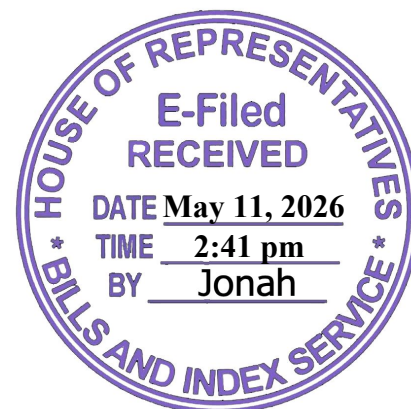


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9180



INTRODUCED BY REP. MAXIMO JR. Y. DALOG

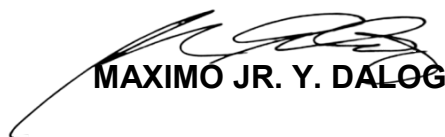
EXPLANATORY NOTE

The Philippines has historically been a significant maritime nation, with a sizable output and a globally prominent seafarer workforce. However, a substantial portion of the country's 400-plus shipyards require rehabilitation, and the majority are limited to basic repair and maintenance operations rather than high-value construction and export activities.

This Bill seeks to address these systemic limitations by establishing a nationwide policy of sustainable industrial growth, competitive investments, workforce upskilling, and technology adoption. It aims to transform the Philippines' maritime industrial base by institutionalizing a comprehensive policy framework to modernize, expand, and globally position the domestic shipbuilding, ship repair, boatbuilding, and ship recycling sectors.

In addition, it is grounded in the holistic vision articulated in the Maritime Industry Development Plan (MIDP) 2028, the national maritime strategy adopted under Executive Order No. 55, which envisions an integrated and globally competitive maritime industry through modernization, capacity expansion, research and development, eco-industrial parks, and incentives for shipbuilding growth.

In view of the foregoing, approval of this Bill is earnestly sought.


MAXIMO JR. Y. DALOG

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HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
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HOUSE BILL NO. 9180

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**AN ACT DEVELOPING AND EXPANDING THE PHILIPPINE SHIPBUILDING AND
SHIP REPAIR, BOATBUILDING AND SHIP RECYCLING INDUSTRIES, AND FOR
OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

**CHAPTER I
GENERAL PROVISIONS**

Section 1. Short Title. – This Act shall be known as the “**SBSR
DEVELOPMENT ACT OF 2026.**”

Section 2. Declaration of Policy. - The state recognizes the role of the shipbuilding and ship repair industry as one of the vital components of the maritime sector and that it plays a key role in the economic growth of the country.

As such, it is important that the Philippine maritime industry develops and enhances the quality of its capacity and capability in the construction and repair of ships for water transportation as well as for its maritime and naval forces. The Philippines needs to continue modernization and expansion of its domestic shipping fleet to provide comfortable, accessible, affordable, safe and sustainable water transport in the country and to cope up with the latest trends and development in the maritime industry.

To attain these objectives, it is hereby declared the policy of the State to:

- (a) encourage the development of a viable shipbuilding and ship repair, boatbuilding and ship recycling industries to support the Philippine Ship Registry and its strict adherence to safety standards which will ensure the seaworthiness of all ships;
- (b) attract capital and increase investment in the shipbuilding and ship repair, boatbuilding and ship recycling industries by creating a healthy and competitive and sustainable business environment for SBSR operations;
- (c) provide adequate capital incentives for the continued growth of the Philippine shipbuilding and ship repair, boatbuilding and ship recycling industries;

- (d) improve and enhance Filipino shipyard human resource skills and competencies to adopt new emerging technologies and latest trends in the shipbuilding and ship repair, boatbuilding and ship recycling sector; and
- (e) promote green shipyards, green ships, and green jobs.

