



Advancing Sustainability and Competitiveness in the Philippine Maritime Transportation Sector

Written by:

Rayan Dui
Miguel Paolo Paredes
Reynaldo Bautista Jr.

Department of Marketing and Advertising
College of Business
DLSU-Manila

Introduction

Filipino seafarers play a vital role in the global maritime workforce, comprising about 25 percent of the world's 1.65 million seafarers and earning the Philippines the reputation as the "crewing capital of the world" (Galam, 2025). Their strong global presence reflects shipping companies' reliance on their competitiveness, availability, and internationally recognized training. Beyond their operational role, they also make a significant economic contribution, remitting about US\$6.7 billion in 2022 and US\$6.94 billion in 2024, providing vital support to the Philippine economy (Philippine Information Agency, 2024).

Through targeted regulatory development and harmonization in accordance with international maritime agreements and national implementing laws, this policy brief supports the viability of the Philippine domestic maritime transportation industry. Its foundations are (a) more stringent inspection of METIs; (b) more successful enforcement of fair labor and welfare standards for seafarers; and (c) a review of MARINA's streamlined and open certification and licensing procedures. In addition, EMSA's compliance findings pose reputational and deployment risks. To guarantee compliance, competitiveness, and long-term sectoral sustainability, these amendments are based on the STCW Convention, the Maritime Labour Convention (MLC, 2006), and other pertinent IMO environmental treaties.

Gaps in environmental, sociocultural, and economic systems continue to limit sustainability in the maritime transportation industry, which accounts for 90% of global trade (Richter, 2016). The long-term viability of the industry and the competitiveness of Filipino seafarers are threatened by persistent problems such as inadequate training facilities, discriminatory recruitment practices, and onerous certification procedures. Given the risks of seafarer displacement and the constraints of global compliance, it is imperative to address these systemic deficiencies. The creation of a more robust, competitive, and sustainable maritime sector will be made possible by a unified policy roadmap that emphasizes improved regulation, just labor practices, and effective administrative procedures.

Policy Options

Regulatory Enforcement Reform

To ensure compliance with CHED and STCW requirements, regulatory enforcement for maritime schools and training facilities should be strengthened. This includes regular independent audits, stricter accreditation requirements, and sanctions for non-compliance. Improved enforcement restores international confidence in Philippine maritime training.

Labor Governance Reform

To avoid biased selection and ensure social fairness, all manning agencies should have stringent, transparent recruitment procedures. There is a need to strengthen the regulation of manning agencies by enforcing transparent recruitment standards, monitoring compliance with MLC requirements, and implementing grievance-reporting systems. This reduces labor-market inefficiencies and protects seafarers' welfare.

Administrative Modernization

To simplify MARINA's COC/COP issuance processes by using standardized procedures and digitalization. This will reduce processing time, improve transparency, and eliminate opportunities for corruption. Administrative modernization enhances deployment efficiency and competitiveness.

Institutional Coordination

To create multi-stakeholder collaborations to fund training, develop simulation tools, and integrate curriculum for sustainability. This will help ensure regulatory coherence and maintain compliance with international maritime standards.

Background and Statement of Issues

Global trade depends on the maritime transportation sector; sustainability concerns in the sector, particularly in the Philippines, are still not sufficiently addressed. Operational, legislative, and structural shortcomings make it difficult for stakeholders to comply with evolving international standards, especially those established by the International Maritime Organization (IMO). The issue is significant because seafarers maintain the sector's stability and efficiency, and marine transportation is essential to

global trade.

The Philippine maritime transportation sector faces governance gaps and regulatory fragmentation that weaken sustainability and global competitiveness. Oversight responsibilities are divided among MARINA, CHED, TESDA, and DOLE, resulting in overlapping mandates, inconsistent enforcement, and weak accountability. These coordination failures contribute to deficiencies in training oversight, certification delays, and compliance gaps with international standards, increasing the risk of reputational damage and reduced employment opportunities for Filipino seafarers. The Philippines' competitiveness in the global maritime workforce is weakened by these obstacles, which also impede career growth and job prospects. These governance gaps are reinforced by misaligned stakeholder incentives. METIs face cost pressures that may affect training quality, manning agencies compete to deploy seafarers quickly, and regulators face capacity constraints that limit effective enforcement.

The problem is critical: thousands of jobs are at risk due to compliance flaws in Philippine maritime education identified by the EU's EMSA. Sustainability initiatives also require a shift in behavior, a commitment to the company, and adherence to international labor and environmental regulations. The alignment of statutory regulations with organizational culture determines the condition mentioned above, as commitment to compliance and its long-term outcomes are shaped by these values, norms, and daily activities (Paredes, 2023). Without action, the country will lose its position as the world's leading provider of seafarers' ratings, affecting remittances and the health of the national economy.

Road Map for Strategic Implementation

The best policy course of action is a hybrid multi-stakeholder strategy, according to an examination of obstacles in the environmental, sociocultural, and economic domains. Systemic inadequacies cannot be addressed by merely strengthening regulatory controls, nor can administrative simplification succeed without increasing labor conditions and training quality. A comprehensive approach to sustainable marine development is created by improving education and training, enforcing labor justice, and changing certification procedures. This strategy serves both national economic objectives and workforce competitiveness while adhering to international standards.

