

PPA revenue-generation efforts remain in high gear, nets 31% hike in income



The Philippine Ports Authority (PPA) continue to operate in high gear six months into 2019 in its bid to outdo its financial performance in 2018.

This after the agency posted a 31% hike in net income for the first semester of 2019 from P4.43 billion in the same period in 2018 to P5.82 billion for the period in review.

The 2019 figure more than doubled the projected net income for the period of P2.75 billion, showing this early that PPA is likely to surpass its 2018 financial performance.

It maybe recalled that in 2018, the PPA remitted some P3.5 billion in total dividend to the national coffers. The PPA is mandated by law

to remit half of its net income to the national government annually.

Based on the figure posted for the period in review, the agency is now only approximately P1.2 billion short in order to match the 2018 total net income.

"PPA is really doing a great job in terms of revenue-generation," PPA General Manager Jay Daniel R. Santiago said.

"The strong revenue figure suggests that the PPA is maximizing all revenue fronts in order to collect

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'ELSA' facilitates movement of empties at SH

Yard utilization at the Manila South Harbor was trimmed down to a better-than-ideal level with the implementation of the Empty Loadout Shipping Agreement (ELSA) at the port.

The initiative, put forward by South Harbor cargo handling operator Asian Terminals, Inc. (ATI), boosted the Manifesto of Support on empty and overstay containers signed in mid-March as well as PPA Administrative Orders clearing the Manila ports of such boxes.

The ELSA process provides that every cargo discharge, vessels docked at the Manila South Harbor would load empty containers already available at the port regardless which shipping line owned such container. The participating shipping lines to the ELSA process include the CMA-CGM Group, T.S. Lines, Evergreen, Yang Ming Lines, Wan Hai and

Hyundai Merchant Marine.

"We laud this initiative of ATI in their desire to free-up container yard space at the Manila South Harbor and facilitate the movement of laden boxes to and from the port," PPA General Manager Jay Daniel R. Santiago said.

"Two weeks from the implementation of the Manifesto, the Manila South Harbor is already loading out at least 10,000 twenty-foot equivalent units (TEUs) and relocated the same to other Asian destinations," Santiago explained.

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PPA defines 45 years of existence with 'Serbisyo at Malasakit'

The Philippine Ports Authority (PPA) remains steadfast in giving service and care to the Filipino people today, July 11, 2019 as it celebrates its 45th Founding Anniversary.

With the theme, "Apatnapu't limang taon na Malasakit at Serbisyo", the PPA looks back in time in its bid to further improve its services in order to give better care to the country.

PPA General Manager Jay Daniel R. Santiago explained that 'Malasakit and Serbisyo' will be the mantra of the PPA in the next 365 days with the end goal of providing care (malasakit) to the Filipino people through its port services (serbisyo).

"For the past 45 years, the PPA is not only known as the port planner and port service provider but most especially a champion when it comes to extending care to the community," Santiago said.

"These qualities have guided the agency for more than four decades and we have no reason to cease. In fact, we are even doubling our efforts through building better communities surrounding our ports," Santiago explained.

"The efforts are not confined to port services alone, but it also includes empowering our economically-challenged



Filipinos by bridging the gap in terms of food sustenance, healthcare and even up to housing," Santiago added.

As of the moment, after allotting close to 5 hectares and some P1 billion to Baseco residents in February this year, the PPA is crafting several guidelines on how to duplicate the initiative to other areas even those areas without nearby ports.

The PPA is also looking at reducing the carbon footprint of all its ports by introducing the use of sustainable energy, equipment and products to complement the initiatives of the global sector.

PPA will likewise continue to pursue better partnership with the private sector to guarantee that port services are given at the highest quality possible particularly in ports with high concentration of people and cargoes.

"This are only some of the plans of the PPA that are in store for the Filipinos aside from our earlier accomplishments, particularly in the field of infrastructure in support of the Build-Build-Build initiative of the current administration," Santiago said.

Earlier this week, the PPA said some 200 port projects have been completed in the first three years under the Duterte Administration. An additional 100 port projects are expected to be completed again at the end of the year.

