



# MARITIME REVIEW

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## SHIPBUILDING



### Also Inside:

- » HERMA SHIPYARD INC. LAUNCHED A NEWLY BUILT TANKER
- » A NEED FOR A NATIONAL WILL TO FIGHT
- » ROBUST SHIPBUILDING INDUSTRY IS KEY TO MAKING PHILIPPINES A MARITIME POWER
- » PH NAVY GETS AN UPGRADED SHIPYARD FROM ISRAELI FIRM
- » TEN TRENDS INFLUENCING COMMERCIAL SHIPPING
- » GLOBAL MARITIME TRENDS FOR THE FUTURE OF SHIPPING



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# TABLE OF CONTENTS

## CHAIRMAN'S PAGE

04 *A Need for a National Will to Fight*

## SHIPBUILDING

06 *Herma Shipyard Inc. Launched a Newly Built Tanker*

08 *Conrad Shipyard Awarded Ferry Contract*

09 *PH Navy Gets an Upgraded Shipyard from Israeli Firm*

10 *Robust Shipbuilding Industry is Key to Making  
Philippines a Maritime Power*

12 *Tanker Newbuild Contracting to Hit a 10 Year High by 2025*

13 *South Korea's Shipbuilding Orders Hit a 12 Year High*

## SHIPDESIGN

14 *Deltamarin and Bar Technologies Unveil New Wind-optimized  
Hull and Superstructure*

## MARITIME STRATEGY

15 *Roadmaps and Programs - Part 1 of 4*

## TANKERING OUTLOOK

18 *Tanker Market Strengthens Despite Slowing Oil Demand Growth*

## SHIPPING

24 *Global Maritime Trends for the Future of Shipping*

26 *Ten Trends Influencing Commercial Shipping*

## MARITIME EVENT

28 *The 67th Establishment Anniversary of Naval Special  
Operations Command*

## NAVAL SPECIAL OPERATIONS COMMAND

30 *Beyond the Horizon - Innovations Toward Organizational Success*

## MARITIME HISTORY

32 *Submarine Operations in the South China Sea/West  
Philippine Sea: A Historical Backgrounder*

## BOOK REVIEW

36 *Book Review: Commanding Petty Despots - The American Navy*



## ABOUT THE COVER

*HERMA SHIPYARD INC. (HSI) is strategically located in a freeport area in Bataan and holds a reputation of world class facilities and service standards. HSI has built 11 internationally classed, double-bottomed, double-hulled tanker ships. Herminio "Hermie" Esguerra, is owner, founder, Chairman, and CEO of the HERMA Group of Companies. The Herma Group has 8 active companies providing petroleum supply chain, maritime transport, ship building and environmental management services to foreign and domestic industrial partners. In 26-January-2024, HERMA launched a 254-footer oil tanker named MTKr Mayabong in HSI located in Mariveles, Bataan.*



# A NEED FOR A NATIONAL WILL TO FIGHT

by VAdm Emilio C Marayag Jr AFP(Ret)



The continuing harassment of China Coast Guard (CCG) reached an unprecedented level in late March 2024 when three (3) Filipino troops on a replenishment mission were wounded after CCG cutters 21555 and 21551 attacked by water cannons the civilian wooden-hulled supply boat *Unaizah* May 4 carrying passengers and supplies intended for the Philippine stranded ship BRP *Sierra Madre* in Ayungin Shoal (Second Thomas shoal).

The incident irritated President Ferdinand Marcos Jr who said that “Filipinos will not be cowed into silence, submission, or subservience.” He then signed Executive Order No. 57 strengthening the nation’s maritime security and maritime domain awareness to effectively protect our maritime zones and vigorously seek options to prevent repetition or escalation of unwanted actions in the West Philippine Sea (WPS) and other areas where the country exercises sovereign rights.

President Marcos’ resolve to address the country’s maritime issues did not escape other nations’ attention including the US whose President invited President Marcos to attend a trilateral meeting with the U.S. and Japan on April 12, 2024. The summit discussed the conduct of joint patrols in Indo-Pacific waters in 2025, reaffirmed the commitment of the 3 countries to international law in South China Sea (SCS), and made initial plans to launch a new economic corridor in the Philippines as part of G7 Partnership for Global Infrastructure Investment involving projects on clean energy, ports and agriculture. The meeting sends a clear response to China’s “adventurism” in the SCS.

Under the UN Charter conflicts between states and non-state actors must be resolved peacefully within the ambit of international law. Some analysts advance that contemporary conflicts are classified as *state*, *hybrid*, and *non-state*.

State conflicts involve the employment of large-scale military force and advanced technologies across the five-dimensional battle space to prevail over an adversary. Their probability of occurrence is the lowest among the three but the consequence is the highest in terms of human, physical, and financial costs.

Hybrid conflicts, on the other hand, combines conventional and irregular forces and employs asymmetric systems to “create ambiguity, seize the initiative, and paralyze the opponent.” Their probability of happening is higher than state conflicts but the consequence is lower.

Non-state conflicts utilize small units and networks to undermine governments and gain control of the population. Compared with state and hybrid conflicts, non-state conflicts occur more frequently but with a less devastating outcome.

China’s maritime campaign in South China Sea including the West Philippine Sea is a form of a hybrid conflict. This campaign started in 1974 when China seized full control of the Paracels situated in the northern portion of South China Sea, equidistant from Vietnam’s eastern coastline and China’s Hainan province, and some 700 miles west of Zambales. In 1978 China engaged the Vietnamese navy in the Spratlys resulting in dozens of fatalities. It then established permanent presence in several features in the Spratlys that are far beyond China’s maritime zones: Fiery Cross Reef, Subi Reef, Mischief Reef, 1st Thomas Shoal, Gaven Reef, Johnson Reef South, Ladd Reef, Len Dao Reef, and Cuarteron Reef. Fiery Cross, Mischief and Subi reefs have been reclaimed as artificial islands and fortified to accommodate PLA Navy’s air and surface assets as well as militia boats.

To put up a semblance of legitimacy in the entire Spratlys, China established two administrative districts, covering nearly 90% of the South China Sea, under the local government in Sansha

located in Woody Island and within the authority of China's Hainan Province. Sansha's Nansha district based in Fiery Cross Reef covers the Spratly Islands; while the Xisha district collocated in Sansha handles the Paracels, the Macclesfield Bank and the Scarborough Shoal. China has devised a four-pronged strategy to protect its maritime gains in the SCS: totally ignore the 2016 Arbitral Ruling, permanently occupy its island bases and features, regularly patrol Spratly waters employing its 3 seagoing forces, and wear off the other claimants through persistent dissemination of false and threatening narratives.

Among the claimant countries in the SCS, the Philippines has been a victim of incessant harassment. Of late is an incident in Bajo de Masinloc on April 30, 2024 when China's CCG-3105 and CCG-5303 cutters supported by several China Maritime Militia (CMM) boats water-cannoned and rammed BRP Datu *Bankaw* (MMOV-3004) causing damages on the Philippine supply boat's radio communications and electrical systems. A nearby Philippine Coast Guard ship BRP *Bagacay* (MRRV-4410) was also hit and sustained damages on its railings and other main deck temporary structures. As expected, China issued a false narration of the incident.

The Philippine government has time and again reacted passively. Some quarters are alarmed with this pacifist stance but few asked if we have the *national will to fight* in case the hybrid war escalates into a state conflict. While the probability of state conflict remains low, the Philippines may have to undertake preparations to confront the challenge, with alliance or partnership support, or on its own.

The *national will to fight*, as defined by a think tank, is the "determination of national government to conduct sustained military and other operations for some objective even when the expectation of success decreases or the need for significant political, economic, and military sacrifices increases." The responsibility to initiate, continue, and end the engagement in war is the "national" government. The political decisions to press on with operations during a conflict refer to the "will." Such decisions set aside the personal issue of bravery and are based on thorough deliberations on three vital components: resource, economic, and moral. The "fight" pertains to the employment of military force and other aspects of national power in accordance with a strategic plan. This would include non-kinetic activities like diplomatic initiatives, economic pressures, and informational efforts.

The same policy institute cites that the *national will to fight* has 4 centers of gravity: government, population, military, and international community. In arriving at the decision to engage, there are 7 factors to consider: government type, social cohesion, economic resilience, national identity, stakes/interests, popular support, and conflict duration. These factors depend on 4 relevant conditions that do not change abruptly: civil-military relations, military capabilities, economic leverage, and allies/partners. The 4 enablers that strengthen or weaken the *national will to fight* include economic pressures, engagement with international community, messaging/indoctrination, and casualties.

Of the 4 centers of gravity of the *national will to fight* the military takes the largest slice in resource allocation due to its complex systems of human and physical resources that are used to engage an adversary. The military capability (fighting power) of a nation consists of 3 components.

The first is the conceptual component that refers to the

principles of war, warfighting doctrines and thinking processes.

The second is leadership in the organizational, operational and people dimensions.

And the third is physical that comprise of manpower, equipment, readiness, and sustainability. Given the country's population trend, manpower requirements could easily be filled up. On equipment, a balanced sourcing between foreign and domestic maybe considered. The nation's shipbuilding and ship repair industries could be tapped to design, construct, and maintain ships for maritime operations. The readiness of the forces and their sustainability are functions of manpower and equipment.

The conceptual and leadership components are predominantly qualitative; while the physical component is basically quantitative. Technology pervades all components.

The sum of the *national will to fight* and the nation's military capability is called *military effectiveness*, the ability to produce favorable military outcomes. This effectiveness is complemented by the type of government, culture, civil-military relations, and human capital.

Democratic political institutions cultivate superior leadership and initiative in the battlefield and democratic states win more battles than non-democratic states.

Culture implies that the norms and values of the society and military organizational structure are important in winning battles.

The relations between the civilian and military leaders are vital in making sure that military ethos, like discipline, esprit d' corps, and meritocracy, are observed and respected by the civilian leaders who must maintain their oversight functions.

On human capital, some studies found that better educated soldiers are more receptive to training, more proficient at operating and maintaining sophisticated equipment and platforms, and more capable in executing tactical maneuvers in the battlefield. As Vietnamese Army General Võ Nguyên Giáp once quipped: "In war there are two factors: human beings and weapons. Ultimately, though, human beings are the decisive factor. Human beings! Human Beings!"

A survey group in March found that "77% of Filipino adults are willing to fight for the country in case of external conflict." But the society's elite, media, peasants, and other advocacy groups are silent. So are the top officials in government and Congress. On the other hand, the country's armed forces joined a Maritime Cooperative Activity with 3 other nations and participated in the annual bilateral exercises with an ally. These maritime engagements demonstrate a collective commitment to strengthen regional cooperation in support of freedom of navigation in the Indo-Pacific waterways.

The *national will to fight* requires high level political discussions, multilateral exercises, and tactical training. There is a need to craft a comprehensive plan that includes threat assessment, contingency plans, war gaming, doctrines update, and strategic guidance on intelligence, force planning, potential operations, international engagements, and messaging. This whole-of-nation plan must clarify the roles, responsibilities, priorities and tasks of every government agency and the civil society to address the diplomatic, informational, economic, and military efforts of the national command authorities.



## HERMA SHIPYARD INC. LAUNCHED A NEWLY BUILT TANKER

by James Jimenez

**M**ariveles, Bataan – On Friday, January 26, 2024, Herma Group Chairman and CEO Herminio S. Esguerra christened a brand new 12MB tanker, M/Tkr Mayabong. Built by Herma Shipyard Inc. (HSI) – a proudly 100% Filipino-owned ship building and ship repair company under the Ship Building and Maritime Infrastructure Division (SBMID) of the Herma Group – M/Tkr Mayabong will take her place in the growing fleet of sister company Herma Shipping and Transport Corporation (HSTC).

The 77.417 meters (254 Ft) long tanker is designed to handle a maximum of three totally segregated grades of petroleum products simultaneously. It has a total capacity of 2,208.88 cubic meters, or 12,000 U.S. barrels.

### Launching Ceremony

To the musical accompaniment of the Banda Kawayan Ensemble of the Polytechnic University of the Philippines (PUP), a launching ceremony was held to mark the auspicious launch of M/Tkr Mayabong.



In attendance were Chairman Esguerra, SBMID Managing Director Emelito A. Sosa; Marine Transport and Services Division Managing Director Primo R. Agbayani; Corporate Services Division Managing Director Judithea Esguerra-Ibuyan; Environmental

Management Services Division Managing Director José Exiquel Esguerra; Member of the Board of Directors of the Herma Group of Companies, Atty. Gabriel B. Esguerra; Herma Shipping and Transport Corporation COO Peter Huang; HSI COO Atty. Nathaniel S. Joquiño; and Petroleum Supply Chain Division COO Benedict Julius F. Ibuyan.



Witnessing the event were guests representing HSI's various business partners and stakeholders including the Maritime Industry Authority (MARINA), the Philippine Registry of Shipping (PRS), and Pioneer Insurance as well as guests from the Maritime League, the premiere Philippine maritime foundation that works to advance the interests of the maritime industry. Representing the league were Vice Admiral Emilio C. Marayag AFP (Ret) Vice President of the Maritime League, and Ms. Vicky Viray, Trustee and Editor of the Maritime Review.





### A Commitment to Excellence and Hard Work

Shipyards workers also took part in the ceremony, alongside various members of the Herma Family who had made the trip to Bataan from Manila.

#### The Chairman Speaks

In his inspirational speech before the assembled audience that was a mix of VIPs and shipyard workers, Chairman Esguerra acknowledged the contributions made by everyone in the early completion of M/Tkr Mayabong. He, however, made special mention of those he called “the real builders.”

To unanimous acclaim, the Chairman applauded “the ship fitters, welders, painters, blasters, valve mechanics *lahat ng involved sa paggawa ng M/Tkr Mayabong –pinapalakpakan po.*”

“*Tayong mga nasa top management, hindi natin magagawa (ang ginagawa nila.)*,” the Chairman continued. “*Taga isip lang*



*tayo, taga inspire.*”

Chairman Esguerra underscored the tremendous impact of Herma’s ship building on keeping Filipino families intact. He declared “*When we build (a ship) locally, we are preventing the separation of the family, which is the basic community in the country. Imbes na pumunta sa ibang bansa at mahiwalay ang mag-asawa dahil ang lalaki ay nagtatrabaho sa ibang bansa,*” Chairman Esguerra explained, “*now, we are preventing them from being separated from their family and to me, this is very important – dahil ang social implications nito ay malaki.*”

Chairman Esguerra then outlined future plans for the shipyard, including the completion of the slip dock that would double the capacity of the yard. “*Herma is contributing to nation building of this country,*” Chairman Esguerra declared, adding that with all the construction projects lined up for 2024, “*our plate is full.*”

Also speaking at the launching ceremony, was HSI COO Atty. Nathaniel S. Joquiño, Capt. PN (Ret), who said, “*M/Tkr Mayabong is a testament to Herma Shipyards’ commitment to excellence and the capability of the Filipino maritime industry. The vessel not only meets the highest standards for safety and efficiency, but also exceeds all expectations.*”

The building of M/Tkr Mayabong ensures adherence to Marina rules and the Philippine Registry of Shipping class rules and regulations. The vessel fully complies with various international conventions and satisfies all safety and operational standards required by the Ship Inspection Report Program (SIRE).

SBMID Managing Director Emelito A. Sosa, in his speech, thanked the men and women of HSI who “*sailed with us in both rough and calm seas,*” as he recalled, “*itong barkong ito ay hindi inantala ang maraming pagsubok.*” He enumerated the challenges faced in the construction of the vessel which were nevertheless overcome through hard work.

Mr. Sosa especially thanked Chairman Esguerra, saying “*Sir, you continue to be the leading light towards our plotted course,*



*you always steer us towards realization of Herma Family’s goals.*

#### World-class Partnership

Reached for comment, Peter Huang, COO of HSTC summed up the triumphant day for the Herma Group. “*The successful launch of M/Tkr Mayabong highlights the long-standing partnership between Herma Shipping and Transport Corporation and Herma Shipyards, together with our valued industry partners MARINA, PRS and Pioneer Insurance. Together, we have shown yet again our world class capability to build and operate tankers to serve the growing needs of our charterers here in the Philippines.*”

# CONRAD SHIPYARD AWARDED FERRY CONTRACT

by Conrad Industries



**M**ORGAN CITY, Louisiana. Conrad Shipyard is pleased to announce that it has been awarded a contract by the Puerto Rico Maritime Transit Authority (PRMTA) for the construction of 4 cargo and passenger ferry vessels.

The ferries, designed to carry 300 passengers and 300 short tons of cargo, will operate between the Municipality of Ceiba and the Municipality Islands of Vieques and Culebra in Puerto Rico. Conrad expects to deliver the first ferry to San Juan, Puerto Rico in late 2024.

The passenger amenities incorporated into the ferries were designed with comfort and convenience in mind, enhancing the overall experience for those traveling between Puerto Rico's ports.

With modern propulsion systems, and advanced design techniques for optimum space utilization, these ferries will stand the test of time and service the residents in the following decades to come.

