

THE PHILIPPINE MARITIME INDUSTRY THROUGH THE YEARS

LABOR MARKET INTELLIGENCE REPORT



Technical Education and Skills Development Authority

January 2017

I. BACKGROUND

The 2011-2016 Philippine Development Plan (PDP) lays its vision of a “safe, secure, efficient, viable, competitive, dependable, integrated, environmentally sustainable and people-oriented Philippine transport system.” As the document stipulates, it aims to create an integrated and coordinated intermodal transport network with backbone links to growth areas. Being an archipelagic country, the vital role of maritime transport in achieving such goal cannot be overlooked.

The Philippines counts on the maritime industry as a vital component in attaining inclusive growth and socio-economic progress¹. Today, shipping remains to be the major infrastructure by which Philippine islands are linked. It also connects the country to global commerce and trade.

The Maritime Industry Authority (MARINA), an agency under the Department of Transportation and Communication (DOTC), is responsible for integrating the development, promotion and regulation of the maritime industry in the Philippines. Created on June 1, 1974 through the issuance of Presidential Decree No. 474, the agency exercises its powers over four (4) major sectors: domestic shipping, overseas shipping, ship building and ship repair, and maritime manpower sectors.



Source: Technological Institute of the Philippines

¹ UNESCAP (n.d.)

Transferring of Powers: From TESDA to MARINA

MARINA assumed a new mandate under Executive Order (EO) No. 75 signed by President Aquino on April 30, 2012, designating the then Department of Transportation, through MARINA, as the Single Maritime Administration in the Philippines responsible for the oversight in the implementation of the 1978 Standards of Training, Certification and Watchkeeping (STCW) Convention². By virtue of TESDA Act 7796, the training aspect of the maritime sector, specifically the ratings, was lodged to TESDA. However, with the new mandate of MARINA as indicated in EO No. 75, the maritime functions of Maritime Training Center (MTC) and the training aspect of the maritime industry formerly handled by TESDA, is now handled by MARINA. After the implementation of EO No. 75, MARINA Advisory No. 2013-10 series of 2013 was issued to all shipping companies, seafarers, manning agencies, and MARINA Regional Offices. The subject of which is the assumption by MARINA of TESDA functions in the conduct of assessment and certification of seafarers in the ratings category. Hence, TESDA's assessment and certification functions for Deck and Engine Ratings were transferred to MARINA.

On March 13, 2014, Republic Act 10635 established MARINA as the single maritime administration responsible for the implementation and enforcement of the 1978 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, as amended, and international agreements or covenants related thereto. MARINA assumed all powers and functions of the Professional Regulation Commission (PRC), the Commission on Higher Education (CHED), TESDA, the Department of Health (DOH) and the National Telecommunications Commission (NTC) relative to the issuance, validation, verification, correction, revocation or cancellation of certificates of competency, endorsement, proficiency and documentary evidence required of all seafarers and all such other matters pertaining to the implementation of the STCW Convention.

Such move was in response to retaining the Philippines in the White List. The White List distinguishes the nations that have displayed and established a plan of full

² The main purpose of the Convention is to promote safety of life and property at sea and the protection of the marine environment by establishing in common agreement international standards of training, certification and watchkeeping for seafarers.- International Maritime Organization

compliance with the STCW-95 Convention and Code. The White List was created using criteria such as what system of licensing the administration has, training center oversight, process of certificate revalidation, flag state control, and port state control.

After the transfer of responsibilities of TESDA to MARINA, only three training regulations were left for TESDA's management- Ship's Catering NC I, Ship's Catering NC II (which is Ship's Catering NC III since 2016), and Marine Electricity NC II.

Aspirations for the Industry

In 2013, MARINA adopted and committed that: *"by 2016, MARINA shall become a premiere maritime administration in Southeast Asia propelling the Philippine maritime industry to global competitiveness"*, in shipping, shipbuilding/ship repair and seafaring. To ensure the realization of the above MARINA vision and contribute to the DOTC's shared goal of promoting "improved accessibility, mobility and interconnectivity, and safe, secure, efficient and sustainable transportation systems", MARINA's policy directions are said to be guided by following main strategic objectives, namely:

- Attractive Philippine ship registry
- The Philippines as a major center for shipbuilding and ship repair
- Modern and vibrant domestic merchant fleet as part of a seamless transportation system
- Sustained development of globally competitive seafarers

II. Overview of Global Maritime Industry

The global supply of seafarers has increased over the past five years, with both qualified officers and ratings being made available to the internationally trading world. The number of officers was reported to have increased by 34% between 2005 and 2010. In 2015, it was estimated to have increased by 24% in the past five years.