The projects are aimed at trade facilitation and faster turnaround time of vessels, thus, resulting to lower cost and better purchasing power for the Filipinos.

Looking Back

The separation of the Philippines into many islands, particularly in the early part of the 'baby boomer' generation, hopping from one island to another was not as easy as 1, 2, 3.

However, with the establishment of the Philippine Ports Authority in 1974, through Presidential Decree No. 505, connecting the islands of Luzon, Visayas and Mindanao has steady improve through the years.

Let us go back to specific periods of time in the last 45 years to



show not only the evolution of the PPA to what it is now but also how it affected the lives of the Filipinos for the better.

1977 – the Philippines, through the PPA, started to come-up with long-range port development plans in order to further improve and render more effective use of ports.

1982 – a total of 114 ports nationwide have been transferred to the control of the PPA. This ports now comprise the entire PPA port system.

1987 – after taking away its corporate autonomy after the Edsa Revolution, the PPA regained its autonomy in 1987 to guarantee that all port projects are effectively implemented and that only port projects of viable markets are being carried out.

1989 – When PPA was first feted as the top performer among all GOCCs at that time in giving dividend to the National Coeffers.

Up to this time, PPA remains in the top10 of the 'billionaires club' of all GOCCs. In the last 2 years, the PPA is averaging remitted dividend of at least P3 billion. These amounts are vital in carrying out the socio-economic and healthcare program of the government.

1996 – Owing to the expertise of the PPA in planning and construction of ports, Government has transferred the control of ports included in the Pan Philippine Highway or the first ever Ro-Ro node of the country, which was established during the Marcos Administration.

2001 – PPA, in partnership with the Visayan Forum Foundation, started to construct, establish and operate Half-way Houses in strategic ports as a first defense against human trafficking at ports. The operation of these houses have put the PPA on the world map after it

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the correct amount and at the same time reaping the benefits of several measures that were implemented to be more efficient and effective," Santiago stressed.

"If we continue at this pace, the agency can eclipse its 2018 figure even before the end of this current quarter," Santiago exclaimed.

He added that even with the recent policy exempting Senior Citizens, Students, Persons with Disabilities and select Uniformed Personnel from paying terminal fees, such initiative will

not drastically affect the financial standing of the Authority.

Total revenues remain relatively high after posting a 12% hike compared to the figure posted in the first six months of 2018 from P8.02 billion to P8.99 billion this year anchored on the strong financial performances of 13 Port Management Offices (PMO) out of the 25 PMOs led by PMO NCR-South, PMO Batangas, PMO Davao, PMO Bataan/Aurora and PMO Panay/Guimaras. Fees remitted by cargo-handling operators International Container Terminal Services, Inc. and Asian Terminals, Inc. and the positive deviation from almost all tariff items further boosted the revenue figure for the period in review.

Compared to the target revenue for the January-June 2019 period, the figure posted was also higher by 10% against the target of P8.17 billion.

Total expenses for the period, on the other hand, totaled P3.18 billion, some 12% below its 2018 figure of P3.59 billion. The total amount is also lower by 41% compared to the target of P5.42 billion.

The gradual implementation of priority Repairs and Maintenance and Dredging projects similarly resulted in a moderate utilization of the budget for the period.

'ELSA'...

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"But with ELSA, the container loadout at the port per week has reached 14,000 TEUs, the highest figure posted in the 60-day implementation span of the agreement," Santiago added.

The manifesto of support, meanwhile, aims to prevent the imbalance of inbound and outbound containers borne by the unscrupulous practice of using the ports for prolonged storage of their containers

until the withdrawal of goods will yield to maximum profit.

Prior to the Manifesto, the previous practice was that the shipping lines would only pullout its own containers resulting to higher inventory of empties inside the ports' container yards.

"The consistent loadout of empty and overstaying containers from the ports the past two months have resulted in a yard utilization of about 54% as of end May compared to the 75% yard utilization when the Manifesto was signed in mid-March," Santiago said.

PPA defines...

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was feted abroad by the World Bay Against Child Labor.

