

Welcome Address

(Delivered by Atty. Oscar M. Sevilla,, General Manager, Philippine Ports Authority, 4th Philippine Ports and Shipping Conference, Manila Peninsula Hotel, Makati City, 07 February 2007)

The Honorable Secretary Leandro R. Mendoza, Department of Transportation and Communications, conference participants and delegates from various parts of the globe, distinguished panel of speakers, guests, ladies and gentlemen...

On behalf of the Philippine government, through the Department of Transportation and Communications, the Philippine Ports Authority is pleased to welcome again all participants to the 4th Philippine Ports and Shipping Conference. Gatherings such as this provide continuous valuable feedback for policy makers as well as experts from around the globe in the field of transportation, shipping, logistics and supply chain. I am also gratified to see that all of us here share common concerns and look forward to working together to promote efficient and cost-effective transportation and logistics in the region.

Two years ago, in the same conference and venue, I made a plea for potential investors to avail of opportunities in port and port related infrastructure and services in the country. The government through the Philippine Ports Authority or PPA recognizes the catalytic effects of private sector participation in infrastructure investments to support the national development and growth agenda. Hence, the PPA is committed to support a key item in the President's 2006 SONA – that of giving emphasis to developing

“super regions” in North Luzon, Metro Luzon, Central Philippines and Mindanao in order to boost economic and market potentials beyond what each region can generate through economies of scale, synergies and complementation sufficient to attract investors.

Along this line, the PPA has endeavored to implement port projects in the intermediate term supportive of the President’s targets in the transport and digital sectors. PPA shares the President’s vision of reducing travel time from Mindanao through Visayas to Luzon and cargo transportation cost through the expansion of the nautical highway system running across the major growth quadrants of the country. As this year’s conference will show, the benefits of bringing down logistics costs is essential to remaining competitive in our rapidly globalizing world where both physical and economic borders fuse to create seamless trade connections.

Having said that, PPA is pleased to host this year’s biennial gathering. We view it as an occasion to shape the regional agenda for logistics and economic integration, draw attention to the need to push for more investments in creating and adding value to the logistics and supply chain processes and highlight the progress being made in maritime services and shipping.

If I may go a bit further, the recently concluded Asean Summit held in Cebu City early this year focused not only on expanding trade but also on expanding services in the region. As this summit has

demonstrated, more services have become increasingly internationally movable. With new technology, the trend is likely to continue at a much faster pace and open more opportunities in shipping and maritime-related e-commerce and business process outsourcing, particularly in the highly regulated transport sector in our country. This scenario is supported by data from the World Trade Organization showing trade in services as comprising more than 20 percent of global trade. You will agree with me that when fully harnessed, digital technology will allow logistics services suppliers and providers in the region to enjoy improved access to markets, distribution channels and information networks through fewer, more efficient and cost-effective transactions.

The schedule that has been set out for the next two days gives us an opportunity to explore options for addressing challenges and emerging developments in ports, shipping and logistics amidst the quantum trends in information and communications technology. While the shipping, maritime, logistics and port industries have made the necessary responses, it is equally important that both the government and the private sector work in unison in successfully maintaining access to seamless, efficient and competitive shipping and port infrastructure and services to help reduce transport costs.

As you are aware of, the entire logistics chain covers not only the infrastructure network of road, sea and air transport but the other sub-components involved in raw materials sourcing, manufacturing, distribution and shipping. Any inefficiency in one of

the sub-chains may negate the gains achieved in the other components and stifle the attainment of the universal goal of cascading the benefits of reduced carriage costs to the final consumer or the population at large.

Allow me at this juncture to applaud everyone for their contribution to this forum. We clearly need to work hard and sustain the continuity of this important gathering, foster public-private sector deliberation and discussion of issues lined up in the agenda. This should lead us to undertaking the necessary activities that will support the practical application of the principles and goals of facilitating trade through efficient logistics and supply chain processes.

On behalf of the Philippine Ports Authority, I welcome you once more to our beautiful country and wish you a productive conference ahead.

Thank you and Mabuhay!