"We are honored to have been selected by the Puerto Rico Maritime Transit Authority for this important project," said Johnny Conrad, Chairman and CEO of Conrad Shipyard.

"This contract supports our commitment to delivering quality vessels that prioritize safety, efficiency, and passenger comfort. We look forward to partnering with the Puerto Rico Maritime Transit Authority once again to deliver these vessels."

Conrad previously built and delivered two ferries to PRMTA which are still operating in and around Puerto Rico today.

"We are excited to work alongside Conrad Shipyard on this project," stated Josué Menendez Agosto, Executive Director of PRMTA.

"These new ferries will play a vital role in improving connectivity across our region and facilitating the movement of both passengers and vehicles to and from the Island Municipalities. These new vessels will provide the much-needed resiliency that the residents from the island municipalities of Vieques and Culebra need during normal operations and under emergency situations. Based on our past relationship, we are confident that Conrad Shipyard's dedication to excellence will result in vessels that exceed our expectations."

Conrad Shipyard, established in 1948 and headquartered in Morgan City, Louisiana, designs, builds and overhauls tugboats, ferries, dredgers, barges, offshore supply vessels and other steel and aluminum products for both the commercial and government markets.

Conrad Shipyard provides both repair and new construction services at its five shipyards located in southern Louisiana and Texas. For more info, please contact Robert Sampey, Vice President of Conrad Industries: 985.384.3060 • [rasampey@conradindustries.com](mailto:rasampey@conradindustries.com)



**CONRAD**  
**SHIPYARD**

Source: <https://www.conradindustries.com/wp-content/uploads/2023/08/Conrad-Shipyard-PRMTA-Ferries-Contract-Award.pdf>



Naval Station Pascual Ledesma, Cavite City. Photo courtesy of Philippine Navy Modernization Office

## PH NAVY GETS AN UPGRADED SHIPYARD FROM ISRAELI FIRM

by Priam Nepomuceno | Philippine News Agency

The Philippine Navy (PN)'s capability to build its own warships, particularly the small and hard-hitting fast-attack interdictor craft missile (FAIC-M), got a needed boost after Israel Shipyards Ltd. transferred the documents and keys of a newly-refurbished shipyard to its possession.

Navy spokesperson CAPT Benjo Negranza said the upgraded shipyard is located at Naval Station Pascual Ledesma in Cavite City. The turnover was presided over by the head of Naval Sea Systems Command Commodore Mac Raul Racacho. CAPT Negranza said the documents and keys were transferred by Israel Shipyards Ltd. marketing director Noam Katsav as part of the FAIC-M acquisition project.

The Navy's FAIC-Ms are the BRP Nestor Acero (PG-901) and BRP *Lolinato To-Ong* (PG-902), also known as the Acero-class patrol boats. Seven more of these vessels are expected to be delivered within the next two years. The documents and the keys of the refurbished shipyard were received by the head of the PN's naval shipyard, Navy CAPT Nestor Galindo, for initial operation and sustainment.

*"The newly-refurbished naval shipyard will facilitate the local construction of the three FAIC-M vessels, which will form part of the fleet of PN's Acero-class patrol gunboats. Its formal handover ceremony last May 2023 is part of the Navy's pre-anniversary activities,"* Navy CAPT Negranza said.

He added that this is a significant milestone for the shipbuilding capability of the PN and at the time boosts the country's Self-Reliant Defense Posture Program (SRDP), one of the current 10-point agenda of the Department of National Defense.

The 32-meter long FAIC-Ms are high-speed vessels equipped with quick intercept ability, remote stabilized weapons, and short-range missiles that are capable of delivering precision strikes against larger hostiles and high-value targets on land and at sea. Four of the FAIC-Ms will be armed with non-line-of-sight (NLOS) missiles with pinpoint accuracy and a range of 25 kms, while the other 5 will be armed with Typhoon-mounted 30mm main cannons and .50 caliber heavy machine guns.

The acquisition of these FAIC-Ms is among the 2019 projects approved by former President Rodrigo Duterte under the Horizon 2 List of the Armed Forces of the Philippines Modernization Program.

The notice of award for the FAIC-M project worth around PHP10 billion was issued on 5-January-2021. These are expected to replace the PN's medium-sized patrol craft. Once deliveries of the FAIC-Ms are completed, these vessels can interdict surface threats and launch NLOS missiles safely using the surrounding littoral areas as maneuver space and cover.

Earlier, PN Chief Vice Admiral Toribio Adaci Jr. said the Navy is planning to acquire at least 15 more Israel-made Shaldag Mark V missile boats, which are the basis of its Acero-class patrol gunboats. He said the additional Acero-class gunboats would help them meet their requirements in "patrolling the seas of the country." VADM Adaci also said the FAIC-Ms will be assigned to the Littoral Combat Force.

*Printed with permission by the author.*

**About the Author.** Mr. Priam F. Nepomuceno graduated from the Polytechnic University of the Philippines in 1998 with a degree in Journalism. Shortly after, he started his reportorial career with *Malaya*, an English broadsheet covering police beats, Department of Labor, Commission on Elections, NBI, Department of Justice, Court of Appeals, Supreme Court, and maritime regulators like the Philippine Coast Guard, Philippine Ports Authority, and the Maritime Industry Authority. In 2006-2007, he undertook editorial desk jobs with *The Philippine Chronicle* and *Punto*. In 2008, he joined the Philippine News Agency as a stringer covering a variety before being promoted to Senior News Reporter in August 2015. Since 2012, Mr. Nepomuceno has focused on the Department of National Defense and attached agencies. He has written extensively on the AFP Modernization, West Philippine Sea, and related security issues.

Source: [https://www.pna.gov.ph/articles/1196413?\\_\\_cf\\_chl\\_tk=MM\\_EcZuMjr7Bb3LwlchTKyMYwRBEEmE\\_LnGcd2jEz2CA-1691117000-0-gaNycGzNCmU](https://www.pna.gov.ph/articles/1196413?__cf_chl_tk=MM_EcZuMjr7Bb3LwlchTKyMYwRBEEmE_LnGcd2jEz2CA-1691117000-0-gaNycGzNCmU)

# ROBUST SHIPBUILDING INDUSTRY IS KEY TO MAKING PHILIPPINES A MARITIME POWER

by Kyle Aristophere T. Atienza



*Propmech Corp is a company that has built over a thousand vessels for the Philippines' defense forces, such as this high-speed tactical water craft. Photo Credit: Propmech.*

**T**HE PHILIPPINES should build a self-reliant coastal defense system and support local shipbuilders if it wants to become a maritime hub, experts and a local shipbuilder said.

*"Maritime security is a necessary condition for developing the Philippines as a maritime hub,"* said George N. Manzano, a trade expert from the University of Asia and the Pacific.

*"If there are dangers from piracy and armed threats, there will be commercial risks in investing in maritime transactions, making the Philippines less attractive,"* he said in an e-mail.

During the campaign, then-presidential candidate Ferdinand R. Marcos, Jr. had promised to develop the maritime sector and make the Philippines a "logistics hub."

In 2021, there were 118 registered shipyards in the Philippines scattered across the country, 17 of which belong to the medium-large scale category, according to the Maritime Page website.

One of them is Propmech Corp, a company that has built over a thousand vessels for the Philippines' defense forces with the help of its 900 employees in different sites across the country.

Glenn Tong, Director at Propmech, said the government should prioritize local shipbuilders over foreign companies in securing maritime assets for the defense sector if it wants to

make the Philippines a "great shipbuilding" and maritime hub.

*"After all, how are we going to develop if our own government does not support [us]?"* he told *BusinessWorld* on the sidelines of a media tour of its shipyard in Subic Bay Freeport last week.

*"The government plays a big role in this. Hopefully, it will give more opportunities to local companies or some preference to keep local companies' services for the long term,"* Mr. Tong said. *"The ability locally is not able to grow unless you maintain a force here who can do the work effectively."*

Mr. Tong cited the lack of local materials used for building ships as one of the main challenges facing the local shipbuilding industry.

*"A lot of raw materials required to build vessels such as steel, resins, among others, still need to be brought in,"* he said.

Another challenge is ensuring there are skilled and capable workers available for the industry, he said.

Mr. Tong said it's also "costly" to maintain operations locally, citing the high electricity rates. *"The Philippines is uniquely suited to be a maritime nation. But of course, there are some challenges,"* he said.

Mr. Manzano said that having a local shipbuilding industry can help enhance the maritime security on the supply side by



providing assets such as sea craft and surveillance systems, among others, to law enforcement agencies.

*“However, this is not a sufficient condition because the assets can be procured from foreign suppliers. It really depends on the prices, which are a reflection of the competitiveness of the shipbuilding sector,”* he said.

Lack of funds has prevented the Philippine defense establishment — one of the weakest in the world — from achieving its goal of becoming self-reliant in terms of assets.

One of the “signature” products of Propmech is the Philippine Navy’s first-ever missile-capable boats.

With speeds of up to 83.3 kilometers (km) per hour and an operational range of 650 km on a full tank, the 17-meter multipurpose attack craft (MPAC) is widely used for patrols, logistical purposes, and search and rescue operations.

Propmech has improved each MPAC model based on recommendations from the Philippine Navy.

*“As a maritime nation with high stakes in the maritime industry (since the Philippines is a big player in maritime human resource), it is important that commercial maritime vessels understand maritime security,”* Chester B. Cabalza, a maritime security expert, said in a Facebook Messenger chat.

Maritime security *“should be imbedded”* in their operational manuals *“since there are transnational maritime issues that could paralyze the industry.”*

During the media tour, Propmech showed its ongoing work on a batch of watercraft for the Philippine Marines — a total of 16 vessels with a contract price of P338 million.

*“Part of the rationale of elevating our shipbuilding industry is to boost our national defense,”* Michael Henry Ll. Yusingco, a policy analyst who has closely observed geopolitical issues confronting the Philippines, said via Messenger chat.

*“Building ships for our Navy and Coast Guard will compel us to develop our own cohort of experts and technicians,”* he added. *“Ultimately, it will wean us away from relying too much on our foreign allies for our defense.”*

Mr. Yusingco said the local shipbuilding industry has made some progress but there is still much potential.

In March 2023, the largest aluminum ferry built in a Philippine shipyard was delivered to Molslinjen, Denmark’s largest passenger ferry company. The shipyard is owned by Australian shipbuilder Austal Limited.

*“If indeed this government is serious in elevating our shipbuilding industry, then they have to bring together the key stakeholders,”* Mr. Yusingco said.

*“The education sector must be on board to provide a steady source of human resources with the needed skills and aptitudes*

*in shipbuilding. Coastal areas must also be involved in any plans to develop the shipbuilding sector,”* he added.

## STRONG ECOSYSTEM

Propmech, which has vowed to help the Philippines become the “maritime capital” of the world, hopes the government will help develop a robust “ecosystem” for local shipbuilders.

*“A lot of subservices for shipbuilding are not yet available here, which is one reason why we have to do everything. We have to do the engine installation; we have to do everything — unlike in other countries where there are specific support groups that can do some needed operations.”*

Mr. Tong hopes that the Philippine government’s push for economic liberalization will not disadvantage local shipbuilders but will give them opportunities to partner with foreign entities.

*“What we’re hoping is that in the long term, we can create a strong shipbuilding ecosystem in the Philippines, which will allow shipyards to do certain things while getting expertise from other partners.”*

Propmech, a family business that has over 70 years of experience, began its operations as a distributor of marine engines in 1991 before expanding its services to vessel refurbishing, boat building and maintenance more than ten years later.

It has since entered into contracts worth about P20 billion with government agencies including the Philippine Navy (PN), Philippine Coast Guard (PCG), Philippine National Police (PNP), and the Bureau of Fisheries and Aquatic Resources (BFAR).

*“The Philippines is not lacking in talents and expertise on shipbuilding in the global maritime industry since the Philippines is an archipelagic and a maritime nation,”* Mr. Cabalza said.

*“If we don’t see ourselves as a maritime nation like our forebears did, then we may not accept the sacrifices that must be made to become a shipbuilding superpower,”* Mr. Yusingco said. *“We may not be willing to do the hard work. This challenge even weighs heavier on our political leaders because they are the beneficiaries of the untenable status quo.”*

## About the Author

*Kyle Aristophere T. Atienza is a multimedia journalist who covers the Philippine president and geopolitical issues for BusinessWorld, the first economic daily in Southeast Asia. He also writes stories on governance issues and the concerns of Philippine civil society.*

Source: <https://www.bworldonline.com/top-stories/2023/04/18/517335/robust-shipbuilding-industry-key-to-making-phl-a-maritime-power/>

# TANKER NEWBUILD CONTRACTING TO HIT A 10-YEAR HIGH BY 2025

by Niels Rasmussen | BIMCO



Oil Tanker Gem No. 1. Photo credit: Fleet Management Ltd.

During the first 8 months of 2023, contracting of product tanker newbuilds hit a 10-year high, reaching 140 ships and 10.72 million deadweight tons (DWT). The last time more than 10 million DWT were contracted from January to August was in 2013.

Newbuild tanker contracting activity during the past 5 years has been low at about 5.46 million DWT per year.

Moreover, the tanker order book hit a low of 9.67 million DWT in December 2022, the smallest order book since June 2001.

Due to the low contracting of ships, the fleet has only grown at an average annual rate of 2.6% between 2018 and 2023.

Deliveries from the current order book will remain low until 2025, when they are expected to exceed 8 million DWT for the first time since 2009 as shown in the chart below.

Deliveries may end higher as ships can still be contracted for 2025 delivery and beyond.

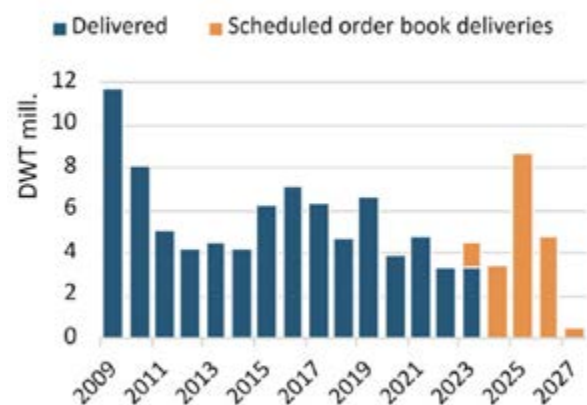
However, recycling of ships will temper future fleet growth although markets are expected to stay strong through at least 2024. This will incentivize ship-owners to keep their ships in operation for longer.

In addition, the sanctions on Russian oil product exports by G7 countries appear to have created new trades where the older product tankers remain in demand.

Still, 9% of product tankers, equal to 11.65 million DWT and 6% of the total fleet, are currently more than 20 years old and are prime targets for recycling, not least due to the tightening greenhouse gas emission targets.

Despite decarbonization regulations, the share of ships in the order book that are planned to use some type of alternative fuel remains low.

## Product tanker newbuilding deliveries



Source: Clarksons Research

Only 16% of the ships and the DWT in the order book are currently expected to be prepared for the use of an alternative clean fuel.

Decarbonization's impact on the demand side must also be a consideration when planning the future fleet.

According to estimates by the International Energy Agency, demand for transport fuels will peak in 2026, and though demand for petrochemical feedstock may continue to grow, the overall peak demand may still be within sight.

Balancing the need for fleet renewal to meet future decarbonization targets while considering the potential for waning demand due to decarbonization remains a key challenge when planning new orders.

Source: BIMCO, <https://www.bimco.org/news-and-trends/market-reports/shipping-number-of-the-week/20230921-snow>





*World's first methanol-powered container ship, Laura Maersk, built by Hyundai Mipo Dockyard in Ulsan, Korea.*

## SOUTH KOREA'S SHIPBUILDING ORDERS HIT A 12-YEAR HIGH

by Vicky Viray Mendoza

**New, Value Added, Eco-Friendly Ships.** Shipbuilding exports are taking the lead in Korea's exports in the first half of the year. During this span, Korea's exports rose 11.9% year on year. The Korean shipbuilding industry secured four years' worth of work through the end of the first half of this year. This is the largest order backlog in 12 years. The global ship price index is also at its highest since 2008.

The Korean Ministry of Trade, Industry and Energy (MOTIE) said Korea's ship exports reached US\$9.22 billion in the first half of this year, up 11.9% from the same period last year. Exports rose as increased orders from 2021 led to production and a ship price hike took effect. First-half orders to Korean shipbuilders accounted for 29% of total global orders. Korea shipbuilders kept its top spots in orders for high-value vessels and eco-friendly vessels in the world, accounting for 61% and 50% of their global orders, respectively. Korean shipbuilders' order backlog is at a 12-year high of 38.80 million compensated gross tonnage (CGT), up from 39.88 million CGT in 2011. They now have four years' worth of work. At 170.9, the ship index is at its highest level since 178.0 in 2008. The price of an LNG carrier in particular reached a record high of US\$260 million.