Section 3. Definition of Terms. – As used in and for purposes of this Act, the following terms, whether in singular or plural, are hereby defined as follows:

- (a) **“Act”** refers to the SBSR Development Act of 2025;
- (b) **“Boatbuilding”** refers to the design, construction, outfitting, and launching of watercraft with sizes up to 50 meters in length in the boatyard;
- (c) **“Green job”** refers to a job that contributes to preserving or restoring the quality environment, be it in manufacturing and construction sectors or emerging green sectors such as renewable energy and energy efficiency among others. Specifically, but not exclusively, this includes jobs that help protect ecosystems and biodiversity, reduce energy, materials, and water consumption through high-efficiency strategies, decarbonize the economy, and minimize or altogether avoid the generation of all forms of waste and pollution;
- (d) **“Green ship”** refers to any ship that contributes towards improving the present environmental condition in some way. Green ship technology adopts procedures to decrease emissions, consume less energy, and be more efficient;
- (e) **“Green shipyard”** refers to a shipyard that operates to construct, repair, modify, or convert a ship, using different processes and systems, that has an environmental impact on both energy use and prevention of pollution;
- (f) **“MARINA”** refers to the Maritime Industry Authority;
- (g) **“MARINA-registered shipbuilding and ship repair (SBSR) entities”** refers to a citizen of the Philippines, a commercial partnership owned by a majority of Filipinos, or a corporation incorporated under the laws of the Philippines, the capital of which is owned or controlled in any proportion by Filipinos or foreign nationals, or by both such Filipinos or foreign nationals, or by corporations whether Filipino or foreign-owned, which is duly authorized by the MARINA to engage in the business of shipbuilding, ship repair, boatbuilding and/or ship recycling or to otherwise operate a shipyard, graving dock or marine repair yards;
- (h) **“Novel type ship”** refers to a ship that is not designed, constructed, or used according to the traditional form infused with modern and latest marine technology considered in the formulation of new rules and regulations;
- (i) **“Prototype ship”** refers to a ship patterned from an original ship model built to test and evaluate new ship design to enhance seaworthiness and safety of ships by naval architects, ship designers, academe and/or shipbuilders;
- (j) **“Ship”** refers to any kind, class, or type of craft or artificial contrivance capable of floating in water, designed to be used, or capable of being used, as a means

of floating in water for the carriage of passengers or cargo, or both, utilizing its own motive power or that of another;

- (k) **“Shipbuilding”** refers to the design, construction, launching, and outfitting of all types of ships and watercraft;
- (l) **“Ship repair”** refers to the overhaul, refurbishment, renovation, improvement, or alteration of the hull, machinery, equipment, outfits and components of all types of ships;
- (m) **“Ship recycling”** refers to all associated operations including mooring or beaching, dismantling, recovery of materials, and re-processing;
- (n) **“Shipyard”** refers to the shipbuilding or repair facilities that have the capability to put ships out of water in a drydock or to put ships above the water surface in order to affect ship work on ships, appendages, structure, machinery, and equipment;
- (o) **“Shipyard Facility Safety Standards”** refers to the set of required standards for shipyard facilities prior to their operation, modernization, expansion, or closure in accordance with applicable conventions and regulations;
- (p) **“Shipbuilding and Ship Repair Safety Standards”** refers to the safety and seaworthiness standards for the construction and repair of ships by a Registered Shipbuilding and Ship Repair Entity prior to commissioning in accordance with those prescribed by the International Maritime Organization (IMO);
- (q) **“Spare Parts”** shall mean the replacement parts or components of a ship, including but not limited to its hull, engines, machinery, equipment, appurtenances, necessities, accessories, articles, supplies, materials, steel plates, aluminum plates, other metal plates, communications equipment, and other parts or components thereof, installed aboard the ship necessary for its safe and efficient navigation and operation;
- (r) **“Technologically improved hull material”** refers to a combination of two or more constituent materials with significantly different physical and chemical properties that when combined, produce a material that is stronger, lighter or resistant to corrosion or electricity such as FRP, carbon fiber (graphite), Kevlar, quartz, polyester and other similar materials.

CHAPTER II

INSTITUTIONAL SUPPORT FOR THE SBSR INDUSTRY

Section 4. Issuance of Permits, Licenses, and Approvals by Local Government Units (LGUs). All MARINA-registered SBSR entities intending to operate or operating within the jurisdiction of a particular LGU shall immediately be issued permits, licenses, or approvals subject to no further conditions required by the concerned LGU for their continued operation, upon assessment of local taxes and fees.

