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# PANAMA

Maritime Review 2017/2018



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**“Our ports have followed the trend and increased capacity in their facilities and seen cargo volumes augment with the arrival of Neopanamax vessels at their quays”**

## Consolidating Panama's role in global maritime trade

**W**e will celebrate in December 2017 the 100th anniversary of the Panama Ship Registry which is one of the pillars of our maritime vocation. It is the Ship Registry that turns the word Panama into a household name in the maritime sector since its inception.

Today Panama merchant marine is the largest in the world with over 8,200 vessels and more than 220m gt. This is the result of our work and efforts of which we are proud and a reflection of the maritime nation we showcase, with the ship registry, the canal, the training of seafarers and the efficient and highly qualified port and logistics system, all truly factors that influence global trade. The Ship Registry has become one of the most significant segments of our economy involving law firms, shipping agencies, ship-chandlers and numerous other activities having given to Panama a reputation of excellence for its renowned legal and offshore services.

This year also marked the first twelve months of operations of the expanded Panama Canal that showed us that the decision to invest in such a large infrastructure project complementing the already successful operations of the waterway was the correct one. The

expansion was designed to enhance our most precious commodity, our geographic position and, as such, fulfilled its purpose of consolidating Panama's role in global maritime trade.

The inauguration of the expanded Canal on June 26, 2016, has opened a new era for the maritime industry in Panama. Our ports have followed the trend and increased capacity in their facilities and seen cargo volumes augment with the arrival of Neopanamax vessels at their quays. By the end of 2017, another terminal on the Pacific side will conclude its expansion that will double its capacity and we have recently participated in the break down ceremony of a new port on the Atlantic side that will be built by a Chinese company. This is a correct message of how Panama offers its logistics platform, its ports, airports, financial centre, laws and, above all, an open village that respects cultures and a government that supports foreign investment with transparency.

It is important to mention the opening of diplomatic relations with China that will mark a before and after for our relations with this great nation whose investors have been present in Panama for decades and are participating in some of our large infrastructure projects. An example is the

recently awarded construction of a cruise terminal to a joint venture that includes a Chinese company. More than ever, the world finds in Panama a strategic partner to do business and expand their horizons taking advantage of a solid economy and a democratic stability that provides clear rules to international investors.

It is again my pleasure to invite you to uncover throughout the pages of the Panama Maritime Review 2017-2018 published by Seatrade which presents a display of our maritime industry, the world's first Ship Registry, the expanded Panama Canal and the many opportunities and features of Panama's maritime sector.

A handwritten signature in black ink, appearing to read 'Juan Carlos Varela'.

**Juan Carlos Varela**  
President of Panama



# FORWARD. ALWAYS.

The Expanded Panama Canal opened new possibilities to world maritime trade more than a year ago. Since then, global trade routes have been redrawn. Going forward, we aim to turn Panama into a true logistic hub with value-added services that will provide greater connectivity to our valued customers.

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**“The expanded Canal is just the spearhead of a plan to strengthen Panama’s position as the logistics and shipping hub of the Americas”**

## Global trade routes redrawn with a positive worldwide impact

**M**ore than a year has gone by since the inauguration of the expanded Panama Canal. The Panama Canal’s strong performance and the industry’s widespread adoption of the expanded waterway have redrawn global trade routes with a positive worldwide impact.

Ever since the expanded Canal’s inauguration on June 26, 2016, the Panama Canal has continually set records and surpassed expectations for its first year of operations. The transit of box ships account for 47.3% of the total Neopanamax locks traffic. Months into its operations, we saw an almost immediate deployment of liner services employing 9,000 teu vessels, as carriers consolidated cargoes to benefit from the economies of scale provided by the expansion.

The waterway has experienced both daily and monthly tonnage records thanks to the additional tonnage transported through the Neopanamax Locks. Just this last May, we saw for the first time the transit of a container vessel with a nominal capacity of over 13,000 teu. This trend towards the transit of 13,000/14,000 teu-vessels demonstrates the shipping industry’s acceptance and trust on Panama Canal’s efficient and reliable service.

