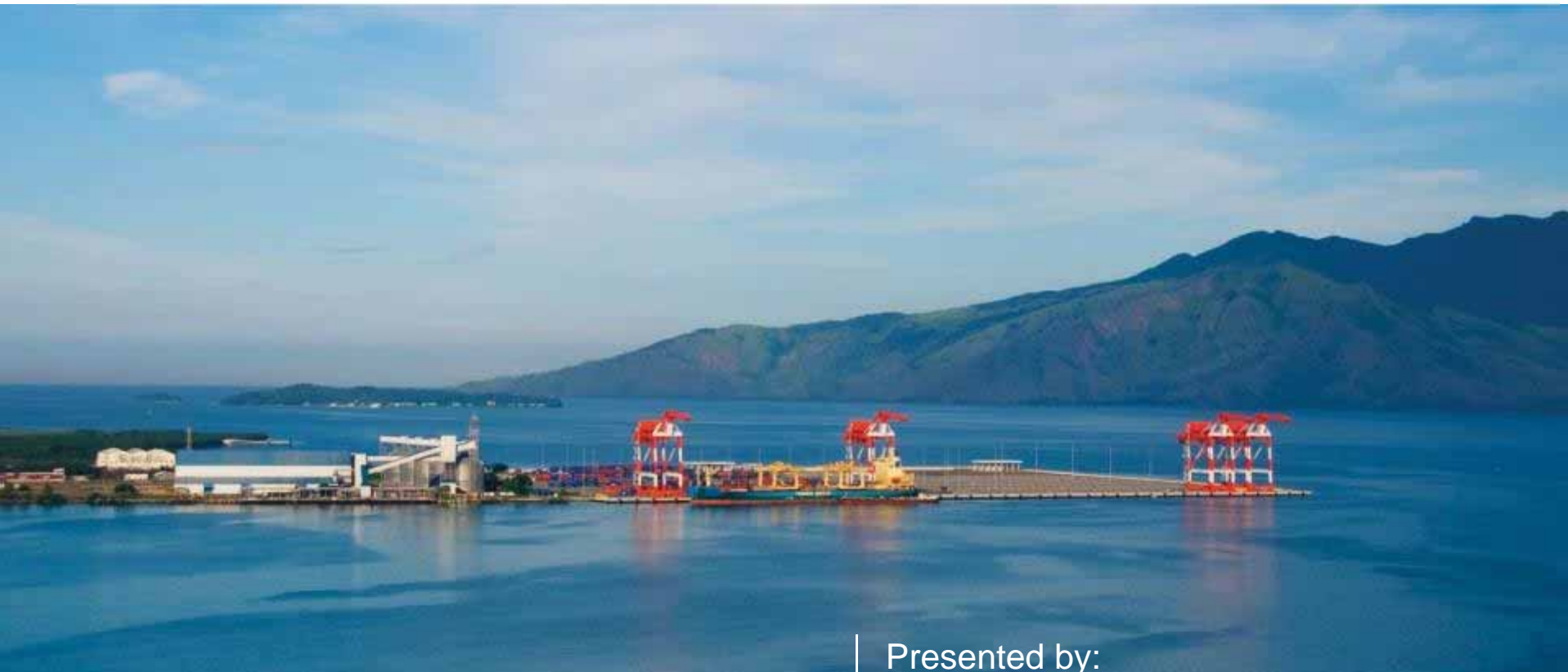




8th PHILIPPINE PORTS AND SHIPPING 2015



02.13.2015

Presented by:

Roberto V. Garcia

Chairman and Administrator
Subic Bay Metropolitan Authority

How Subic can help alleviate port congestion in Manila



The Port Congestion Situation

- Batangas/Manila: 95% utilization
- 25 ships in Manila Bay waiting to discharge cargo
- Increased cost of goods due to extra charges and delays



The Road Congestion Situation

- The 450,000 TEUs destined for or originating from the Central and Northern Luzon that presently pass thru Manila are adding to the road congestion problem.
- Road projects to ease traffic will take 2 - 3 years to complete by which time the number of vehicles will also increase.