The following figure provides a summary of how the estimated global supply of seafarers has increased since 2005.³

Table 1: Estimated Supply of Seafarers

| Summary of the estimated global supply of seafarers 2005-2015 | | | |
|--|-------------|-------------|-------------|
| Rank | 2005 | 2010 | 2015 |
| Officers | 466,000 | 624,000 | 774,000 |
| Ratings | 721,000 | 747,000 | 873,500 |
| Total | 1,187,000 | 1,371,000 | 1,647,500 |

Note: The estimates for 2015 are not directly comparable to previous report due to changes in approaches to data collection and definitions used in the scope of the report.
Source: Country Questionnaire, 2015, and Manpower Reports from 2005-2010

Based on the estimates of national contributions to the current global supply of seafarers, the five countries with the largest numbers of seafarers in 2015 is shown in Table 2 below. Overall, China is the largest supplier of seafarers, followed by the Philippines. China dominates in the supply for officers while the Philippines tops for the rating category.

Table 2: Largest Seafarer Supply Countries

| Estimated five largest seafarer supply countries | | |
|---|---------------------|--------------------|
| For all seafarers | For officers | For ratings |
| 1. China | China | Philippines |
| 2. Philippines | Philippines | China |
| 3. Indonesia | India | Indonesia |
| 4. Russian Federation | Indonesia | Russian Federation |
| 5. Ukraine | Russian Federation | Ukraine |

Source: Country Questionnaire, 2015

The top five countries indicated by companies were China, the Philippines and the Russian Federation, followed by Ukraine and then India. This closely resembles the countries estimated to supply the largest number of seafarers, with the exception of Indonesia.

Table 3: Top Five Seafarer Countries

| |
|-----------------------|
| 1. China |
| 2. Philippines |

³ BIMCO & ICS (2015)

3. Russian Federation**4. Ukraine****5. India**

Source: Country Questionnaire, 2015

III. Overview of the Philippine Maritime Industry*A. Domestic Shipping*

In 2015, there were a total of 25,063 domestic vessels- both merchant and fishing. It has increased by 91% since 2011. Among the merchant fleet, the greatest in number is the passenger type, followed by the cargo.

Table 4: Domestic Operating Vessels by Type of Service

| Number of domestic operating vessels by type of service | | | | | |
|---|--------|--------|--------|--------|--------|
| Type of Service | 2011 | 2012 | 2013 | 2014 | 2015 |
| MERCHANT FLEET | 7,299 | 8,499 | 9,574 | 10,694 | 12,021 |
| Passenger | 4,263 | 5,077 | 5,745 | 6,567 | 7,387 |
| Cargo | 2,121 | 2,449 | 2,813 | 3,051 | 3,476 |
| Tanker | 288 | 263 | 245 | 249 | 257 |
| Tug | 432 | 481 | 534 | 566 | 722 |
| Dredger | 20 | 21 | 26 | 28 | 34 |
| Speed boat | 2 | 13 | 13 | 21 | 26 |
| Special purpose ship | 15 | 14 | 20 | 16 | 20 |
| Miscellaneous ship | 53 | 67 | 63 | 78 | 99 |
| Others | 94 | 114 | 112 | 118 | - |
| No information | 11 | - | 3 | - | - |
| FISHING | 5,830 | 7,242 | 9,437 | 11,340 | 13,042 |
| TOTAL | 13,129 | 15,741 | 19,011 | 22,034 | 25,063 |

Source: MARINA/MISO

Pursuant to MARINA CIRCULAR No. 2013-02, all ships under domestic ownership plying the Philippine waters, regardless of size and utilization, must be properly registered and issued a CPR and CO. In 2015, 4,606 COs and 4,914 COPR were issued. It has decreased modestly from the releases in 2011.

Table 5: Issued Certificates of Ownership and Philippine Registry**Certificate of Ownership/Certificate of Philippine Registry Issued**

| Year | Certificate of Ownership | Certificate of Philippine Registry |
|------|--------------------------|------------------------------------|
|------|--------------------------|------------------------------------|

| | Total | Central Office | Regional Office | Total | Central Office | Regional Office |
|-------------|-------|----------------|-----------------|-------|----------------|-----------------|
| 2011 | 4,751 | 1,226 | 3,525 | 4,884 | 992 | 3,392 |
| 2012 | 3,945 | 312 | 3,633 | 3,776 | 317 | 3,459 |
| 2013 | 4,606 | 356 | 4,250 | 4,609 | 360 | 4,249 |
| 2014 | 4,121 | 321 | 3,800 | 3,969 | 326 | 3,643 |
| 2015 | 4,606 | 481 | 4,125 | 4,914 | 462 | 4,452 |

Source: MARINA

MARINA accredits shipping companies which shall operate ships in international waters. The validity of accreditation is three (3) years and renewable for same period length. Starting 2011, the number of companies accredited under MC 186 are greater by threefold to sevenfold than those under MC 181. Those under the latter range from 65-68 from 2011 to 2015.

