

NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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SENATE

P.S. Res. No. 142

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Introduced by Senator Grace Poe

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF REPUBLIC ACT NO. 9295, OTHERWISE KNOWN AS THE "DOMESTIC SHIPPING DEVELOPMENT ACT OF 2004", AND TO PROPOSED AMENDMENTS THERETO, IN ORDER TO FURTHER BOOST OUR DOMESTIC SHIPBUILDING INDUSTRY

1 WHEREAS, Section 19, Article 2 of the 1987 Philippine Constitution directs the
2 State to develop a self-reliant and independent national economy effectively controlled
3 by Filipinos;

4 WHEREAS, a report¹ by the Philippine Statistics Authority (PSA) revealed that
5 ocean-based industries contributed P617.20 billion of Gross Value Added (GVA) to the
6 Philippine economy in 2020;

7 WHEREAS, specifically, sea-based transportation and storage contributed
8 P86.89 billion to the economy, and employed 694,718 individuals in 2020²;

9 WHEREAS, this computation is potentially undervalued, as it does not include
10 the economic contribution of the Philippine shipbuilding sector³;

11 WHEREAS, according to a policy paper⁴ by the Department of Trade and
12 Industry (DTI), the Philippines' shipbuilding industry is ideally placed in the global

¹ Philippine Statistics Authority (PSA). "Ocean-based industries declined by -32.6 percent, accounted for 3.4 percent of GDP in 2020". 16 December 2021. Retrieved from <https://psa.gov.ph/ocean-economy/release-id/165528>

² *Ibid.*

³ The PSA definition of "Sea-based Transportation and Storage" only includes services such as ocean transport and inter-island transport, ocean-based shipping, coastal warehousing activities, and port operations".

⁴ Department of Trade and Industry (DTI). "The Philippines in the Shipbuilding Global Value Chain" DTI Policy Briefs Series No. 2017-08.

value chain (GVC) as it serves the demand for smaller vessels in the domestic market and exports large, commercial ships to the international market;

WHEREAS, according to a paper⁵ from the Organization for Economic Co-operation and Development (OECD) there are 115 registered shipbuilding and ship repair entities in the Philippines, which employs around 48,000 individuals as of 2019⁶;

WHEREAS, the Philippines completed orders of seagoing vessels from 2011 to 2021 totaled 7,253 compensated gross tons (CGT), of which 90% of which was accounted for by bulk carriers and container ships;

WHEREAS, according to data from the Organization for Economic Complexity (OEC), the Philippines was the 15th largest exporter of Passenger and Cargo Ships in 2020, with our exports bound to Japan, South Korea, China, and Vietnam;

WHEREAS, based on additional data from the OECD our exports of Passenger and Container Ships generally outweigh imports, which thus contributes positively to the current account:

Year	Value of Exports (in million US\$)	Value of Imports (in million US\$)	Trade Balance (in million US\$)
2010	\$ 715.00	\$ 231.00	\$ 484.00
2011	\$ 809.00	\$ 189.00	\$ 620.00
2012	\$ 1,340.00	\$ 266.00	\$ 1,074.00
2013	\$ 640.00	\$ 190.00	\$ 450.00
2014	\$ 1,590.00	\$ 263.00	\$ 1,327.00
2015	\$ 1,540.00	\$ 242.00	\$ 1,298.00
2016	\$ 768.00	\$ 382.00	\$ 386.00
2017	\$ 1,700.00	\$ 226.00	\$ 1,474.00
2018	\$ 1,050.00	\$ 199.00	\$ 851.00
2019	\$ 861.00	\$ 399.00	\$ 462.00
2020	\$ 567.00	\$ 247.00	\$ 320.00

⁵ Organization for Economic Co-operation and Development (OECD). "Shipbuilding policy and market developments in selected economies 2022" *OECD Science, Technology, and Industry Policy Papers*, June 22: No. 131. Retrieved from <https://www.oecd-ilibrary.org/docserver/f3faeb3d-en.pdf?expires=1659424712&id=id&accname=guest&checksum=F86979C891E57E61BD9D64E262D904FA>

⁶ *Op. Cit.*

1 WHEREAS, further, a study by a policy think tank noted that our local
2 shipbuilding industry can also contribute to national security and the defense of our
3 maritime zones⁷;

4 WHEREAS, it is clear from the above data that the shipbuilding industry
5 contributes positively to the Philippine economy, and can be further leveraged to
6 contribute to national development;

7 WHEREAS, it is thus timely that we review Republic Act No. 9295, otherwise
8 known as the "*Domestic Shipping Development Act of 2004*", which was enacted into
9 law in 2004 or close to two decades ago;

10 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the Senate of
11 the Philippines, to direct the Senate Committee on Economic Affairs, to conduct an
12 inquiry, in aid of legislation, on the implementation of Republic Act No. 9295, otherwise
13 known as the "*Domestic Shipping Development Act of 2004*", and to proposed
14 amendments thereto, in order to further boost our domestic shipbuilding industry.

Adopted,



GRACE POE

⁷ "Gov't support for PH shipbuilding industry urged" *The Manila Bulletin* (24 August 2020). Retrieved from <https://mb.com.ph/2020/08/24/govt-support-for-ph-shipbuilding-industry-urged/>