The Subic Bay Freeport Manufacturing and Logistics Hub for ASEAN



Key Advantages

- ✓ Strategic location
- ✓ ISPS compliant port
- ✓ Natural deep harbor
- ✓ Capable of handling all types of sea vessels
- ✓ World-class and reliable infrastructure
- ✓ Skilled and service-oriented workforce



City	Sailing Time (Days)
Kaohsiung	<2.0
Taipei	2.0
Hong Kong	2.0
Ho Chi Minh	3.0
Bangkok	4.0
Singapore	4.5
Shanghai	3.0
Seoul	4.5
Tokyo	5.0
Los Angeles	22.0



The Subic Bay Freeport Zone

- The **first and largest free port zone** in the Philippines
- **1,310** local & foreign investors
- More than **US\$ 9 Billion cumulative investment**
- Over **93,000 workforce**
- Home of the **biggest shipbuilding facility** in the Philippines
- With an **international airport** and **ISPS-compliant seaport**
- Total area of **67,452 hectares**
- Modern and **fast access roads**

Major Road Networks



NORTH LUZON EXPRESSWAY (NLEX)

A 84-Km., 4 to 8-lane access toll expressway from Metro Manila to Central Luzon provinces and one the most modern infrastructure projects undertaken in the country over the past ten years.



SUBIC-CLARK-TARLAC EXPRESSWAY (SCTEX)

A modern four-lane, 94-km. highway from Clark to Subic up to Tarlac, linking three growth centers in the area: Subic Bay Freeport Zone, Clark Freeport Zone and Tarlac Industrial Park..



NCT 1 & 2 ACCESS ROAD

A 3.6-Km. access road, connecting New Container Terminals 1 and 2 to the Freeport's Argonaut Highway all the way to the Tupo Expressway, Subic's nearest entry-exit point to and from Manila

TARLAC-PANGASINAN-LA UNION EXPRESSWAY



TARLAC-PANGASINAN-LA UNION EXPRESSWAY (TPLEX)

- An 88.5-km. four-lane expressway serving as the extension of North Luzon Expressway (NLEX) and SCTEX from Tarlac to Rosario, La Union



New Container Terminal 1 & 2



Terminal Area: 26.32 hectares

Total Handling Capacity: 600,000 TEUs a year

Berth

- Length of quay: 560 meters
- Number of berth positions: 4
- Controlling depth: 13 meters

Container Yard

- Storage areas: 11.14 hectares
- Reefer stations: 84 units at 440 volts

Gates

- Truck lanes: 6
- Weigh bridge: 2 (60-ton capacity)
- Truck Holding Area: 0.7 hectares

- Constructed in 2008
- Financed by JICA Loan for 7 Billion Pesos
- 25 yrs .amortization for 250 Million Pesos





SBMA's Initial Initiatives

Subic Bay Maritime Conference and Exhibit (23-24 August 2012)

“We’d like to get the shipping lines to call and get the key shippers to ship to and from Subic.”



Creation of the Maritime Technical Working Group

The Maritime Technical Working Group is composed of stakeholders – Port Authorities, Port Operators, Shipping Lines, Shipping Agents, Brokers, and Consignees – who meet regularly to discuss pressing concerns and business conditions, and to carry out plans and recommendations to increase utilization of Subic's New Container Terminals.



Active Participation in SCAD



Subic Clark Alliance for Development (SCAD)

SCAD was created to meet the need for a single body to rationalize resources and harmonize strategies that would ensure an integrated approach to the development of the Subic-Clark corridor in Luzon.



Partial Success in 2013 (7% Utilization)

- Info gathering and coordination for “NYK Shipping Line to establish a Subic Singapore Route”
- Diversion of grain shipments from Manila to Subic
- Expanded iron ore transshipment operations of VALE project
- Exportation of HLD Pipes using New Container Terminals 1 and 2
- Full implementation of increased admission fees for second-hand trucks and heavy equipment
- Enactment of domestic tariff for local shipping lines/companies that ship from Subic to other domestic ports.

