

NOVEMBER - DECEMBER 2012



MARITIME REVIEW

A PUBLICATION OF THE MARITIME LEAGUE

PHILIPPINE COAST GUARD
CELEBRATES 111TH
FOUNDING ANNIVERSARY

NAVY EXPANDS
ISO CERTIFICATION

WORD FROM FVR
WINNING THE FUTURE
FOR EMERGENT LEADERS

UP-CLOSE...

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bares plans for DOTC*



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COVER STORY

UP-CLOSE...
Joseph Emilio
Aguinaldo Abaya
bares plans for DOTC **12, 14 - 15**

DOTC Secretary Joseph Emilio Aguinaldo Abaya

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LAYOUT

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From the League

Another season of loving and giving...

Time really flies... And flies really fast! As if it was only yesterday when we impose a change in our magazine and now we are down to the last 'words', at least for this year.

First of all, we would like to greet each and everyone a very Merry Christmas and a Prosperous New Year.

By the time you read this piece, we are only being a couple of days away from 2013 and in doing so, it is only a testament that we hurdle almost all tests and temptations... with flying colors, of course.

The year 2012 is full of surprises and with no exemptions including the Department of Transportation and Communications. First, we were able to overcome the change of commands in the DOTC as well as two of its attached agencies, the Maritime Industry Authority with Atty. Nicasio Conti taking over, at least temporarily, the post vacated by retired administrator Emerson Lorenzo and the Philippine Coast Guard also with the retirement of VAdm Ramon Liwag who was replaced by RAdm Edmund Tan. Changes in the leadership of the Civil Aviation Authority of the Philippines have also been imposed.

The transport industry has also not spared with from controversies and failed promises particularly that clouting the Northrail project; the upgrade of the country's aviation industry from the current Category 2 status back to Category 1; the congestion of our airports; and the country's failure to meet the standards set by the European Maritime Safety Agency for our seafarers.

However, despite these setbacks, we were also able to reach new heights starting with the continued spike in the arrival of tourists from all over the world and the healthy increase in the number of air carriers, suggesting a very healthy future for the country's airline industry; the passing of Executive Order No. 75 designating the Maritime Industry Authority as the Single Maritime Administration last April to deal with the safety issues raised by EMSA, among others.

We could go on and on detailing the ups and downs of the Transport Department for 2012 but it only suggest one thing, we are again up for another challenging year—another set tests that will definitely try our composure.

But, Filipinos are known for its resilience in times of trials.

And one thing is also definite—the Philippines will be able to not only hurdle but triumph over these circumstances.

Again, from your Maritime League, we are wishing you all the best in 2013.

Full steam ahead!



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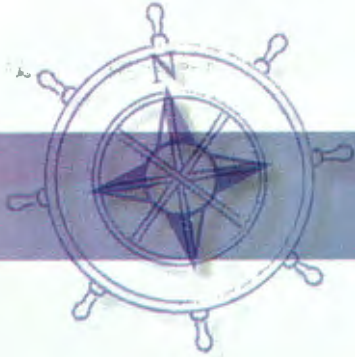
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Asia-Pacific strategic mutual trust

I will delve on a topic I developed for the 4th Xiangshan Forum held in Beijing, China on Nov 16-18, 2012 covering new approaches and ideas for strategic mutual trust in the Asia-Pacific region. This is essentially a summary of my paper, with citations deleted for brevity.

Strategic Mutual Trust

While not exclusive to the two major players in the current competition for strategic influence in the Asia-Pacific, the term "Strategic Mutual Trust" has been lately related more to the development of confidence building between the United States and China, and rightly so, since current instability in East Asia seems to have a distinct connection between two perceptions: that rising China wants to increase its military power in order to extend its hegemony beyond its borders, and that the United States wants to retain its hegemony and influence and intends to contain China's growing influence.

The US "back in Asia" announcement in 2011 included the statement that "the US also chose to actively get involved in the territorial disputes between China and its neighbors in the South China Sea", strengthened its security alliances with some of China's neighboring countries, and advocated the establishment of the "Trans Pacific Strategic Economic Partnership" as a means of strengthening economic and trade relations with Asian countries, excluding China and other countries, including the Philippines and Japan.

This has brought the need to address US-China Strategic Mutual Trust and, as a US think tank stated, "weakened strategic mutual trust of the US-Japan-China trilateral ties that is in desperate need of crisis management."

The ultimate objective of confidence building is to achieve security from perceived threats. General and specific steps undertaken towards the minimization of apprehensions and distrust constitute what are formally called as confidence-building measures (CBMs). CBMs are arrangements "between two or more parties regarding exchanges of information and verification, typically with respect to the use of military forces and armaments."

Carlyle A Thayer has identified six major multilateral mechanism that have been created that could facilitate regional cooperation in addressing maritime security issues as well as the four major interrelated security challenges that confront the Asia-Pacific region.

The ARF and Strategic Mutual Trust

Some observers consider the ASEAN Regional Forum (ARF) to be the organization that may be developed into a security community in the Asia Pacific region.

The first meeting of the ARF in 1994 outlined the three phases of the ARF's tasks to fulfill its role in enhancing regional cooperation: Promotion of Con-

fidence Building Measures (CBM), Development of Preventive Diplomacy Mechanisms; and Development of Conflict-Resolution Mechanisms.

A regional "CBM society" is thus being created through the various ARF activities: annual ministerial meetings, senior officials meetings, inter-sessional activities, and Track I and II Meetings. These meetings bring about vast social networks throughout the Asia Pacific, thus building confidence, trust, familiarity, and ease among states, which can be an important investment when crisis comes.

The following activities within the ARF, while perhaps not a complete listing, are worth mentioning for the purpose of developing Strategic Mutual Trust:

1. Military and defense arrangements are sustained in ARF deliberations;
2. The ARF continually engages the heads of defense academic institutions in a meeting series appropriately called the ARF Heads of Defense Universities, Colleges, and Institutes Meeting (HDUCIM). The Philippines' NDPC hosted the 1st HDUCIM in 1997.
3. The ARF Experts and Eminent Persons (EEP) is a group of individuals it can, if desired, call upon in times of emergency and thus allow on-the-scene decisions which would be useful for the time being until such time that governments can work with it, around it, or put it away altogether.
4. ARF members are gradually improving their practice of issuing annual defense policy statements and publishing white papers on defense, many of whom have never done so. This practice increases transparency and openness in a region that, at the least, shuns away from such idea, and increases democratization.
5. Joint exercises by law enforcement and other government organizations, including Military exercises, are good for CBM. The 18th ARF Meeting adopted the ARF Work Plan on Maritime Security on 23 July 2012 which identified three priority areas: (1) Information/intelligence exchange and sharing of best practices, including on naval operations; (2) Confidence Building Measures based on international and regional legal frameworks, arrangements and cooperation; and (3) Capacity Building of maritime law enforcement



t: new approaches and ideas

agencies in the region.

6. The ARF has created Inter-sessional Support Groups (ISG) and Inter-Sessional Meetings (ISM) on various topics, to include: confidence-building measures, search and rescue coordination and cooperation, counter-terrorism and transnational crime, peacekeeping operations, and disaster relief. These meetings serve a twofold purpose, that of suggesting areas where security cooperation can be advanced and providing networking opportunities for ARF members to build trust and "comfort" in the regional community.

New Approaches

Bolstering Defense Diplomacy

As an important element in defense and military affairs, CBMs spring from states' inherent fear of unanticipated and miscalculated military attacks by other hostile or adversarial countries. They can be useful even at tactical level, as experienced in the use of the "communications hotline among opposing field commanders not in actual war.

The strengthening of such mechanisms is of unquestionable importance to the region where potential flashpoints of conflicts and historical rifts remain to have significant prominence in the defense assessments and threat perceptions of countries.

Zone of Peace, Freedom, Friendship and Cooperation (ZoPFFC)

Early this year (2012), the Aquino administration proposed to transform the disputed SCS area into a "Zone of Peace, Freedom, Friendship and Cooperation" (ZoPFFC), designed to resolve the dispute rather than just manage tensions. The Jamestown Foundation's China Brief describes the process as "a two-step process. The first is to "segregate" disputed from non-disputed areas. Essentially, this means declaring coastal waters, exclusive economic zones (EEZs) and continental shelves as "non-disputed" as these areas are governed by the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Only the Spratly Islands is a truly disputed area and should be "enclaved" accordingly. The second step calls for the demilitarization of the Spratlys and the establishment of a joint agency to manage seabed resources and fisheries.