The Korean shipbuilding industry landed 44% of the total global orders in July, overtaking the Chinese shipbuilding industry to become the world's top monthly shipbuilding order taker for the first time in five months since February 2023. Including July's results, Korean shipbuilders' global market share is 30% in new shipbuilding orders, 59% in valued-added vessels, and more importantly, 51% in eco-friendly ships.

HD Hyundai secured orders for 43 methanol-powered container ships worldwide and stands at the forefront of the next-generation eco-friendly ship market. HD Hyundai is propelling the eco-friendly shipbuilding market forward with the world's first 2,100 TEU-class methanol-powered container ship, Laura Maersk, built by Hyundai Mipo Dockyard, which has 10 large-scale drydocks and 9 huge Goliath Cranes. This vessel is a milestone as the first of 19 methanol-powered ships ordered by global shipping giant A.P. Moller-Maersk. It marks the world's inaugural container ship using methanol as fuel as the next-generation ship fuel to

LNG. Maersk, with a goal of carbon neutrality by 2040, introduces methanol-powered ships as its pivotal first step.

The 400-sq.-kilometer island of Geoje is home to shipyards run by Samsung Heavy Industries, and Daewoo Shipbuilding & Marine Engineering, the world's third and fourth largest shipbuilders, alongside a number of subcontractors with construction know-how. It once boasted the highest gross regional product in South Korea around 10 years ago, during the industry's boom. Samsung Heavy Industries is employing 80 Indonesian workers this year at its Geoje facility.

South Korean shipbuilders command nearly 90% global share in LNG tankers despite the high level of expertise needed to construct the vessels. But the industry does not have the workforce to meet the sudden jump in demand.

At every shipyard operated by the Big Three players – Samsung Heavy Industries, Daewoo Shipbuilding, and Hyundai Heavy Industries – construction schedules are fully packed through the end of 2025. The backlog reached a point where orders have been diverted to China, whose quest to transform itself into a shipbuilding power was boosted by the Ukraine war.

Orders for LNG tankers increased 2.3-fold last year, according to British market intelligence firm Clarksons Research. South Korean shipbuilders captured roughly 70% of that demand while the rest went to China, where the surge in business is furnishing shipbuilders with increased technological expertise. With Japanese shipbuilders having fallen behind the competition, South Korean firms remain the only players that can compete against the growing Chinese new builds.

If South Korea's shipbuilding industry slowly loses its market share to China, expanding the workforce appears a crucial response if the sector is to avoid the same fate as Japan's.

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# DELTAMARIN AND BAR TECHNOLOGIES UNVEIL NEW WIND-OPTIMIZED HULL AND SUPERSTRUCTURE

by DELTAMARIN



February 14, 2024 – Deltamarin and BAR Technologies introduce a new co-developed wind-optimized hull design. The partnership highlights Deltamarin and BAR Technologies' ongoing dedication to decarbonization and forward-thinking innovation.

The latest Aframax/LRII design, named Aquilo, represents a significant leap in overall performance by integrating state-of-the-art hull design with WindWings® technology. Recognizing uncovered potential in both existing ships and new builds, the collaboration focused on rethinking the concept design while optimizing hull and propulsion for substantial wind assistance.

The design ensures aerodynamic optimization through the positioning of the four WindWings® and the AeroBridge®, novel aerodynamically superior deck house design. The hull's main

dimensions and characteristics have been optimized for operation with significant wind assistance. These advancements collectively contribute to a remarkable improvement in fuel efficiency. The simulations indicate a day consumption of less than 26.8mt/d at 14.5 knots and around 12.6mt/day at 12 knots in an average global route.

This positions *Aquilo* as the new benchmark in sustainable ship design.



Deltamarin and BAR Technologies unveil a new wind-optimized hull and superstructure.

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Source: <https://deltamarin.com/2024/02/deltamarin-and-bar-technologies-unveil-a-new-wind-optimized-hull-and-superstructure/>



# ROADMAPS AND PROGRAMS – PART 1 OF 4

by KARL M. GARCIA



Roadmaps are very important in setting the direction of every organization. But what is a roadmap? Austin (2013) defines a roadmap as a document that establishes a plan for accomplishing a particular strategic goal and describes why the goal is in place. The basic road map includes a charter, strategy and an assessment tool.

Some people believe that roadmaps or strategic plans are just hurdles to development, because they inhibit changes and discourage the organization from considering out-of-the box alternatives.

Mintzberg (1994, p.180) asserts that roadmaps may inhibit creativity and do not easily handle truly creative ideas. Moreover, Mintzberg (1994, pp. 180-202) enumerated some of the negative aspects of roadmaps or strategic plans, which include the following:

- a. It is very hard to ensure commitment at the top, because in some ways, strategic planning reduces executive decision-making power;
- b. If misused, roadmaps might become a tool for gaining control over decisions, strategies, present or future actions, management, employees, and customers;
- c. Strategic plans may just be used as a tool to "impress" "influential outsiders"; and,
- d. Strategic planning dismisses intuition and favors readily available, interpretable "hard" data.

## Inter Organizational Coordination and Roadmaps, programs and initiatives

### Inter-Organizational Coordination and Inter-agency Cooperation in action

- <https://thirdsrbn.wixsite.com/excelsior/single-post/2015/07/19/afp-roadmaps-a-comparison>
- <https://maritimereview.ph/some-notes-on-the-inter-organizational-coordination/>

The importance of inter-organizational coordination is well

covered by numerous literature. In contrast to inter-agency coordination where players come only from government, inter-organizational coordination involves participation from governmental, inter-governmental, non-governmental and private organizations.

The maritime domain is a highly complex system. The actions of the players reflect the pursuit of one's own organizational interest, a compromise of internal norms, and adherence to rules. Thus, inter-organizational coordination players must complement the formal structures, relationships and processes with informal interactions among them to build a consensus and settle differences. This would significantly expedite inter-organizational decision making processes.

The Revised Administrative Code of 1987, sometimes referred to as the Philippine government's organizational manual as it provides the principles, structures and rules of governance, expounds the Constitutional principle that the prime duty of government is to serve and protect the people. The Code empowers the governmental regional offices "to provide economical, efficient and effective service to the people in the area" and "coordinate" with their counterparts in other departments and the local government units.

Whether interagency or inter-organizational in nature, the goal of coordination is to "improve the effectiveness of cooperation, planning and partnership." It is a process of organizing a complex undertaking that brings together the contributions of the member organizations to form a coherent and efficient work to solve a problem or meet an identified need. It entails creating formal structures, relationships and processes. It also facilitates unity of effort and provides common understanding. The essence of coordination is the effective integration of multiple stakeholders with diverse perspectives, authorities, responsibilities and objectives.

<https://www.officialgazette.gov.ph/2015/04/28/briefer-national-coast-watch-center/>

Against this backdrop, the National Coast Watch Center is being inaugurated to serve as the national maritime single point of contact for maritime security coordination. The Philippine National Coast Watch Center (NCWC) is an inter-agency maritime surveillance and coordinated response facility established through Executive Order 57 signed by President Benigno Simeon Aquino III last 06-September-2011. It is established as a coordinating and implementing mechanism in a whole-of-government approach to address current and future maritime safety, security, and environmental protection challenges in the Philippines.

**Mission of the Center.** The mission of the NCWC is to coordinate and implement the whole of government efforts to protect the Philippine national interests against security threats, enforce national sovereignty and sovereign rights, and fulfill international responsibilities and obligations throughout the maritime jurisdiction of the country.

**Purpose of the Center.** The main purpose for the establishment of the NCWC is to promote maritime safety, enforce maritime laws, protect the marine environment and contribute to economic development.

**Functions of the Center.** Pursuant to EO 57 and EO 82, the Center shall have the following functions:

- Gather, consolidate, synthesize, and disseminate information relevant to maritime security;
- Develop and maintain effective communications and information systems to enhance inter-agency coordination in maritime security operations;
- Coordinate the conduct of maritime surveillance or response operations upon the request of a member agency or when an exigency arises;
- Plan, coordinate, monitor, evaluate, document, and report on the conduct of maritime security operations;
- When so authorized by the Council, coordinate cross-border and multinational maritime security operation;
- Coordinate support for prosecution of violators;
- Conduct periodic assessments on maritime security;
- Conduct regular activities to engage all maritime stakeholders in various fora, seminars, workshops, etc.;
- Coordinate and facilitate training activities and exercises of members and support agencies of the Council to enhance coordination and interoperability in the NCWS;
- Pursuant to Executive Order 82 series of 2012, perform the role of Crisis Management Office of the Chairperson for human induced threats within and adjacent to the Philippine maritime borders. As such, the Center shall assist the Chairperson to implement the 5Ps of crisis management, including among others:
  - ▷ Predict. Conduct Horizon Scanning or scanning for emerging threats and conveying strategic warnings; and undertake Situation Awareness processes at the strategic, operational, and tactical levels;
  - ▷ Prevent. Prepare or update inter-agency contingency and crisis action plans;
  - ▷ Prepare. Systematically undertake “Prepare” activities (organize, train, equip, exercise and evaluate/improve) as well as undertake capability building and enhancement activities;
  - ▷ Perform. Systematically determine and declare an incident approaching crisis level, activate an Incident Command System (ICS) and identify an Incident Commander to implement the crisis action plan;
  - ▷ Post-Action and Assessment. Systematically provide Post Action and Assessment Reports to the Chairperson for submission to the National Crisis Management Committee and the EXECOM/National Crisis Management Committee;

<https://www.officialgazette.gov.ph/2016/03/17/memorandum-circular-no-94-s-2016/>

***In less than 100 days in office, President Benigno Aquino III had created a high-level task force that would synchronize a “unified” government action in protecting the country’s sovereignty in the West Philippine Sea.***

In Memorandum Circular No. 94, the President has assigned the National Security Adviser to chair the National Task Force for the West Philippine Sea with several government departments and security agencies as members.

The formation of the high-level task force came amid the country’s protest against China’s aggressive reclamation activities to assert its claims in the West Philippine Sea. Manila is still waiting for a decision of the UN tribunal on its petition asserting

maritime entitlements in the disputed territory.

*“Consistent with the Constitution, the Philippines’ interests in the West Philippine Sea include the maintenance and protection of Philippine sovereignty, preservation and defense of territorial integrity, and promotion of the welfare and well-being of the Filipino people,”* the circular read.



Source: <https://portaljapan.net/wp-content/uploads/2016/03/24-mar-Aquino-creates-new-task-force-to-protect-West-Philippine-Sea.jpg>

*“Given the country’s national interest, national policies and evolving strategic lands, a more deliberate and coherent approach in addressing the West Philippine Sea issue is needed for the purpose of orchestrating the national effort an achieving unified action in the West Philippine Sea,”* it added.

The President acknowledged that the issues and actions required in the WPS transcend maritime security domain since these extend to other areas of concern such as “diplomatic, politico-legal, information, military and law enforcement, and socio-economic fields.”

### **Members of the New Task Force**

Department of Foreign Affairs, Department of National Defense, Department of Justice, Department of Interior and Local Government, Department of Environment and Natural Resources, Department of Energy, Department of Agriculture, Department of Trade and Industry, Department of Transportation and Communications, Department of Finance, and National Economic and Development Authority.

Other task force members are the National Coast Watch System, Armed Forces of the Philippines, Philippine National Police-Maritime Group, Philippine Coast Guard, and Bureau of Fisheries and Aquatic Resources.

In the MC 94 signed on 17-March-2016, the new task force will receive guidance from the President though the Cabinet Cluster on Security, Justice and Peace. It will also be responsible in orchestrating and synchronizing the employment of the different national government agencies’ capabilities to achieve the national objectives in the WPS. Regular reports will be submitted to the President through the cabinet security cluster.

The same circular created an Area-level Task Force that will coordinate the efforts of the different government agencies at the area level. Tactical-level Task Forces (TTs) may also be organized to perform mandates with the direction from the ATF.

The President also directed government agencies and local government units to render support and cooperation to the new task force. In issuing MC 94, Aquino said: *“Given the country’s national interest, national policies, and evolving strategic landscape, a more deliberate and coherent approach in addressing the West Philippine Sea issue is needed for the purpose of orchestrating the national effort and achieving unified action in the West Philippine Sea.”*



The President created the body as tension erupted anew between Chinese authorities and Filipino fishermen in an area considered as traditional Philippine fishing grounds – Bajo de Masinloc (Scarborough Shoal) – 124 nautical miles off the coast of Zambales province. (READ: PH: ‘Disconcerting that nobody is stopping China’)

A Chinese coast guard vessel reportedly rammed into Filipinos fishing in the shoal. Beijing later accused the fishermen of hurling fire bombs at the Chinese vessel.

Manila has brought a case before an international tribunal to rule on the disputes over territories, including Scarborough Shoal. It argued that an unfavorable ruling would rob its fishermen of the right to fish in their own waters, among others. (READ: China to build ‘Berlin Wall of the Sea’)

The move has infuriated Beijing, which insists the matter is outside the court’s remit. A ruling on the case is expected.

### Constitutional mandate

In creating the NTF-WPS, President Aquino said that *“consistent with the Constitution, the Philippines’ interest in the West Philippine Sea include the maintenance and protection of Philippine sovereignty, preservation and defense of territorial integrity, and promotion of the welfare and well-being of the Filipino people.”* He added, *“The issues, policies and required actions in the West Philippine Sea transcend the maritime security domain as these extend to other areas of concern such as in the diplomatic, politico-legal, information, military and law enforcement, and socio-economic fields.”* He cited several constitutional provisions, among them, Section 7, Article II of the Constitution *“that provides that national sovereignty, territorial integrity, national interest, and the right to self-determination are paramount considerations of the Philippines in its relations with the international community.”* Aquino also cited the constitutional provision mandating the Armed Forces of the Philippines *“to secure the sovereignty of the State and the integrity of the national territory”* and the duty of the government *“to protect the nation’s marine wealth in its archipelagic waters, territorial sea, and exclusive economic zone”* for sole use of its citizens.

### Members, Functions

The body will have as regular members representatives from the following departments and offices:

- Department of Foreign Affairs
- Department of National Defense
- Department of Justice
- Department of the Interior and Local Government
- Department of Environment and Natural Resources
- Department of Energy
- Department of Agriculture
- Department of Trade and Industry
- Department of Transportation and Communications
- Department of Finance
- National Economic and Development Authority
- National Coast Watch System
- Armed Forces of the Philippines
- Philippine National Police – Maritime Group
- Philippine Coast Guard
- Bureau of Fisheries and Aquatic Resources.

The task force chair may also seek out other government officials and private citizens. The National Security Council will provide administrative and technical support to the task force.

The NTF-WPS will receive guidance from the president, through

the cabinet cluster on security, justice, and peace. It will be responsible for tapping the government agencies in achieving Philippines objectives in WPS, and will give reports and recommendations to the Chief Executive via the cabinet security cluster. The NTF-WPS, which will assume the functions of the Inter-Agency Committee on the West Philippine Sea, will create an area-level task force (ATF) which will synchronize the efforts of the different government agencies at the area level. The ATF may also organize tactical-level task forces.

- <https://www.rappler.com/nation/126901-aquino-creates-task-force-west-philippine-sea/>
- <https://www.philstar.com/headlines/2023/09/13/2295876/congress-seeks-creation-west-philippine-sea-authority>

Amid calls for a focused and more organized handling of West Philippine Sea (WPS) affairs, a lawmaker has proposed the establishment of a **“West Philippine Sea Authority”** under the Office of the President.

In his House Bill 9027, Parañaque City Rep. Gus Tambunting said the *“specialized authority”* would be dedicated to the *“protection, management and sustainable development of the maritime resources and territories within the WPS.”*

The proposed body would also be instrumental in *“upholding the Philippines’ sovereign rights, protecting its maritime resources, and contributing to regional stability and cooperation. This proposed act seeks to address the complexities and challenges associated with the WPS by outlining a clear framework for the establishment and operation of the West Philippine Sea Authority.”* He stated the West Philippine Sea encompasses a significant portion of the country’s exclusive economic zone and *“holds vital economic, environmental and strategic importance for the Philippines.”* The creation of such body, he said, has become more urgent with China’s heightened aggressiveness in asserting its claim in waters and land features within Philippine territory. He cited the China’s repeated attempts – using water cannons and dangerous maneuvers – to stop Filipino vessels from delivering supplies to a military outpost on the BRP Sierra Madre in Ayungin Shoal. Tambunting said his proposed legislation is aligned with the 2016 landmark ruling by the Permanent Court of Arbitration which affirmed the Philippines’ maritime entitlements and invalidated China’s expansive maritime claims. Senators, meanwhile, are inclined to approve a bigger budget for the Philippine Coast Guard (PCG), which has figured prominently in tackling China’s provocations in the West Philippine Sea.

### The Individual Maritime Agencies

I would not tackle all the agencies mentioned in the task force WPS and the Agencies involved in the National Coast Watch Center. However, the DTI, Bureau of Customs and the Department of Tourism is also vital to the Blue Economy. The agencies I will cover in this 4-part series are the following:

1. Department of Science and Technology (DOST)
2. Department of Transportation (DOTr)
3. Maritime Transportation Authority (MARINA)
4. Philippine Ports Authority (PPA)
5. Department of Environment and Natural Resources (DENR)
6. Bureau of Fisheries and Aquatic resources (BFAR)
7. NAMRIA
8. Philippine Navy (PN)
9. Philippine Coast Guard (PCG)
10. PNP Maritime Group (PNP-MG).