MOA on BOC-SBMA-SBITC One-Stop-Shop

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement ("Agreement") entered into by and between

SUBIC BAY METROPOLITAN AUTHORITY, a Government - Controlled Corporation organized and established under Republic Act No. 7 address at Building No. 229, waterfront Road, Subic Bay Freeport Zone, Philip herein by its Chairman and Administrator, **HON. ROBERTO V.GARCIA** (h to as "SBMA");

-and-

BUREAU OF CUSTOMS, with office address at G/F, OCOM Bldg. Philippines, represented herein by its Commissioner, **HON. JOHN PH** (hereinafter referred to as "BOC");

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement ("Agreement") entered into by and between;

BUREAU OF CUSTOMS, with office address at G/F, OCOM Bldg., Port Area, Manila, Philippines, represented herein by its Commissioner, **HON. JOHN PHILIP P. SEVILLA** (hereinafter referred to as "BOC");

-and-

SUBIC BAY INTERNATIONAL TERMINAL CORPORATION, a corporation duly organized and established under the laws of the Philippines, with principal office address at New Container Terminal 1, San Bernardino Road, Subic Port District, Subic Bay Freeport Zone, Olongapo City 2222, Philippines, represented herein by its President, **MR. CHRISTIAN R. GONZALEZ** (hereinafter referred to as the "SBITC").

■ MOA between SBMA and BOC for the land

■ MOA between SBITC and BOC for the building construction



SBMA's Present Strategic Initiatives to Alleviate Port Congestion



EO 172 Cabinet Cluster / IRR Formulation



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 172

DECLARING THE PORT OF BATANGAS AND SUBIC BAY FREEPORT AS EXTENSIONS OF THE PORT OF MANILA (MICT/SOUTH HARBOR) DURING PORT CONGESTION AND OTHER EMERGENCY CASES

WHEREAS, it is a declared objective of the State to ensure the smooth flow of waterborne commerce passing through the country's ports, whether public or private, in the conduct of international and domestic trade;

WHEREAS, port congestion is one of the major factors hindering the free flow of goods and services passing through the ports, with its domino effects immediately cascading and impacting on the demand-supply chain and eventually to the country's economic growth and performance;

WHEREAS, the Port of Manila is considered as the Philippines' most important port not only in terms of revenues it generates but also because of its being the premier international gateway to the country;

WHEREAS, the past six (6) months have witnessed how port congestion at the Port of Manila, specifically, the Manila International Container Terminal (MICT) and the South Harbor, have tremendously disrupted industries and businesses not only in Metro Manila but across the country, and how it has highlighted the important and crucial role that the government has to play in mitigating its impact and finding immediate solutions;

E.O. 172, declaring the Port of Batangas and the Subic Port as extensions of Manila (MICT/South Harbor) during congestion and other emergency cases.

Subic Port Team is proactive in working with the Philippine Ports Authority for the drafting of the IRR.

Storage of BOC seized Containers

ARRIVAL DATE	VESSEL NAME	No. of Containers			TEUs	Consignee
		20'	40'	45'		
14-Aug-14	MV West Ocean	12	6	0	24	Yokohama Tires Phils Inc.
21-Aug-14	MV West Ocean	58	20	0	98	Empty Containers
28-Aug-14	MV Asterix	301	368	52	1,154	BOC seized containers
Total					1,276	

NCT1 and 2 were offered by SBMA to help alleviate the congestion of the Manila Port.



Subic Super Shuttle



Booking Services

Ms. Edeliza S. Santos

Mobile No.: +63917.849.2625

Ms. Raquel C. Serrano

Mobile No.: +63917.306.5143

Mr. Malcohm P. de Leon

Mobile No.: +63917.906.3804

Hotline Nos. +632.511.0408/09
+632.511.7302

Operational Concerns

Mr. Benedict S. Navalta (Gen. Mgr.)

Mobile No.: +63917.543.7941
+63998.556.6533

Mr. Roger M. Teberio (Optns. Mgr.)

Mobile No.: +63917.893.6437
+63918.908.4628

Manila - Subic

VESSEL	ETA MNL		ETD MNL	
	Date	Time	Date	Time
West Ocean 3	Tuesday	1200H	Tuesday	2300H
West Ocean 3	Friday	1200H	Friday	2300H

Subic Manila

	Date	Time	Date	Time
West Ocean 3	Wednesday	1000H	Wednesday	2300H
West Ocean 3	Saturday	1000H	Saturday	2300H

- **13 August 2014: Arrival of maiden voyage at Subic Port with 18 containers**
- **21 August 2014: Second voyage with 86 containers (all empties)**



Three (3)-hectare Clark Container Depot

“...mandates the use of the Freeport property near the airport as storage house of empty containers shipped from Subic to Metro Manila, Southern, Central and Northern Luzon or vice versa.”