Joint development of the non-disputed areas will definitely help in moving forward but what area is outside the nine-dash line?

The ZoPFFC has been passed on to the ASEAN Maritime Forum, felt by some quarters as a "dead end due to Chinese opposition and the lack of consensus among the members of ASEAN".

Joint projects and development

In the SCS, one form of CBM that is allowed under the "DOC" is the con-

duct of joint projects, as discussed in Beijing by ASEAN and China representatives in Jan 2012. Four working groups are to be created to examine joint projects in four areas: marine environmental protection, marine scientific research, search and rescue, and combating transnational threats. Future joint projects will be financed from a \$476 million fund set up by China last November 2011. Whether these joint projects can be effectively implemented, and whether they will help reduce tensions, remains to be seen, as surmised in the Jamestown Foundation brief.

Regional Coast Guard

The Fourth ARF Inter-Sessional Meeting on Maritime Security (ISM MS) held at San Francisco, CA, USA, 14-15 June 2012 deliberated on the need for a regional coast guard. As gleaned from its report: Taking into consideration that not all countries have coast guards, the decision to develop a regional coast guard would be determined by the culture, national politics and history of individual states in the region. It requires careful analysis involving various stakeholders to decide whether or not to enhance existing regional maritime surveillance arrangements. An alternative approach to a regional coast guard is the development of a common information-sharing environment.

Multilateral Maritime Cooperation

Additionally, the ISM MS 4th Meeting reiterated support for an open, transparent and inclusive multilateral maritime cooperation. There are also, albeit not ARF per se, an existing regional cooperation among the coast guards in the Asia Pacific region, in particular the North Pacific Coast Guard Forum (NPCGF), the Heads of Asian Coast Guard Agencies Meeting (HACGAM) series, the Indian Ocean Naval Symposium (IONS), and the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), while others are voluntary and based on confidence relationship-basis.

Bilateral and multilateral Trade

Development/expansion of bilateral trade seems to be a good way of developing mutual trust as perceived by Wang Yuzhu, an expert on ASEAN from the Institute of Asia-Pacific Studies under the Chinese Academy of Social Sciences. Using the China-Vietnam example, Prof Wang looked at joint development as "a good way of shelving disputes as suggested by Comrade Deng Xiaoping". The ASEAN-China Free Trade Agreement is also another. Another is APEC whose primary goal is to support sustainable economic growth and prosperity in the Asia-Pacific region.

Discussion forums

Various fora for discussion are extremely valuable to encourage exchange

Turn to page 27

Philippine Coast Guard celebrate



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A revitalized Philippine Coast Guard (PCG), an agency bestowed with substantial responsibilities as a multi-mission maritime agency tasked to promote safety of life and property at sea, protect the marine environment, enforce maritime laws, and conduct maritime security operations celebrates its 111th Founding Anniversary.

Department of Transportation and Communication (DOTC) Secretary Joseph Emilio Aguinaldo Abaya who graces the said event with the theme: "Sama-samang Paglalayag sa Matuwid na Daan" lauded the agency for its willingness, readiness and boldness in spirit and action to respond to many difficult situations in service of the Filipino people.

Abaya commended the members of the country's maritime law enforcement agency which he described as an important proud service who selflessly and courageously assisted our countrymen in distress in many incidences of calamities and maritime emergencies that occurred in the country.

He also gave praise and recognition to the Coast Guard for the valuable efforts during the search and retrieval operations for the body of the late secretary of the Department Of Interior And Local Government Jesse Robredo and the two pilots of the ill-fated Piper-Seneca plane in the waters of Masbate.

Abaya cited the rescue team especially that amidst danger and uncertainties of the retrieval operations, elite divers from the Coast Guard Special Operations Group (CGSOG) did the best they could from day one until the bodies of

s 111th Founding Anniversary

the plane crash victims were found on separate dates including the recovery of the fuselage of the plane which is an important key to the recently concluded government probe of the crash.

Abaya also praised the agency's humanitarian service rendered during the tremendous flooding in Metro Manila and nearby provinces Luzon and Visayas areas brought about by the weeks-long wrath of southwest monsoon or habagat rains and then existing typhoons in the country's area of responsibility.

He added that the PCG's willingness, readiness and boldness in spirit and action to respond to many difficult situations in service to our people is truly a mark of professionalism and competence and has earned my trust and admiration, as a secretary of department of transportation and communications.

Rear Admiral Luis Tuason Jr., PCG officer-in-charge and vice commandant for operations said that 2012 is a year in which the PCG had faced tough challenges as some of these brave men and women needed to endure 61 days filled with uncertainties at sea Bajo de Masinloc dur-

ing the height of the stand-off between Philippine and Chinese forces in the disputed territories in the West Philippine Sea which the agency believes is part of the country's exclusive economic zone (EEZ).

During the onslaught of Typhoon "Gener" and the monsoon rains in the middle of the year, the men and women of PCG also responded diligently and attended to those affected by more than 20 maritime incidents that happened almost simultaneously and many of those rescued were trapped inside their homes that were situated in the flooded areas of Quezon city, Malabon and Marikina.

Tuason added that the PCG has made nine major interceptions and seized contraband goods such as magic sugar, illegal clothing, jewelry, batteries, and other imitation products that are estimated to be worth over P114 million.

Aside from goods, there were also smugglers who were engaged in the human trade and the agency were able to block 10 attempts and apprehended eight of their vessels that led to the rescue of 1,012 victims for 2012. ■

The Norwegian Maritime Foundation of the Philippines, Inc. (NMFPI) is inviting highly motivated technical personnel to fill in the following positions:

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- Preferably with teaching experience using bridge simulators
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CRANE OPERATION INSTRUCTOR

- Certified Crane Operator
- Relevant industry experience as crane operator
- Preferably with teaching experience using crane simulators
- Working knowledge on safety aspects and practices related to operation of hydraulic ship and offshore cranes.
- Completed IMO Model Course 6.09 and 3.12

CULINARY INSTRUCTOR

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- Preferably with teaching experience in line with F & B Services
- Completed IMO Model Course 6.09 and 3.12

FRAMO TECHNICAL INSTRUCTOR

- Certified Chief Engineer
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- Preferably with teaching experience
- Completed IMO Model Course 6.09 and 3.12

ELECTRO-TECHNICAL INSTRUCTOR

- BS in ECE or EE; or Bachelor's degree in Industrial Education with specialization in Electrical / Electronics or its equivalent
- Relevant industry experience in the operation and maintenance of electrical/electronic equipment
- Preferably, had sea-service as Electrician/ Electro-technical Officer onboard seagoing vessel in an international trade
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Double Dragon Properties bags P126-M new Iloilo Ferry Terminal project



The proposed outcome of the new Iloilo Ferry Terminal.

Double Dragon Properties Corp. has been named the winner of a development contract for a new ferry terminal-cum-commercial complex in Iloilo City.

The agreement for the contract was signed last month between Double Dragon Properties Corp. President Ferdinand J. Sia and Iloilo City Mayor Jed Patrick E. Mabilog for the development of the Iloilo City Parola Port project.

Double Dragon Properties is a joint-venture between entrepreneur Edgar J. Sia II—founder of the Mang Inasal fast food chain—and Tony Tan Caktiong, president and chief executive officer of Jollibee Foods Corp. which earlier bought controlling stake at Mang Inasal.

The new ferry terminal will be located at the old Rotary Park in Fort San Pedro. With an estimated construction timeline of 10 months, the project will consist of a new ferry terminal building, a People's Plaza commercial retail mall, a fuel refilling station for pump boats as well as a fully landscaped complex spanning 1.3 hectares.

Jose Roni S. Peñalosa, city planning and development officer, said Double Dragon made an unsolicited offer for the project. A Swiss challenge, by which the proposal was opened to competing offers, resulted in the company bagging the deal.

“The city government will not spend or allocate counterpart funding to the project, but we will still earn from shared revenues and taxes under the joint venture agreement. Double Dragon will construct and operate the terminal for 25 years with options for renewal. The property and developments therein will still be owned by the local government,” Peñalosa said.

