

## Philippine Ports Authority marks 31 years

By Robert Wallack, AJOT

The Philippine Ports Authority (PPA) recently celebrated 31 years of service for domestic and international trade with numerous modernization programs to improve facilities and services in order to attract more business. Foremost among the improvements are the new international container terminal at Batangas Port, new computer information systems, and plans to complete access highways. The political turmoil surrounding President Arroyo is not stopping PPA from implementing development projects that are needed to become more competitive, internationally.

The new Batangas Port is just over one hour South, by highway, from Manila. One of its advantages is less traf-

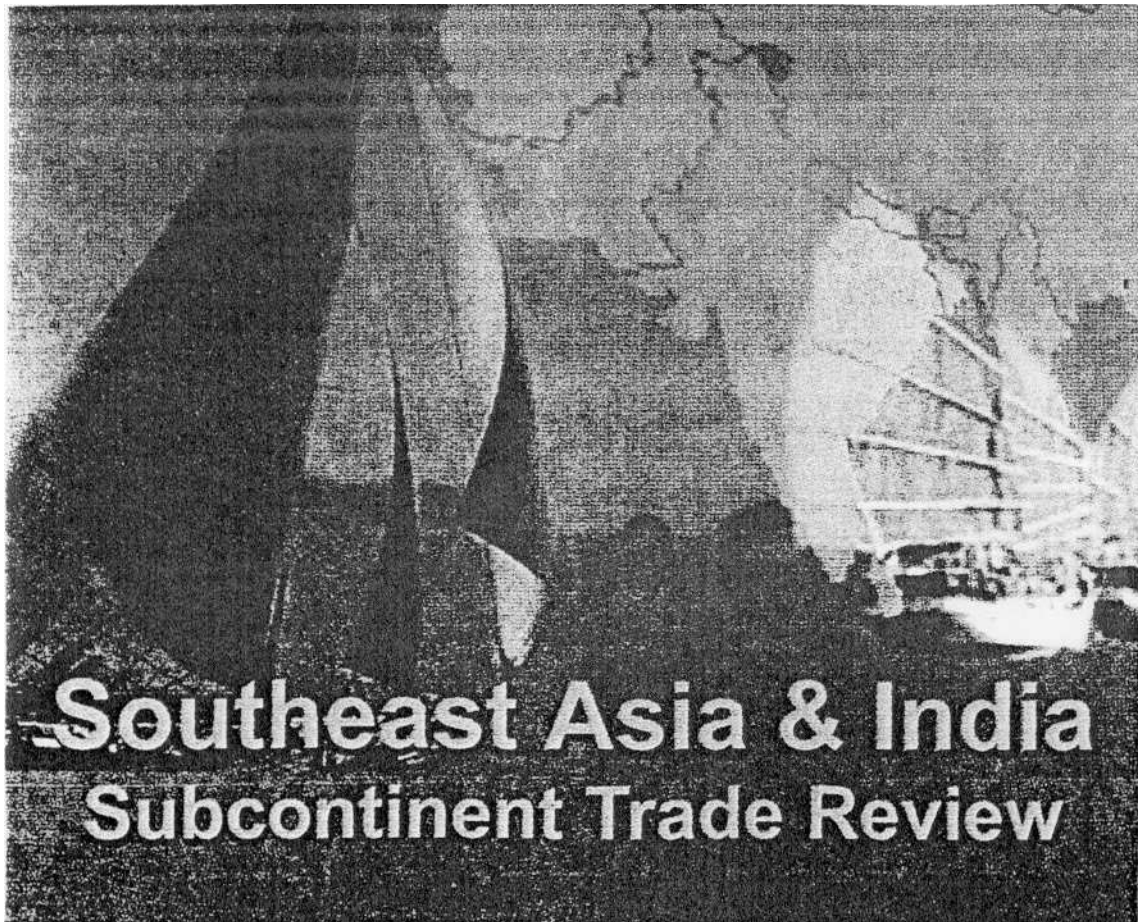
fic congestion than Manila and less density.

Even truck bans during peak traffic hours in Manila are not enough to alleviate delays. Approximately 10 million people inhabit the metropolitan area, out of a national population of 81 million spread across 7,107 islands in the westernmost Pacific Ocean.

Currently, PPA and the Republic of the Philippines government are promoting Batangas Port so that commercial enterprises and their ocean shipments are shifted away from Manila.

Outside the Batangas Customs office is a framed mission statement entitled "Gateway to Progress." It reads, "We will

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decongest metro Manila by attracting communities south towards Calabarzon and Batangas Port," President Gloria M. Arroya, Republic of the Philippines.