Table 6: Accredited Companies

| Year | Accredited Companies under MC 181 | | Accredited Companies under MC 186 | |
|-------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
| | Number | Total paid-up capitalization (PhP) | Number | Total paid-up capitalization (PhP) |
| 2011 | 68 | 1,021,970,670 | 180 | 3,300,971,651.48 |
| 2012 | 66 | 999,470,670 | 183 | 3,302,971,651.48 |
| 2013 | 65 | 969,970,670 | 330 | 3,926,851,205.68 |
| 2014 | 65 | 1,092,448,400 | 414 | 4,248,393,442.09 |
| 2015 | 65 | 1,532,923,864 | 475 | 3,154,921,570.65 |

Source: MARINA

No data were recorded on the Certificate of Ownership. Regarding the Certificate of Philippine Registry, its release (new) has increased modestly from 2011 to 2015, while those for renewal during the same period decreased.

Table 7: Number of certificate of ownership (CO)/ certificate of Philippine registry (CPR) issued

| Year | Certificate of ownership | | Certificate of Philippine registry | |
|------|--------------------------|----------|------------------------------------|----------|
| | New | Existing | New | Existing |
| 2011 | 0 | 0 | 18 | 67 |
| 2012 | 0 | 0 | 14 | 52 |
| 2013 | 0 | 0 | 6 | 36 |
| 2014 | 0 | 0 | 16 | 58 |
| 2015 | 0 | 0 | 23 | 44 |

Source: MARINA/OSO

B. Ship Building and Ship Repair (SBSR)

A lot of maintenance is carried out while at sea or in port by a ship's crew. However, a large number of repair and maintenance works can only be carried out while the ship is out of commercial operation, in a ship repair yard. As of March 2014, there are 88 registered ship yards in the country, with the majority (28) located in Region XI. Other ship yards are located in the following areas: Region IV (4), Region V (1), Region VI (8), Region VII (14), Region IX (12), Region X (2), and Region XII (19)⁴.

Seven (7) of these yards are categorized as Class A. They are equipped with facilities for the construction and/or repair of big ships, with 20,000 deadweight tonnage (DWT) capacity per area and paid up capital of PHP 50million. There are twelve (12) other yards for medium-sized ship and 99 yards to service smaller ships.

With regard the employment in this area, the data below shows that contractual employees in afloat ship repair are the greatest in number at 9,501; while ship breaker contractual employees are the least at 2 persons. Also significant is the number of permanent skilled/semi-skilled workers in SBSR (small) at 1,720.

Table 8: Workers Employed by Category of Licensed SBSR Entities

| Category of employment | Category of operations | | | | |
|------------------------|------------------------|---------------|--------------|--------------------|--------------|
| | SBSR (large) | SBSR (medium) | SBSR (small) | Afloat ship repair | Boat builder |
| | | | | | |

⁴ MARINA (2014)

| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
|----------------------------------|------|-------|------|------|-------|-------|------|------|------|------|
| TECHNICAL | | | | | | | | | | |
| Permanent | 396 | 380 | 60 | 163 | 462 | 330 | 80 | 100 | 12 | 28 |
| Contractual | 259 | 35 | 51 | 27 | 330 | 91 | 19 | 45 | 2 | 2 |
| SKILLED/ SEMI-SKILLED | | | | | | | | | | |
| Permanent | 875 | 1,347 | 452 | 528 | 1,688 | 1,720 | 424 | 327 | 50 | 91 |
| Contractual | 8787 | 412 | 190 | 150 | 1,400 | 967 | 261 | 294 | 70 | 38 |
| ADMINISTRATIVE | 133 | 157 | 18 | 136 | 61 | 217 | 30 | 105 | 7 | 29 |
| MANAGERIAL | 90 | 90 | 6 | 17 | 26 | 109 | 17 | 61 | - | 9 |

Source: MARINA

C. Maritime Manpower Sector

The Philippines, China, Indonesia, the Russian Federation and Ukraine are estimated to be the five largest supply countries for all seafarers (officers and ratings). The Philippines as earlier mentioned is the biggest supplier of ratings, followed by China, Indonesia, the Russian Federation and Ukraine. While China is the biggest supplier of officers, followed by the Philippines, India, Indonesia and the Russian Federation.⁵

The Philippines' high rank is said to be driven by a number of factors- population, language proficiency, and lack of better employment opportunities on shore. With a population of more than 100 million people growing yearly by approximately 1.5% and a median age of 24 years, the Philippines has a pool of young and massive workforce. Moreover, being the third largest country in the world with the most number of English (which is the internationally recognized language onboard) speaking people, the country can supply qualified crew for internationally operating vessels. Furthermore, most maritime jobs offer an attractive remuneration compared to jobs on shore- they very reason many Filipinos choose employment at sea although it means being away from their homes and families.⁶