In addition to container vessels, transits of liquefied petroleum gas (LPG) carriers have grown exponentially, becoming the second leading driver of Neopanamax traffic. Liquefied natural gas (LNG)

carriers, the third most important user of the expanded Canal in terms of transits, opened a new market, allowing shipments of natural gas from producers in the US to Mexico, Asia and Chile, at competitive prices. Other segments such as bulk carriers, tankers, car carriers and passenger vessels have also benefitted from the Neopanamax locks.

The Canal did not only add capacity, but also caused an overarching impact in helping reduce the maritime community’s environmental footprint. With the same shorter route, the Panama Canal provides greater cargo carrying capacity with less cargo movements, thereby reducing costs, fuel consumption and most importantly, gas emissions. In its first 12 months of operation, the expanded Canal contributed to a reduction of more than 17m tonnes of carbon dioxide, which is the equivalent of the absorption capacity of a 60,000ha rainforest during the same amount of time. Combined with the Panamax locks, this led to a reduction of more than 35m tonnes of carbon dioxide.

The expanded Canal is just the spearhead of a plan to strengthen Panama’s position as the logistics and shipping hub of the Americas. Panama’s logistic platform currently offers value-added services to carriers transiting the Canal, with 77% of container vessels calling a local port.

However, Panama’s competitive advantage could be further enhanced, through various

business developments that would offer greater connectivity and transshipment opportunities to the region. For instance, in the first quarter of 2018, the Panama Canal has plans to concession the construction of a ro-ro terminal on the Pacific side for the transshipment of vehicles and heavy equipment, as well as setting up of a processing centre for ‘last-mile’ operations.

Furthermore, we are proposing to develop a modern logistic park on the west bank of the Pacific end of the Canal that can further strengthen the maritime transportation cluster by offering a strategic location for distribution and value-added activities. By capitalising on global LNG flows between the US and Asia markets, we are also assessing the potential for the concession of an LNG terminal that could dispatch smaller parcels to Pacific ports in Central and South America. These are some of the complimentary business endeavours that will enable Panama to fully take advantage of the opportunities that the expanded Canal offers.

Going forward, the Panama Canal aims to enhance the value of the route through these and other new complimentary projects that will help us maintain our competitive edge in an ever-changing international trade landscape.

It is a pleasure for me to acknowledge our partnership with Seatrade and welcome the readers to discover in the next pages the evolution of the Panama Canal and country’s thriving maritime and logistics sector.

A handwritten signature in black ink, appearing to read 'Jorge L. Quijano', with a stylized flourish at the end.

**Jorge L. Quijano**  
Administrator, Panama Canal Authority

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CMA-CGM Theodore Roosevelt transits the new locks



Registering excellent results above the tonnage forecast

# Canal expansion a year on

**T**he expanded Panama Canal has observed its first year of operations quietly without big celebrations, but with the great satisfaction of registering excellent results 'above our tonnage forecast,' Panama Canal Authority (ACP) administrator Jorge Quijano said on June 26, 2017. 'Our forecast did not include the mix of cargo we have seen in the expanded Canal during this first year of operations,' he said. 'The results have exceeded our expectations.'

During the first year – June 26, 2017- to June 25, 2017 – some 1,535 Neopanamax vessels had transited through the new lock.

In celebration of the first anniversary, five vessels transited the new locks receiving plaques commemorating the anniversary. The ships honoured were: Albert III, a liquefied petroleum gas (LPG) vessel chartered by Petredec Services Limited; Ever Loading, a container ship of more than 8,500teu from Evergreen; Valparaíso Express, a container ship of more than 10,500teu from Hapag Lloyd, her seventh transit through the expanded Canal; Yuhsho, an LPG vessel chartered by Eneos Globe Corporation and CMA-CGM Melisande, a container ship of more than 8,700teu from the CMA-CGM shipping line.

## Many milestones have characterised the first twelve months of Canal operations

However, as at September 15, 'the average number of daily Neopanamax transits is 5.5 and we have registered 1,936 Neopanamax transits and another 234 Panamaxes in the new locks,' says Quijano.