Section 5. Validity of Foreshore Lease Agreement. Foreshore lands, marshy lands, and other lands bordering water or banks of navigable lakes or rivers to be occupied, developed, utilized, and managed for shipbuilding, ship repair, ship recycling, shipbreaking, and such other associated industrial activities conducted within the confines of the shipyard shall be covered by a Foreshore Lease Agreement valid for fifty (50) years to be secured from the Department of Environment and Natural Resources (DENR) which shall be renewable for another fifty (50) years.

Section 6. SBSR Financing Programs. Government financial institutions shall develop attractive financing programs for MARINA-registered SBSR entities and shall provide financing assistance, training, and consultancy services that will promote, develop, and foster a sustainable and progressive maritime industry.

Section 7. Development of the Steel Industry for the SBSR and other ancillary-related Industries. DTI-BOI, in coordination with the MARINA, shall promote industrialization through the immediate establishment of an integrated iron and steel industry for the SBSR and other ancillary related industries, by providing a framework for a rational integrated iron and steel for the SBSR and other ancillary related industries program consistent with the requirements of the government environmental protection program:

- (a) to establish policy direction governing the rationalization of government corporations in the iron and steel for the SBSR and other ancillary related industries taking into consideration the requirements of the iron and steel for the SBSR and other ancillary related industries;
- (b) the possible effects to the private users of iron and steel and other SBSR related products manufactured by government corporations and, the strategic nature and vital role of these corporations in the industry;
- (c) to provide measures to strengthen its demand and supply structures primarily through the establishment of an integrated iron and steel plant which is technologically and economically efficient, internationally competitive and contributing to industrialization and accelerated development of the country;
- (d) to provide stiffer penalties for smuggling of iron and steel products; and
- (e) to provide a set of quality and industry standards for iron and steel and other SBSR related products. (reference: **RA 7103 s. 1991**)

Section 8. Employment of Foreign Nationals. A MARINA-registered SBSR entity may employ foreign nationals in supervisory, technical or advisory positions for a period not exceeding five (5) years from its registration, extendible for limited period at the discretion of the MARINA; Provided, however, That when the majority of the capital stock of a MARINA-registered SBSR entity is owned by foreign investors, the position of president, treasurer and general manager or their equivalents may be retained by foreign nationals beyond the period set forth herein.

Foreign nationals under employment contract within the purview of these incentives, their spouse, and unmarried children under twenty-one (21) years of age, who are not excluded by Section 29 of Commonwealth Act 613, as amended, shall be permitted to enter and reside in the Philippines during the period of employment of such foreign nationals.

A MARINA-registered SBSR entity shall train Filipinos as understudies of foreign nationals in administrative, supervisory, and technical skills, and shall submit annual reports of such training to the MARINA.

CHAPTER III

OBLIGATIONS OF RELEVANT GOVERNMENT AGENCIES

To ensure the comprehensive development of the SBSR industry under this Act, through a whole of government approach, relevant departments, agencies, and instrumentalities shall have the following roles and responsibilities:

Section 9. Role of the Department of Transportation (DOTr) - Maritime Industry Authority (MARINA)

- (a) **DOTr-MARINA** shall, in consultation with the PEZA, BOI, and the DOF, promulgate rules and regulations together with the procedures and guidelines for the proper and efficient implementation of the above provisions on incentives;
- (b) **DOTr-MARINA** shall promulgate a set of standards and regulations such as the shipyard facility safety and environment protection standards and the SBSR safety standards which all MARINA-registered SBSR entities are required to comply with in order to avail of the incentives granted under this Act. Such standards shall be formulated by MARINA, in coordination with all relevant government agencies and shall be revised every five (5) years;
- (c) **DOTr-MARINA** shall inspect/ audit the shipyard facilities of all SBSR entities to ensure compliance with the shipyard facility safety standards and to recommend further expansion/upgrading or closure of a shipyard facility; and
- (d) **DOTr-MARINA** shall inspect/ survey all ships and all its machinery and equipment onboard to ensure compliance with the SBSR safety standards during the period of construction, modification, alteration, or conversion by a MARINA-registered SBSR entity.