Arthur Tugade
CDC President



(left) shakes hand with CargoHaus Inc. chairman during the signing of the lease agreement that will put up the first container depot at the CDC Boardroom, Clark Freeport Zone, on

*SBMA Reduced Port Fees
to Attract Shipping Lines/Shippers*

SHIPPING CHARGES
Regular Rate vis-à-vis Discounted Rate

VESSEL CHARGES	Regular Rate (US\$)		Discounted Rate (in US\$)	
	Subic	Batangas	First 6 mos.	Next 6 mos.
1. Harbor Fee (per GRT)	0.0460	0.0810	0.0080	0.0410
2. Berthing Fee (per GRT per day)	0.0345	0.0390	0.0040	0.0200

Subic Port discounted rate:

- **83% lower** than the regular rate for Harbor Fee; and
- **88% lower** than the regular rate for Berthing Fee.



Central / Northern Luzon Shipping Summit (29 September 2014)

“Out of the 3 million containers handled yearly by Manila ports, 15% or 450,000 TEUs originate or are shipped to Central and Northern Luzon . . . It therefore does not make any sense at all why these 450,000 (TEUs) should clog up the streets of Metro Manila when Subic Port is already willing and able to accept that volume”



SBMA Chairman Roberto V. Garcia during his presentation at the Northern Luzon Shipping Summit in Fontana Clark, Pampanga.

Briefing of the Association of International Shipping Lines



AISL members are more than willing to use the Subic Port with the IRR of EO 172.



16th INAP

General Assembly
& Symposium
11 • 12 • 13
November 2014



On 11-23 November 2014, a total of 83 delegates from eight member ports met in Subic Bay: the Port of Koichi (Japan); Port of Colombo (Sri Lanka), Mokpo Newport (South Korea), Port of Tanjung Perak (Indonesia), Port of Qingdao (China), Port of Subic and Port of Cebu (Philippines), and Port of Dangjin (South Korea).

*Presentation at the Chamber of Customs Brokers Inc.
(27 November 2014)*

The Chamber applauded the ONE-DAY ACCREDITATION PROCESS and the ONE STOP SHOP business solutions of the Subic Bay Port



SBMA Chairman Roberto V. Garcia during his presentation at the Chamber of Customs Brokers Inc..

Requirement for Provisional Accreditation

(Only complete set of documents will be accepted for processing)



REQUIREMENTS

1. **Business Registration from Place of Business –DTI, CDA or SEC (Articles of Incorporation, By Laws and GIS)**
2. **List of employees and vehicles going in and out of SBFZ (Driver's license, LTO registration)**
3. **License/Permit or other issuance from concerned government agency for which authorization to engage in the business activity being applied for is required (i.e. Philippine Shippers Bureau Accreditation for Freight Forwarding, Bureau of Customs Accreditation for Customs Brokerage)**
4. **Certificate of Good Standing to be issued by national organization OR endorsement from port terminal operator**

(Original documents must be presented for authentication.)

Application & Accreditation Fee – US\$ 200.00 (or equivalent in Phil. Pesos at current exchange rate)

ONE DAY ACCREDITATION PROCESS!

For FULL ACCREDITATION, an additional clearance from SBMA Ecology Department is required.



Temporary One-Stop-Shop

- To be operational this March 2015, pending the construction of the One-Stop-Shop Building
- With a 4-mbps fiber optic connectivity (SBMA-BOC-SBITC)



- 4 MBPS I-GATE via Fiber Optic Cable
- Symmetric Connection
- /28 Static I.P address

