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MAY 12 2004

**PPA MEMORANDUM CIRCULAR**

NO. 16 - 2004

**T O :** All Concerned Port District and Port Managers  
BIMP-EAGA Shipping Operators  
Others Concerned

**SUBJECT :** Guidelines Implementing the Indonesia and Philippines  
BIMP-EAGA Common Vessel Tariff

The Arrangement on the Common Tariff for Vessels Operating under the BIMP-EAGA Program between the Republic of Indonesia and the Republic of the Philippines, which expired on 30 September 2001, has been formally renewed by the Directorate General of Sea Communications, Department of Communications of the Republic of Indonesia and the General Manager of the Philippine Ports Authority (Annex 'A'). Hence, both countries will continue to enjoy the incentives under the program for another period of two (2) years commencing 16 January 2004.

Pursuant to the terms of the Arrangement, all vessels carrying the flags of Indonesia and the Philippines which are accredited to operate under the BIMP-EAGA Program shall be entitled to the following special port charges against vessels:

Port Dues	-	U S \$0.040 per GRT
Dockage	-	U S \$0.020 per GRT per day or fraction thereof

The availment of the above special rates shall be subject to the following conditions:

1. Vessels operating under the BIMP-EAGA Program shall secure certifications or accreditation from their respective authorized government agencies allowing said vessels to ply the trans-EAGA route under the program and avail of the incentives. For Philippine flag vessels desiring to operate under this program, the accreditation shall be secured and issued by the Maritime Industry Authority,
2. The special charges are applicable only when the vessel's last and next ports of call are in the BIMP-EAGA ports as listed in Annex B.
3. All PPA personnel concerned shall require vessels availing of the incentive to present the certification and documents showing the last and next port of calls prior to extension of the incentives,
4. The Arrangement between the Republic of Indonesia and the Philippines shall expire on 15 January 2006.

*VISION*

*By 2010 PPA shall have met the international standards in port facilities and services in at least ten (10) ports in support of national development.*

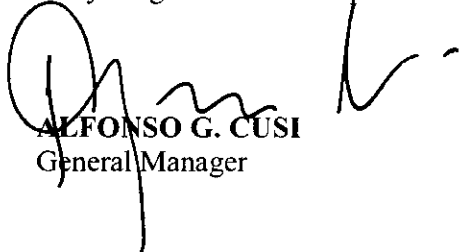
*MISSION*

*We commit to provide reliable and responsive services in our ports, sustain development of our port communities and the environment, and be a model corporate agency of the government.*

*OPMSD 12804-6-09*

This Circular amends PPA Memorandum Circular No 36-99

For your guidance and implementation



**ALFONSO G. CUSI**  
General Manager

Annexes

- A - RP-RI Arrangement on Common Tariff of Vessels Operating Under the BIMP-EAGA Program dated January 16, 2004
- B - List of BIMP-EAGA Ports
- C - Sample Computations

Copy furnished

PDO-Managers - PDO-Luzon  
PDO-Southern Mindanao  
PDO-Northern Mindanao

PMOs Under PDO-Northern and Southern Mindanao  
PMO-Puerto Princesa

Ir Tjuk Sukardiman  
Director General  
The Directorate General of Sea Communications  
Republic of Indonesia

Administrator, MARINA

Mr Jesus G Dureza  
Presidential Assistant for Mindanao  
Philippine Senior Official for BIMP-EAGA, and,  
MEDCO Chairman

**ARRANGEMENT  
BETWEEN  
THE DIRECTORATE GENERAL OF SEA COMMUNICATION (DGSC)  
DEPARTMENT OF COMMUNICATIONS OF THE REPUBLIC OF INDONESIA  
AND  
THE PHILIPPINE PORTS AUTHORITY (PPA)  
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS  
REPUBLIC OF THE PHILIPPINES  
ON  
THE COMMON TARIFF FOR VESSELS OPERATING  
UNDER THE BIMP-EAGA PROGRAM**

The Directorate General of Sea Communication (DGSC), Ministry of Communications of the Republic of Indonesia and the Philippine Port Authority (PPA), Department of Transportation and Communications of the Republic of the Philippines (hereinafter referred to as the "Parties"),

RECOGNIZING, that the countries of Brunei Darussalam, Indonesia, Malaysia and the Philippines have agreed to establish the Brunei Darussalam, Indonesia, Malaysia and the Philippines – East ASEAN Growth Area (BIMP-EAGA) in order to promote investment, trade and tourism in the East ASEAN Section,

WHEREAS, the harmonization of the port tariff and lowering of the charges hereof are expected to assist in the success of the BIMP-EAGA project in accordance with the laws and regulations of the two countries,