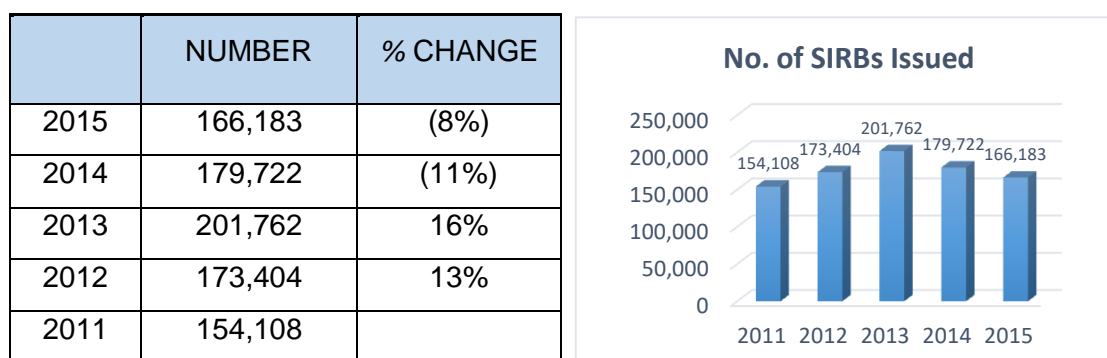
⁵ BIMCO & ICS (2015)

⁶GPCCI (2016)

Another factor is the geographical condition of the Philippines. Being an archipelagic state segmented into islands, Filipinos have the penchant for water. More so, maritime activities such as transport and fishing have been part of the lives of many Filipinos. Thus, the tendency of pursuing a maritime career is higher compared to in countries that do not have such an extensive access to the sea.⁷

More Domestic statistics

Table 9: Seafarers Identification and Record Book (SIRB) Issued



Source: MARINA

In order to become a registered seaman in the Philippines, an applicant should have a valid Seafarer's identification and Record Book (SIRB) from the Maritime Industry Authority (MARINA), a document that proves that the applicant passed the minimum standard requirements as a licensed mariner for the seamanship profession and trade. The SIRB is a document issued for the purpose of providing the holder with identity papers for travel to or from an assigned vessel. The number of SIRB released from 2011 to 2015 has increased by %. 2013 holds the highest number of SIRB released at 201, 762.

Table 10: Number of Seafarers by Category: 2010 – 2015

| Category/Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---------|---------|---------|---------|---------|---------|
| Officer <small>or cruise ships, like chambermaids, cooks, waiters, casino personnel and entertainers.</small> | 81,761 | 90,506 | 81,836 | 86,636 | 93,686 | 93,992 |
| Rating | 124,765 | 140,681 | 136,505 | 139,211 | 154,963 | 148,283 |
| Non-Maritime⁸ | 133,082 | 136,971 | 129,822 | 132,396 | 151,402 | 161,480 |

| | | | | | | |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Others | 7,542 | 946 | 15,702 | 8,923 | 1,775 | 2,776 |
| Total | 347,150 | 369,104 | 366,865 | 367,166 | 401,826 | 406,531 |

Source: Philippine Overseas Employment Administration

Consequently, the number of Filipino seafarers over the past years has consistently increased except for slight decrease of almost 1% or 2,239 in 2012. In 2015, we have already 406,531 seafarers deployed worldwide.

Table 11: Seafarers by Top Ten Occupations

| Position | Number of seafarers | | | | |
|-------------------------------|---------------------|--------|--------|--------|--------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Able seaman | 47,864 | 53,239 | 50,075 | 51,537 | 58,219 |
| Oiler | 28,523 | 31,424 | 28,959 | 29,730 | 32,263 |
| Ordinary seaman | 24,794 | 27,999 | 25,530 | 26,046 | 28,437 |
| Chief cook | 13,252 | 14,827 | 13,914 | 14,040 | 15,890 |
| Second mate | 12,876 | 14,189 | 13,235 | 13,591 | 14,873 |
| Bosun | 12,039 | 13,621 | 12,783 | 13,208 | 14,645 |
| Third Engineer Officer | 11,695 | 12,701 | 11,855 | 12,031 | 13,184 |

Table 12: Deployed Filipinos Seafarers by Top 10 Flags of Registry

| Skills category | 2015 | 2014 | % change |
|-------------------------------------|---------|---------|----------|
| Panama | 10,025 | 69,502 | 14.586 |
| Bahamas | | 50,272 | -0.21 |
| Liberia | 164,980 | 37,537 | 4.34 |
| Other occupations | | 168,298 | 179,126 |
| Republic of Marshall Islands | | 36,057 | 32,179 |
| Malta | | 25,547 | 23,793 |
| Singapore | | 24,011 | 22,561 |
| Bermuda | | 17,324 | 16,509 |
| Italy | | 12,960 | 12,297 |
| Norway | | 11,724 | 13,232 |
| Netherlands | | 10,657 | 12,582 |
| Other flags of registry | | 110,940 | 110,964 |
| Total | | 406,531 | 401,826 |