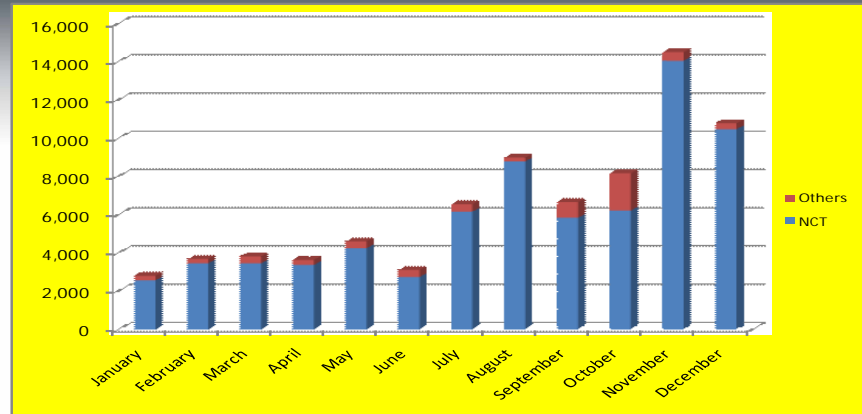
The Subic Container Status Today



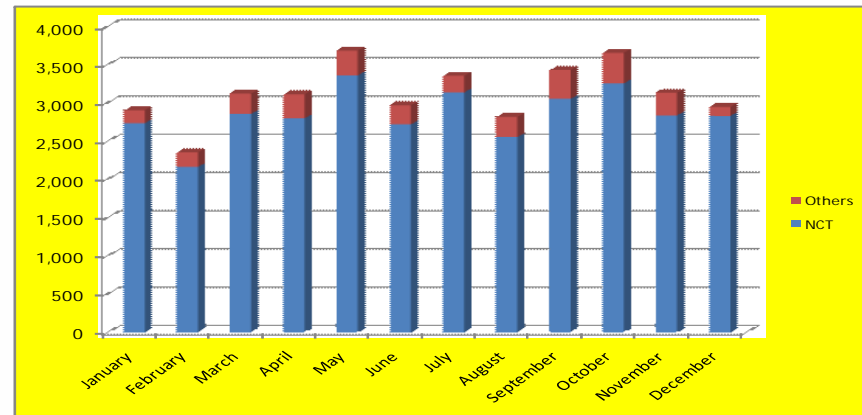
Actual Container Traffic 2014 vs. 2013 (TEU)

FY 2014

	NCT	Others	Total
January	2,560	231	2,791
February	3,446	229	3,675
March	3,443	366	3,809
April	3,361	263	3,624
May	4,238	359	4,597
June	2,729	379	3,108
July	6,145	392	6,537
August	8,770	204	8,974
September	5,826	823	6,649
October	6,207	1,949	8,156
November	14,040	450	14,490
December	10,455	314	10,769
Total	71,218	5,959	77,177



	NCT	Others	Total
January	2,734	169	2,903
February	2,162	191	2,353
March	2,855	266	3,121
April	2,796	315	3,111
May	3,358	324	3,682
June	2,718	250	2,968
July	3,136	219	3,355
August	2,552	265	2,817
September	3,051	378	3,429
October	3,254	399	3,653
November	2,835	297	3,132
December	2,828	118	2,946
Total	34,278	3,191	37,469



- 53% Utilization
- 106% Increase in Total Volume



Wan Hai Line's Taiwan-Philippine-Service Northbound Leg (TPSN) Weekly Service Call



Weekly Rotation: Kaohsiung -> Manila -> Subic -> Kaohsiung



APL Line's MNX – Manila Express and the New CS3 Service

APL Line's MNX – Manila Express Weekly Rotation: Kaohsiung -> Subic -> Manila -> Kaohsiung



CS3 Port Rotation: Lianyungang - Chiwan - Hong Kong - Kaohsiung - Subic Bay - Cagayan - Kaohsiung - Busan – Lianyungang

Highlights: Direct service linking Taiwan, China, and Korea with Subic Bay and Cagayan (Tagoloan - Mindanao Container Terminal)



Additional Shipping Lines (Aside from APL and Wan-Hai)

SITC's MV Sicilia, with 1,800-TEU capacity, made her maiden voyage to the Port of Subic Bay on 17 October 2014.



The Port of Subic Bay is now connected to Japan and China with Intra-Asia carrier SITC that services Hakata-Shanghai-Xiamen-Manila-Subic-Xiamen-Shanghai-Busan-Hakata.

Additional Shipping Lines (Aside from APL and Wan-Hai)

NYK's MV Jakarta Tower, with 2,300 TEU capacity, made her maiden voyage to the Port of Subic Bay on 23 November 2014.

