

REPUBLIKA NG PILIPINAS
PANGASIWAAN NG DAUNGAN NG PILIPINAS
PHILIPPINE PORTS AUTHORITY



Modernization of Ports
A PPA Commitment

JUL 23 1999

PPA MEMORANDUM CIRCULAR
NO 36 -99

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

SUBJECT **Guidelines Implementing the Arrangement on the Common Tariff for Vessels Operating Under the BIMP-EAGA Program**

The Director of Ports, Ministry of Communications, Brunei Darussalam and the Philippine Ports Authority have signed the Arrangement on the Common Tariff for Vessels Operating Under the BIMP-EAGA Program (Annex "A") The agreement which takes effect 01 September 1999 shall be for a period of two (2) years

Likewise, a similar arrangement between the Republic of Indonesia and the Republic of the Philippines which is set to expire on 30 September 1999 has been formally renewed by the Directorate General of Sea Communication, Department of Communications of the Republic of Indonesia and this Authority (Annex "B") Thus, both countries will continue to enjoy the incentives under the program for another period of two (2) years starting from 01 October 1999

Pursuant to the terms of the above subject Arrangement, all vessels carrying the flags of Indonesia, Brunei 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 charges 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 rates are applicable only when the vessel's last and next ports of call are in the BIMP-EAGA ports as listed in Annex C,

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- 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 or prior to extension of the incentives,
- 4 The arrangement between the Brunei Darussalam and the Philippines shall expire on 31 August 2001 while the agreement with Indonesia will lapse on 30 September 2001

This Circular amends PPA Memorandum Circular No 34-97

For your guidance and implementation



JUAN O. PEÑA
General Manager

Annexes

- A - RP-Brunei Darussalam Arrangement on Common Tariff of Vessels Operating Under the BIMP-EAGA Program dated July 8, 1999
- B - RP-RI Arrangement on Common Tariff of Vessels Operating Under the BIMP-EAGA Program
- C - List of BIMP-EAGA Ports
- D - Sample Computations

Copy furnished

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

Port Management Offices Under PDO-NOMIN & SOMIN
PMO-Puerto Princesa

Haji Ibrahim Ali
Director of Ports
Ministry of Communications
Brunei Darussalam

Agus Rudyanto Ruwadi
Director, General of Sea Communications
Republic of Indonesia

**ARRANGEMENT ON
THE COMMON TARIFF FOR VESSELS OPERATING
UNDER THE BIMP-EAGA PROGRAM**

The Director of Ports, Ministry of Communications, Brunei Darussalam, and the Philippine Ports Authority (PPA), hereinafter referred to as the PARTIES,

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

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

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

HAVE AGREED AS FOLLOWS

ARTICLE I

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

Port Dues	US\$ 0 040/GRT
Dockage	US\$ 0 020/GRT/Day


ARTICLE VI

- 1 This Arrangement shall be in force from 01 September 1999 for a period of two (2) years only and shall be subject to review after the expiration of the said period

IN WITNESS WHEREOF, the undersigned have signed this Arrangement

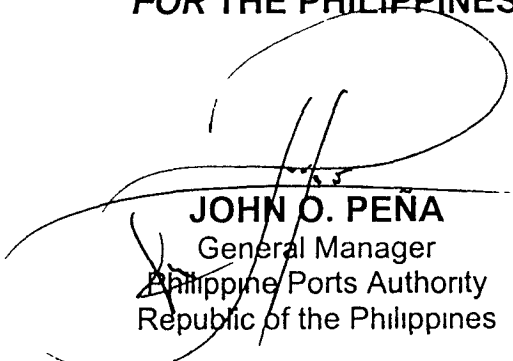
DONE in Davao City, the Philippines on this 8th day of July in 1999 , in the English language, all text being equally authentic

FOR BRUNEI DARUSSALAM :



HAJJ IBRAHIM ALI
Director of Ports
Ministry of Communications
Brunei Darussalam

FOR THE PHILIPPINES :



JOHN O. PEÑA
General Manager
Philippine Ports Authority
Republic of the Philippines