Section 10. Role of the Department of Trade and Industry (DTI) - Board of Investments (BOI) and Bureau of Philippine Standards (BPS)

- (a) **DTI-BOI**, in coordination with MARINA, shall encourage local and foreign investors to participate in shipyard development projects;
- (b) **DTI-BOI**, in coordination with MARINA, shall participate in the creation of policies and regulations that support the growth of the shipbuilding industry;
- (c) **DTI-BOI**, in coordination with MARINA, shall assess the viability of shipyard projects and grant them necessary permits and approvals;
- (d) **DTI-BOI**, in coordination with MARINA, shall track the performance of shipyard projects and ensure compliance with investment agreements;
- (e) **DTI-BOI**, in coordination with MARINA, shall establish an integrated iron and steel industry for the SBSR and other ancillary-related industries; and

- (f) **DTI-BPS**, in coordination with MARINA, shall assist in the formulation of industry standards for the shipbuilding and ship repair, boatbuilding and ship recycling sector.

Section 11. Role of Department of Science and Technology (DOST) - Philippine Council for Industry, Energy and Emerging Technology Research and Development (PCIEERD)

- (a) **DOST-PCIEERD**, in coordination with MARINA, shall provide financial and technical support to the SBSR industry's research and development projects consistent with the priorities identified in the national research agenda for industry, energy, and emerging technology sectors. Research grants may be availed of by government research and academic institutions as well as companies in accordance with RA 11293 or the Philippine Innovation Act; and
- (b) **DOST-PCIEERD**, in coordination with MARINA, shall provide the mechanism of assessment, evaluation, and monitoring of SBSR research and development projects and updating of national research and development plans.

Section 12. Role of the Department of Labor and Employment (DOLE)

- (a) **DOLE**, in coordination with MARINA, shall provide relevant Occupational Safety and Health (OSH) Standards specific to the SBSR sector;
- (b) **DOLE**, in coordination with MARINA, shall provide knowledge and information services/data on OSH standards, programs, and enforcement activities, and recommend mechanisms to harmonize different OSH Promotion campaigns with partner agencies to the SBSR sector;
- (c) **DOLE**, in coordination with MARINA, shall plan, develop, and implement OSH training programs for the SBSR sector, through its Occupational Safety and Health Center (OSHC); and
- (d) **DOLE**, in coordination with MARINA, shall provide technical assistance and human resource support in periodic and special inspection and investigation of OSH-related accidents and as deemed necessary.

Section 13. Role of the Technical Education and Skills Development Authority (TESDA)

- (a) **TESDA**, in coordination with MARINA, shall develop a training and certification program for shipyard workers subject to the standards consistent with the circulars and other issuances;
- (b) **TESDA**, in coordination with MARINA, shall ensure that the development of the training and certification program is in accordance with the approved MARINA-TESDA procedures and that records of review and validation are maintained;
- (c) **TESDA**, in coordination with MARINA, shall effect the changes on the training and certification program based on the results of review and verification by both MARINA and TESDA;

- (d) **TESDA**, in coordination with MARINA, shall develop the Competency Assessment and Certification arrangements for the graduates of the training programs on Shipbuilding and Ship Repair; and
- (e) **TESDA**, in coordination with MARINA, shall develop an occupational map for the SBSR industry and its workers.

CHAPTER IV

PROGRESSIVE ASSESSMENT OF THE SBSR CAPACITY AND CAPABILITY

Section 14. Three (3) years from the effectivity of this Act, and every three (3) years therefrom. The MARINA shall evaluate the capability of domestic shipbuilders and the capacity of registered shipyards in the construction of new ships, including larger classed ships, and shall be enjoined to actively participate in the conduct of monitoring and evaluation.

After every evaluation, the MARINA shall provide an assessment or evaluation to the domestic shipbuilder or domestic shipyard indicating its capability and capacity level, in accordance with the rules and regulations promulgated by MARINA.