Source: Philippine Overseas Employment Administration

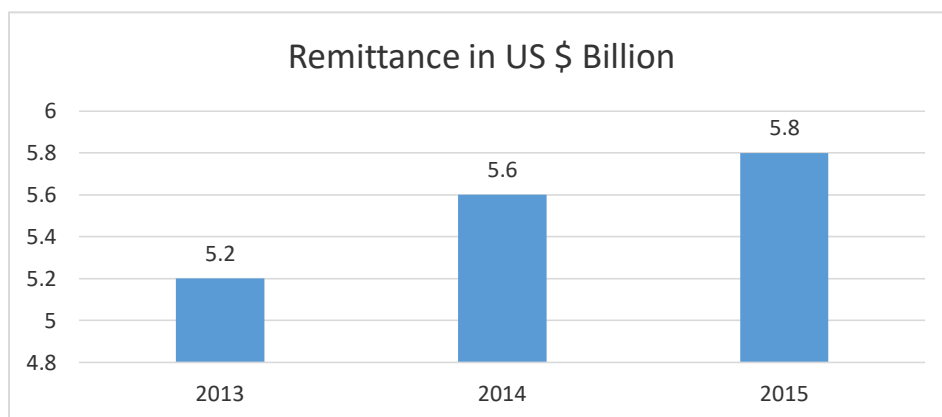
ployed worldwide, the most common occupations are able seaman, oiler, and ordinary seaman.

Filipino seafarers are deployed all over the world but there are several common areas like the Panama, Bahamas and Liberia.

IV. ECONOMIC CONTRIBUTION

Over the years, the remittances of Filipino seafarers have significantly contributed to the development of the Philippines. In a study made by the Commission on Filipinos Overseas (CFO) in 2016, Filipino seafarers infused about US \$5.575 billion to the country's economy through their remittances.⁹ Total remittances from the seafarers alone accounted for 9.8 % of Gross Domestic Product and 8.3 % of Gross National Income.

Figure 1: Remittance of Filipino Seafarers in US \$ Billion: 2013-2015



Source: Bangko Sentral ng Pilipinas

In terms of salary, the master mariners receive about US \$8,000 –US \$12,000 or PHP 200, 000-500,000 a month, while the lowest ranks receive about PHP 42,000 to P50, 000 a month.¹⁰ Evidently, seafarers serve as the cornerstone of the industry that moves 90 % of the world trade. The seafarers have continued to be a pillar of financial stability for the country, helping provide employment to other Filipinos in ancillary services that support the seafaring industry.¹¹

⁹ Depasupil (2016)

¹⁰ Tejano (2015)

¹¹ Ibid.

V. PROSPECT

The Baltic and International Maritime Council (BIMCO) and the International Chamber of Shipping (ICS) have issued their once in every five-year report on the manpower situation in the global shipping industry as of 2015. The report is based on data gathered from surveys of countries supplying seafarers, major companies employing seafarers, industry experts, sample seafarers, maritime education and training institutions (METIs), manning agents, and maritime unions.

According to the report, in 2015, the world has a deficit of 16,500 for officers which might increase to 92,000 by 2020 and 147,500 by 2025. In the same year, there was an oversupply of 119,000 for ratings. Moreover, the report claims that the supply of officers is forecasted to increase steadily, but this is predicted to be outpaced by increasing demand. More specifically, it is observed that there is a more significant shortage of Engineer Officer – Management level and officers for specialized ships such as liquefied natural gas and liquefied petroleum gas carriers, and chemical tankers.

Effects of ASEAN Integration

Another factor that is crucial in discussions on employment projection is the Association of Southeast Asian Nations (ASEAN) Integration. ASEAN Integration 2015 is the result of ASEAN member-states seeking economic integration by creating an ASEAN Economic Community (AEC) by end-2015 for the purpose of establishing a common market. The ASEAN Economic Community is the goal of regional economic integration by its characteristics which include:

1. A single market and production base
2. A highly competitive economic region
3. A region of fair economic development, and;
4. A region fully integrated into the global economy.

The areas of co-operation include: human resources development; recognition of professional qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement.

Through Mutual Recognition Agreements (MRAs), professionals may move to other ASEAN countries to practice, but they must pass that country's licensing test.