When completed, the terminal will serve more than 200 vessels with outrigger and rigger canoes. Apart from serving the needs of commuters, it is expected to boost commerce and tourism in this part of the Western Visayas Region.

The project entails the site development of the 10,408-square meter port area; construction of shore protection with a length of 267 meters using steel sheet piles; concrete dike with wave deflector with a length of 267 meters; excavation and disposal of unsuitable soil materials from a total area of 10,408 square meter to create a depth of one meter; and embankment and filling of aggregate base course in the same area. ■

ICTSI acquires private port Hijo International in Davao

Port operator International Container Terminal Services, Inc. (ICTSI) has acquired a private port in the Gulf of Davao, its second terminal in the area. ICTSI also operates Sasa Wharf, Davao's main international seaport.

According to ICTSI, its wholly-owned subsidiary Abbotsford Holdings, Inc., (AHI) has acquired subscription rights to forty million common shares in Hijo International Port Services, Inc. (HIPS), which is a joint venture company with Hijo Resources Corp. (HRC). This brings AHI's ownership in HIPS to 162,500,000 shares, which now constitute a controlling 65 percent of the outstanding capital stock of HIPS.

HIPS owns the Hijo International Port, a private commercial port in Barangay Madaum, Tagum, Davao del Norte in the Gulf of Davao. The existing port sits within a reclaimed land of about 10.3 hectares. It has two berths: 127m long and 150m long. It has two cargo sheds located in the wharf area and various terminal support facilities. It currently handles approximately 300,000 metric tons (mt) of mostly banana volumes annually.

HIPS, under the management of ICTSI, will now develop and upgrade the facilities and capacity of the port to handle containerized cargo, especially banana in refrigerated containers.

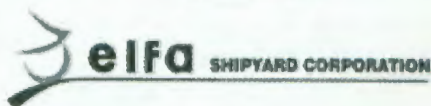
ICTSI is a leading port management company involved in the operations and development of 28 marine terminals and port projects in 19 countries worldwide. The company was among the first international terminal operators to take its expertise overseas.

HRC is a diversified group involved in leisure and tourism, agribusiness, property development and port operations. Established in 1959, HRC is one of the pioneers in the cultivation and exportation of Cavendish bananas to Japan. ■



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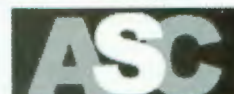


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UP-CLOSE...

Sec. Joseph Emilio Aguinaldo Abaya bares plans for DOTC



Known to being a good soldier, Joseph Emilio Aguinaldo Abaya took the challenge to lead one of the most controversial agencies in any administration, the Department of Transportation and Communication (DOTC).

Barely two months after assuming the post from erstwhile secretary Manuel Roxas II, Abaya already has concrete plans in mind not only to improve the agency but most especially the status of transportation in the country particularly in the

water front.

We are running our interview on a Question and Answer format to make it more Up-Close and Personal...

Maritime Review (MR): *How did you feel when you learned that you were appointed as Secretary of the DOTC?*

Abaya: I always say that I am a good soldier. My instinct is to serve where I am needed. Honestly, I did not expect this appointment but when President Aquino made his decision, I welcomed it. I had some mild apprehensions about having to succeed Secretary Mar Roxas, who has had a long and prolific career in both the legislative and executive branches of government. But I took comfort in knowing that I had his trust and confidence, as well as that of the President.

Moreover, with the passing of Secretary Jesse Robredo, I felt the urgency of the situation at that time. I knew that I had to step up and do my part to fill the gap in the President's Cabinet.

MR: *With only a little over two months after taking over the agency, do you think you are already adjusted to the job?*

Abaya: To be honest, I've been undergoing briefing after briefing ever since Day 1 and yet there is still so much to cover. I would joke sometimes that by the time we finish all of the briefings, it would already be my last day in DOTC. But I enjoy the challenge. The concerns of the transportation sector are plenty and wide-ranging, with many different angles. I feel energized and motivated to work 24/7 when I think of how much difference I can make while in this job.

Also, I was very lucky to have arrived here after my predecessor had already established a well-functioning system. The team that welcomed me here has been very supportive and is making the transition smooth and manageable.

MR: *How would you compare being a Secretary from being a Legislator? What is the difference between the two positions?*

Abaya: Both are difficult and challenging positions, but with vastly different demands. As a Congressman, I worked on several initiatives in the national

Way of the Present Shapes the Future...



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Abaya Up-Close...

agenda, such as the sin tax bill. But being an elected representative of my district, I was largely focused on fulfilling my obligations to the Caviteños I served.

Now that I am a Cabinet Secretary, I am aware that the policies and decisions I make will affect more than just one district, but the whole country. I'm no longer the "voice" of one group of people, I am now accountable to an entire nation. In a way, the responsibility is heavier, but I also recognize that with it comes an opportunity to help more people and deliver services at a much larger scale.

MR: *While with DOTC, what will be the major thrust of the agency under your reigns?*

Abaya: Taking my cue from the President, I am committed to treading the Matuwid na Daan while I'm in DOTC. Secretary Mar did a good job of initiating reforms in the bureaucracy that harnessed the Department's integrity and efficiency. The challenge for me is following through on these and ensuring that DOTC does not stray from the straight path under my watch as we move forward with our many projects and programs.

MR: *What will be your major plans for land, air and sea transportation?*

Abaya: For land, a major upcoming project is the Integrated Transport System (ITS). In partnership with the Department of Public Works and Highways and the Metropolitan Manila Development Authority, we intend to put up three major bus terminals in the rims of Metro Manila: one in the north, near the North Luzon Expressway; one in the south, along Coastal Road; and another in the southeast, near the South Luzon Expressway.

Routes of the provincial buses will be altered to prohibit them from entering EDSA. The strategic locations we've chosen for these terminals will connect passengers to inner city transportation, such as rail lines and city buses. Hav-

ing an effective, seamless and integrated link between the different transport nodes will improve the flow of traffic in Metro Manila.

Aside from the ITS, there is also the P60-billion LRT Line 1 Cavite Extension project, which will extend the existing line from the current endpoint in Baclaran station to Niyog in Bacoor, Cavite. When this becomes operational, we expect to serve an additional 200,000 passengers per day. Bidders are now competing for this project and we expect a winner to emerge within the first half of 2013, with construction soon to commence after.

For air, we are supporting the thrust of the Department of Tourism to reach the target of 10 million tourist arrivals by the year 2016. To do this, we are improving and rehabilitating the country's premier gateway, the Ninoy Aquino International Airport and opening up our other airports to international destinations.

We are constructing and developing new airports, including one in Daraga, Albay to replace the airport in Legazpi City; the new Bohol Airport in Panglao Island to replace the existing Tagbilaran Airport; and the Laguindingan Airport in Misamis Oriental to replace the existing Lumbia Airport. We are also upgrading and expanding the Puerto Princesa Airport in Palawan.

We are also night-rating our airports in Busuanga, Butuan, Cotabato, Dipolog, Dumaguete, Roxas, Ozamiz, and Tuguegarao to support the boom in air travel by enabling flights to reach these destinations at night.

For sea transport, we have funded the rehabilitation and improvement of our existing ports around the Philippines. We'd like to keep the ships as competitive as our planes, thus, we are continuing to allocate resources judiciously so that we can give the people more options to choose from when they travel around the country.

We are also studying the use of ferry boats in transporting people through our major waterways from Metro Manila to different neighboring provinces like Laguna, Bulacan, Bataan, Cavite and Zambales.

We will be doing all that we can to improve the movement of people and goods in the country by utilizing all modes of transportation available.

MR: *With the Philippines being an archipelagic country, what will be your specific plans to improve connection of the country's islands?*

Abaya: Whether by buses, planes, boats, or trains—as long as we see that there is a demand for it, we will fund it. The airport projects I've mentioned earlier are intended precisely to improve mobility between our islands. Gradually, we hope to eliminate the need to go through Manila or Cebu just to go to another island by opening up direct connections between provinces. We are even looking at the possibilities of directly linking the Philippines with neighboring countries like Malaysia or Indonesia through marine transport.