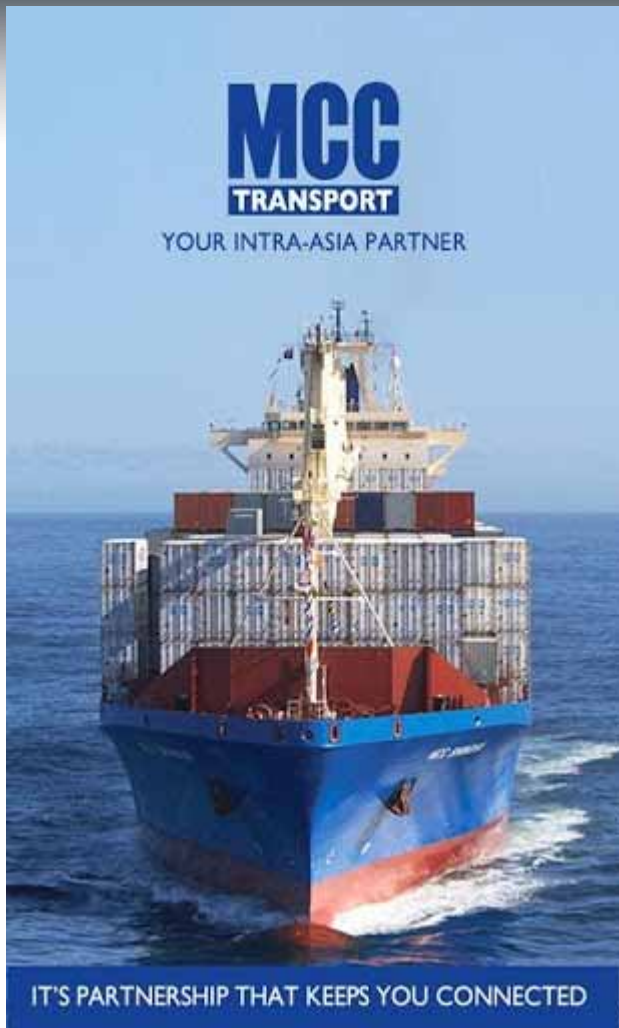
The first service in the Philippines to make a direct call from Japan to Subic Bay.

Southbound Service: Osaka – Yokkaichi – Shimizu – Tokyo – Yokohama – Kobe – Kaohsiung – Subic – Manila – Ho Chi Minh – Singapore.

Subic is now connected to the world!



More shipping lines coming . . .



MCC
TRANSPORT
YOUR INTRA-ASIA PARTNER

IT'S PARTNERSHIP THAT KEEPS YOU CONNECTED



K™ **K** LINE LOGISTICS (PHILS.), INC.



K LINE

Air Freight Sea Freight Warehouse Management Domestic Distribution Logistics Management



It is cheaper and more convenient to ship thru the Port of Subic Bay

FEU COST COMPARISON 2014 FOR CLARK LOCATOR (Northbound e.g. JAPAN)			USD conversion rate:		44.5	
			VIA-MNL		VIA-SUB	
DESCRIPTION	UNIT	USD	Php	USD	Php	REMARKS
FREIGHT						
basic ocean freight	per contr	600.00	26,700.00	600.00	26,700.00	<div style="border: 1px solid black; padding: 5px; background-color: #ADD8E6;"> TWO MAJOR INDICATORS OF ADDITIONAL COST SAVINGS (NEGOTIABLE) </div>
docs fee	per BL		same		same	
terminal handling charge	per contr		same		same	
telex release	per BL		same		same	
THC	per contr		same		same	
docs fee	per BL		same		same	
SERVICE CHARGES						
processing / brokerage	per BL		same		same	<div style="border: 1px solid black; padding: 5px; background-color: #FFA500;"> in favor of subic, chassis rental is lowered because of faster turn-around </div>
trucking fee	per contr		23,000.00		23,000.00	
chassis rental	per day		1,000.00		500.00	
handling & documentation	per BL					
RECEIPTED CHARGES						
arrastre	per contr		6,989.00		3,280.50	arrastre charge merit - 3708.5 ↓
wharfage	per contr		437.98		422.33	wharfage charge merit - 15.65 ↓
SUB TOTAL		1,306.22	58,126.98	1,211.30	53,902.83	grandtotal cost merit is -4,224.15 ↓

Source: Juken Sangyo (PHIL.) Corporation
(Member of the Subic Bay Maritime Technical Working Group)