With regard the Filipino seafarers, the potential impact of ASEAN Integration

(

A

Table 13: Potential Impact of ASEAN Integration (AI)

| | | |
|---|--|--|
| I | 1. Outward Mobility: | |
|) | • The Philippines will continue to supply maritime labor | • Increase deployment of seafarers |
| o | • Seafarers sailing worldwide route may opt to sail within ASEAN | • Increase in remittances • Increase the country's share of officers in the world fleet |
| n | • Seafarers in domestic ships may opt to sail with ASEAN | • Seafarers may stay longer at sea |
| t | • Employment for the country's potential officers | • Exacerbate shortage of seafarers in domestic shipping |
| h | 2. Inward mobility | |
| e | • Domestic seafarers employment remain | • Enhancement/Upgrading of skills |
| E | • Unemployment | • Seafarers in Domestic ships will opt to sail overseas (ASEAN) |
| m | | • Modernize fleet and operations |
| | 3. Develop Maritime Cluster | |
| | • Seafarers employment in shipping related services | • Maritime services hub • Decrease numbers of MLOs • OLOs chance to progress to MLOs |

ployment of Filipino Seafarers are the following¹²:

Source: National Maritime Polytechnic

VI. PHILIPPINE MARITIME EDUCATION

¹² NMP (2015)




A. *Overview of Maritime Education and Training (MET) in the Philippines*¹³

Maritime Education and Training Institutions (METIs) are academic institutions and training centers that provide education and training to aspiring seafarers for careers in the maritime industry. As seen in the table below, The METIs are regulated by three organizations namely, the MARINA, CHED, and TESDA. Usually, higher maritime education consists of four-to five-year college degree programs under marine transportation or engineering. Typically, there is a four-year structure (3 - 1) composed of three years of academic study before the onboard job training in the final year. There is also the 2 – 1 – 1 structure which programs the onboard job training on the third year, academic training is scheduled on the first two years and last year.

Maritime training, on the other hand, is composed of shorter courses that improve the competencies of seafarers.

¹³ GPCCI (2016)

Table 14: Maritime Education and Training Institutions

| | | | |
|-----------|--|--|---|
| Authority | Commission on Higher Education (CHED)  | Technical Education and Skills Development Authority (TESDA)  | Maritime Industry Authority (MARINA)  |
| Mandate | Mandated by the Office of the President to manage and develop the Philippine Higher Education System in partnership with other major | Responsible for the technical education in the Philippines, assures quality of skills development and provides direction, policies, programs and standards | A governmental agency under the Philippine Department of Transportation which specializes on the stimulation, regulation and promotion of the |

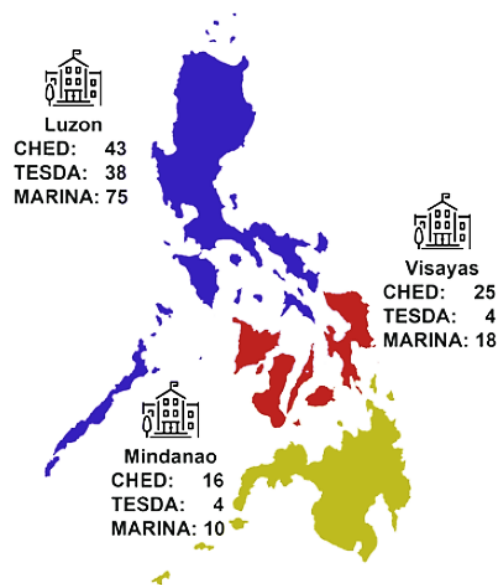
| | higher education stakeholders | | national maritime industry |
|---------------------------------------|-------------------------------|-------|----------------------------|
| Number of METIs accredited as of 2014 | 83 | 48 | 103 |
| Number of Enrollees in 2014 | 167,840 | 6,717 | No Data |

Source:
German

-Philippine Chamber of Commerce and Industry

Maritime schools and trainings institutions under the agencies mentioned are located across the country, most are in Luzon. The distribution is seen below:

Figure 2: Location of METIs



Source: Galvez A., Tuapin, G. et al. (2016).

Table 15: Enrolment for BS Marine Engineering and Marine Transportation, by Gender

| Course | 2010-2011 | | | 2011-2012 | | | 2012-2013 | | | 2013-2014 | | | 2014-2015 | | |
|--------------|---------------|--------------|---------------|----------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| BS MAR-E | 36,480 | 323 | 36,803 | 44,502 | 396 | 44,898 | 57,856 | 501 | 58,357 | 104,669 | 544 | 104,669 | 61,369 | 759 | 61,128 |
| BSMT | 56,039 | 750 | 56,789 | 61,114 | 1,179 | 62,293 | 73,943 | 1,556 | 81,101 | 79,435 | 1,901 | 79,435 | 81,025 | 2,123 | 83,148 |
| Total | 92,519 | 1,073 | 93,592 | 105,616 | 1,575 | 107,191 | 131,799 | 2,057 | 139,458 | 184,104 | 2,445 | 184,104 | 142,394 | 2,882 | 144,276 |

Data from CHED indicates that enrollees of bachelor’s degree programs on Maritime are consistently increasing from SY 2010-11 to SY 2013-14. In SY 2014-2015 however, decreased in enrollment was noted. There are more enrollees for BS Marine Transportation than BS Marine Engineering. Throughout the years covered, enrollees are predominantly male but the meager number of female enrollees has been growing, albeit slowly. The data suggests that the country has enough supply of officers.