# TANKER MARKET STRENGTHENS DESPITE SLOWING OIL DEMAND GROWTH

by BIMCO

In the Supply/demand balance For crude tankers, BIMCO forecasts the supply/demand balance will tighten further during both 2024 and 2025. Low fleet growth, along with increasing sailing distances, create the foundation for the improvement despite a slowing of growth in oil demand.

The product tanker supply/demand balance is also expected to tighten in 2024 but weaken in 2025. Like the crude tanker market, longer sailing distances support demand growth despite slowing oil demand. However, an increase in contracting of new ships during 2023 will drive fleet growth in 2025 higher than our estimated demand growth.

The crisis in the Red Sea is driving sailing distances up as ships avoid the Suez Canal and instead proceed via the Cape of Good Hope. In our forecast, we assume that this crisis will impact the market until the end of June 2024. Crude tanker fleet capacity growth will be mainly in the Aframax and Suezmax segments that are estimated to grow by 2.8% and 4.2% respectively from end 2023 to end 2025. VLCC capacity is expected to grow only 0.5% and benefit most from the tighter supply/demand balance.

We forecast that product tanker fleet capacity will grow 6.2% between end 2023 and end 2025. The fastest growing segments are expected to be LR2s and MRs with capacity growth of 13.9% and 5.3% respectively during the two-year period. The two sectors are also expected to see the fastest demand growth but LR2s may nevertheless suffer more from the weaker market conditions expected in 2025. Asset prices, rates and earnings have mostly been strong year-to-date and higher than a year ago. We expect rates, earnings and second-hand prices to continue to develop favorably in 2024 in line with the forecasted supply/demand balance. In 2025, some weakening must be expected for product tankers.

**MACRO ENVIRONMENT.** Global economic growth is estimated to have been 3.1% in 2023. The International Monetary Fund (IMF) projects that growth in 2024 and 2025 will end up at 3.1% and 3.2% respectively.

The IMF forecasts slower growth for both 2024 and 2025 in the US, China, Japan and India compared to 2023. On the other hand, the eurozone, Canada, Nigeria, Saudi Arabia, South Africa and UK are forecasted to accelerate in both 2024 and 2025.

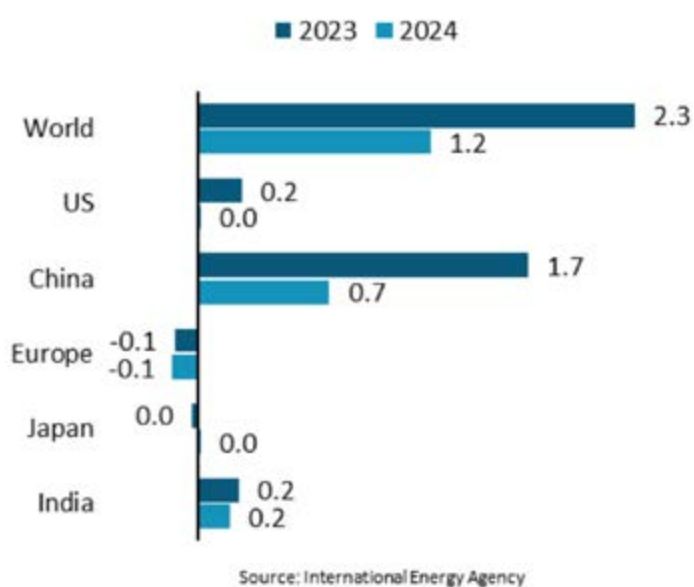
As inflation is falling faster than previously expected and growth remains steady, the risk of a hard landing has reduced, and risk is no longer weighted to the downside.

Global oil demand continued to grow in 2023 and, according to the International Energy Agency (IEA), increased by 2.3 million barrels per day (mbpd) to hit 101.8 mbpd. The IEA expects oil demand to hit 103.0 mbpd in 2024 but has not yet published an estimate for 2025. We believe that demand growth will slow further in 2025 and expect demand to end around 103.7 mbpd.

Demand growth in advanced economies has slowed significantly. According to IEA, demand in the 38 countries that are members of the Organization for Economic Co-operation and Development (OECD) increased only 0.1 mbpd in 2023 and will fall back to the 2022 level in 2024. Meanwhile, demand continues to grow in China, India, Brazil and Saudi Arabia.



Oil demand growth y/y (mbpd)



Those four countries accounted for 70% of demand growth in 2023 and are expected to account for more than 80% of growth in 2024.

Oil prices in 2023 mostly continued at the levels reached at the end of 2022. The average price for Brent ended at USD 82/barrel



in 2023. However, in December 2023, the average Brent price had fallen to USD 78/barrel as worries shifted from lack of supply to lack of demand. Brent prices are currently in the low eighties and the U.S. Energy Information Administration (EIA) expects that the average price in 2024 will end at USD 82/barrel and USD 80/barrel in 2025.

Geopolitics continue to play a key role in reshaping tanker trades. Since the Russian invasion of Ukraine in February 2022, sanctions on Russian oil exports have dramatically reshaped oil trades: Russia has had to find new export markets and the European Union has had to find new suppliers. This has increased average sailing distances and demand for tankers.

In October 2023, continued tensions between Hamas in Gaza Strip and Israel led to a Hamas attack on Israel, and Israel has retaliated. In an apparent response to Israel's attacks, since November 2023, Houthi attacks on ships in the Red Sea and the Gulf of Aden have increasingly caused ships to sail via the Cape of Good Hope instead of the Suez Canal. If all tanker ships that normally transit the Suez Canal instead proceed via the Cape of Good Hope, we estimate average sailing distances will increase by 10% for crude tankers and by 17% for product tankers. The latest status is Suez Canal transits have fallen nearly 50%.

**DEMAND.** We estimate that crude tanker demand will increase by 6.5-7.5% in 2024 and 2-3% in 2025. Cargo growth is forecast to be 2-3% in 2024 and 1-2% in 2025. Increased sailing distances due to the Red Sea crisis are expected to lift demand in the first half of 2024, whereas the continued shift of crude supply towards the Americas and of crude demand towards Asia will add to average sailing distances in both 2024 and 2025.

Product tanker demand is forecast to increase 5-6% in 2024 and 1.5-2.5% in 2025. Cargo demand growth is estimated at 1-2% in 2024 and 0.5-1.5% in 2025. The Red Sea crisis is assumed to impact east/west trade lanes during the first half of the year and force a share of ships to proceed via the Cape of Good Hope instead of via the Suez Canal. Increased east/west volumes due to reduced refinery runs in Europe is in the meantime expected to add to sailing distances in both 2024 and 2025.

Whereas demand growth in 2023 was dominated by an increase in the demand for jet fuel and other transportation fuels, demand growth in 2024 is expected to be driven by the petrochemical industry. Demand in North America and Europe is seeing the impacts of electrification and fuel efficiency, with demand in both areas appearing to have peaked. In fact, the IEA has estimated demand in Europe fell in 2023 and again in 2024.

The IEA also predicts that crude supply will expand by 1.2 mbpd in 2024 following an expansion of 1.9 mbpd in 2023. We assume that supply will increase by another 0.7 mbpd in 2025.

As in 2023, supply from the Americas is in forecast to expand faster than total supply in 2024 as supply from Russia is expected to fall. Supply could expand faster if OPEC+ decides to relax production cuts.

Refinery runs are expected to continue expanding in East and West Asia as capacity expands. The inauguration of the Nigerian Dangote refinery should result in expansion of refinery runs in Africa. On the other hand, the IEA expects refinery runs in the Americas and Europe to fall. Lower demand is impacting refinery runs in Europe and increased competition from Asian refineries could cause refinery runs to fall further in 2025.

New refineries in Kuwait and Oman as well as expansion of capacity in Bahrain account for the increase in West Asian refinery runs. This should result in an increase in exports of refined products

at the expense of crude oil exports.

Risks to our forecast naturally exist. A slower than expected reduction in inflation and interest rates in Europe and North America could hurt demand.

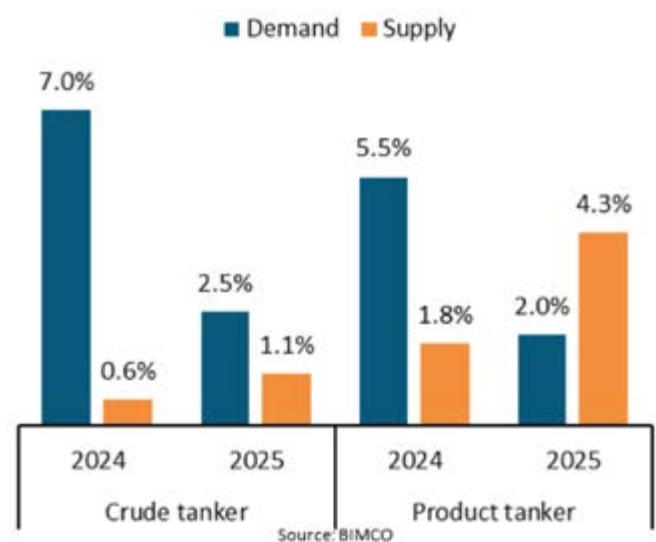
However, we consider the crisis in China's real estate sector a larger concern. A failure to resolve the crisis could further hurt consumer confidence and thus demand.

It goes without saying that we are unable to accurately forecast how long the Red Sea crisis will impact shipping. We have assumed that the crisis will continue during the first half of 2024. A quicker resolution will reduce the increase in average sailing distances and consequently demand.

It must also be mentioned that the longer voyages and higher freight rates via Cape of Good Hope could cause European buyers, for example, to favor crude and products from the Americas instead of from Asia and thereby partly negate the upside from longer sailing distances.

Obviously, the risks also present potential for upsides if inflation falls faster and the real estate crisis is resolved more quickly than expected. Similarly, if the Red Sea crisis continues into the second half of 2024, there will be a corresponding increase in demand for tankers.

### Supply/demand development



**SUPPLY.** We forecast that **crude and product tanker** supply will grow in line with fleet growth during both 2024 and 2025. Crude tanker supply is therefore estimated to grow by 0-1% in 2024 and 0.5-1.5% in 2025. Product tanker supply is predicted to grow 1.5-2.0% in 2024 and 4-5% in 2025.

The **crude tanker** fleet is expected to see deadweight capacity growth of 0.6% in 2024 and 1.1% in 2025. It will grow from 463.1m deadweight tons at the end of 2023 to 471.0m deadweight tons at the end of 2025.

The Suezmax segment is forecast to account for more than 50% of the sector's capacity growth and grow 4.2% between end 2023 and end 2025. The Aframax segment will be the second fastest growing segment with 2.8% growth across the two years followed by the VLCC and Panamax segments with 0.5% and .01% growth respectively.

**Contracting of crude tankers** increased to 15.3m deadweight tons in 2023 from only 3.3m in 2022 and the order book to fleet ratio ended 2023 at 4.7%. Even though the bulk of this capacity will be delivered after 2025, nearly 30% will be delivered before then and

## TANKERING OUTLOOK

contribute nearly 50% of the deadweight capacity delivered during 2024 and 2025.

In 2023, recycling of crude tankers was 0.4m deadweight tons, the lowest level since 1991. We predict the same 0.4m figure for 2024, and an increase to 0.6m in 2025.

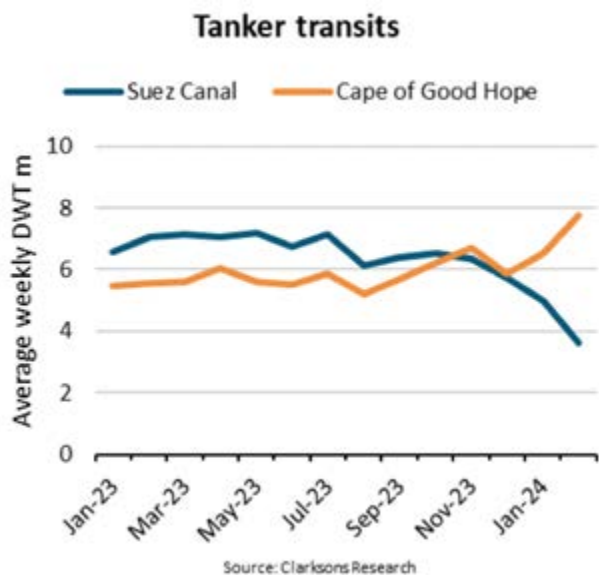
The **product tanker** fleet grew 2.4% in 2023 to end the year with a capacity of 184.6m deadweight tons. We expect the fleet to expand by a further 1.8% in 2024 and 4.3% in 2025.

The bulk of the 21.5m deadweight tons that we expect the product tanker fleet to increase by during 2024 and 2025 will be added to the LR2 and MR segments. We estimate that the LR2 segment will grow by 13.9% across the two years whereas the MR and LR1 segments are expected to grow by 5.3% and 2.7% respectively. For the Handy-size segment, we expect capacity to fall by 4.9%.

**Contracting of product tankers** grew to 17.3m deadweight tons in 2023, the highest in 10 years. That brought the order book to fleet ratio up to 12.9% at the end of the year.

**Recycling of product tankers** dropped to the lowest on record in 2023, with only 0.3m deadweight tons leaving the fleet. We expect recycling to stay at a similar level during 2024 but increase to 0.9m deadweight tons in 2025.

In 2023, sailing speed increased 0.3% and 1.9% year-on-year for product and crude tankers respectively, thus contributing to supply growing faster than the fleet. The crisis in the Red Sea is forcing more and more ships to avoid the area and sail via the Cape of Good Hope instead of using the Suez Canal.



In February 2024, the tanker deadweight capacity transiting the Suez Canal is nearly 50% lower than at the same time in 2023. We believe that the increased distances will contribute to maintaining the average sailing speed at the higher level for 2024. There is a possibility that sailing speeds will reduce in 2025 and contribute to lowering supply growth compared to fleet growth, but for now we have decided not to include such a reduction in our forecast.

Congestion for product tankers fell 8% in 2023 and contributed to supply growth growing faster than fleet growth. Conversely, crude tankers experienced 4% higher congestion, thus taking supply out of the market. In 2024, congestion for both sectors started slightly lower than in 2023 and we do not forecast any major change in congestion levels.

Source: BIMCO, [https://www.bimco.org/news/market\\_analysis/2024/20240229-smoo-tanker](https://www.bimco.org/news/market_analysis/2024/20240229-smoo-tanker)

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# GLOBAL MARITIME TRENDS FOR THE FUTURE OF SHIPPING

by Lloyd's Register



According to the latest report by Lloyd's Register -*GLOBAL MARITIME TRENDS 2050*- the triple planetary crisis, characterized by climate change such as nature, biodiversity loss, and pollution, will be the defining challenge that shapes the decades ahead.

In particular, the report which is authored by *ECONOMIST IMPACT* is part of a new joint multi-year Global Maritime Trends program between Lloyd's Register and Lloyd's Register Foundation. It highlights:

- Some of the world's largest ports are becoming unusable due to sea level rises.
- The IPCC estimates that sea levels are expected to rise by 0.29m to 0.51m by 2100 in a business-as-usual scenario.
- The report shows that a 40cm rise by 2050 could possibly render the ports of Houston (US), Shanghai (China), and Lázaro Cárdenas (Mexico) unusable.
- African nations becoming dominant sources of labour supply to the industry.
- The IMF has forecasted that Africa will have the world's youngest median age by 2050, at just 25.
- While other regions face increasingly ageing populations, Africa will buck the trend. For shipping, this means that new recruits may increasingly come from African countries, potentially supplanting traditional strongholds in Asia.
- Women making up 25% of seafaring workforce by 2050 due to technological advancements. In 2021, women accounted for less than 2% of the global seafaring workforce according to [BIMCO/ICS Seafarer Workforce Report](#).
- By 2030 McKinsey estimates the developing world excluding China may account for 35% of global consumption, led by India, Indonesia, Thailand, Malaysia, and the Philippines.
- More than half of the projected increases in global population up to 2050 will concentrate in Asia and Africa.
- A technology-driven energy transition could see this rapidly increase by mid-century.
- By 2050, the need for more tech-savvy ship managers could enable more women to take on managing positions on land and at sea, as increasingly autonomous ships and systems call

for oversight and monitoring rather than intensive manual labour.

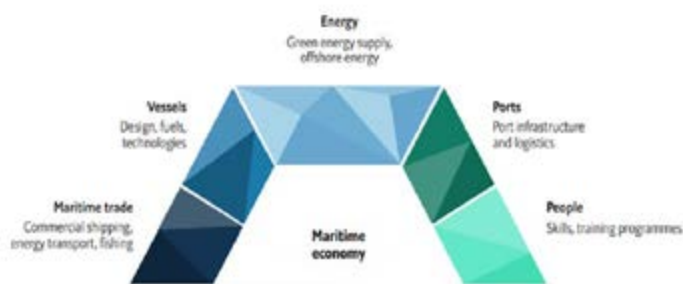
The report further analyzed 4 "what if" future scenarios for the maritime sector in 2050, based on the speed of technology adoption and the level of global collaboration, to help the industry forecast risks, opportunities, and required investment.