Long-term Plans for Port of Subic Bay



Expansion of the New Container Terminal

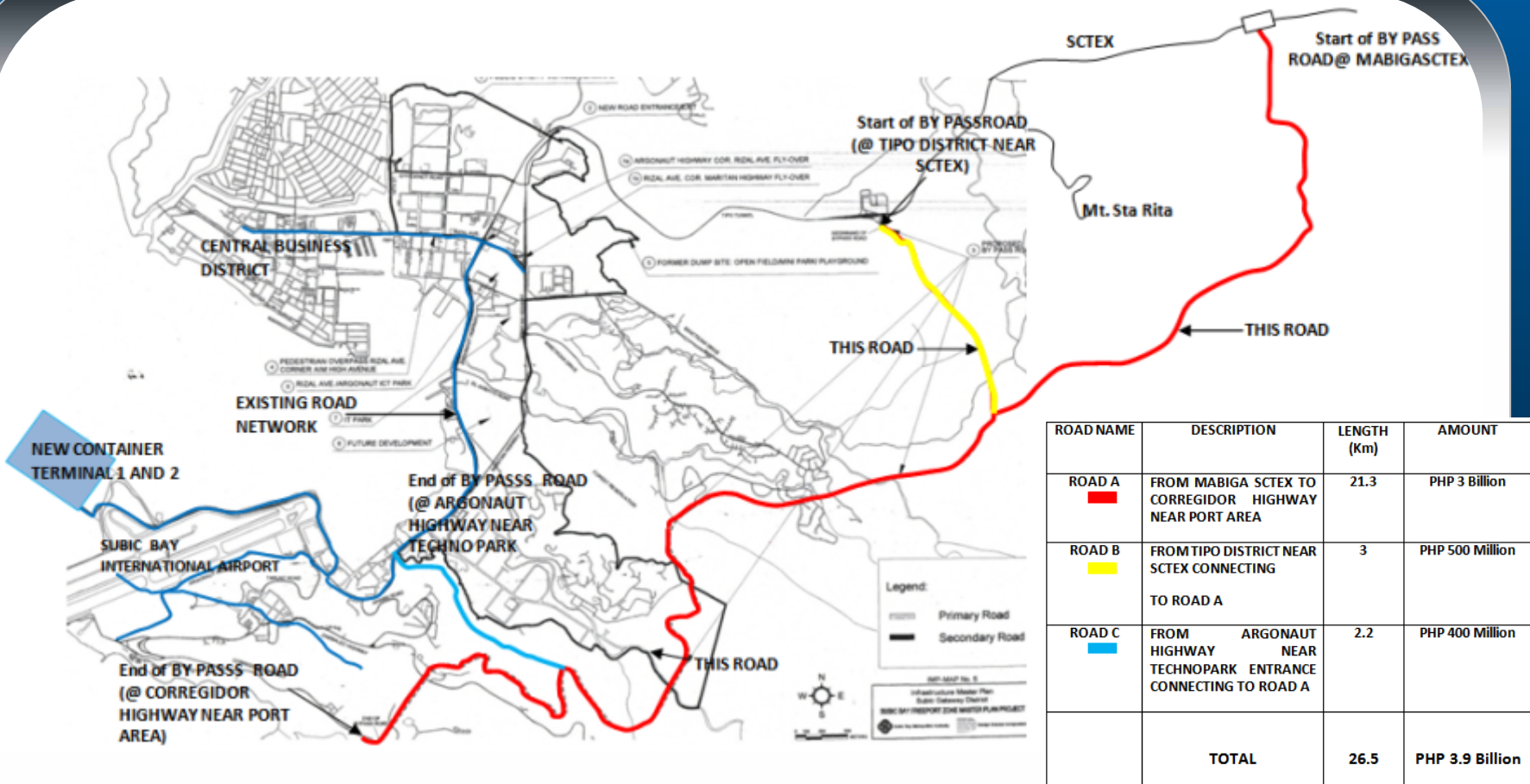
NCT 3 and 4 for an additional
annual capacity of 600,000 TUEs



Road widening of the existing Tipo Road



Long-term PhP3.9 Billion Bypass Road Project



THE NEW ROAD FROM SCTEX TO SUBIC BAY INTERNATIONAL AIRPORT AND SEAPORT TERMINAL IS IMPORTANT TO ACCOMMODATE THE GROWTH OF CARGOES COMING IN AND OUT OF THE PORTS.



The Subic Proposition

- **No need for Central/Northern Luzon 450,000 TEUs to clog traffic in Manila.**
- **Subic is ready, willing, and able to help spur the country's economic development by alleviating the Manila congestion problem.**





THANK YOU



www.mysubicbay.com.ph