B. TVET Situationer

TVET delivery in the country is private sector dominated. As of September 2016, a total of 8,816 TVET providers are offering TESDA registered programs and majority of it are private institutions. Out of the total TVET providers, 7% (63) are maritime training institutions. From a large number, maritime training schools has decreased significantly as some faced closure since the government intensified its efforts to produce more efficient and competent Filipino seafarers.

Since the transfer of responsibilities of TESDA to MARINA in 2012, three training regulations were left to the management of TESDA- Ship’s Catering NC I (promulgated in 2013), Ship’s Catering NC II (promulgated in 2014), and Marine Electricity NC II (promulgated in 2008). Marine Electricity NC II records, however, are null vis-à-vis the records for the Ship’s Catering courses. The Marine Electricity NC II remained unutilized through the years.

Table 16: Number of Enrolled and Graduates of Ship Catering Programs in Maritime Courses: 2010 – 2015

| QUALIFICATIONS | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | |
|-----------------------|------|----|------|----|------|----|------|-------|------|----|-------|-------|
| | E* | G* | E* | G* | E* | G* | E* | G* | E* | G* | E* | G* |
| Ship's Catering NC I | NA | NA | NA | NA | NA | NA | - | 5,615 | - | - | 2,866 | 1,953 |
| Ship's Catering NC II | NA | NA | NA | NA | NA | NA | - | 5,876 | - | - | 1,533 | 1,057 |

| | | | | | | | | | | | | |
|----------------------|---|--------|---|--------|---|---|----|----|----|----|----|----|
| Deck Rating | - | 50,842 | - | 48,670 | - | - | NA | NA | NA | NA | NA | NA |
| Engine Rating | - | 26,282 | - | 28,125 | - | - | NA | NA | NA | NA | NA | NA |

*E- enrolled *G-graduated

Source: TESDA

The outputs of the TRs Deck Rating and Engine Rating when they were still with TESDA from 2010-2011 were able to produce a total of 99,512 and 54,407 graduates, respectively. On the other hand, graduates of Ship’s Catering NCI and NCII from 2013-2015 has a modest output of 7,568 and 6,933, respectively.

| Qualification | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|----|
| | A* | C* | A* | C* | A* | C* | A* | C* | A* | C* | A* | C* |
| Ships' Catering Services NC I | NA | NA | NA | NA | NA | NA | 5,615 | 5,136 | 31,284 | 30,743 | - | - |
| Ships' Catering Services NC II | NA | NA | NA | NA | NA | NA | 5,876 | 5,412 | 27,363 | 26,971 | - | - |
| Deck Rating | 50,842 | 49,374 | 48,670 | 45,425 | 39,843 | 36,096 | 19,270 | 17,926 | NA | NA | NA | NA |
| Engine Rating | 26,282 | 25,641 | 28,125 | 26,179 | 23,102 | 20,852 | 10,588 | 9,758 | NA | NA | NA | NA |

*A- assessed *C- certified

Source: TESDA

In 2013, assessed and certified persons on Ship Catering Services was at a minimal level since it was the first year of offering. However, its output jumped almost five and a half times in 2014. Overall, for 2014 alone, non-maritime workers with certification from TESDA total to 57, 714. In the same year, certification rate for both qualifications stood at 98%. Deck Rating and Engine Rating on the other hand, were able to generate a total of 148, 821 and 82, 430 certified workers, respectively, from 2010 – 2013.

After successfully completing their training and other pertinent requirements, TVET graduates under these courses work as non-maritime personnel, which may be included in MARINA’s description of non-maritime personnel as *“those undertaking hotel activities onboard passengers or cruise ships, like chambermaids, cooks, waiters, casino personnel and entertainers.”*

Per the TESDA Board Resolution No. 98-03 issued on January 23, 1998, training centers are to register their program under the unified TVET program registration and accreditation system (UTPRAS). With the transfer of Maritime training centers/schools to MARINA that are offering Deck Rating and Engine Rating

programs in 2014, there are only 97 registered programs in 2016. As seen below, majority of these programs are registered in NCR. While other regions- Regions II, NIR, X, XII, and ARMM- show no number of registered program under the sector.