In the first year of evaluation, the MARINA shall determine the capability of MARINA-registered shipyards to build new ships below 1,000 GT. If proven, upon evaluation, that the capabilities of MARINA-registered shipyards to build classed ships below 1,000 GT are sufficient in quantity to meet the domestic demand, then all domestic shipowners/ operators shall be discouraged from importing new or previously owned ships that are less than 1,000 GT for the domestic trade.

Ships built by MARINA-registered shipyards shall be given priority for entry into the Philippine Registry and allowed to operate in the domestic trade.

CHAPTER V

SBSR RESEARCH AND DEVELOPMENT

Section 15. The prototyping and development of novel type ships using alternative sources of energy and other emerging technologies related to maritime activities such as but not limited to maritime safety shall be in coordination with the DOST-PCIEERD. The prototype shall be registered by the MARINA-registered SBSR entity and classified exclusively as such. Prototype ships are under the ownership of their research and development funding agencies. A prototype ship once produced and commercialized by a local shipbuilder shall likewise be granted Pioneer Status in accordance with the guidelines prescribed by the MARINA.

Section 16. Incentives on SBSR Research and Development

- (a) Research and Development (R&D) initiatives of the DOST are exempted from the regulatory guidelines related to the ship registration and classification provided, that the plans are duly reviewed and approved by the MARINA.

- (b) The prototype or novel type ship produced through DOST-Grants-In-Aid (GIA) and tagged as marine research production, may operate for a period of one (1) year as part of its performance testing related to research, development, and demonstration.
- (c) MARINA through the cooperation of the DOST-GIA will craft a policy that will provide a clear adoption policy on the use of locally developed R&D marine research production, one (1) month after the ships' completion.
- (d) The technology adaptors (ship operators/manufacturers) that will adopt locally developed R&D marine research through a duly notarized technology transfer agreement/ technology licensing are entitled to a research tax break for a period of five (5) years.

Section 17. Establishment of a SBSR Technology Research and Development Center (STRDC). The MARINA, as the primary government agency responsible for regulating the maritime industry, has a crucial role in setting standards, licensing, and promoting the SBSR sector. A research and development center under its purview, would allow for direct application of research outcomes to industry regulations and practices. DOST with its expertise in science and technology is well-positioned to provide the research backbone for the SBSR industry.

The STRDC will accelerate technological advancement and efficiently develop and implement new technologies by combining the regulatory expertise of MARINA with the research capabilities of DOST. It will also enhance the industry's competitiveness by focusing on developing solutions to address specific challenges faced by the SBSR industry, improving its global competitiveness.

Section 18. SBSR Human Resource Development. The MARINA with the assistance of the Technical Education and Skills Development Authority (TESDA) and the Commission of Higher Education (CHED) shall spearhead the development of training programs such as competency standards, training regulations, competency assessment tools, and competency-based curriculum development in the SBSR.

Section 19. Naval Architects and Shipyard Professionals. The MARINA, in partnership with the Society of Naval Architects and Marine Engineers (SONAME), shall spearhead the enhancement of Naval Architecture programs by developing master's and doctorate degrees offered by state universities.

Section 20. Protection of the Environment. The MARINA, in coordination with the Commission of Climate Change (CCC), Department of Environment and Natural Resources (DENR), and Department of Energy (DOE), shall promote and incentivize Green Shipyards using hybrid renewable energy and other emerging technologies to protect the environment and to reduce carbon footprints and compliance with RA 11285 or the Energy Efficiency & Conservation Act and RA 10771 or the Green Jobs Act.

CHAPTER VI

NATIONAL DEFENSE AND ARMED FORCES AND OTHER GOVERNMENT SHIPS

Section 21. Ships built exclusively for the use of any branch of the Armed Forces and other government ships of the Philippines shall be treated as a sale to the government; Provided, that the ships meet the standards and requirements of the specific branch of the Armed Forces of the Philippines. Provided further, that the SBSR entity is awarded or granted the Project or commission in accordance with the rules and regulations of RA 9184 and its IRR as amended.