MR: *Are you going to push through with the Ro-Ro program to connect the islands or are you going to introduce new means at least for the movement of passengers?*

Abaya: Yes, we are pushing through with it. However, there are projects initiated in the previous administration that we are reviewing because they were found to be excessive and unnecessary. Under President Aquino's administration, we would like to pursue projects that are demand-driven, or that genuinely cater to the needs of the public. The GMA Ro-Ro Project was a supply-driven project and we found it to be very expensive with specifications that do not meet the topographic requirements of the identified site of the project.

Already, P14 billion has been spent for these, of which a big portion was borrowed. Of the more than 70 ports planned to be constructed nationwide as part of the GMA Ro-Ro Project, 66 were found ill-suited to their location due to incompatibility with the tidal patterns there.



While reviewing these projects, we have a substantial lineup of needed port projects in our master plan that we will prioritize.

MR: *How about cargo movement? Do you have specific plans to improve logistics in the country? Any plans on how to reduce logistics cost?*

Abaya: One way to significantly reduce the cost of moving cargo is if we can take advantage of economies of scale. One of the problems now is that our ports are not equipped to handle large-scale cargo and much productivity is lost in having to break up shipments into smaller batches. As a first step, we plan to coordinate with the Department of Agriculture and see how we can improve and expand the transport of grains and other produce. This would benefit not only the cargo industry but also the rest of our people who consume these goods on a daily basis.

MR: *What is your take on the proposal to divert cargoes to Subic or Batangas ports and stop the improvement of the Manila ports?*

Abaya: We are not stopping the improvement of Manila ports. We continue to improve and modernize our largest and leading port in the country. However, we are also promoting the diversion of cargo and logistics to the ports of Subic and Batangas by lowering shipping and wharfage fees in an effort to avoid congestion in the Port of Manila and reduce traffic in the metropolis.

MR: *How would you deal with several controversies clouting the agency particularly the Northrail project?*

Abaya: The Northrail is one of the problematic projects that we inherited from the past administration. We have already exhausted all efforts to negotiate with the Chinese government so we can come to an agreement. The next recourse is to undergo arbitration in Hong Kong.

The Department is firm in maintaining its stand when dealing with controversial projects. If the project is dubious from the beginning and had not undergone the necessary procedure, it will not be entertained nor executed. In all the decisions being made and in all the projects being executed, DOTC always ensures that it is in line with the administration's Matuwid na Daan policy.

MR: *Do you think your proposal to have another project from La Union all the way to Bicol using the old PNR lines will address ship-to-rail problem in the country?*

Abaya: This project is still on the drawing board, and the Department is planning to bid out the project feasibility study of this initiative. We will find out the details and the answers to these questions once we get the results.

MR: *How about airport projects? What are your plans to upgrade the status of the country's aviation industry from Category 2 to Category 1? Any timeframe?*

Abaya: A couple of weeks ago, the International Civil Aviation Organization (ICAO) visited the country to conduct the ICAO coordinated validation mission (ICVM)—a midterm exam for the country. During this ICVM, the ICAO shared what progress we've made since their last audit in 2009—and also gave their suggestions on how we can continue to address all their concerns. The ICVM was very positive; they have assured us of their help to figure out the last few holes left open. We will be closely working with them to meet all standards in time for when they do the actual audit.

On February 2013, the ICAO will be sending a team to audit us. This will be our final exam. They will be inspecting us to see if we have already addressed all the significant safety concerns (SSCs) that they previously pointed out. When the ICAO gives us the thumbs up, we expect that the United States Federal Aviation Authority (FAA) upgrade to Category 1 will follow. Likewise, we expect that the European Union will also lift the ban on our local airlines. All three entities (ICAO, FAA, EU) follow the same ICAO standards, so we



look forward to ICAO's favorable audit.

MR: *What are your plans for the Maritime Industry Authority?*

Abaya: Last April, the President signed Executive Order No. 75, designating the DOTC, through the Maritime Industry Authority (Marina), as the single and central maritime administration of the Standards for Training, Certification and Watchkeeping (STCW) for seafarers to ensure our local maritime workforce are properly trained and qualified in accordance with the International Maritime Organization's requirements.

We will be doing our best to fulfill this mandate. We will be rendering the final touches on the law and its implementing rules and regulations in order to advance the interest of our country's maritime industry.

MR: *What are your plans for the Philippine Ports Authority?*

Abaya: The PPA, which is mandated to undertake all government port construction projects in the country and regulation of all the ports, will continue to be strengthened as we step up the utilization of ports as a viable mode of transporting people and goods.

We have rolled out a number of port projects around the country and the success of these projects depends a lot on the performance of the PPA.

MR: *What are your plans for the Philippine Coast Guard?*

Abaya: We are enhancing the capability of the Philippine Coast Guard so it can better fulfill its mandate to protect lives and properties at sea and guard the integrity of our shorelines. The PCG was also mandated to assist in the relief and rescue operations in flooded areas during times of calamities, so we are boosting its resources to ensure that they are prepared for these critical times.

This year, the DOTC bidded out the procurement of P522-million worth of disaster response equipment for the PCG's use. We have likewise allocated P365 million for the rehabilitation of various lighthouses around the country. We are also in the process of securing NEDA approval for multi-role response vessels to aid the PCG in keeping watch over our waters.

MR: *How would you convince the people that the DOTC will be different under your control compared to your predecessors?*

Abaya: I will do what needs to be done to make life better for our people. Under my watch, DOTC will continue abiding by the Matuwid na Daan policy of the President wants to be followed in all the corners of government. With our hearts in the right place and the right attitude for the job, we can be aggressive and dynamic in fulfilling the mandate of this Department to propel Philippine transportation to the next level of development. ■

PTC chief executive Borromeo replaces Evitt First Philippine President of InterManager

Ship management trade association InterManager has joined the ranks of shipping industry organizations that are recognizing Asia's growing maritime influence and have looked east for leaders.



BORROMEIO

Philippine Transmarine Carriers, Inc. (PTC) Vice-Chairman and CEO Gerardo A. Borromeo was elected as the new President of InterManager, an international trade association for in-house and third party ship managers. Borromeo is the first Filipino to be elected unopposed for this leading post and will serve a two-year term of office, succeeding Alastair Evitt, the managing director of Meridian Marine Management.

The decision follows other high-profile appointments of Asian executives. Since January, Koji Sekimizu has led the International Maritime Organization and in May, Masamichi Morooka took over as chairman of the International Chamber of Shipping.

The value that his Asian roots bring to InterManager is not lost on Mr Borromeo.

"I am honored to be the first Filipino to be appointed InterManager president, given that Asia now supplies more than half of the world's seafarers and nearly half of the world fleet is under Asian control," he said. "I will be able to interact with Asia more closely but at the same time I will be expected to retain a global focus."

PTC, which deploys more than 33,000 seafarers annually, is one of the largest crew management companies in the Philippines and Mr Borromeo believes his crewing experience was another key factor in his appointment.

"The human element is a key driver. We are at an interesting crossroads between ship management and crew management. Ship management is not just about safe shipping, but also about pushing the management capability on board ships." According to Mr Borromeo, one of his main priorities will be the development of the young cadet and young executive program.

"InterManager must lay the groundwork for the future. And a key part of that is being able to attract people to a career not just at sea but in shipping. You can build a ship in a year, but it takes 10 years to build a cadet into a master. We need to balance out the cyclicity between building ships and having capable people to manage them," he said.

Given the economic climate, he acknowledges it will be challenging to push the development of global maritime professionals, as he prefers to call seafarers.

"Times are difficult. It's all a question of how we maximize the return on investment in assets and people. We all need to think long term and shipmanagers must work with owners to allocate resources properly. InterManager will continue to engage with all the

necessary stakeholders to ensure the safe operation of ships."

Welcoming Mr Borromeo's appointment, InterManager secretary-general Kuba Szyman-ski said, "We believe Gerardo Borromeo will be well placed to provide strong and positive leadership to our organization at a time when the shipping industry is facing tough economic challenges."

The appointment was formalized during the association's Annual General Meeting where four new Vice Presidents were also elected to focus on specific areas of InterManager business. They are: Alex Albertini of Marfin Management who takes up the role of Treasurer; Peter Curtis of Seaspan Ship Management who will focus on the role of the Secretariat; Wim Van Noortwijk of ISSA who will concentrate on Membership; and Ian MacLean of Hill Dickinson who will become General Counsel to the Association.