WHEREAS, various shipping companies of the member countries have been clamoring for the immediate implementation of lower vessel charges as an incentive to vessels operating under the BIMP-EAGA program but formal Arrangement on the matter has not been arrived at,

WHEREAS, there has been a prior Arrangement entered into by both Parties to adopt a common port tariff for their respective vessels,

WHEREAS, said Arrangement expired on 30 September 2001,

WHEREAS, to sustain the gains generated out of said Arrangement, the Parties need to extend its period,

BEARING IN MIND the agreed minutes of the first meeting of the Indonesia – Philippines Joint Commission for bilateral cooperation signed by Secretary of Foreign Affairs of the Republic of the Philippines and Minister for Foreign Affairs of the Republic of Indonesia in Manila, 08 September 1995, and

PURSUANT to the Arrangement on Economic and Technical Cooperation between the Government of the Republic of Indonesia and the Government of the Philippines signed in Jakarta on 08 August 1974

HAVE AGREED AS FOLLOWS

#### ARTICLE I

The Parties hereto agree that this Arrangement covers the adoption of the common tariff for their respective vessels operating under the BIMP-EAGA program as listed in the Annex I

#### ARTICLE II

- 1 Republic of the Philippines flag vessels and the Republic of Indonesia flag vessels operating under the BIMP-EAGA program shall be entitled to the above special charges on vessels,
- 2 Vessels operating under the BIMP-EAGA program shall be issued certificates of accreditation/certification by their respective authorized government agencies for purpose of availment of herein special rates,
- 3 These special rates of the common tariff are only applicable when the vessel's last and the next port of calls are in the BIMP-EAGA port,
- 4 These special rates of the common tariff are only applicable in the Indonesian and the Philippines port as listed in the Annex II and Annex III

#### ARTICLE III

In behalf of the Parties, the signatories to this Arrangement shall accordingly issue administrative orders or other orders of similar effect in their respective areas of jurisdiction for the proper implementation and enforcement of this Arrangement

#### ARTICLE IV

##### Planning and Review Activities

- 1 Any activity under this Memorandum will be monitored and reviewed at any times mutually agreed by a Joint Consultation Forum which be established by both Parties. This Joint Consultation Forum consist of the representatives of the Directorate General of Sea Communication, Ministry of Communications of the Republic of Indonesia, and the Philippines Ports Authority, Department of Transportaion and Communication of the Republic of the Philippines as well as other appropriate government agencies
- 2 The function of this Joint Consultation Forum are to facilitate, discuss and monitor of the implementation of the cooperation

- 3 The Joint Consultation Forum will meet regularly and ideally at least once in two year or at any time mutually agreed, alternately in Indonesia and in Philippines. In case of the meeting cannot be held due to certain circumstance, documents shall be exchanged in line of such meeting

#### ARTICLE V

This Arrangement may be amended by the mutual consent of the Parties at any time and in writing

#### ARTICLE VI

Any differences arising out in the interpretation or implementation of this Arrangement shall be settled amicable by consultation or negotiation between the two (2) Parties

#### ARTICLE VII

- 1 This Arrangement shall enter into force on the date of its signature
- 2 This Arrangement shall remain in force for a period of 2 (two) years and shall be extended automatically subsequently thereafter, unless either Party notifies in writing to the other Party of its intention to terminate of this Arrangement 6 (six) months before
- 3 The termination of this Arrangement shall not affect the completion of any cooperative programs undertaken under this Arrangement and not fully implemented at the time of expiration of this Arrangement

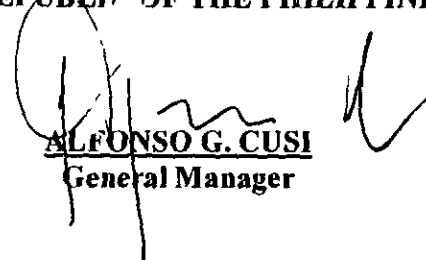
IN WITNESS WHEREOF, the undersigned, the authorized representatives of the Parties, have signed this Arrangement

SIGNED in duplicate in Manila on this .16th . day of January . in year of 2004, in the English language both text being equally authentic.