The PPA is starting the bidding process for a private terminal operator as part of the Batangas Port Development Project Phase II. The Phase II terminal and supporting facilities completed construction in July 2005. The leading contenders for the PPA contract are Asian Terminals Inc. and International Container Terminal Services, Inc., which already operate at Manila's South Harbor, and West of North Harbor, respectively.

The new container terminal berth is 350 meters along side, with a water depth of -13 meters in order to serve Panamax size container ships with expansion plans for post-Panamax size vessels. Additionally, supporting infrastructure includes a 30 meter span of crane rails with electric cable trucks for quayside gantry cranes, a reefer yard and container freight station, and a power station equipped with three sets of emergency generators.

The gradual movement of cargo traffic away from Manila terminals to Batangas Port will take years. Terminal operators in Manila are seeking extensions to their existing contracts from PPA and have expansion plans at both harbors to handle a total of four million containers. However, road congestion will outweigh any of Manila's terminal efficiency gains in favor of Batangas. In fact, "No factory can be built within a 50 kilometer radius of Manila," said Cesar Tiutan, President, MOL Philippines, Inc. in a recent interview.

In 2004, Manila was the top port in the Philippines with 2.7 million twenty foot equivalent unit (teu) containers, or 71% of the total, 3,785,421 teu container throughputs for both domestic; 1,761,922 teu; and foreign, 2,023,499 teu shipments. There was an increase of five percent in the total number of containers for the year over a 2003 count of 3.61 million teus. Moreover, containerized cargo is growing at 28.65% share of the total cargo as shippers prefer cargo in containers rather than conventional bulk and breakbulk, according to PPA's

website on Port statistics.

The government and the PPA believe that modern information and communication technologies are central to attracting more foreign investment and ocean liners. The government is instituting an executive level office of Information and Communications Technology while PPA is radically changing business from a manual paper-intensive system to modern computer systems. "We outlined the problems told to us by internal operations, government agencies, shipping companies and cargo handling operations, and will provide integrated solutions to PPA's nationwide computerization requirements," said Ms. Amy Aquino, Manager, Strategic Planning, Manila, PPA.

Manila and Batangas are the first among 23 national port management offices (PMO) to test and become operational with PPA's Providing Reliable Operation and Management of Ports through Technology (PROMPT) new management information system. One of the three customized Web-based applications designed by Portrade of Malaysia and implemented by an on-site UNISYS team is the Port Operations Management System (POMs) over the Internet for vessel information management. The other two are the accounting and financial management system (AFMS) as well as an Internet application, e-Port Community. The e-Port application is the path toward a "Single Window" system to integrate port users with external users. "Currently, ninety-five percent of POMs and AFMS are computerized and connected by client workstations over a wide area network (WAN) to the PPA Central Facility Server," said Mr. Efren Duran, UNISYS team, Batangas.

A reliable highway system with connecting road networks for container traffic is necessary to spread economic development away from the clogged metro Manila. Calabarzon is comprised of the following provinces south of Manila: Cavite, Laguna, Batangas, and Quezon, where hundreds of companies in industrial parks need transport for supplier imports and finished goods exports. The PPA and the government are

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making progress on continuing construction of an integrated tollway system from Manila to Batangas. Once completed, shippers and the ocean liners that call at Manila Ports such as NYK, Maersk, and APL will consider a call at Batangas Port. "Currently, the roads to Batangas Port are too narrow and need a side road to ease the traffic and bottlenecks," said Representative Hermilando Mandanas, Committee Chairman, Republic of Philippines, House of Representatives at a recent hearing on development.

The Philippine Ports Authority is attempting to become a regional transshipment hub. Singapore and Hong Kong, and recently, Malaysia's Port of Tanjung Pelepas are the leading international transshipment centers with efficient container yard management systems. Currently, a

Japanese liner is operating a transshipment service for Japanese imports from Indonesia, Thailand, Malaysia and Singapore through Manila port. The feeder vessels arrive at Japan's small inland seaports which is less expensive than direct calls coupled with drayage costs to final destinations. Now, there are 70-100 teus of cargo per week with Manila, and Batangas Port transshipments are planned.

Philippine exporters and importers will find Batangas Port as Manila con-

gestion and trucking costs to the CALABARZON region increase. IDS Logistics operates three main distribution centers for fast moving consumer goods (FMCG) from the port to retail outlets. "We see 30-35% growth of the young logistics industry and plan to develop another facility," according to Mr. Noel Bautista, Managing Director, IDS Logistics, Philippines.