Over the past several years, Borromeo has served on the Executive Committee of InterManager which now has a membership of 91 – both Full and Associate members – involved in the management of almost 5,000 vessels and some 250,000 crew.

Borromeo has been responsible for the development and implementation of the PTC Group's strategic initiatives and business development activities engaged in crew management, education and training; medical diagnostics; chartering and logistics; agency and freight forwarding; real estate development; and international professional placement.

Borromeo earned his Bachelors and Masters degrees from the Massachusetts Institute of Technology (MIT) in Cambridge, Massachusetts, USA. He also serves a Vice Chairman of the International Chamber of Shipping, is a member of the Board of Trustees for the Filipino Shipowners Association and a private sector representative on the Board of Directors of the Maritime Industry Authority. ■



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PORTRAITS OF MARITIME WOMEN 3

Mailyn Pereña Borillo



BORILLO

Some women are like broken glass. They're the kind who harbor some deep resentment inside – the French call it *ressentiment*. The trappings of success leave them unfulfilled and unhappy.

Mailyn ("Mai") Pereña Borillo is the complete opposite. She's cheerful and self-assured. What woman in her shoes wouldn't be? Mai was deputy general manager of Maersk-Filipinas Crewing at the age of 31, subsequently heading the company when she was 38. Now only 40, she's the president of TORM Shipping Philippines Inc (TSP), part of the Copenhagen-based TORM group.

It's been a long and hard road, nonetheless. Mai joined the Maersk group in 1994 when she was 22 years old. Starting out as a vessel coordinator and cost controller, she climbed up the corporate ladder until she was appointed

general manager of Maersk's Philippine crewing unit in 2009. Shortly before that, she spent two years at the head office in Denmark as a financial manager. In August 2011 she left Maersk to join TSP as chief executive. "I learned so much from Maersk," Mai says of her 17-year stint with the Danish company. The most important was "to keep your values" – including, she says, being straightforward, fairness and *delicadeza* (tact or consideration).

Those values underpin her management style. She insists that her staff call her by her nickname. She puts a great deal of importance on teamwork, devoting every Tuesday to man-

agement team meetings. She finds no use for authoritarianism. "I don't need authority," she says. On the other hand, she expects all employees to act professionally and be honest.

Her people-oriented approach to leadership isn't surprising. Before entering the world of shipping, she was active in the Citizens Alliance for Consumer Protection, a non-governmental organisation co-founded by the activist nun, Sr. Mary John Mananzan. Now and then, she would join street protests. "I am not a leftist," she is quick to point out – even though the Polytechnic University of the Philippines, where she took up IT, has a long tradition of student radicalism.

Mai considers her job at TSP especially fulfilling for two reasons. The company has about a thousand Filipino crew, 40% of them officers. Of TORM's present fleet of 44 ships (all chemical tankers save for two bulk carriers), 24 are fully manned by Filipinos. This, says Mai, provides an opportunity for real crew management while leaving her enough time to perform "mommy duty" to her only child, a 14-year-old girl.

TORM is also one company that takes CSR (Corporate Social Responsibility) seriously via the TORM Educational Foundation. Mai says they accept 25 scholars annually from around the country, 15 from poor communities and 10 from the families of TSP seafarers and employees. It's a source of great satisfaction for her that the foundation closely monitors the progress of its scholars and even conducts seminars for them on self-development. TORM has benefitted from the services of Filipino seafarers, says Mai, and "it is bringing it back to the community".

Unlike men, who have a constant need to validate themselves, Mai doesn't have to prove a point. She's achieved plenty but has no airs. She has found her place in her corner of the universe. She has what many men and women, inside and outside the maritime sphere, strive for: a sense of self-fulfillment. ~Barista Uno ■

SERGS COOPERATIVE: Helping Navy personnel own their dream homes

By Let Capatoy



Standing from left: Ms. Anna M. Mendoza-Ong (ACM Homes), Engr. Gabriel S. Roslin (SERGS Coop), Engr. Raphael F. Rimorin (SERGS Coop), Capt. Lorenzo I. Adecer PN (ret) (SERGS Coop), Ms. Bernadette N. Villarez (ACM Homes). Seated from left: Ms. Antonette P. de Guzman (ACM Homes), RAdm. Margarito V. Sanchez, AFP (ret) (SERGS Coop), Atty. Michelle P. Tibon-Judan (ACM Homes), Capt. Abraham B. Respicio PN (ret).

The Seabees and Engineers Retirees and General Services (SERGS) Cooperative was established to augment the meager income of retired Navy personnel through various opportunities offered by the cooperative to its members.

SERGS Coop ventured into the construction business so as to maximize the expertise of our retirees in the field of construction engineering, repair and maintenance of facilities and buildings.

Since its inception, the cooperative have al-

ready been engaged in the construction of housing units as well as model units of known developers, commercial establishments, repair of government facilities among others.

With this record, SERGS Coop in terms of capability and credibility, has earned the trust

and confidence of its clientele in the construction industry.

One of the goals of SERGS Coop is to help comrades in the Navy retire with dignity.

Turn to page 23

HHIC-P delivers two bulk carriers to Rio Tinto



The two bulk carriers docked at HHIC-P Subic facility prior to delivery.

Hanjin Heavy Industries & Construction Co.-Philippines Inc. (HHIC-P) has simultaneously delivered two newly-built 205,000 deadweight ton (DWT) bulk carriers at the company's 300-hectare, state-of-the-art Subic shipyard recently.

The vessels "RTM Dampier" and "RTM Zheng He", which was named after a British explorer and a Chinese navigator respectively, were the 3rd and 4th vessel purchased by shipping magnate Rio Tinto Shipping Limited from the HHIC-P.

Last August, Hanjin also delivered the M/V RTM Cartier, named after a French explorer, and the M/V Cook, a 204,000 deadweight metric tons bulk carrier, to Rio Tinto in May 2012.

RTM Dampier and RTM Zheng He, whose homeport is London in the United Kingdom, measure 299.9 meters and valued approximately \$60 million each.

HHIC-Phil senior officials, Rio Tinto top executives and ranking officers of the classification society Lloyd's Register witnessed the event, which was capped by a rope cutting and champagne breaking rites.

In his ceremonial speech, HHIC-Phil President Jin Kyu Ahn commended the mutual partnership between Hanjin and Rio Tinto that resulted in the successful and timely completion of the two vessels.

Tom Albanese, chief executive officer of Rio Tinto, lauded HHIC-

Phil's high-tech facilities and its excellent feat in shipbuilding within a short period of time that gainfully benefited his company.

Including these two new ships, HHIC-Phil has already delivered a total of 42 vessels ranging from containership ships, oil tankers to bulk carriers to various international shipping companies worldwide since the delivery of its first ever Subic-made vessel in 2008.

From 2008 to 2011, Hanjin garnered P128-billion worth of export sales, making it a major contributor in the Philippines' export portfolio.

To cushion the impact of the still depressed shipbuilding market triggered by world financial crisis on its core business, Hanjin will embark soon on ship repair by maximizing its Subic shipyard's capabilities to offer high quality services to the maritime industry.

To date, Subic shipyard employs more than 19,000 individuals mostly coming from Olongapo City, Subic municipality, provinces of Zambales, Bataan and Pampanga, and other regions across the country. Hanjin continues to generate business opportunities in the neighboring communities, thereby propelling the revitalization of the local economy critical in nation building. ■



SEABEES AND ENGINEERS RETIREES
GENERAL SERVICES COOPERATIVE

SERGS COOPERATIVE

WELCOME!

On behalf of the Seabees and Engineers Retirees General Services Cooperative (SERGS Cooperative) family, I would like to welcome you to our cooperative!

Please allow us to introduce, the Seabees and Engineers Retirees General Services Cooperative (SERGS Cooperative) formerly known as Seabees Retirees and Reservist Construction Manpower Services Inc (SRRCMSI).

Our cooperative is envisioned primarily to assist retired personnel through livelihood and additional sources of income from financial and job opportunities so as to augment their meager pension.