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

NO.	NAME OF PORT	PROVINCE
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

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

The Directorate General of Sea Communication, Department of Communications of the Republic of Indonesia and the Philippine Ports 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 form 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,

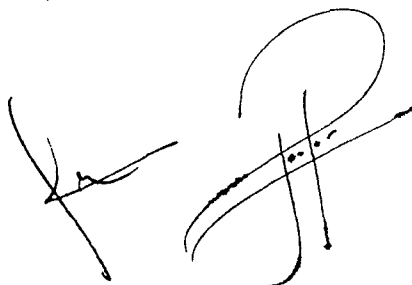
WHEREAS, there has been a prior arrangement entered into by both Parties to adopt a common port tariff for their respective vessels,

WHEREAS, said Arrangement is due to expire on 30 September 1999,

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 Republic 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, which are as follows

Port Dues	-	US\$ 0 040/GRT
Dockage	-	US\$ 0 020/GRT/day

ARTICLE II

- 5 Republic of Indonesia flag vessels and the Republic of the Philippines flag vessels operating under the BIMP-EAGA program shall be entitled to the above special charges on vessels,
- 6 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,
- 7 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 ports,
- 8 These special rates of the common tariff are only applicable in the Indonesian and Philippine ports as listed in the Annexes

ARTICLE III

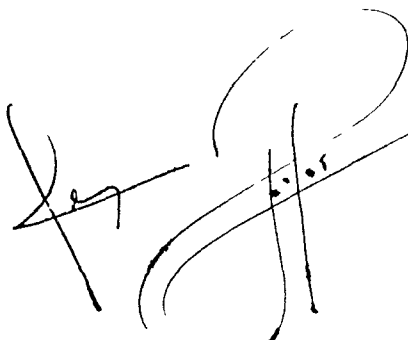
In behalf of the Parties, the signatories to this arrangement shall accordingly issue administrative orders or other orders of similar effect in their respective areas of jurisdiction for the proper implementation and enforcement of this arrangement

ARTICLE IV

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

ARTICLE V

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



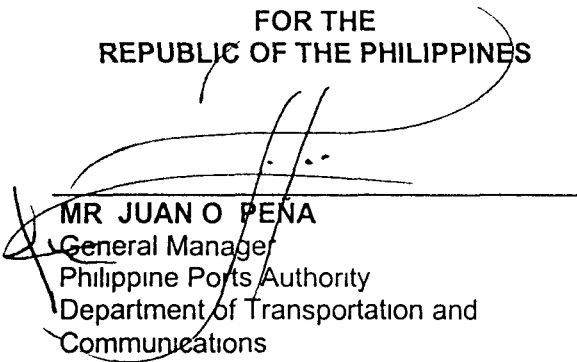
ARTICLE VI

- 1 This arrangement shall be in force from 01 October 1999 for a period of two (2) years and shall be subject of review after its expiration

IN WITNESS WHEREOF, the undersigned have signed this arrangement

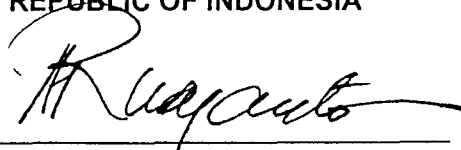
DONE in duplicate at _____ on this ____ day of _____ in 1999, in the English language both text being equally authentic

**FOR THE
REPUBLIC OF THE PHILIPPINES**



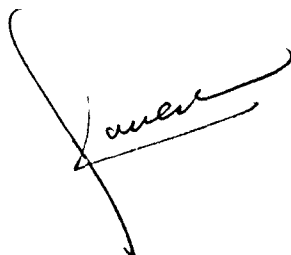
MR JUAN O PEÑA
General Manager
Philippine Ports Authority
Department of Transportation and
Communications

**FOR THE
REPUBLIC OF INDONESIA**



AGUS RUDYANTO RUWADI
Director General of Sea Communications
Department of Communication