1. Boost Ecological Sustainability Systems

1.1 Stricter adherence to STCW and national METI laws

The 2010 Manila Amendments to the International Convention on Standards of Training, Certification, and

Watchkeeping for Seafarers (STCW) should be enforced more strictly by MARINA and CHED. This covers:

- Stronger enforcement of STCW standards improves training quality, leading to better operational compliance and ultimately reducing environmental violations, such as improper waste disposal and non-compliance with emissions standards. Regular audits and strict accreditation of METIs will help ensure that seafarers are properly trained in environmental protection and safety practices.
- Stronger enforcement of STCW standards improves training quality, which leads to better operational compliance and ultimately reduces environmental violations such as improper waste disposal and emissions non-compliance. Regular audits and strict accreditation of METIs will help ensure that seafarers are properly trained in environmental protection and safety practices.
- Address persistent quality deficiencies identified by EMSA, non-compliant institutions may be sanctioned, suspended, or shut down.

By ensuring that seafarers are proficient in contemporary ship operations, pollution prevention, and safety management systems, strengthening STCW enforcement immediately enhances environmental compliance.

1.2. Include IMO environmental tools in training programs. METIs must be obliged to incorporate the required modules on:

- MARPOL Annexes I–VI (air emissions, waste, sewage, hazardous materials, and oil pollution);
- Energy-efficiency measures (EEDI, EEXI, CII) and the IMO 2023 Greenhouse Gas Strategy; and

- Compliance with the Ballast Water Management Convention.

To ensure that environmental sustainability is operationalized at the crew level, MARINA may issue a

circular requiring the incorporation of these tools into

simulator-based and competency-based training.

2. Encourage Cultural and Social Sustainability

2.1 Bolster the Maritime Labor Convention's enforcement (MLC, 2006). To tackle issues of welfare and unfair hiring, the government ought to bolster the execution of:

- MLC Regulation 1.4 (Recruitment and Placement), which mandates that licensed manning agencies use transparent, merit-based recruiting procedures. Stronger enforcement of fair and transparent recruitment practices reduces information asymmetry between seafarers and employers, ensuring that workers are selected based on merit rather than informal or unfair practices.
- MLC Regulation 4.3 (Health and Safety Protection), which mandates programs for psychological and mental health assistance; and
- MARINA MC No. 2016-01 and associated regulations controlling the licensing and oversight of manning agencies. All these recommendations will shield seafarers against unfair and exploitative tactics, regular audits, anonymous reporting systems, and harsher penalties for infractions should be established.

2.2. Establish formal grievance and whistleblower procedures.

In accordance with MLC Title 5 (Compliance and Enforcement), MARINA should operationalize a centralized digital grievance platform in collaboration with DOLE and seafarers' unions. This system will improve social justice, accountability, and trust throughout the industry. However, implementation must address capacity constraints, case resolution mechanisms, and data protection requirements to ensure confidentiality and maintain trust in the system.

3. Enhance the Sustainability of the Economy

3.1. STCW-aligned digitalization will transform certification and licensing. MARINA should enhance adherence to STCW Regulations I/2 and I/3 to boost productivity and competitiveness by:

- Completely digitizing systems for COC/COP renewals, applications, and verification. Digitalizing MARINA’s certification and licensing systems is a key anti-corruption modernization reform that reduces face-to-face transactions and discretionary processing.
- Setting indicative fee caps can improve access to required training, but it may also reduce METI revenues and create risks to training quality if institutions cut costs. To address this, MARINA should implement quality safeguards, such as regular audits, performance-based accreditation, and targeted subsidies, to ensure affordability without compromising training standards.
- Creating a "green lane" for seafarers who are actively and compliantly sailing. These changes minimize revenue losses from administrative delays, lower transaction costs, and limit potential for corruption.

3.2. Control the cost of training and increase accessibility

MARINA may release a memo circular establishing indicative fee caps for the required STCW training in accordance with the MLC principle of fair access to employment, supplemented by:

- Providing scholarships and cost-sharing arrangements with staffing agencies and foreign principals; and
- Rewards for METIs that use reasonably priced, excellent training models.

4. Establish Institutionalized Maritime Sector Management

4.1 Form a Council for National Maritime Sustainability

A National Maritime Sustainability Council should be created through an Executive Order or legislation to strengthen coordination. It should include MARINA, CHED, TESDA, DOLE, METIs, manning agencies, and seafarer representatives. The Council will serve as an advisory and coordination body, aligning policies and monitoring compliance with international standards. It should submit annual reports to the Office of the President, with funding from government appropriations and industry support.

Conclusion

Strengthening sustainability in the Philippine maritime sector is essential not only for regulatory compliance but for preserving the country’s global competitiveness and credibility as the leading supplier of maritime labor.

By improving training quality, labor governance, and administrative efficiency, these reforms will help secure long-term employment opportunities and protect vital remittance flows that support the national economy. More importantly, these efforts align with the Philippines’ commitment to SDG 8 (Decent Work and Economic Growth), SDG 13 (Climate Action), and SDG 14 (Life Below Water), ensuring that the maritime sector remains competitive, responsible, and resilient in the global labor market.

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