Presently, SERGS Cooperative is engaged in general services particularly in construction engineering, repair and maintenance of buildings and facilities.

As it is, the Cooperative is smoothly sailing towards attaining its goal as a successful Construction Engineering firm, providing livelihood assistance to Retired Seabees, PN, AFP Personnel and their families.

For this reason, SERGS Cooperative offers its expertise by participating in the bidding process of your up-coming projects. With these projects, the cooperative will be able to help retirees as part of our social responsibility to support others in alleviating their economic conditions in these global difficult times.

For more information about SERGS Cooperative, please visit our website at <http://www.sergscooperative.com>. Moreover, please allow me to take this opportunity to express my heartfelt gratitude for considering SERGS Cooperative as a significant part of your life and we look forward to be of service to you in the future.

RADM MARGARITO V. SANCHEZ JR. CE AFP(RET)
Chairman and General Manager

OUR VISION:

"To be a successful Cooperative engaged in Construction Engineering and Manpower provider in the Construction Industry that provides livelihood assistance and additional financial resources for SEABEES Retirees, their Dependents and other members of SERGS COOPERATIVE."

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Navy expands ISO certification

The Philippine Navy has successfully gotten the nod of the International Organization for Standardization (ISO) for its expanded Quality Management System covering several layers of the agency's management teams.

The ISO 9001:2008 was in line with the Navy's Strategic Sail Plan 2020 to upgrade the agency and be at par with world standards.

The Strategic Sail Plan 2020, on the other hand, pertains to the expansion of the ISO 9001:2008 Certified Quality Management System (QMS) covering administrative support of the PN, the 2nd Level Management Review for the QMS target of certification of the Naval Education and Training Command (NETC), Office of the Naval Adjutant (OTNA) and Navy Personnel Management Center (NPMC) was conducted last November 9, 2012 at Headquarters, Philippine Navy (HPN) Conference Room.

The said event was attended by the Flag Officer In Command, Philippine Navy (FOIC, PN), Vice Admiral Alexander P Pama AFP with his staff, Director, Naval Safety Office, Captain Restituto Q Bilbao PN (GSC), the office primary responsible for the certification

process and other relevant personalities in the accomplishment of the planned ISO certification process for NETC, OTNA and NPMC.

A Project Management Team from the Development Academy of the Philippines headed by Mr Arnel D Abanto, the Vice President for Quality and Competitiveness, once again assisted and guided the PN in the certification project.

According to Mr. Abanto, "The ISO QMS target certification of NETC, OTNA and NPMC is attainable by the end of this month or on the 1st week of December."

In this regard, NETC will be the first ISO 9001 certified training institution in the Defense Department, while OTNA and NPMC will be the first ISO 9001 Certified Command Adjutant Office and personnel management center in the Armed Forces of the Philippines (AFP).

As part of the final phase, the 2nd level management review focused in the review of the organization's Quality Management System in order to ensure its continuing suitability, adequacy and effectiveness. The review included the assessment of opportunities for improvement and the need for changes in the Quality Management System, including the quality policy and quality objectives.

With the expansion of this certification target, the NETC's core process will now focus on training administration, starting from the In-processing of the students, conduct of training up to De-processing procedures of the students. On the other hand, the OTNA's core process will involve information of records management, retirement and separation requirements processing, and provisions of transition assistance. Henceforth, the NPMC's core will focus on recruitment, career management, retention, and evaluation. ■

POEA padlocks illegal recruitment firms

Operatives of the POEA Anti-illegal Recruitment Branch and PNP-MPD headquarters recently closed down the office of a manning agency allegedly recruiting Filipino seafarers without license from the Department of Labor and Employment and POEA.

Administrator Hans Leo J. Cacdac said he ordered the closure of West Coast Maritime Services located at Room 420, 4th Floor, Vicente Madrigal Building, Escolta Street, Manila upon verification of its illegal recruitment activities.

Cacdac said POEA's AIR Branch agents, after a day-long surveillance, have gathered evidence that West Coast Maritime Services was indeed very active in recruiting seafarers, promising them jobs in several ocean-going vessels.

"West Coast Maritime Services has committed acts of illegal recruitment as defined by Republic Act No. 8042 and the Philippine Labor Code that justified the closure order," Cacdac said.

Other than the closure of its office, the name of West Coast Maritime Services and all its officers and employees will be included in the

List of Persons and Establishments with Derogatory Record, thereby disqualifying them from participating in the overseas employment program of the government.

Earlier, Cacdac has also ordered the closure of CPG Services International located at 1414 L&S Building, Roxas Boulevard, Ermita, Manila after surveillance and investigation.

The AIR Branch reported that CPG Services has been recruiting Filipino workers for employment as housekeeper in a hotel in Kurdistan, Iraq and charges a placement fee of Php35,000.00 from applicants.

Cacdac said deployment of OFWs to Iraq, including Kurdistan, is still prohibited in view of the present security alert level and review of the country's labor and employment policies by the Department of Foreign Affairs. ■

SERGS COOPERATIVE...

From page 19

According to RAdm. Margarito V. Sanchez, AFP (ret), Chairman and General Manager, "It is our vision to help our Navy personnel live in decent homes within good communities for we know that it is one of their lifelong dreams for themselves and most especially for their families".

In a related development, the cooperative was commissioned by ACM Landholdings, Inc. as their Corporate Sales Channel.

The company has built and completed more than 10,000 homes in Cavite and Batangas areas.

In fact, SERGS Coop is one of the trusted contractors of ACM in building homes for their projects.

The Cooperative has initially pre-chosen the houses and communities that suit the income and needs of the Navy personnel. Additionally, the Philippine Navy Savings and Loans Association, Inc. (PNSLAI) will assist members in paying off the down payment through their Housing

Equity Loan Program (WE HELP).

Several product presentations have been scheduled with the different units of the Philippine Navy showcasing the ACM housing units at the Pacific Woods West in Carsadang Bago, Imus, Cavite, Peninsula Townhomes and Richmond Park Townhomes both in General Trias, Cavite.

Attendees have been appreciative of the affordability and the quality of housing units being offered by SERGS Coop in partnership with ACM Homes.

"We sincerely encourage our navy personnel to consider the opportunity to invest and ensure that they retire with dignity and allow us to help them make that vision come true," RAdm. Sanchez said.

After its stint in the Philippine Navy units, the cooperative will go around to other AFP branches of service for their product presentations and ensure a wider dissemination of its goal and vision in terms of decent housing to all AFP personnel.

For more information on the housing units and communities, please call the SERGC Coop headquarters at Tel. No. 844 6918 or mobile (0908)881 0418, (0908)303 5363 or email sergscooperative@yahoo.com. ■



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(Conclusion)

Philippine contribution to fight

RAdm. Vicente M. Agdamag (Ret.)
Deputy Director-General, NSC, Republic of the Philippines

This is the last part of the speech presented by RAdm Vicente M. Agdamag during the International Meeting of High Ranking Officials Responsible for Security Matters held in St. Petersburg, Russia recently. The paper will address three objectives: 1) to provide a broad overview of the worldwide piracy situation; 2) bring to your attention some impediments to fighting piracy and recommend some anti-piracy actions, and finally; 3) to highlight Philippine contributions to the fight against maritime piracy.



RAdm. Vicente M. Agdamag (Ret.)

B. Economic impediments

No rewarding alternatives exist on land. Deterring pirates would necessarily require employing carrots as well as sticks. Piracy is not a way of life in any coastal village, but an income-generating industry that evolved because of the lack or absence of economic inputs critical to the development of said areas.

Without viable alternatives, the at-risk young men of the Horn of Africa, Southeast Asia or West Africa's coastal regions would have little incentive to abandon a life of piracy. The world must assist in re-establishing the fishing industries in at-risk nations.

Piracy-fuelled money laundering. A key driver in the rise of maritime piracy is the stability of business networks overseas that fi-

nance piracy operations, manage the cash flow in pirate-infested areas and into neighbouring countries and other distant points. The battle against piracy can only be won if the international community is able to follow and plug the illicit money trail, and thus reduce their impunity.