Nick Brown, CEO of Lloyd's Register, said the report and the wider program which will help benchmark some of the findings, represented an excellent opportunity to prepare for change and take action. He commented that other industries are much better at forecasting. The financial sector, for example, has a deep understanding of potential future scenarios and how to prepare for them, but shipping lags behind.

*"Shipping is deeply intertwined with geopolitical and macroeconomic challenges. Ships deliver 80% of the world's trade and disruptions are felt acutely across the globe. Amidst global supply chain uncertainties, the urgent need to decarbonize, the integration of new technologies, the concerns about human rights, safety at sea, and the future of labour supplies, it is crucial that those in the shipping industry do everything in their power to anticipate, mitigate, and overcome these challenges without causing harm elsewhere."*

**Ruth Bournemouth, CEO, Lloyd's Register Foundation**

Figure 1: Key components of the maritime economy



Source: Economist Impact

Lloyd's Register

*"From tackling the energy transition to sourcing the next generation of seafarers, we've allowed uncertainty to delay action for too long. Now we've created a way for the industry to get a much better idea of the future. It's time for them to get on board."*

**Nick Brown, CEO, Lloyd's Register**

## #1 GEOPOLITICAL and MACROECONOMIC TRENDS

**Growing populations across Asia and Africa:** More than half of the projected increases in global population numbers up to 2050 will be concentrated in Asia and Africa across 8 countries, according to the UN. These include the Democratic Republic of the Congo, Egypt, Ethiopia, India, Nigeria, Pakistan, the **Philippines**, and Tanzania, making them home to the world's largest labor pools, and the world's future seafarers.



**Deglobalization and fragmentation are more entrenched:** As the emerging trends become more entrenched, 2050 will be characterized by deglobalization and fragmentation, which places greater emphasis on regional links, near- and friend-shoring, economic blocs for regional free trade, and protectionist policies for sensitive, strategic sectors.

**The dominance of Asian economies:** The coming decades will show dominance of Asian economies, driven by population, new resource demands, and technological innovations. Estimates suggest that, in 2050, Asian countries, namely India, Indonesia, South Korea and Japan, will make up half of the world's top ten economies. In 2022, they accounted for 3 of the 10. This trend will be accompanied by de-dollarization. As economic and political influence of Asian economies increase, maritime trade in the region will continue to expand. As of 2021, Asian economies accounted for 43% of maritime exports and 64% of imports, and 4 of the top 5 countries supplying seafarers were in Asia, with the **Philippines** holding the top spot.

**The regionalization or localization of conflicts:** Remaining conflicts are likely to be concentrated within regions as global wars become more costly. According to a 2012 statistical model developed by University of Oslo, the countries facing internal armed conflicts will decline from 15% in 2009 to 7% in 2050.

**Security-first spending, strategies and policies:** Persistent geopolitical tensions and new technologies will heighten the importance of energy security, defense, maritime security, health and food security. **Cybersecurity** will become an increasingly important concern for infrastructure and sensitive consumer and government data. Block-chain technology will later become the rescue system for efficiency and traceability.

## #2 ENVIRONMENTAL TRENDS

**Mainstream use of climate technology and carbon removal solutions:** Climate technologies, including carbon removal solutions, will become a mainstream and necessary component in net zero scenarios for 2050. The maritime sector will increasingly see the use of nature-based solutions including blue carbon sources such as mangroves, tidal marshes and seagrass meadows—all of which have the capacity to capture and store CO<sub>2</sub> from the atmosphere at a rate of two to four times faster than terrestrial ecosystems.

**A chronic shortfall in environmental financing:** Debates on environmental finance (green and climate finance) will continue through 2050, as it is unlikely that discussions on the volume, direction, and pace of finance will be resolved. The Poseidon Principles was launched in 2019 and developed by global banks and shipping industry players. Its principles can provide a framework to integrate climate issues into lending decisions for the maritime industry.

**Standardized environmental reporting and disclosure norms:** Environmental reporting will be standardized. It will become a requirement for businesses and governments to monitor, collect, assess, and disclose regular, comparable data on a number of environmental challenges across sectors

**Adapting to impacts of climate change and biodiversity loss:** Societies will ramp up efforts to adapt to and manage the real impacts of climate change and biodiversity loss through increased investments, the development of new technologies, and migration of people and economic activities. The impacts of climate change and biodiversity loss will result in a new wave of climate migrants fleeing increasingly uninhabitable areas: the

World Bank estimates 216 million people across 6 world regions will have to move within their countries by 2050.

## #3 NATURAL RESOURCE TRENDS

**The widespread deployment of food technology and the primacy of alternative proteins:** Food technology will come in different forms, and will be deployed as more resource-efficient solutions are required to meet demand for nutritious and sustainable food. At sea, 85% of global fish stocks are over-exploited, depleted, or recovering from exploitation.

**Dominance of renewable energy:** Renewable energy will become the dominant source of energy as pressures to decarbonize mount, investments continue to increase, and technologies advance. Between now and 2050 the IEA expects wind and solar capacity to grow 4 to 5 times faster than any other source of energy. Offshore wind is now one of the fastest growing energy technologies, and floating wind power may soon follow suit. Last year saw 50 floating offshore wind turbines commissioned, and global stock is set to exceed 5 GW by 2030 and 25 GW by 2035. The decades beyond will see the growth of other sources of ocean-based renewable energy, such as wave and tidal energy, which are in mature phases of development.

**The use of alternative fuel sources gains momentum:** Outside of renewables, growing demand for cleaner and more sustainable energy sources will lead to the use of hydrogen, methanol, ammonia, biomass, or nuclear fusion. Green ammonia and methanol are already in the development phase. Maersk, a shipping and logistics company, has plans to develop Europe's first green ammonia facility by 2026, expecting the first large methanol-powered ships to be ready by 2024, and small ammonia vessels by 2026. Some countries are already laying the foundations for hydrogen as a potential transport fuel.

**The battle for critical minerals and resources:** Growing demand for renewable energy and new sensor- or chip-based technologies will increase the economic and geopolitical influence of countries that house minerals, rare earth and large sources of renewable energy. The growth of renewable energy will also see critical minerals—such as lithium, nickel, cobalt, manganese and graphite—become the basis of economic growth, geopolitical competition and strategic trade alliances.

Lloyds Register's report on the Maritime Decarbonization Hub highlights that e-ammonia might become the most widely used marine fuel among hydrogen-based fuels, while liquefied bio-methane is expected to lead among biofuels. The maritime sector prepares to decarbonize its activities and supply chains, while navigating an increasingly uncertain geopolitical, economic, and social landscape.

In the coming 3 decades, low-lying countries in Asia like Vietnam, Indonesia, the **Philippines**, and Thailand will be severely impacted, putting an estimated 300 million people at risk of floods in 2050. Humanity is forced to adapt to this planetary and climate crisis.

Exclusive economic zone boundaries may become more contentious because of rising sea levels, and large numbers of coastal communities will inevitably be forced to relocate as their lands become uninhabitable.

**Download the full report:** Global Maritime Trends.

Source: <https://www.lr.org/en/expertise/maritime-energy-transition/global-maritime-trends-research-programme/>



# TEN TRENDS INFLUENCING COMMERCIAL SHIPPING

by The World Maritime University

In a recently published report in June 2023, the World Maritime University studies and presents 10 trends influencing global commercial shipping.

According to the Transport 2040 – Impact of Technology on Seafarers – The Future of Work Report, identifying global trends within the maritime industry is critically important since such knowledge helps stakeholders select trend relevant technologies.

A Road Map is different from Road Mapping. Road Mapping is the whole process of the review (SLR), whereas the Road Map is that final and broad picture of the future, which consists of technologies integration over time horizon.

The 10 trends identified in the report are as follows:

**2.1 TREND ONE: ECONOMIC/INCREASING E-COMMERCE AND DIGITAL CONSUMPTION.** Consumption patterns are constantly changing. The need for intermediaries between producers and consumers is narrowing due to e-marketing, e-stores and e-platforms. As a consequence, shopping behaviors are shifting towards specialized channels that employ sophisticated targeting strategies, such as demographic categorizations using search engine optimization, social media marketing and media marketing where the statistics provided by these channels are used to promote and understand consumer culture.

**2.2 TREND TWO: ECONOMIC/EXPANDING ROLE OF THE BLUE ECONOMY.** The United Nations Blue Economy Concept Paper (2021) defines the Blue Economy as an initiative developed by Small Island Developing States (SIDS). This concept paper is potentially also of interest to coastal states and countries with concerns regarding waters beyond national jurisdiction as well as nations that see the oceans as development spaces that require a planning process for conservation, sustainability, bioprospecting, energy production and maritime transport. Under the Blue Economy scheme, the main activities are fisheries; aquaculture; tourism (in coastal and marine areas); extractive offshore industries within and beyond national jurisdictions; freshwater generation; renewable energy offshore production; maritime transport, port, shipbuilding, shipping and other related services; and water disposal and other supportive services in the maritime

field. Climate change and renewable energies are important topics of this trend.

**2.3 TREND THREE: ECONOMIC/RISE OF NEW BUSINESS MODELS AND ECOSYSTEMS DRIVEN BY TECHNOLOGY.** The digital transformation of business models will no doubt further change how the organizations interact and hence the business ecosystem as a whole. The technologies currently driving change include blockchain, AI-applications, the Internet of Things (IoT), digital supply chains and logistics management. These developments require businesses to deal with cybersecurity, 6G technologies and smart contracts.

**2.4 TREND FOUR: ENVIRONMENTAL/EXPANDING GREEN ECONOMY.** Green economy trends seek to mitigate climate change and reduce the world's negative externalities by restructuring the world economy in support of such goals. Negative externalities include carbon emissions, pollution, wildlife endangerment, global warming, ocean coral bleaching, and intense tropical cyclone activities. In this context, in 2011, during the United Nations Climate Change Conference in South Africa, 194 participating countries agreed to set up a fund to help reduce greenhouse gas emissions after 2020. The path to establishing a low-carbon economy requires the reduction of fossil fuel-based energy consumption, implementing renewable energy sources, and where possible, embracing a zero-waste approach in production processes.

**2.5 TREND FIVE: POLITICAL/INCREASED GEOPOLITICAL VOLATILITY.** International developments within the economic and diplomatic fields are influenced by a number of factors, including: uncertainties; rivalries; shocks, such as political tensions; macroeconomic shocks; terrorist attacks; access to energy and natural resources; and global pandemics. Changes in political administration and diplomatic issues between nations may affect the prices of goods, oil and gas, commodities, and even the stability of different regions, which can cause disruption to the international system. Forecasting geopolitical events and their risks is inherently impossible, which is why risk-hedging and management protocols are widely adopted to prepare countries for fluctuations in the financial and trade markets. Recent global



geopolitical disruptions have included Brexit, the COVID-19 pandemic and the Ukraine/Russia crisis. Future disruptions may emerge owing to factors such as the price of petroleum and commodities, new pandemics, the use of cryptocurrencies, wars and terror attacks.

**2.6 TREND SIX: POLITICAL/INCREASING ROLE OF TECHNOLOGY REGULATION AND GOVERNANCE.** Advancement of technology has created the need for proper governance to ensure more efficient processes, and to deal with ensuing challenges. Defining standards for technology within the governance area is a complex process where topics such as diplomacy and science at local, national, transnational, and global levels must be codified on a regulatory framework. This undertaking befalls governments and international organizations. With increased use of Information Communication Technology in business and private lives of citizens, new regulations on the use of this technology by all stakeholders involved are being developed and enacted by governments, including application of risk management tools, and the common ground rule. But the trend towards further data regulation protection and information-sharing on the Internet poses the risk of evolving into methods to control political dissidence and curb civil freedoms.

**2.7 TREND SEVEN: SOCIAL/WIDENING ECONOMIC AND SKILLS INEQUALITIES.** The socioeconomic differences between the members of a society are generally rooted in their skills level in relation to labour market needs and requirements. A general lack of skills training in a society may contribute to the intransigence of a given socioeconomic system. This dynamic is not set to change in the near future where highly-skilled individuals will continue to earn higher wages than individuals with medium and low-skilled profiles, who will also continue to struggle to gain sufficient education to change their economic standing. Moreover, in a world where digital skills are ever-more important and where the lack of such skills will become a significant determinant in the widening of inequality, adequate access to the Internet will be instrumental to change. Countries that invest in technology for educational purposes are therefore more likely to reduce both economic and skill inequalities. The same is true of investment in e-learning platforms and in children's lifelong learning and in family stability. The trend towards supporting skills-learning and personal opportunity through digitalization is especially important within maritime transport where addressing inequality will require the reskilling of seafarers and other employees as well as investment in assistive technologies, such as broadband Internet.

**2.8 TREND EIGHT: TECHNOLOGY/INCREASING CONCERNS ABOUT AND SOLUTIONS FOR CYBERSECURITY AND DIGITAL TRANSPARENCY.** Cybersecurity has become a growing concern for industries due to the increase of digitalization (IoT, blockchain, Cloud, ICT) and the associated cyber threats. Threats to cybersecurity may affect the stability, safety, and security of nations, which is why individual states and stakeholders are developing preventative strategies within different industry spheres, including air freight and maritime transport, which are not only susceptible to being attacked physically but also experience cyberattacks. Countries have therefore increased their awareness

of cybersecurity not only in relation to their national security and defense policies but also in relation to technology, including global navigation satellites systems, automatic identification systems, satellite communications, IoT, digital and smart contracts, etc. In support of this trend, the International Maritime Organization (IMO) adopted Resolution MSC.428/98 regarding Maritime Cyber Risk Management in Safety Management Systems, which requires shipowners to address cyber risks and cybersecurity attacks in the design and deployment of Safety Management Systems (SMS). In January 2021, it became mandatory to deploy SMS and to consider cyber risks as potential threats.

**2.9 TREND NINE: TECHNOLOGY/INCREASED USE OF SMART SHIPS.** Motivated by smart shifts within other interconnected industries and sectors, the use of smart and digital ships is currently expanding and will grow even further with the wider utilization of technologies such as AI, digitalization, machine learning and mature semantic and cognitive technologies. The future ship will be smarter; data-driven; greener due to flexible powering options; and offer full onboard WiFi and digital connections through global satellites and mobile communications. Such ships will also integrate with the wider global fleet as well as shore-side supply chains to enable Big Data Analytics, thereby providing information on a wide range of issues, including operations and maintenance costs, the reliability of the vessel, logistics, life cycle designs, energy consumption, emissions levels, and cargo monitoring. Smart ships will also offer gains within efficiency and ease of transport, which is why stakeholders are likely invest more in such ships.

**2.10 TREND TEN: TECHNOLOGY/RISING IMPORTANCE OF AUTONOMOUS SHIPS.** Automation is set to gain momentum, driven by sophisticated sensors, software, machine and deep learning, and global communication links. Ships will become situationally aware, self-governing and capable of doing tasks with limited external intervention (i.e., become autonomous). Currently, a wide variety of global projects have been established to build MASS prototypes. Countries such as Norway, Finland, Korea, Japan, and China are investing in autonomous ship projects due to the importance of their shipyard industries, which ultimately will increase their influence in the maritime field. Technology is being advanced by MASS projects, particularly within AI-enabled autonomous navigation and remote control. Developing a fully autonomous oceangoing vessel will take time. However, stakeholders may eventually consider investing in this full-scale transition due to the anticipated economic, environmental and operational benefits the technologies promise, although there are several inhibitors, such as safety and technical issues and social awareness of the potential negative consequences to employment. Overall, it is anticipated that onboard and onshore seafarers (i.e., e-farers or operators) would need to be reskilled and upskilled to adapt to MASS.

*Access the full report here: [https://commons.wmu.se/cgi/viewcontent.cgi?article=1091&context=lib\\_reports](https://commons.wmu.se/cgi/viewcontent.cgi?article=1091&context=lib_reports)*

# THE 67TH ESTABLISHMENT ANNIVERSARY OF NAVAL SPECIAL OPERATIONS COMMAND

by NAVSOCOM



NAVSOCOM 67th Founding Anniversary SANGLEY POINT, Cavite City – PRESIDENT FERDINAND R MARCOS JR led the ceremonial event of the Naval Special Operations Command at NAVSOCOM headquarters, Naval Base Heracleo Alano, on Monday, 6-November-2023.

The theme of the event was "NAVSOCOM @67: Leading Innovations, Sustaining Excellence, Forging a Legacy."

Flag Officer in Command of the Philippine Navy, VADM TORIBIO D ADACI JR PN, and the NAVSOCOM Commander, COMMO DWIGHT STEVEN M DULNOAN PN received the President after a sideboys honor was rendered to him, which was followed by a guestbook signing, before escorting him for the Capability Demonstration prior to the program proper.