CHAPTER VII MARITIME INDUSTRIAL PARKS

Section 22. Establishment of Maritime Industrial Parks (MIPs). The MIP aims to transform the Philippines as a “go-to-location”, “one-stop shop” for shipbuilding and ship repair, as well as ports and shipping activities. The establishment of an MIP will not only support the modernization of shipbuilding and ship repair facilities in the country, but also the re-integration of Filipino seafarers to work as marine surveyors, technical superintendents, and managers for the SBSR and other maritime ancillary industries to ensure the viability and geographic distribution of MIPs through a prioritization system, the MARINA shall identify the areas to be designated as maritime industrial parks through the conduct of feasibility study, in accordance with the criteria to be prescribed by MARINA in coordination with the LGUs and/or PEZA or any private industrial estate which shall voluntarily apply for conversion into an MIP.

These areas shall be developed through any of the following schemes:

- (a) Private initiative;
- (b) Local government initiative with the assistance of the national government; or
- (c) National government initiative.

The metes and bounds of each MIP are to be delineated and more particularly described in a proclamation to be issued by the President of the Philippines, upon the recommendation of the MARINA, which shall be established under this Act and in coordination with the municipal or city council, National Land Use Coordinating Committee or the Regional Land Use Committee.

Section 23. Objectives of the MIP. It is the purpose, intent, and objective of the MIP:

- (a) To establish the legal foundation and systems for integrating, coordinating, planning, and overseeing the MIP;
- (b) To convert designated regions in the nation into highly developed centers for SBSR, ports and shipping, maritime training institutes, commercial, tourism, banking, investment, and financial activities, where businesses can access well-trained workers and efficient services;
- (c) To encourage the influx of both foreign and local investors into MIP, thereby creating job opportunities and establishing reciprocal connections among industries within and surrounding these areas;
- (d) To motivate the return of Filipino seafarers by offering an appealing business

environment and incentives;

- (e) To foster financial and industrial collaboration between the Philippines and developed countries through technology-driven industries, aimed at modernizing the country's SBSR sector and enhancing productivity by leveraging new technological and managerial expertise;
- (f) To grant certain areas within the MIPs the status of an independent customs region, while respecting the Constitution and maintaining the national sovereignty and territorial integrity of the Philippines.

Section 24. Establishment of Most Commonly Used Marine Spare Parts, Equipment, and Machinery Depot. The MARINA shall design and designate a marine spare parts, equipment, and machinery logistic system that can reduce the cost and downtime, at the same time, increase the efficiency of manufacturing by increasing the reliability and availability for the SBSR industry.

CHAPTER VIII FEES, FINES AND PENALTIES

Section 25. The MARINA, upon notice and hearing, the determination of the existence of any breach or violation of the provisions of this Act, or any rules and regulations issued pursuant thereto, shall have the power and authority to impose fees, fines, and penalties.

CHAPTER IX IMPLEMENTING RULES AND REGULATIONS

Section 26. The MARINA shall promulgate the necessary rules and regulations, and issuances for the implementation of this Act within ninety (90) days from its effectivity.

Provided, that such rules and regulations, and issuances cannot amend or contradict the intent of any of the provisions and purposes of this Act.

The MARINA shall likewise coordinate with the necessary administrative agencies for the full implementation of this Act.

MARINA shall convene every year and assess the need for any amendments to the implementing rules and regulations.

CHAPTER XII APPROPRIATION

Section 27. Appropriation Provision. The MARINA shall immediately include in its programs the operationalization requirement of this Act, the funds necessary to effectively carry out the provisions of this Act during the first year of implementation shall be sourced from the available funds of MARINA. Thereafter, such funds as may

be necessary for the continued implementation of this Act shall be included in the annual General Appropriation Act.

CHAPTER XIII

FINAL PROVISIONS

Section 28. Separability Clause. If for any reason, any section, subsection, sentence, clause or term of this Act is held to be illegal, invalid or unconstitutional, such parts not affected by such declaration shall remain in full force and effect.

Section 29. Repealing Clause. The relevant provisions of Commonwealth Act 146, insofar as the same applies to the operation, management, control and regulation of ships, lines, ferries, watercrafts and the like as well as the relevant provisions of PD 474, EO 125/125A, RA 9295 and such other laws, PDs, EOs, issuances, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 30. Effectivity Clause. This Act shall take effect after 15 days following its publication in at least two (2) newspapers of general circulation.

Approved,