2007 – the PPA has transferred to its new Corporate Office along Bonifacio Drive in Manila. This has been the seat of power for the PPA for the past 12 years.

2011 – PPA has partnered with the Intellectual Property Rights Office in order to curb counterfeit and pirated goods passing through Philippine ports.

2013 – With the devastation brought about by a magnitude 7.1 earthquake in Bohol as well as the devastation of super typhoon Yolanda to the Samar and Leyte area, PPA since has prioritized port projects in the area in order to bring back the ports to their pre-earthquake and Yolanda conditions or even better. While the major ports in the area have been utilized as early as the next day after the so-called disasters, repairs have been ongoing until now.

PPA, the past 3 years

In each of the past 3 years, PPA dividend remitted to the government have been drastically increasing, posting



the highest dividend remitted in 2018 with a whopping P3.5 billion compared to the figure posted in 2017 at P3.1 billion and 2016 at 1.8 billion.

PPA is likewise enjoying the highest growth percentage in terms of cargo volume passing through Philippine ports with 5.16% in the last three years, compared to the two immediate previous administrations with a growth rate percentage of 4.4% in 2010-2012 and a minus 6.6% for the 2004 to 2006 period.

The state-owned agency has likewise remained to sturdy foundation when it comes to financial condition as it continues to rake in billions of pesos as port revenues, growing at least P1.5 billion annually for the period in review.

Shipcalls have also remained strong despite some operators deploying bigger capacity vessels. In 2018, shipcalls have reached 468,439 shipcalls compared to the P449,008 and 433,580 shipcalls for 2017 and 2016, respectively.

Aside from the staggering dividend remitted to Government, the second biggest achievement recorded

by PPA in the last 3 years was the increases in cruise-tourism industry. Total tourist totaled 50,000 as of end 2018, an increase of more than a thousand fold compared to the last 5 years. PPA has likewise netted regular cruise-tourism calls that include stops in Manila, Boracay, Bohol and Currimaao in Ilocos.

“The steady increases in our in our finances, cargo volume, shipcalls and passage, is a testament that PPA is able to meet the requirements and demands of the local and foreign shipping industry,” Santiago said.

In terms of infrastructure, among the notable locally-funded propjects that have been completed and are expected to bring better service and car for the Filipino people include:

1. Port of Balanacan in Marinduque
2. Port Calapan in Mindoro
3. Port of Makar in Gen. Santos
4. Port of Cagayan de Oro

“These ports are only some of the projects that have been completed. A sound infrastructure is one of the many ways to render service and care to the public. PPA is bent in further improving these infrastructures in the next couple of years,” Santiago added.

Capacity Building

The PPA is also continuously building the competitiveness of PPA employees by giving equal opportunities to each employee for local and foreign scholarships. Among the courses offered include the UNCTAD Train for Trade program; the Modern Port Management; and the Public Management Development Program.

The agency is also pursuing international standards relative to the Vision of the PPA. So far, the PPA is compliant with ISO 9001:2015 on Quality; ISO 14001:2015 on Environment; and OHSAS 18001:2007 on Occupational Safety and Health.

In terms of Security, PPA is partnering with notable safety and security agencies in order to beef-up security initiatives with Philippine ports. Just recently, a team of NCIS personnel trained select PPA port police.

Corporate Social Responsibility

PPA is likewise not letting down on its Corporate Social Responsibilities. Aside from joining the usual clean-up drives along the Manila Bay in NCR and several coast towns and provinces nationwide, the PPA is likewise taking its CSR to a bigger scale.

Among the projects being continued are the building of Social Reform ports or missionary ports in order to connect the very far-flung areas of the country to the seat of economic activity; and the rehabilitation of ferry terminals along the Pasig River, being dubbed as PPA Legacy projects, in order to lure more passengers to use the Pasig River Ferry System.

On a more personal approach, the PPA, during this year’s Father’s Day Celebration, a Malasakit Kit was distributed to all fathers at the port, passing through the ports or being at the port by accident as a tribute.

And lastly, the donation of some 5 hectares of lot to be distributed to informal settlers along the Manila Bay and some P1 billion as seed money for the construction of a residential building for the informal settlers.