Table 18: Number of Registered Programs by Region, 2016

| Region | Total |
|--------------|-----------|
| NCR | 55 |
| Region I | 3 |
| Region II | |
| Region III | 5 |
| Region IV-A | 8 |
| Region IV-B | 2 |
| Region V | 1 |
| Region VI | 3 |
| NIR | |
| Region VII | 10 |
| Region VIII | 3 |
| Region IX | 3 |
| Region X | |
| Region XI | 2 |
| Region XII | |
| CARAGA | 2 |
| ARMM | |
| Total | 97 |

Source: TESDA

Demand for Ship's Catering NC I and NC II graduates may intensify should the Department of Tourism's *Cruise Strategy* push through. The said strategy identifies developments in the "*Turquoise Triangle*" linking the popular tourist destinations of Manila, Boracay, and Puerto Princesa in Palawan.

The strategy was designed with reference to pertinent data which dictates that in 2015, the Philippines attracted 52 port calls- an 18 percent rise from 2014's total of 44. Cruise passenger volume also rose to 69,802 in 2015- an up by 16 percent from 60,183 passengers in 2014.

Former DOT Sec. Jimenez believes that such strategy will stir the interest of cruise lines and their guests. Consequently, this is said to translate to a dramatic increase in the number of transit calls. It may also be the means for the country to position itself as a much-needed alternative homeport between Singapore and China/Hong Kong.

VII. WAY FORWARD

"Maritime transport is the backbone of international trade and a key engine driving globalization and competitiveness."

- MARINA (2013)

From a highly strategic viewpoint, developing the Philippine maritime industry will propel the country towards a wider national economic growth in terms of employment/job creation, investment opportunities, and government revenues, among others. With its development comes the development of all industries relying on maritime transportation.

As mentioned, in 2014, around 402,000 Filipino seafarers contribute to roughly 30% of the global maritime workforce, making the Philippines the second largest supplier of seafarers worldwide. The Philippine maritime industry envisioned that by 2016, it will dominate the market by supplying 50% of the world's marine fleet. However, BIMCO/ICS Manpower Report 2015 stated that China is the largest supplier of seafarers worldwide. Getting the top spot for the Philippines would require conscious thought and effort given the prominence of China in the global maritime industry.

“A responsible and modern Philippine registered fleet, supported by quality seafarers and capable shipyards, will pave way for stability of trade, promote national development and promotes national security.”

- MARINA (2013)

In this light, TESDA in its NTESDP 2011-2016 could be looked into:

- The skills training for our seafarers will need to be fast-tracked to maintain our dominance in the seafarers' market.
- Domestic standards must be aligned with global standards to facilitate skills mobility.
- Education and training for seafarers should provide pathways and seamlessness to enable non-officers the opportunity to become officers.
- TESDA to pursue its bilateral engagements with the mutual recognition of skills and full qualification through harmonious partnerships and arrangements with other countries to enhance Filipino worker mobility.

Knowing that the bulk of the employment opportunities of Filipino seafarers is of global source, the government must strengthen its intervention in retaining the country's spot in the White List of the International Maritime Organization (IMO). For the third time in this decade, the IMO has retained the country in its White List- the maritime sector's 'reference bible' in seafaring excellence. It is said that the inclusion of the Philippines is an indication of the country's consistent compliance with the STCW Convention '95. Moreover, it points out the capacities and diligence of the Philippines in ensuring the competencies of its seafarers.

“Concerted and collective actions are essential in forging a common maritime agenda, as the maritime industry is of national importance to the Philippines.”

- MARINA (2013)

line with the specific conditions discussed in the report, Philippine maritime education and training institutions must reform their curriculum and training standards in parallel with the qualification requirements of LNG carriers and chemical tankers and other specialized ships including cruise liners.

For its part, TESDA must continue providing quality graduates of the TRs left to its management. The agency must ensure a steady pipeline of qualified/certified non-maritime personnel especially if the Department of Tourism's *Cruise Strategy* pushes through.

- First off, TESDA should look into the Marine Electricity NC II TR since it has not produced outputs since its promulgation in 2008. The reason for its inability to be utilized should be studied- i.e. lack of employment demand, lack of training providers, lack of trainees, lack of labor market information, etc.- so the agency can take the necessary steps in revitalizing the program, should there be a need. It is also high time for the particular TR to be reviewed since it has been 9 years since its promulgation.

- Second, if the *Cruise Strategy* pushes through, TESDA may seek partnership with the Department of Tourism. This is a great venue for the trainees to gain actual workplace skills. Continuous upgrading of the competencies based on new and emerging requirements of the sector, especially the maritime-tourism sector, could be looked into. The collaboration could be great strategy for the trainees to secure employment after their training. This would also intensify TESDA's role of developing and training of non-maritime skilled workers for the maritime sector and an active partner of the DOT in achieving its targets for the Philippines to be one of the tourist destination place in the world.

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