During the event, President Ferdinand Marcos Jr. watched a capability demonstration that showcased NAVSOCOM's various capabilities as well as the Navy SEAL's proficiency in special warfare operations like counter-terrorism and demolition raids employing both sea and land domains in mission execution, which he praised.

The President presided over the awarding ceremony that recognized NAVSOCOM's exemplary military personnel for their excellent performance and significant contribution as members of the Navy's elite force. In his remarks, he recognizes the efforts of the special operations operators of the Philippine Navy, which have demonstrated heroism and bravery over the years, and have played key roles in special operations that promote national security.

The President assured that his administration remains firm in its commitment to strengthen NAVSOCOM's capability via

acquisitions under the revised AFP modernization program.

*"Malaki po ang papel na ginagampanan ng inyong institusyon sa pagsulong ng bagong Pilipinas sa ating panahon ngayon. Inaasahan ko ang inyong patuloy na pakikilahok at suporta sa adhikaing ito, muli binabati ko ang NAVSOCOM sa pagdiriwang ng ika animnapu't pitong anibersaryo. Mabuhay kayong lahat, Mabuhay ang NAVSOCOM, Mabuhay ang Armed Forces of the Philippines,"* Pres Marcos said in his closing speech.

NAVSOCOM has specialized in sea, air, and land operations since 1956, and has been instrumental in a variety of counter-terrorism operations, demolition, reconnaissance, close combat, intelligence, and undersea operations. NAVSOCOM was modeled after the United States Navy's Underwater Demolition Team (UDT). Members of the highly specialized NAVSOCOM unit were called "frogmen" because of their ability to operate in water in adverse conditions at inconvenient times. Since then, the NAVSOCOM unit has evolved into what is now known as the elite Philippine Navy SEALS.

Looking ahead, NAVSOCOM remains committed to defending the country against terrorism, insurgency, and other national security threats. The Philippine Navy's modernization efforts contribute to NAVSOCOM's competitive edge in dealing with modern-day threats and ensuring long-term advocacy for national security.







# BEYOND THE HORIZON - INNOVATIONS TOWARD ORGANIZATIONAL SUCCESS

by Naval Special Operations Command



In a momentous event, Naval Special Operations Command inaugurated its state-of-the-art Recompression Chamber and Mess Hall. The event also featured the Convening Ceremony of Basic Naval Explosive Ordnance Disposal Class 21 (BNEOD CL-21) at NAVSOCOM headquarters, NBHA, Sangley Point, Cavite City on Monday, February 12.

Warmly received by Commander NAVSOCOM, COMMO DWIGHT STEVEN M DULNOAN PN, distinguished guests, including VADM TORIBIO D ADACI JR. PN, Flag Officer in Command (FOIC, PN), and LTGEN CHARLTON SEAN M GAERLAN PN(M), Deputy Chief of Staff of the Armed Forces of the Philippines (TDCS), were accorded arrival honors. They engaged in dialogue, participated in guestbook signing, and shared a momentous photo opportunity alongside FOIC-PN and TDCS.

MAJ RENE P PONSICA CHS, Station Chaplain, NIF-NCR led the blessings of the newly constructed Mess Hall and Recompression Chamber Facility. The Capability demonstration of Naval Explosive Ordnance Disposal Group, led by SECRETARY ANTONIO ERNESTO F LAGDAMEO JR, Special Assistant to the President, followed the convening ceremony of Basic Naval Explosive Ordnance Disposal Class 21 (BNEOD CL-21).

The newly inaugurated **BAROKS Hyperbaric Chamber**, a testament to modernization efforts under AFP Horizon 3, strengthens NAVSOCOM's capabilities. This advanced facility will provide hyperbaric oxygen therapy, ensuring the well-being of our naval personnel. Simultaneously, the Mess Hall serves as a central point for cultivating unity and fostering camaraderie among our dedicated forces.

The event signifies another milestone in the education and training of PN personnel. A total of 16 individuals, presided over by SECRETARY ANTONIO ERNESTO F LAGDAMEO JR, Special Assistant to the President, participated. Aligned with the education and training initiatives of the organization, the students of BNEOD CL-21 will be equipped with the necessary foundations to become highly competent in the naval organization as a whole.

Guest of Honor and Speaker, SECRETARY ANTONIO ERNESTO F. LAGDAMEO JR.'s eloquent speech resonated with pride and commitment, recognizing NAVSOCOM's advancements in naval capabilities. He emphasized the nation's unwavering dedication to maritime security, stating, *"The addition of the hyperbaric chamber and continued training of our personnel in naval explosive ordnance disposal will significantly contribute to the overall mission readiness and operational proficiency of our esteemed naval special operations forces."* This milestone reflects our continued focus on maritime security, taking actionable steps to ensure the best for our armed forces and the Filipino people at large. The Secretary's words echoed confidence in the positive impact of this milestone on the readiness and defense capabilities of our nation.

As the journey of naval excellence unfolds, the events signify a noteworthy stride towards a safer and more secure maritime landscape for the Philippines. The commitment to modernization resonates with national interests, portraying a resilient defense force well-prepared to tackle any challenge.



SOURCE: <https://www.facebook.com/100068928020644/posts/707371144903813/?mibextid=oFDknk>



# SUBMARINE OPERATIONS IN THE SOUTH CHINA SEA/WEST PHILIPPINE SEA: A HISTORICAL BACKGROUNDER

by AUX CDR MARK R CONDENO PCG

## INTRODUCTION

Since the 90's, two of the six claimant countries in the disputed Spratly Group of Islands possessed submarines in their respective fleets. After the year 2000, this would change with the arrival of the French-built Scorpene and the Russian Kilo Class Submarines in the Royal Malaysian Navy (RMN) and the Vietnam Peoples Navy (VPN) in 2014.

Things are about to change, as the Philippines with the recent approval of the Submarine Acquisition Program under the Re-Horizon Three of the AFP Modernization Program would mark the country's venture into undersea warfare. (Although as far back as 1934, the Philippines had already envisioned having Submarines as part of the then Offshore Patrol).

Hence, several comments arise on the feasibility of Submarines operating in the West Philippine Sea. But the aforementioned body of water is no stranger to Submarine Operations, and is a Submarine Transit Area.

## PRECEDENTS

Dating back the Second World War, the Imperial Japanese Navy (IJN) secured a Naval Base in one of the Islands in the South China Sea and operated submarines thereat including some of its then allies the U-Boats of Germany's Kriegsmarine. (A number of German U-Boats operated out of Penang, Malaya [Present Day Malaysia] a Major Submarine Base for both the Japanese and German Navies during the war).

## OPENING SALVO at LEYTE GULF: 23-October-1944: THE BATTLE OF PALAWAN PASSAGE



### USS Darter (SS-227)

*USS Darter ran aground at Bombay Shoal in the South China Sea in October 1944. Photograph Courtesy of the US Naval History and Heritage Command, accessed 23-February-2024.*

Unknown to many, the opening salvo of the pivotal Battle of Leyte Gulf did not begin in Surigao Strait or Cape Engaño, but at an area known as the Palawan Passage, thus known in history as the Battle of Palawan Passage in which US Submarines USS Darter (SS-227) under CDR DAVID H MCLINTOCK USN and the USS Dace (SS-247) under CDR BLADE D CLAGETT USN sunk two Japanese

Heavy Cruisers and damaging one, with HIJMS Atago attributed to the USS Darter while HIJMS *Maya* to USS Dace and USS Darter damaging the Cruiser HIJMS *Takao*. The American Wolf-pack were positioned in the South China Sea.

## NAVIGATIONAL HAZARD and DANGEROUS GROUNDS

After the duos successful attack on the Japanese warships, on the evening of the 24-October-1944, travelling back to Australia, USS *Darter* became a victim of the uncharted shoals (Bombay Shoal) of the South China Sea / West Philippine Sea, despite efforts by the crew to refloat the boat. To no avail, it was thus decided to scuttle the boat to prevent it from falling into Japanese hands.

The submarine was still largely intact and remained in the area until the 60s and subject to several gunnery exercises and remaining portions of its wreck could still be seen in 1998.

## THE 8<sup>TH</sup> BRITISH & DUTCH NAVY SUBMARINE FLOTILLA

Subic Bay, Zambales, Philippines

(20 April to September 1945)

AOR: South China Sea

From 20 April to September 1945, another unknown aspect in naval history is the relocation of the British and Dutch Navy Submarines from the Fremantle Submarine Base in Australia to Subic Bay Naval Base in the Philippines.

Their function was to interdict Japanese Shipping and Transports in the South China Sea and on Indonesian waters as there was still a vast number of Japanese troops down south, notwithstanding Japanese vessels.

The following 7 Royal Navy Submarines and 2 to 5 Royal Dutch Navy Submarines comprised the 8th Submarine Flotilla:

- **HMS STYGIAN** (P249) under the Command of LT GUY STEWART CLARABUT, RN. She destroyed 8 Japanese Sailing vessels, 8 Transports, 1 Minesweeper, and 1 Submarine Chaser.
- **HMS SUPREME** (P252) under the Command of LT THOMAS E BARLOW RN. She sunk 13 Japanese Sailing vessels, 1 Tugboat, 1 Barge, and auxiliary vessels.
- **HMS SELENE** (P254) under the Command of LT ROWLAND NEWTON RN, she 5 Japanese Sailing vessels, 5 Coasters, Damaged 1 Coaster, and 1 Sail vessel.
- **HMS SOLENT** (P2620) under the Command of LT JOHN D MARTIN RN, she sunk 1 Japanese Patrol Vessel, 1 Landing Craft and damage 2 others; assisted in sinking 15 other Japanese ships including the Minesweeper WA3 with her sister ship HMS Sleuth.
- **HMS SLEUTH** (P261) under the Command of Officers T/LT HERBERT SHAW, RN; LT JOHN OGLE RN; and LT KENNETH MARTIN RN.
- **HMS SEA SCOUT** (P253) under the Command of LT JAMES KELLY RN. She sunk 12 Japanese Sailing vessels, 5 barges, 1

Patrol Vessel, 1 Tugboat, 1 sampan, and two other ships.

- **HMS SPARK** (P236) under the Command of LT DETRICK KENT RN. During her time in the area, she sunk 2 Japanese Sailing vessels, 1 Barge, 1 Tugboat, and 3 Coasters. She was the mother ship of the Special Craft Submarines XE1 and XE3 during the Operation to Sink the Japanese Cruiser HIJMS *Myoko*. Most of the Royal Navy Submarines above were commissioned in 1944 and were decommissioned during 1950 to 1965.

#### ROYAL DUTCH NAVY



**HNLMS O-19** of the Royal Netherlands Navy ran aground at Ladd Reef in the South China Sea on 10-July-1945. Photograph Courtesy of [http://www.dutchsubmarines.com/boats/boat\\_o19.htm](http://www.dutchsubmarines.com/boats/boat_o19.htm) accessed 23-February-2024.

LOST IN LADD REEF: HNLMS O-19 (N-54) under the Command of LT ZUR SEE 1ST CLASS (LCDR) DRIJFHOUT VAN HOOFF, RNN sunk Japanese Tankers in the South China Sea, but unfortunately would be lost in the shallow waters of the South China Sea particularly in Ladd Reef on 10 -July-1945. Her crew was rescued by Submarine USS Cod (SS-224)

Other Dutch Navy Submarines that could have operated in Subic Bay were HNLMS O-21, O-20, O-23, O-24, HNLMS *Tijgerhaai* and HNLMS *Zwaardvisch*, they were originally part of the 4th Submarine Flotilla which also included O-19.

These Submarines were supported by the Submarine Depot Ship HMS *Maidstone* under the command of CAPT LANCELOT SHADWER, RN.

#### COLD WAR HOT SPOT

The West Philippine Sea would again be a major transit point of both the Allies and Warsaw Pact Navies during the Cold War towards the Indian Ocean or from the Indian Ocean towards the Pacific.

Some submarine intrusions and sightings in the Philippines during the Cold War point to the area as the origin passing through Calamianes Islands towards the Celebes Sea, Sulu Sea to Mindanao, Philippine Sea to the Luzon Strait, South China Sea to Southern Palawan, and Celebes Sea to Sulu Sea.

#### CONCLUSION

With these precedents, they mark the West Philippine Sea as an operational area for Submarines and the mere presence of 2 to 3 boats in the Philippine Fleet would provide us a leverage on area denial and anti-access strategy.

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#### About the Author

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# BOOK REVIEW: COMMANDING PETTY DESPOTS THE AMERICAN NAVY IN THE NEW REPUBLIC

by Vicky Viray Mendoza

**INTRODUCTION.** Coordinating the tasks of running a ship at the Age of Sail was complex, and sea battles threatened the lives of all on board, which required strict discipline to survive. The sea is a hazardous place, and death awaits. Every detail of shipboard life revolves around absolute obedience. The navy captain's power was indeed immense. To stoop and receive orders from a civilian was utterly frustrating for the Petty Despots. Although willing to accept civilian authority, naval officers valued their independence, dignity, but above all, honor.

## CHAPTER 1. "To Be Obeyed, It Is Necessary to be Esteemed." American Revolution at Sea, 1775-1783.

The Revolutionary War gave a grand example of how not to run a navy. George Washington's force provided a nudge for Congress to get on with creating an official navy. But opponents found it insane to challenge the Royal Navy. Although outnumbered, Washington's tiny fleet inflicted damages on Britain. Washington was a commander of the Continental Army, and later, Washington's ships were a Continental Navy.

Once the 1775 Congress voted for a navy, it planned to build 13 frigates to be put to sea in 3 months. The 13 frigates took over a year to finish. Congress had 9 more vessels plus 74 gunships to build. They never came about. Congress proved sorely deficient in the eyes of the navy. Unable to mount an engagement with the Royal Navy, the continental ships were used as coastal defense, and State navies decided to act on their own.

When states appealed for naval assistance, a Continental Navy was sent. Congress would warn the Continental Navy not to upset the State's Navy Captain as he is used to being in command. As the guardian, the crew obeyed for utter trust in his wisdom and care. John Paul Jones said, "in order to be OBEYED, it is necessary to be ESTEEMED." The navy got the civilian control concept, but had little esteem for Congress.

Mistrust for Congress led many naval officers to act with more autonomy. But these were the Navy Captains who channeled their navy zeal mindset in the right direction, possessed the courage and daring to overcome the odds against the Royal Navy, and make big contributions to the war effort. The Navy Captains that could not make a shift in mindset to ignore their low esteem for Congress faced problems. Congress then promoted Commodore Esek Hopkins as Commander in Chief of the Fleet of the United Colonies. Hopkins was an inept merchant marine who did not follow naval orders and instead raided a scantily guarded British fort in the Bahamas. On his return, he did not fire a single shot on the frigate *Glasgow*, despite their 7:1 ratio against Britain. Hopkins was dismissed from the navy the next year without a court martial.

Congress then began granting early Captain commissions without considering seniority. At the senior Captains' mission-completion, only one made it to the list: John Paul Jones, who should have been #5 but was at #18. The list had little to do with

past achievement. Congress could not explain what it had done to the senior Navy Captains. The new captains had no experience. By October 1777, Britain captured Philadelphia.

Congress made it even worse for the navy. It created 2 navy boards with vague mandates. Washington wrote to the 1st and 2nd Navy Board to promptly submerge 2 ships, *Effingham* and *Washington*, to keep them away from British use. Francis Hopkinson (1st Navy Board) fulfilled the command. Then was questioned by John Barry (2nd Navy Board) as the sinking was neither approved by the Marine Committee nor Congress.

In the early 1780s, privateer Thomas Truxtun anchored his *Constellation* next to CAPT John Paul Jones' *Ariel*. Truxtun refused to lower his pennant, a blatant disrespect. Jones wrote to Truxtun, "It is not me you have offended. You have offended the United States of America." Learning from Jones, Truxtun became a defender of the U.S. Navy's honor later in life.

## CHAPTER 2. "To This Great National Object." The Creation of the United States Navy, 1783-1797.

Although the infant U.S. was free, it was far from secure. With an empty treasury and no navy, its commercial shipping became a target to the notorious Barbary Corsairs, consisting of the Ottoman Empire (Algiers, Tunis, Tripoli) and Morocco. Piracy weakened maritime economies of Britain's rivals.

Algiers seized James Cathart's *Maria* and CAPT Richard O'Brien's *Dauphin* in 1785. Both crews were put into slavery for over 11 years. Washington, Jefferson, and Hamilton struggled to find a solution. But the remaining Continental navy ships after the Revolution were given away or sold, leaving their seas with no defense protection. Lesson: U.S. must pay the cost of safeguarding commerce to safeguard its commercial ships.

The dissolution of the Continental Navy after the Revolution invited attacks on American shipping, but it also gave the new nation a chance to correct the errors of the Revolutionary War regarding maritime forces. The new navy should have a more stable oversight, and a more direct chain of command. George Washington and John Adams ensured the new navy's survival.