C. Operational impediments

Sustainability of counter-piracy forces. The size of pirate-infested waters presents a huge geographical challenge to counter-piracy operations. With only a few dozen maritime assets, small ships can and do evade surveillance efforts to protect large areas. Incidents of armed robbery continue despite the naval build-up in troubled areas. The current militarization and securitization strategy in high-risk areas in the Somali Basin, West Africa and Southeast Asia would have to be carefully re-examined in the light of the issues of sustainability and continuing incidence of piracy attacks.

Flawed catch-and-release policy. Due to perceived legal uncertainties, many countries are not eager to prosecute pirates at their own courts. In past incidents, detained suspected pirates were released because of difficulties in the prosecutions.

Rules on on-board weapons of ship security teams. The countries around the Gulf of Aden, the Indian Ocean and the West Philippine Sea have not standardized their rules regarding bringing of weapons aboard merchant vessels into ports. This regulatory gap has resulted in apprehensions, including that recently of two Filipino seafarers, of members of private security groups aboard ships. The UNSC and affected countries should harmonize their rules regarding bringing of weapons aboard ships into ports.

3. Philippine contribution to the fight against piracy

The Philippines has a huge stake in helping contain maritime piracy it being the world's main source of seafarers. Close to 700,000 Filipinos seafarers crew merchant ships and contribute annually some US\$ 10 billion to the country's economy. For first quarter of 2011 alone, remittances reached to \$3.8 billion.

hting maritime piracy

It is estimated that about 340,000 to 380,000 Filipino seafarers are aboard merchant ships that pass through the high risk areas of the Gulf of Aden and South China Sea chokepoints. Between 2006 and 2011, a total of 769 sailors from the Philippines were seized by pirates in the Gulf of Aden and the Indian Ocean. All but 26 Filipinos on board three hijacked foreign flag vessels were released unharmed. In fact, last year (2011) up to 24 April of this year (2012), there were 37 merchant ships hijacked with 173 Filipino crew (2 of them unfortunately died during the operation) eventually they were released after paying the total ransom amount of \$176.5 million.

The Philippines has taken aggressive measures to address piracy and minimized the risks of its seafarers to piracy:

- The Philippines criminalizes piracy as an act of terrorism under RA 9372 (Human Security Act), providing punishment of 40 years imprisonment without benefit of parole under the provisions of the Revised Penal Code. This is in harmony with the call of the UNSC for all UN member-states to criminalize piracy.
- This was further emphasized by the Philippine Government in its National Security Policy of 2011-2016 which labeled maritime piracy as a serious transnational crime that requires actively pursuing international cooperation.
- The Philippines is seriously considering a US proposal to prosecute pirates under her jurisdiction especially in cases involving Filipino sailor-victims. Preliminary legal groundwork is being done to secure the depositions of previous Filipino seafarer-victims of Somali piracy.
- The Philippines has given Manila-flagged merchant vessels the go-ahead to deploy private security groups to minimize the risk Filipino seafarers face from Somali pirates in the Gulf of Aden and the Indian Ocean.
- The Philippines and the United States forged in 2009 a Memorandum of Cooperation on Maritime Counter-Piracy Training and Education. As a result, a National Action Plan on Anti-piracy Education and Training has been crafted to protect Filipino sailors from Somali pirates. The plan calls for, among other measures, the adoption of Best Management Practices (BMP) and components on traumatic psycho-social counseling to hostaged seafarers and their next-of-kin.
- The government is also making arrangements with ships' for-

eign principals and local manning agencies to travel along the maritime routes patrolled by the Combined Maritime Forces (CMF).

- A National Coast Watch System was established last year to enhance the operations of the Philippine Navy and Coast Guard to address maritime security challenges such as piracy, armed robbery and terrorism in the high seas.
- The Philippines sent a Liaison Navy Officer (LNO) to the CMF even as it seeks official membership of the Philippine Navy to the CMF to assume shiprider duties, command staff and boarding teams.
- The Philippines actively participates in the 70-nation Contact Group on Piracy off the Coast of Somalia. Apart from facilitating the operational coordination of an unprecedented international naval effort, it launched a new working group aimed at disrupting the pirate enterprise ashore, including its financial network through approaches akin to those used against organized transnational crime networks.

Conclusion

Because Filipino seafarers comprise a sizable portion of the entire world fleet going into harm's way, it is incumbent on the Philippine government to fully cooperate with other governments and undertake proactive and reactive measures to minimize the exposure of Filipino seafarers to pirate attacks.

Our country believes it can continue to contribute to fighting maritime piracy through the following:

- Assist in standardizing the training of crews;
- Continue to participate in the Contact Groups for Piracy in pirate-infested areas;
- Seek ways to assist in prosecution of pirates with a nexus to the Philippines;
- Ensure manning agencies are aware of Best Management Practices;
- Join Combined Maritime Forces, and;
- Pressure Flag States to enforce BMP compliance.

That concludes my paper. Thank you. ■

DOT EXPECTS REGULAR CALLS

Royal Caribbean calls Manila sooner than expected



Royal Caribbean's Legend of the Seas while docked at the Manila South Harbor.

The Royal Caribbean International's Legend of the Seas made its inaugural call on the ports of Manila and Boracay recently as part of the vessel's eight-night Southeast-Asia itinerary from Hong Kong to Singapore, with stopovers at Xiamen, China; Manila and Boracay, Philippines; and Kota Kinabalu, Malaysia.

The Royal Caribbean International, a Norwegian and American cruise line brand based in Florida, is one of the biggest and most famous cruise companies in the world. Its Legend of the Seas has a wide range of facilities which passengers can enjoy, ranging from a shopping center, golf course, rock-climbing wall, four-themed bars, casino, and theatre.

The Department of Tourism (DOT), in cooperation with the Philippine Ports Authority (PPA) and the Philippine National Police (PNP), extended its warmest reception to almost 2000 passengers from different countries on-board the vessel. They enjoyed a quick tour of Manila's famous tourist spots such as Intramuros and the Rizal Park. Completing their final course in the country, passengers were also given ample time the following day to explore the white sand beaches of Boracay, recently hailed as "2012 World's Best Island" by Travel + Leisure Magazine.

DOT Region VI Director Atty. Helen J. Catalbas, together with DOT Boracay OIC Mr. Artemio Ticar, Governor Carlito S. Marquez, Malay Mayor John Yap with wife Abigail, local tour guides, representatives from the media, private sector, and local government, were present during the simple program held inside the cruise ship. The Ati-atihan tribesmen in their vibrant costumes also welcomed and hyped everyone up at Cagban Port, Boracay with their drum beats as guests and

crew disembarked the cruise ship through a floating pontoon provided by Southwest Tours.

"Ten months ago at the ASEAN Tourism Forum in Indonesia, I met with top executives of the Royal Caribbean who hinted at commencing their Asia route to include the Philippines," Tourism Secretary Ramon R. Jimenez Jr. said.

"I never expected it would be this soon. The arrival of the Legend of the Seas would hopefully mark the start of the arrival of more foreign cruise liners to the Philippines, bringing along with them more tourists which would give the country's tourism industry a boost. With the country's transportation infrastructure program all laid out to include building and repair of major sea and jetty ports and harbors, we envision more international cruise liners to arrive at our shores and make cruise tourism a viable tour option," Jimenez added.

The cruise industry is one of the fastest growing travel sectors in the world. According to the latest industry figures, about 20 million passengers took a cruise last year with North America and Europe as the main markets. In the National Capital Region (NCR), the Philippines' premier gateway, international cruise visits are starting to contribute significantly to the total foreign arrivals. More cruise ships are scheduled to call on Philippine ports in 2013. ■

Chairman's Page (continued)

of views. One such forum in print is the China-US Focus, as indicated in its mandate.

China-US Focus does not accept provocative or challenging commentaries. Two forums hosted by China are the China-ASEAN Dialogue by Senior Defense Scholars (CADSDS) and the Xiangshan Forum. The China-ASEAN Dialogue between Senior Defense Scholars (CADSDS) series resulted from the announcement of President Wen Jia Bao's offer during the 11th China-ASEAN Leaders Meeting in Singapore to host a "China-ASEAN Dialogue among Defense Scholars". The Xiangshan Forum hosted likewise by the China Academy of Military Science (CAMS) is another such CBM discussion group.