**FOR THE DIRECTORATE GENERAL  
OF SEA COMMUNICATION  
DEPARTMENT OF  
COMMUNICATIONS OF  
THE REPUBLIC OF INDONESIA**

  
**LT. TJUK SUKARDIMAN**  
Director General

**FOR THE PHILIPPINES PORTS  
AUTHORITY  
DEPARTMENT OF  
TRANSPORTATION AND  
COMMUNICATIONS OF  
THE REPUBLIC OF THE PHILIPPINES**

  
**ALFONSO G. CUSI**  
General Manager

**ANNEX "B"**

**LIST OF PHILIPPINE PORTS  
UNDER THE BIMP-EAGA PROGRAM**

<b>NO.</b>	<b>NAME OF PORT</b>	<b>PROVINCE</b>
1.	PORT OF DAVAO	DAVAO CITY
2.	PORT OF GENERAL SANTOS	SOUTH COTABATO
3.	PORT OF POLLOC	MAGUINDANAO
4.	PORT OF ZAMBOANGA	ZAMBOANGA DEL SUR
5.	PORT OF JOLO	SULU
6.	PORT OF PUERTO PRINCESA	PALAWAN
7.	PORT OF CAGAYAN DE ORO	MISAMIS ORIENTAL
8.	PORT OF ILIGAN	LANAO DEL NORTE
9.	PORT OF BONGAO	TAWI-TAWI
10.	PORT OF NASIPIT	AGUSAN DEL NORTE
11.	PORT OF SURIGAO	SURIGAO DEL NORTE
12.	PORT OF OZAMIS	MISAMIS OCCIDENTAL

**LIST OF INDONESIAN PORTS  
UNDER THE BIMP-EAGA PROGRAM**

<b>NO.</b>	<b>NAME OF PORT</b>	<b>PROVINCE</b>
1.	PELABUHAN PONTIANAK	WEST KALIMANTAN
2.	PELABUHAN SAMPIT	CENTRAL KALIMANTAN
3.	PELABUHAN BANJARMASIN	SOUTH KALIMANTAN
4.	PELABUHAN BALIKPAPAN	EAST KALIMANTAN
5.	PELABUHAN TAKARAN	EAST KALIMANTAN
6.	PELABUHAN SAMARINDA	EAST KALIMANTAN
7.	PELABUHAN BITUNG	NORTH SULAWESI
8.	PELABUHAN PANTOLOAN	CENTRAL SULAWESI
9.	PELABUHAN MAKASSAR	SOUTH SULAWESI
10.	PELABUHAN KENDARI	SOUTH EAST SULAWESI
11.	PELABUHAN AMBON	MALUKU
12.	PELABUHAN SORONG	IRIAN JAYA
13.	PELABUHAN BIAK	IRIAN JAYA
14.	PELABUHAN JAYAPURA	IRIAN JAYA

## SAMPLE COMPUTATIONS

Example 1 A BIMP-EAGA vessel of 3,000 GRT arrived at the port of General Santos at 0900 hours February 1 and departed for another port at 1400 hours the following day. The port of origin and next port of call are all listed in the BIMP-EAGA

Conversion rate is P55.37/U S \$1.00

	<u>No. of Days Stay</u>
February 1	1 day
February 2	1 day
	-----
Total	2 days =====

Computation

**Port Dues**

$$\text{U S } \$0.040 \times 3,000 \text{ GRT} \times \text{P}55.37 = \underline{\underline{\text{P}6,644.40}}$$

**Dockage**

$$\text{U S } \$0.020 \times 3,000 \text{ GRT} \times 2 \text{ days} \times \text{P}55.37 = \underline{\underline{\text{P}6,644.40}}$$

Example 2 The above vessel arrived at the port of Zamboanga 0700 hours February 10 and departed at 2200 hours the same day. The port of origin is listed in the BIMP-EAGA but the next port of call is not

	<u>No. of Days Stay</u>
February 10	1 day

Computation

**Port Dues**

$$\text{U S } \$0.081 \times 3,000 \text{ GRT} \times \text{P}55.37 = \underline{\underline{\text{P}13,454.91}}$$

**Dockage**

$$\text{U S } \$0.039 \times 3,000 \text{ GRT} \times 1 \text{ day} \times \text{P}55.37 = \underline{\underline{\text{P}6,478.29}}$$



Example 3 The above vessel arrived at the port of Davao 1200 hours February 21 and departed at 0900 hours of the following day The port of origin is not listed in the BIMP-EAGA but the next port of call is listed

	<u>No. of Days Stay</u>
February 21	1 day
February 22	<u>1 day</u>
Total	<u>2 days</u>

Computation

**Port Dues**

$$\text{U S\$0 081} \times 3,000 \text{ GRT} \times \text{P55 37} = \underline{\text{P13,454 91}}$$

**Dockage**

$$\text{U S \$0 039} \times 3,000 \text{ GRT} \times 2 \text{ days} \times \text{P55 37} = \underline{\text{P12,956 58}}$$

N B Dollar/Philippine peso exchange rate for use in the computation is announced by PPA Head Office on fortnightly basis using the average conversion rate for the past fifteen days