The hope for a new navy rested with the 1787 Constitution in Philadelphia. Antifederalists were against the Constitution for fear of contraction of State power; Southerners feared a navy may give maritime power to New England states; antifederalists said a navy is expensive, requires high taxes, and will draw states into Europe's wars; the navy opposes civilian power, therefore was pointless to have one since the Atlantic Ocean was a perfect barrier against invasion.

With such short-sighted arguments, the Federalists won. Federalist Alexander Hamilton saw the navy as indispensable in protecting American commerce and obtaining respect from Europe. Major opposition to the creation of a new Navy almost entirely came from the Jeffersonian-Republican Antifederalists.

Jefferson believed there was a need to combat rampant



piracy in the Mediterranean, the same piracy that held over a dozen Americans enslaved in Algiers for over a decade. By 1793, the number of enslaved Americans skyrocketed. The impact on American shipping was catastrophic. It finally forced Congress to take decisive action. It passed the Naval Act of 1794, creating the U.S. Navy. To be built immediately were 6 frigates.

CAPT John Barry was requested to aid in the selection of the first navy captains. Selecting naval officers is different from selecting army officers. Conventional wisdom holds that a competent army officer brings his skills and expertise with him to command his troops. Hiring a navy officer is not easy. Not many have the combination of status as a gentleman, diplomat, and deep skills in seamanship based on experience at sea.

A sailing vessel was one of the most complex technologies of its day. The first 6 Navy Captains by seniority were John Barry, Samuel Nicholson, Silas Talbot, Joshua Barney, Richard Dale, and Thomas Truxtun. Truxton had the least experience but did the most to establish the Navy's reputation and prepare for the future. Barney refused to be classified as less senior to Talbot since he was already a Captain. James Sever replaced Barney.

The new Navy almost disappeared when a Treaty with the Regency of Algiers was ratified by the Senate in March 1796, eliminating the need for a navy. Relations with France soured when the U.S., having no war funds nor a navy, declared itself neutral in the British war against France. The Treaty of Amity and Commerce signed by U.S. and France during the revolution, stated they would each come to the rescue in future wars.

Instead, a new Treaty of Amity, Commerce, and Navigation was signed between America and Britain. In retaliation, the French Revolutionaries authorized privateers to seize American ships, which they could do so with impunity as the U.S. government was unable to protect its merchant fleet.

Only 3 frigates were to be completed—in Philadelphia, Boston, and Baltimore for CAPTs Barry, Nicholson, and Truxtun. The tight-fisted Congress had always opposed a new navy, and Washington found no reason to keep Dale, Talbot, and Sever on payroll. They were released from the Navy. Captains Barry, Nicholson, and Truxtun were made superintendents of their ships, including constructing, equipping, and manning.

Then came the retirement of Secretary of War Henry Knox. He did such a fine job that his successors could not measure up. The tenure of Timothy Pickering was uneventful, followed by James McHenry, who had an easy-going personality ill-suited for to face senior foreign naval officers and diplomats with steel egos. Alexander Hamilton became de facto Secretary of War.

Civilians took subscriptions to build warships. Washington, Knox, and Hamilton saw this as militant since the owners would dictate their use. But the subscribers allowed government to use their ships. They only exerted influence on the selection of the Captain. A subscription warship was a sign of lack. To manage an Army and Navy was too much for Adams. For the incompetence of his Secretary of War, a Navy Department was needed.

### CHAPTER 3. "To Rid Our Navy of Such Men."

#### Benjamin Stoddert and Creation of the Navy Dept, 1798-1801.

Adams found it daunting searching for a Secretary of the Navy. George Cabot was the first choice but he declined. He did counsel that whoever is chosen must hold deep knowledge of maritime affairs. The post was accepted by merchant Benjamin Stoddert of George Town, a captain in the Continental Army; and Secretary for Congressional Board of War. Stoddert urged captains to induce

unworthy officers to resign from the navy.

In February 1799, French frigate *L'Insurgent* surrendered to CAPT Truxtun. The battle was a remarkable victory for the infant U.S. Navy. The *Constellation* lost only 1 sailor vs. 70 French sailors. No repercussions were brought to LT Andrew Sterrett for having Nelson Harvey killed for cowardice aboard the *Constellation*. Naval regulations impose a court-martial, but in the heat of battle, the Navy Captain's authority is absolute.

When Truxtun voiced out his opinion of government policy, he crossed the line between civilian and military. This identified Truxtun with the radical wing of Adam's Federalist Party, which broke with Adams and clamored for a declaration of war. Alexander Hamilton, the leader of the radical Federalists, openly challenged the president's desire to avoid war. With talk of war, CAPTs Dale, Talbot, and Sever were called back in 1798.

Talbot outranked Truxtun. But Truxtun regarded himself superior. "The avarice of rank in the infancy of our service is the devil," SECNAV Stoddert said to Hamilton after losing his best officer, Truxtun. Adams and Stoddert enticed him back into the Navy by convincing Washington to invite Truxtun to Mount Vernon. Washington urged him to reconsider since the nation was at war. Truxtun had one request, not to serve under Talbot.

SECNAV Stoddert worked lead roles in the Department of War, Department of the Navy; and liaised between his officer corps and Congress, especially in appealing for the navy to receive better pay. With such a workload, Stoddert was annoyed when his captains looked to him for their orders that he felt they could have easily done using their own authority. Stoddert told Truxtun to act with full authority. Stoddert would regret this.

Truxtun indeed acted like the CIC and made major mistakes, one of which was to set sail Captain Alexander's vessel opposite to Stoddert's instruction. The vessel was to relieve Talbot (Truxtun's nemesis) at Cape Francois, and its seamen whose enlistments had expired. Stoddert had to search for another ship to get Talbot. Stoddert was horrified and reprimanded Truxtun, but realized it was his fault for granting him full authority.

President Adams sought a peaceful solution to the U.S. differences with France. He succeeded in 1800. Both countries signed a new treaty ending the undeclared conflict with finality. For the remainder of his life, Adams regarded this peaceful resolution of hostilities as one of his greatest legacies. But having infuriated the radical wing of his own party, John Adams lost to Thomas Jefferson in the 1800 elections.

President Jefferson's backers were the most hostile to the creation of the Navy. Jefferson retained fewer captains than Stoddert did. The Navy Captains released from the Navy received nothing. Those that were removed from service did not get paid, or were receiving wages a family could not live on. The Jefferson government would not send out a 74-gun ship for 20 years, and of the 13 frigates retained, 7 were simply stored.

SECNAV Stoddert encouraged bad behaviors by calling for zeal, but ignoring the defiant zealots. The good naval officers chose their subordinates, determined strategy, and enjoyed near-total autonomy over their crew. SECNAV Robert Smith succeeded Stoddert in the Navy Department. He inherited a zealously determined corps to combat the enemy. He also got officers who judged their civilian superiors as enemies.

### CHAPTER 4. "To Make An Impression of Our National Character." Navy in the Tripolitan War, 1801-1807.

The crop of junior officers sent to the Mediterranean were

“men of spirit and enterprise” that Stoddert had so eagerly sought. When they found themselves unable to wage war against the enemy, they soon turned their weapons on one another. With personal honor at stake, no man could refuse a challenge and hope to preserve reputation in the officers corps.

CAPT Alexander Murray proposed amending the naval regulations to stipulate penalties, including revocation of commission, for anyone who participated in or failed to prevent a duel. Even Stephen Decatur, a man who would eventually die in a duel, issued standing orders after he became captain in 1804 that all disputes among his subordinates had to be referred to him for arbitration before resorting to the field of honor.

The Navy Department accepted this as a frustrating but unavoidable fact of the officer corps. After all, the kind of naval officers that Stoddert and Robert Smith sought –men of zeal, courage, and aggressiveness– were most prone to engage in duels. Adding alcohol to their own sense of honor, mixed with tight quarters and boredom, could indeed be deadly.

CAPT Edward Preble wanted to bring down Tripoli. But his plans for an assault suffered a setback. CAPT William Bainbridge had lost schooner *Retaliation* in the French Quasi War, and now frigate *Philadelphia* was grounded on rocky shores. Facing either surrender or blowing up the ship with all on board, Bainbridge chose the former. In 1803, Tripolitans sailed *Philadelphia* triumphantly into the harbor.

In the spring of 1801, Jefferson planned to send a small squadron to the Mediterranean to assess the situation. To lead the fact-finding mission, he turned to CAPT Thomas Truxtun of the *Constellation*. Jefferson soon found Truxtun was both an asset and a headache. He was the most successful captain to emerge from the Quasi War, and recognized as the most effective mentor to young officers. But he had a hot temper.

When Truxtun discovered his mission was only intelligence gathering while providing his seamen with experience, he declined the command. CAPT Richard Dale took the mission, commanded the squadron, and set sail in the summer of 1801. Upon his return a year later, Dale brought news that Tripoli had declared war on the U.S., and that Sterrett and the men of *Enterprise* had fought a battle with a Tripolitan cruiser. Dale then blockaded the port of Tripoli.

Federalists pounced on Jefferson for sending the Navy with inadequate authority to engage the enemy. Alexander Hamilton, his mortal enemy, led the charge, firing off 18 articles in the *New York Evening Post*. Jefferson quickly planned to send a more powerful squadron to Tripoli, with the power to wage war. He sought Congress to authorize taking enemy vessels, blockades, and acquire peaceful terms. Congress approved.

Robert Smith declined the post for Secretary of the Navy, but later agreed to take it at the behest of his brother, Samuel, who was offered the job earlier but also declined. Walking in the shadow of his brother, Robert suffered unfair reviews but in truth he had ample exposure to government and the sea, and served in Maryland’s House and Senate. His law practice focused on admiralty and maritime cases.

Robert Smith went on to become one of the most significant Secretaries of the Navy. As SECNAV, Smith proved to be an extremely capable administrator but never had free control of his department. Jefferson took keen interest in naval affairs; every major decision on naval commands, strategy, and deployments bore his personal approval. Jefferson and Smith had an excellent working relationship, and were of one mind.

CAPT Richard Valentine Morris made his mission to the Mediterranean a yachting convoy with wife, son, and servant, infuriating the president. In 1803, CAPT Edward Preble replaced CAPT Morris. Preble did not fear British officers nor cower to enter a British vessel. He had the fighting spirit Jefferson sought in a commander, and was highly respected by his crew.

In 1804, LT Stephen Decatur led his men into the Harbor aboard *Intrepid* to set fire to *Philadelphia’s* magazine, lighting up the city. Decatur was promoted to CAPT before senior LTs who had captured vessels before he did. LT Andrew Sterrett captured a Tripolitan ship in 1801. He decided to resign. Smith decided to award Sterrett a ceremonial Congressional sword for capturing an enemy vessel, and for gallant conduct.

In 1805, Smith asked CAPTs Stephen Decatur, Samuel Barron, James Barron, Edward Preble, and William Bainbridge to counsel him on whether CAPT Truxtun threatened to resign from the service or decline the mission to the Mediterranean. The unanimous decision was the former, because as his letter stated, he would rather resign “from the service.”

CAPT John Rogers was in command in the Mediterranean. Preble was junior to Rodgers but was chief of the squadron. This murky chain of command was Smith’s doing resulting in a clash of 2 officers’ sense of honor. CAPT Preble flew the pennant on the *Constitution*. It was an insult to Rogers who had seniority. But they put their animosity aside and turned to Morocco which dispatched 2 ships to prey on U.S. merchant ships.

There was a pending duel between CAPTs John Rogers and Samuel Barron. SECNAV Smith ordered Barron to give all his attention to the gunboat building, and remain where the boats are being built. Smith gave Rogers a similar directive, making it impossible for both to meet. John Stricker spoke to Barron and Rogers and found they could be convinced not to duel.

Two Navy Captains agreeing their honor could be defended without resorting to arms in a long-standing dispute was a precedent. But by showing their willingness to duel unless certain that only by settling their differences would their honor remain intact, they proved that naval officers were in no way weak or contemptible, for a young nation still trying to prove itself. By 1806, U.S. Mediterranean interests were secure.

#### CHAPTER 5. “A Government Rigorously Frugal and Simple.” Navy and Jeffersonian Republicans, 1805-1812.

Jefferson and Madison were justly criticized for the unprepared state of the U.S. Navy for the War of 1812, but they labored under a host of tremendous political and fiscal constraints. Jefferson also made it certain that Army and Navy officers would imbibe the “correct” Republican principles.

Jefferson was “for a government rigorously frugal and simple, applying all savings to the discharge of the national debt” and he knew the need for national defense, despite what his hysterical Federalist critics claimed. But he did not believe in a large and permanent military. He would rely on internal militia until an invasion occurred. The Navy was to be defense-oriented, protecting coasts and harbors from British invasion by sea.

Officers on land and at sea were filled with Alexander Hamilton’s Federalists. Jefferson feared the majority of officers were strongly anti-democratic. Jefferson’s first order was to republicanize the highest echelons of the military. Jefferson and Secretary of War Henry Dearborn reduced the Army to purge blatant Federalist officers and those unfit to continue. His vision was for an Army West Point academy, but none for the Navy.



Jefferson and the Smith brothers would use the Peace Establishment Act of 1801 to shape the existing set of navy officers. The Navy was reduced by 300. Congress passed an act in the ending days of Adams' regime with considerable input from Stoddert hoping that reducing the Navy in a measured way would prevent Jefferson from gutting it. The Smith brothers realized many meritorious navy officers were cut from service.

The Peace Establishment Act was "the true foundation of the fully professional naval officer corps that the U.S. developed between 1801 and 1812." It had an apolitical character in the selection process compared to the Army selection process. Samuel Smith said, "I have attended much to character, nothing to the political caste." However, Navy officers were drawn from merchant shipping and coasts, which were mainly Federalists.

While the reduction of the Navy was the most far-reaching naval policy of the Jefferson administration, the gunboat program was the most infamous. Jefferson's plan was to put the frigates in drydock and transition the Navy to a more economical strategy. His fear recalls the Danish Navy that refused to be part of the Anglo-French war. Britain sent a squadron to Copenhagen in 1801 and destroyed the entire Danish Navy.

The worst civil-military tensions during Jefferson's time were from navy officers who objected to their low pay under Robert Smith's tenure. David Porter proposed a committee of naval officers to approve expenditures, rather than a civilian secretary. His proposal was approved years later as the Board of Navy Commissioners. In 1846, the Navy settled in Porter's favor, 3 years after his death. He exposed the real poverty of navy life.

In 1805, Smith pressed Congress to authorize to construct 12 of the 74-gun ships. Commodore Preble and CAPT Bainbridge fought to acquire 74s but Congress overwhelmingly rejected. In 1808, a group of naval officers on half-pay until they were needed, sent a very desperate plea to Congress, asking for money for rations, pensions for widows as Army wives received, and better pay. The Republican-controlled Congress declined.

The rejection particularly rankled CAPT Isaac Hull. Years later, still seething at how the Congress had treated the naval officers, Hull told David Daggett (a friend in the Senate), "*I wonder how men of feeling could bear such treatment, when the world will and must acknowledge what they have asked was asked respectfully, and ought to have been granted.*"

By June 1807, Commodore John Rodgers was to be relieved from the Mediterranean. SECNAV Smith dispatched the Chesapeake, commanded by Commodore Barron. When the British found out that 4 British deserters were onboard, VADM George Cranfield Berkeley ordered to stop the Chesapeake and search its crew, a shocking order given at peace time.

In June 1807, British CAPT Salusbury Humphreys of the 54-gun ship *Leopard* came aboard to seize the 4 deserters. Commodore James Barron declared his crew was purely American. Humphrey gave a warning shot, but Barron ignored it, so *Leopard* unleashed a broadside on *Chesapeake*. It was utter chaos, and most unacceptable as they fired back only once. No one knew their battle station, nor how to fire the guns.

Humphreys boarded, and Barron offered his ship but Humphreys declined as his orders were purely to seize the deserters. The British captain offered aid that Barron ignored. Casualties were 3 deaths, 16 wounded, and the ship limped back to Norfolk. Barron was charged for failing to have his ship ready for action; failing to take an attack seriously; failing to encourage

his men to fight; and failing to attempt to defeat the *Leopard*.

The composition of the court was obviously not a fair hearing. The senior officer was Rodgers, Barron's old nemesis; and Decatur, who would assume command of the *Chesapeake*, had decided that Commodore James Barron acted shamefully. Although there was a shortage of navy officers, Smith and Jefferson decided Barron was guilty of gross negligence.

Jefferson's response to the attack on the *Chesapeake* was controversial. He spoke of avoiding war, yet he blocked merchant trade. It was a blow to the British and French economies. Internally, the embargo hurt New England and revived the sagging Federalist Party. The Embargo Act of 1807 tainted the final year of Jefferson's tenure. He believed it was the last card against Britain's assault on American sovereignty.

In 1808, Jefferson stepped down from the presidency. The office went to his Secretary of State, James Madison. Robert Smith became Madison's Secretary of State, a stepping stone to the presidency. Paul Hamilton, former governor of South Carolina would oversee the Navy. He had absolutely no maritime skills. Hamilton became an alcoholic as he lacked the maritime administrative ability to do an honorably good job.