The Center for America-China Partnership is the first American think tank combining "America-centric" and "China-centric" perspectives. The ACP conceptual framework, grand strategy and agenda "are also required to create sustainable confidence, balanced global economic progress, new defense systems, and a 21st century international system that can meet 192 nations' economic and national security needs. These are essential for preventing human extinction", as its website states. The White Paper for the Presidents of America and China was written at the request of Director General Dr. Huang Ping of the Chinese Academy of Social Sciences' Institute of American Studies for America-China Partnership.

It made its China-US Grand Strategy Proposal between Presidents Obama and Hu that "aligns the economic and national security of the U.S. and China and is not a treaty, does not require U.S. Senate confirmation, does not constitute a "G2" or an alliance between the U.S. and

China, or replace existing U.S. alliances. It is an improved framework for collaboration among all UN members pursuant to the Preamble and Article I of the U.N. Charter to achieve greater global geopolitical stability and economic development."

The proposed "Strategy Agreement" was drafted by John Milligan-Whyte, Dai Min and Dr Thomas Barnett "with input from China's former Minister of Foreign Affairs and US and UN Ambassadors, former Deputy Chief of General Staff of the PLA, former Military Attache to North Korea and Israel, former Vice Minister of Commerce and Secretary-General of the Boao Forum. The features of the proposal are summarized in an article by the authors on November 22, 2010 in People's Daily Online.

Many aspects of the Strategy however cannot be bilaterally resolved by China and the United States alone.

Conclusion

The idea of coming out with the theme Asia-Pacific strategic mutual trust: New approaches and ideas is indeed a valid one. There are so many approaches that can be discussed and supported.

Serious consideration, in my view, must be given to strengthening the ARF, and discussing some of these possible courses of actions under the ARF system or other fora.

It is to the best interest of all the countries in the Asia-Pacific rim, and the world in general, that we continue to explore all means to maintain peace and harmony in the world. Our own very existence depends on it. ■



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Winning the future for En

*Welcome Address of Former President Fidel Valdez Ramos
Chairman, Ramos Peace and Development Foundation
Inaugural Meeting of the Forum for Emerging Leaders of Emerging Markets
Organized by the Emerging Markets Forum (EMF)
in Collaboration with the Development Bank of Latin America, International Enterprise Singapore,
Ministry of Trade and Industry of Singapore
and the Asian Development Bank (ADB)
Sentosa Resort and Spa, Singapore
04 October 2012*

Let me add my own welcome to those already expressed here for all our participants and guests. This vibrant city-state of Singapore makes a ideal setting for this inaugural meeting of our Forum for Emerging Leaders of Emerging Markets.

No place better than Singapore exemplifies the kind of visionary leadership our countries need -- if they are to win the future for their peoples.

Singapore is a working model of strong and intelligent government that produces shared growth in the pluralist society. For emergent business, political and civil society leaders, Singapore has become a modern example of what is possible -- in one or two generations from now.

We Have Much To Learn From One Another

Let me also say I'm highly pleased by the Centennial Group's initiative to bring together young government and corporate leaders from East and South Asia, Eurasia, Latin America and Africa.

In this era of quickening globalization, we have much to learn from each other that will help us achieve our common vision of faster growth, greater political opening, and development that leaves no one behind.

What East Asia was able to accomplish from about 1965-1997 is a textbook example of the power of structural reform.

We Filipinos missed out on what the World Bank calls the "East Asian miracle" because we had allowed our economy to be turned inward long after our neighbors had opened up their economies to the stimulus of global competition.

As one result, the Philippine telecommunications industry had become so antiquated and so badly run (by an oligarchic monopoly) that, in 1993, Lee Kuan Yew was moved to say memorably that 98% of Filipinos were waiting for telephones, and 2% for dial tones.

Two years later, I succeeded in opening up the telecom industry. All

it took were just a couple of Executive Orders -- and some presidential arm-twisting.

Since then, the Philippines has become so interconnected that we've become the world's texting capital in terms of daily volume of messages. And the story of our telecom reform doesn't even end there.

Over these last 15 years, that single act of reform has generated a host of modern industries -- tripled our export growth -- opened jobs for millions of our young people -- and brought up Filipinos into the Internet, Facebook, Twitter, and Google 'pop' culture.

Last year, we overtook India as the industry leader in the call center sector; and, by 2016, our BPO (or business process outsourcing) industry is projected to employ over 1.33 million of our workpeople and earn our economy \$25 billion.

The Center Of Global Activity Is Changing

The age of ideological conflict is over as in WWII, the Korean War and the Vietnam War. The distribution of power in the world is changing in a basic way, and the center of global gravity is tilting away from the Atlantic, where it has been for the last 200 years -- not so much because the West is weakening, either economically or militarily, but because other power centers are rising in relative strength -- in Asia, in Latin America, and in Africa.

From Latin America -- Argentina, Brazil, and Mexico; and from Africa -- South Africa, and Nigeria -- these emerging States have all joined the concert of powers.

The Asian continent has given rise to the most heavily populated and most economically weighty of these new economic engines in the international system. Notable among them are China, India, South Korea,



Emergent Leaders

Indonesia, Thailand, and Malaysia and ASEAN-10 itself with 600 million people.

Typically, our countries as "late industrializers," have -- until now -- modernized by borrowing Western production systems -- and improving on them. But now that emerging economies like South Korea's are reaching technology's cutting edge, "industrialization by copying" will become less and less an option.

Latin America And Asia Both Richer And More Equitable

Between 2002 and 2008 alone -- according to *The Economist* (London, 11 September 2010) -- some 40 million Latin Americans, out of a total population of 580 million, lifted themselves out of poverty.

Today Latin America is not only richer; it is also more democratic. Over these past 30 years, many countries in Central and South America also exchanged various types of authoritarianism for representative, democratic systems. Latin American economies have become both richer and more equitable.

Meanwhile, Asia as a whole is on a growth path to regain its leading global economic position before the Industrial Revolution.

China's economy has become second only to the American colossus; and China is aiming to become "Number One."

India -- the world's other population billionaire -- is also coming up. And India's achievements -- particularly in communications and information technologies -- also feed its ambitions of great-power status.

Trade Among Emerging Continents Growing Fast

Economic exchange among our three continents is growing faster than before. Already China's and India's worldwide demand for commodities -- foodstuffs and raw materials -- has awakened the Latin American and African economies to the opportunities of the global market.

Meanwhile South Korea, Taiwan, and Singapore have all entered the ranks of the First World -- in barely one generation.

Japan -- the first Asia global power -- may have slipped into another period of economic sputtering but I have no doubt we shall soon be marveling again at the achievements of its remarkable people.

By 2025, Asia Will Have Three Of Five Greatest Powers

The Asian Development Bank predicts that by 2025, Asia should be home

to three of the five largest economies. By then, China, Japan and India will be competing with the United States and the European Union for the honor of being Number One.

And, if Asia continues to grow on the trajectory of the past 40 years, our continent could -- by 2050 -- account for more than half (52%) of global GDP, trade, and investment, from about 20-25% in 2010. Asian individual incomes could rise six-fold to equal the global average.

Some three billion Asians now mired in poverty and deprivation would become affluent by today's standards.

Asia as a whole could regain the leading global economic position it had held some 300 years ago -- before the Industrial Revolution. And, the 21st century could, indeed, become "The Asian Century."

The Dawning Of The Asian Century

But the economic and social projections of the Asian Development Bank -- while reasonable and optimistic enough -- also warn that Asia's ascent is "by no means pre-ordained."

To get to that desirable future, we Asians need not only to sustain the world's highest growth rates. We must also strengthen State capacity, open up our economies, ensure healthcare for our poorest families, and basic education for their children.

We must mitigate environmental degradation. And -- most important of all -- we must narrow the gap between rich and poor, between big city and small town. These socio-economic cleavages are growing in most every Asian country, despite more liberal policies on shared growth and equitable opportunities through State interventionism meant to promote policies of caring and sharing.

U.S. And China: The "Big Two" Of Our New Era

In our foreign relations, we must -- first and foremost -- maintain peace and stability in our home-regions and in the greater global community.

The United States and China have become the "Big Two" of this new era. Many of our future anxieties will center on their rivalries and intrigues; but I myself believe the continuing vitality of American democratic culture will negate any forecasts of its forthcoming decline.

Next page please...

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