the pandemic.

Subic port's value-added service provider is likewise developing a port community system that will "interconnect and consolidate all current and upcoming automation projects of the SBMA Seaport as well as Trade Facilitation and Compliance Department in just one portal." – **Roumina Pablo**

ARTA orders integration of regulatory agencies...

Continued from page 2

by the Anti-Red Tape Authority (ARTA).

ARTA Memorandum Circular No. 2021-01 issued last March 5 provides guidelines for mandatory onboarding of TRGAs with TradeNet, a move endorsed by the Ease of Doing Business and Anti-Red Tape Advisory Council in order to simplify and harmonize the permitting and licensing processes concerning imports and exports.

MC 2021-01 said the complete mandatory onboarding of government agencies involved in approving import and export permits and clearances, processing and monitoring entry of goods, and other trading requirements in economic zones is necessary to "effectively implement trade facilitation in the country, promote whole-of-government approach, generate more investments, and improve ease of doing business."

The move is also in line with Administrative Order 23, issued on February 21,

2020, which directs all agencies to eliminate overregulation in the government to promote efficient delivery of services, improve ease of doing business, and enhance the country's competitiveness.

MC 2021-01 covers all TRGAs in the executive department that provide permitting and licensing services for importations and exportations.

Clusters

The identified TRGAs are grouped into clusters. These include priority agencies, which are those already using the old National Single Window (NSW) and which are part of the National Effort for the Harmonization of Efficient Measures of Inter-related Agencies Program on Logistics.

The others are the logistics and port operations; agriculture and food cluster; chemicals, oils, minerals, environment

cluster; general merchandise and retail sector; tax and duty exempt cluster; relief consignment and foreign donations cluster; monitoring and oversight cluster; ecozones and freeport zones cluster; and Association of Southeast Asian Nations (ASEAN) Single Window (ASW) cluster.

Within 10 weeks from issuance of MC 2021-01 and receipt of a letter-request for onboarding signed by ARTA, Department of Trade and Industry, Department of Finance, and Bureau of Customs (BOC), TRGAs should already be on board the TradeNet platform.

Failure to comply may be a ground for the filing of appropriate administrative sanctions.

TradeNet serves as the country's NSW, the platform required to connect to the ASW, a regional initiative to speed up cargo clearance and promote regional economic integration by enabling the

electronic exchange of border documents among the 10 ASEAN member states.

TradeNet is set to replace the NSW Phase 1, which is currently operated by the Bureau of Customs and which was launched in 2010 and deployed in 2011. In 2017, the NSW Steering Committee issued a resolution to adopt TradeNet as the new NSW instead.

TradeNet aims to simplify import and export documentary processes covering an initial 7,400 regulated products. The goal is for all the TRGAs across 18 government departments to be fully interconnected via TradeNet.

ARTA noted that TradeNet currently has only two agencies that are live pilot users. Four agencies are in the preparatory stage to going live, 13 agencies are undergoing process refinements, while 26 are admitted for configuration and linking. – **Roumina Pablo**

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