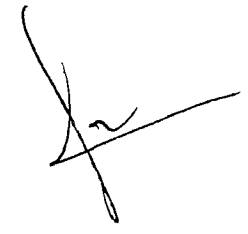
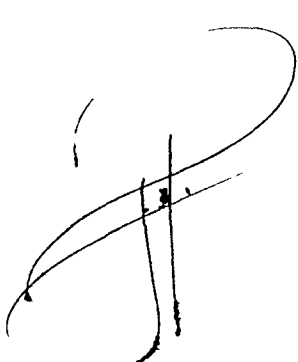






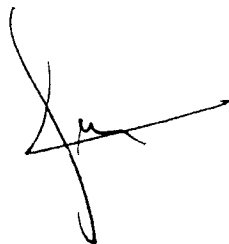
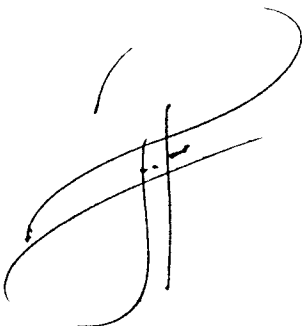
**LIST OF PHILIPPINE PORTS
UNDER THE BIMP-EAGA PROGRAM**

NO	NAME OF PORT	PROVINCE
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 PUERTOPRINCESA	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**

NO	NAME OF PORT	PROVINCE
1	PONTIANAK	WEST KALIMANTAN
2	SAMPIT	CENTRAL KALIMANTAN
3	BANJARMASIN	SOUTH KALIMANTAN
4	BALIKPAPAN	EAST KALIMANTAN
5	TARAKAN	EAST KALIMANTAN
6	SAMARINDA	EAST KALIMANTAN
7	BITUNG	NORTH SULAWESI
8	PANTULUAN	CENTRAL SULAWESI
9	MAKASSAR	SOUTH SULAWESI
10	KENDARI	SOUTHEAST SULAWESI
11	AMBON	MALUKU
12	SORONG	IRIAN JAYA
13	BIAK	IRIAN JAYA
14	JAYAPURA	IRIAN JAYA



“ANNEX C”

LIST OF BIMP-EAGA PORTS

NO.	NAME OF PORT	PROVINCE
PHILIPPINE PORTS		
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
INDONESIAN PORTS		
13	Pontianak	West Kalimantan
14	Sampit	Central Kalimantan
15	Banjarmasin	South Kalimantan
16	Balikpapan	East Kalimantan
17	Tarakan	East Kalimantan
18	Samarinda	East Kalimantan
19	Bitung	North Sulawesi
20	Pantuluhan	Central Sulawesi
21	Makassar	South Sulawesi
22	Kendari	Southeast Sulawesi
23	Ambon	Maluku
24	Sorong	Irian Jaya
25	Biak	Irian Jaya
26	Jayapura	Irian Jaya
BRUNEI DARUSSALAM PORT		
27	Brunei Darussalam	Brunei Darussalam

“ANNEX D”

SAMPLE COMPUTATIONS

Example 1 A BIMP-EAGA vessel of 3,000 GRT arrived at the port of General Santos at 0900 hours August 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 P38.13/US \$1.00

	<u>No. of Days Stay</u>
August 1	1 day
August 2	1 day

Total	<u>2 days</u>

Computation

Port Dues

$$\text{US } \$0.040 \times 3,000 \text{ GRT} \times \text{P38.13} = \underline{\underline{\text{P4,575.60}}}$$

Dockage

$$\text{US } \$0.020 \times 3,000 \text{ GRT} \times 2 \text{ days} \times \text{P38.13} = \underline{\underline{\text{P4,575.60}}}$$

Example 2 The above vessel arrived at the port of Zamboanga 0700 hours August 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>
August 1	1 day

Computation

Port Dues

$$\text{US } \$0.081 \times 3,000 \text{ GRT} \times \text{P38.13} = \underline{\underline{\text{P9,265.59}}}$$

Dockage

$$\text{US } \$0.039 \times 3,000 \text{ GRT} \times 1 \text{ day} \times \text{P38.13} = \underline{\underline{\text{P4,461.21}}}$$