In June 1810, LT John Trippe sailed *Vixen* to New Orleans to replace a few unseaworthy gunboats. Thinking *Vixen* was a French ship, a British ship fired on her. No men were killed, but *Vixen* was badly hit. Trippe ordered his men to action but was stopped by a British rowing towards her with a letter of apology. Hamilton had Trippe called back to be punished for the damages to *Vixen* without fighting back. By spring 1811, Commodore John Rodgers aboard *President* broadsided British ship, *Little Belt*.

In 1812, the U.S. Navy had ample opportunity to prove their fighting spirit. The Navy's popularity soared after a series of single-ship victories. The difficulties of war set the groundwork for improved naval administration. The war with Britain exposed the shortcomings of the gunboat program. The unpreparedness for war on land and at sea were laid on the feet of Jefferson and Madison, yet it was they who fought much for the Navy.

The Peace Establishment Act formed a more professional naval officer corps than before. The gunboat program, although misguided, highlighted a strong sense of subordination to civilian control among the officer corps. Robert Smith and Paul Hamilton continued Stoddert's way of selecting officers who were bold and courageous to defend their nation's honor. These traits brought both victories and headaches for the Navy.

#### CHAPTER 6. "The Precious Gem of Our National Glory." Navy and the War of 1812.

Fourteen-year-old Samuel Leech, a British prisoner of the frigate *United States*, witnessed euphoria at the capture of the *Macedonian* by CAPT Stephen Decatur aboard *United States*; defeat of the *Guerriere* by LT Charles Morris aboard frigate *Constitution*; and the capture of British *Java* by CAPT William Bainbridge aboard *Constitution*. These victories over the Royal Navy gave the U.S. Navy fame and finally paved the way for Congressional support in the aftermath of the War of 1812.

The war on land went badly but the naval victories bolstered U.S. public morale, and infuriated the British who were used to triumphs at sea. But U.S. leaders overlooked strategic realities. The Royal Navy's numeric superiority to U.S. was staggering. Single-ship victories risked a huge chunk of U.S. naval forces against a completely disposable British ship. Paul Hamilton had essentially neglected the maritime element of war.

Madison extracted Paul Hamilton. Hamilton's leadership during wartime was inept with no maritime skills. Madison was of no help either. Hamilton promoted LT Charles Morris 2 levels up unnecessarily for the Guerriere capture. In 1813, William Jones replaced Paul Hamilton as Head of the Navy Department. Jones brought clear strategic thinking, and changed how the U.S. Navy operated, putting away the "Honor at all costs" mentality.

William Jones' new naval strategy was radical. No longer would officers be enforced to hazard everything in the pursuit of national honor. The purpose of sending out the Navy against Britain was not for glory. Jones sought to damage British commerce to affect their economy and force concessions on impressment and neutral rights.

The character of the U.S. Navy no longer required chivalry. Jones based his tactical change on simple math. Britain could replace its ships; U.S. could not. U.S. vessels should cruise individually, and target merchant ships to force Britain to pull valuable ships away from the blockade. Jones ordered captains to avoid fights, and aim to destroy British commerce to show insurers the Royal Navy is weak in shielding its merchant ships.

Congress increased the Army slightly; and before declaring war, voted against increasing the Navy. Naval officers assigned to protect citizens from British coastal raids depended on themselves to inspire -or beg- civilians to rally to their own defense. The people of Baltimore rallied around John Rodgers, and the British failed in their attack. Elsewhere, British raids landed on U.S. coasts at will, burning the capital in August 1814.

CAPT John Paul Jones resigned in the spring of 1814. During Jones' tenure, it proved impossible to stop British coastal raids, no thanks to Congress. The Navy was undersupplied and undermanned. Yet the Navy had 2 major victories, one with CAPT Oliver Perry in the 1813 Battle of Lake Erie, 9 U.S. ships captured 6 British ships; and with Commandant Thomas Macdonough in the 1814 Battle of Lake Champlain, 14 U.S. ships captured 16 British ships. Macdonough was promoted to CAPT.

John Paul Jones' demand for a less aggressive strategy was a dramatic shift in navy strategy. All this time, the Navy sought officers with ambition, zeal and even recklessness to cover for the deficiency in the navy force. Their zealous mindset showed at the outset of the War of 1812 as navy captains sailed with one goal: to find and defeat a Royal Navy vessel. CAPT Jones' new strategy now called for a dramatic shift in navy culture.

In the final months of the war, the Navy emerged from the conflict with unprecedented popularity and therefore, support from Congress. Civilian and military leaders turned from combating British ships to building an administrative apparatus for a newly expanded service. The Secretary of the Navy's role became an issue of contention. A division of responsibility between civilian and military leadership emerged.

**CHAPTER 7. "A Radical Change of System."  
Navy Board and Professionalism, 1815-1824.**

In November 1814, SECNAV William Jones wanted out of Washington for financial reasons that demanded immediate attention. Madison offered the SECNAV post to Commodore John Rodgers, but for all the perks of the top navy job, he declined. Rodgers wanted to be a commissioned officer for life rather than a politician with an uncertain tenure. Rodgers accepted the Senior Officer post of the Navy Board.

As soon as the War of 1812 began, the Algiers declared war. Algeria was banking on the British to crush the U.S. Fleet, a big miscalculation. Madison had a larger and more powerful Navy than

Jefferson had in the Tripolitan War against the Algiers. In 1815, the second Barbary War took place. CAPT William Bainbridge was commander of the U.S. squadron to Algiers.

Benjamin Crowninshield Jr accepted the post of SECNAV In 1815, with hesitancy. He had extensive knowledge of maritime affairs. But he was more of a theoretical writer of the philosophical type, and was indecisive and directionless. He did not have his father's business-mindedness and love of the sea. So in the first few months, he waffled, and caused trouble early.

Crowninshield tapped Commodore William Bainbridge to lead the expedition to Algeria to avenge the *Philadelphia*. But in May 1815, Commodore Decatur convinced Crowninshield to send him earlier while Bainbridge was still fitting out his 74-gun ship *Independence*, and would follow 6 weeks later. Until 1815, Congress declined to authorize the rank of admiral and continued to do so until the Civil War. The corps contented themselves with Commodore, a courtesy title.

Commodore Decatur did not want to be second to Commodore Bainbridge. Decatur paid high bounties to get men to sign up as his crew. He negotiated at the mouth of a cannon and imposed terms on Algiers at will. Algiers released its U.S. prisoners without ransom, paid compensation for U.S. property it seized, abandoned extraction of tribute, and he resolved the Tunis and Tripoli conflicts. Nothing was left for Bainbridge.

There was much rejoicing on Decatur's return. But Crowninshield's decision that let Decatur write his own orders poisoned the relationship between Decatur and Bainbridge. It set the stage among senior officers that naval oversight shifted from SECNAV to the officer corps. It would show its horns when the Board of Navy Commissioners was created in 1815.

The first Board of Navy Commissioners were Commodores John Rodgers, Isaac Hull, David Porter, and Stephen Decatur. Since they saw themselves as co-equal to the SECNAV, Decatur and John Shaw suggested the SECNAV be part of the Navy Board, serving as presiding officer, putting him on equal footing with the officer corps. Crowninshield negated.

The final bill passed by Congress explicitly stated "nothing in this act shall be construed to take from the Secretary of the Navy his control of the naval forces of the United States." The Board of Navy Commissioners was attached to the office of SECNAV, and was under his superintendence.

Crowninshield worked hard to build healthy relationships with the Navy Commissioners. In March 1817, he assured the Navy Board he was not stepping down, and held no grudges for the Navy Board's desire to receive the same information as the SECNAV receives.

When Crowninshield's tenure ended in November 1818, James Monroe offered the SECNAV post again to Commodore John Rodgers, which he again declined. The Navy Board yielded sufficient power over naval affairs to satisfy his desire for influence. His decision to reject Monroe's offer shows the officer corps believed it had a voice in the Navy Department.

Crowninshield was the last NAVSEC with maritime experience. He was succeeded by NAVSECs with legal and juridical expertise. Politics instead of maritime experience would increase the influence of senior navy officers, but having no maritime background resulted in many early blunders. Smith Thompson, who succeeded Crowninshield in 1819 as SECNAV, had no maritime experience. It was the Navy Commissioners who made his duties lighter and bearable.



Then in March 1820, Commodore James Barron shot and killed Commodore Stephen Decatur in a duel. The root of the duel was Barron's court-martial. Barron traveled to London to support his family, but found the place detestable, the people insufferable, and lived on a limited income with most of it sent to his family. Commodores Rodgers and Porter tried to dissuade Decatur and called the duel foolish, but failed.

Decatur learned that no one of equal social standing was willing to help him in the field of honor, until William Bainbridge re-entered his life after refusing to speak to him for 5 years after his sly Mediterranean victory. He agreed to act as Decatur's second at the duel. It put a fog of suspicion around Bainbridge ever since. Barron aimed to hit Decatur's hip but the bullet sliced through his groin and vital organs, and he died a painful death.

Barron's career turned around dramatically at Decatur's death. Decatur did not grant him a hearing. Within months of the duel, Barron appeared before a court of inquiry. SECNAV Smith Thompson granted Barron command of the Philadelphia Navy Yard in 1824, and the Gasport Navy Yard in Virginia in 1825. Barron retired in 1838 as 2nd highest ranking naval officer.

The Navy Commissioners had limited success in advancing their objectives with Congress, as their main role was the primary source of information and advice on naval appropriations. SECNAV Thompson took a decidedly secondary role in practice. At the head of the naval officer corps were seasoned bureaucrats, and the management of naval affairs was heavily entrusted to the officers themselves.

While civilian supremacy was now firmly entrenched, managing naval affairs without the expertise of naval officers was impossible due to the complexity of naval science. The officer corps succeeded in keeping a sphere of authority and did so without subverting civilian control. Professionalism helped them achieve this, guided by strong assertions of the Navy Department's authority from the Secretary of the Navy.

**CONCLUSION.** By November 1824, Commodore David Porter sailed for the 3rd time to the West Indies. Porter found the Spaniards too friendly but had little interest in checking the rampant piracy he was sent to quash. Porter pursued pirates up to the shore, but was denied permission to pursue on land. America then endorsed President Andrew Jackson's decision to enter Spain's territory in Florida to pursue Seminole Indians, and pressed Spain to surrender Florida to the U.S.

The situation required any Commodore to have diplomacy skills, which Porter did not have. Porter exerted force over the pirates, and was in no mood to exercise diplomacy. When LT Charles Platt went to Fajardo City, he was jailed. Porter gathered 200 armed men and swarmed Fajardo. Porter demanded an apology and if not received, he would burn the whole city to the ground. Spain apologized.

Commodore Porter had zeal and aimed at destruction of the enemy. SECNAVs Stoddert and Smith would have praised Porter for defending the nation's honor. But times had changed. SECNAV Samuel Southard found Porter insubordinate. Porter learned the relationship between the Navy Department and the officer corps was different from when he was first assigned to *Constellation* as a young LT. He resigned in 1826, trapped between an old culture he could not transcend, and a new navy culture he had not learned fast enough to accept.

The War of 1812 was a draw, caused by repeated violations of U.S. naval rights, but victories over the Royal Navy and Andrew

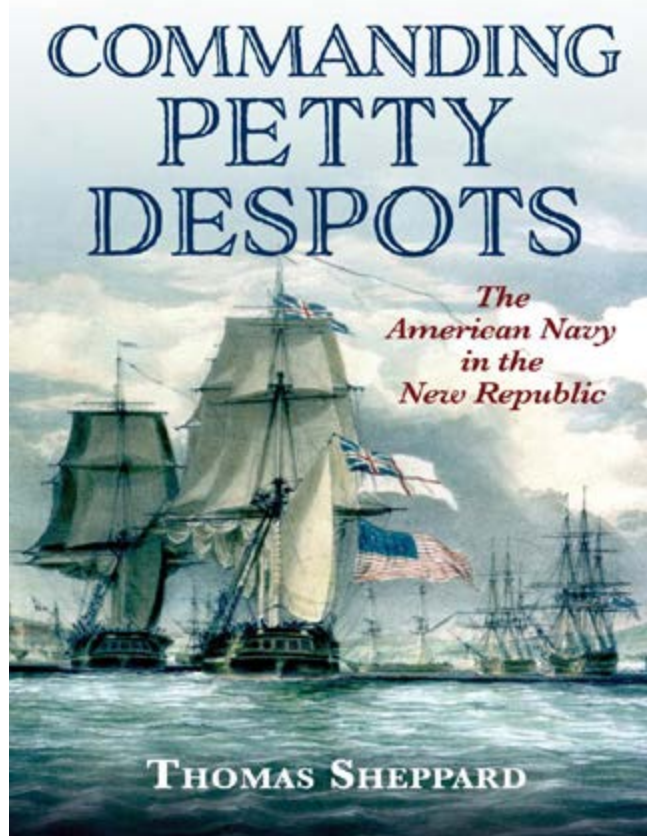
Jackson's defeat of the British invasion to gain a critical port in New Orleans in 1815 showed the U.S. Navy had power. The old navy culture was still in continuity as navy officers cared about their honor in deep and profound ways. They would still lash out if disrespected, and butt heads with the SECNAV.

Naval protest resignations ceased by 1815. Severe limits were imposed on Navy Captains who displayed hostility toward government. By 1820, a clearer division of responsibility enhanced civil-naval harmony. Both President and SECNAV decided on ship movements and naval strategy. Navy Commissioners handled ship design, construction, outfitting, selection, and training.

The first 5 SECNAVs and the first generation of naval officers who served under them, bequeathed an officer corps that was fiercely committed to the nation's honor, and put duty and commitment to civilian supremacy. It produced an officer corps that subordinated personal aims for the good of the Navy. Along with victories over French, Tripolitan, and British, this ranks among the U.S. Navy's greatest contributions to their country.

Many SECNAVS pushed for a naval academy, but it was SECNAV Samuel Southard who put the establishment of a naval academy as a priority. The U.S. Naval Academy would later be founded by George Bancroft in October 1845.

**RECOMMENDATION.** This book titled **Commanding Petty Despots**, authored by Thomas Sheppard, and published by USNI in Annapolis, Maryland is about the founding of the U.S. Navy as well as the history of naval culture. With honor being the most important virtue to every single U.S. Naval Officer, it is likewise an honor to recommend this book to enthusiasts of American naval history and its culture.







# Maritime Academy of Asia and the Pacific - Kamaya Point

Associated Marine Officers' and Seamen's Union of the Philippines-PTGWO-ITF

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Geographic destiny has given the Filipino the innate talent to be an excellent seafarer. To enhance this natural skill, the Maritime Academy of Asia and the Pacific (MAAP) was established on January 14, 1998. The Academy stands on a 103-hectare property in Kamaya Point, Mariveles, Bataan.

The Associated Marine Officers' and Seamen's Union of the Philippines (AMOSUP) founded by the late Capt. Gregorio S Oca, capitalized and developed the Academy. The new AMOSUP President Dr. Conrado F. Oca, heads the Academy's board of governors. The board is comprised of representatives from the private sector, the International Transport Workers Federation, the Filipino Association of Maritime Employers, the International Mariners Management Association of Japan, the Norwegian Seafarers' Union, the International Maritime Employers' Committee, the Danish Shipowners' Association, the Norwegian Shipowners' Association, and the Japanese Shipowners' Association.

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# BEACON EXPO 2024

The Maritime League, a Filipino maritime foundation, in partnership with the main maritime government agencies and associations, will host a 3-day Philippine Maritime International Exhibition and Conference entitled Blue Economy Annual Trade & Conference (BEACON 2024), from September 30 to October 1 & 2, 2024 at the SMX Convention Center, Mall of Asia Complex, Pasay City, Philippines with it's theme  
**"Oceans of Opportunity: Sustaining Blue Economy in the Philippines"**

# BEACON EXPO 2024 HIGHLIGHTS

- A 3-day conference and exhibitions on Blue Economy Projects, Policies and compliances, Philippine Maritime administration, and Maritime Security and Defense;
- Static display of the state of the art products and services from domestic and international maritime industries and institutions;
- BIAP 3 day Manila International Boat show at SMX and in water show MYC;
- Prominent figures from the blue economy sector, government officials, industry leaders and participants from the maritime, oil & gas and Naval defense industries;
- Networking Day at the Manila Yacht Club with government agencies and stakeholders to facilitate dialogue, foster collaboration, and strengthen relationships among participants for positive outcomes for various sectors and initiatives.

## BEACON 2023 HIGHLIGHTS



### STANDARD 3M X 3M SHELL SPACE



Raw Space	Shell Space
Minimum 18 sqm	Minimum 9sqm (Standard 3mx3m)
PHP 20,000/sqm USD 380/sqm	PHP 22,500/sqm USD 410/sqm
Ideal for custom booth designs or large product exhibits such as boats and maritime machinery or equipments	A Furnished shell exhibit space with chairs, tables and the usual amenities. See Standard Shell Space inclusion for details.

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