Many milestones have characterised the first twelve months of operations. On June 20, Cosco Glory became the 1,500th Neopanamax to transit the new locks. However, most of the Neopanamax vessels were of the range of 9,500teu, increasing the Panama Canal tonnage by 22.9% during the period 26 June to mid-September if comparing the same period in 2016 and 2017.

But the surprise was to see the increasing upgrade of vessels, going rapidly from an average of 9,500teu vessels to include now some over 14,000teu vessels registering the first sixteen Neopanamax vessels of over 13,000teu during the months of June 2017, July and August, one a week due to the service Ocean Alliance that upgraded

its vessels to and over 13,000teu up from 9,500teu.

On August 22, 2017, The Panama Canal received the 14,863teu CMA-CGM Theodore Roosevelt, the largest vessel to transit its new locks, following a route between Asia and the east coast of the US and reaffirming the impact of the extended route. 'Today's traffic not only highlights the growing success and acceptance of our expanded Canal by the maritime industry, but it has motivated the early deployment of the very large Neopanamax through our waterway thus lines are starting to reconfigure their vessels service networks to make full use of the economies of scales now available to them,' said Quijano in September 2017.

The CMA-CGM Theodore Roosevelt is based in the new South Atlantic (SAX) service of the new Ocean Alliance, which connects ports in Asia and the United States using the Panama Canal. SAX's service consists of 11 container ships, ranging in size from 11,000teu to 14,000teu, including Cosco Development and OOCL France, which transited the expanded Canal in May, establishing also new capacity records at that time.

In addition, the vessel took advantage of the environmental efficiencies of the



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## THE PANAMA CANAL

*Maersk Line is amongst the top users of the Panama Canal*



expanded Canal by saving 29,561 tonnes of CO<sub>2</sub>, compared to those it would have emitted if it had followed the alternate route from the Cape of Good Hope. The reduction of emissions has been one of the keys of the expanded Canal, which from its first year of operations until last June, contributed to reduce 17m tonnes of CO<sub>2</sub>, product of facilitating the transport of greater maritime cargo in a shorter route.

And for the second time in one week, August 30, the Panama Canal welcomed the 14,863teu CMA-CGM J. Adams that matched the capacity of the CMA-CGM Theodore Roosevelt, a week before. Like the CMA-CGM Theodore Roosevelt, CMA-CGM J. Adams is deployed on the new Ocean Alliance's weekly South Atlantic Express (SAX) service, which connects Asia and US East Coast ports via the Panama Canal. 'Both transits over a period of seven days are further evidence of the impact of the expanded Panama Canal to world maritime trade,' Quijano said at the time.

Some 15 new liner services are now transiting through the new locks since the inauguration. The Panama Canal also handles another 14 Panamax services, for a total of 29 container services

MSC is so far the first user of the expanded Canal with 12.0%, followed by MOL 9.8%, Shell 7.4%, Evergreen 7.4%, Helios 5.2%, Cosco 4.8%, CMA-CGM 4.1%, Swiss Marine 4.0%, BW Gas 3.6%, Yang Ming 3.3%, Cheniere Marketing 3.0%, "K" Line 2.8%. Three big liners are at the bottom of the scale with Maersk 2.2%, NYK 1.6% and Hamburg Sud with 1.3%.

An average of 5.9 vessels transit the expanded Canal daily. That surpasses the original forecast of three during the first year of operation. Box ships represent 53.8% of traffic, followed by liquefied petroleum gas (LPG) carriers and liquefied natural gas (LNG) carriers, which represent 29.3% and 8.5% respectively.

There are new players moving in the lead since Japan is now the third largest customer before Chile and after the US and China while Mexico is now the fifth-largest user of the canal, as it has become an important consumer of LNG on its Pacific coast. Most of this LNG is being sourced from Cheniere's plant in Sabine Pass. So far this year, 74% of the LNG that transits the Panama Canal has been exported from the US, and is bound for Mexico, China, Japan, South Korea, and Chile, in that order of tonnage. 'We are also seeing exports from Peru to the UK and Spain and from Trinidad & Tobago to Asia, Chile and Mexico. We have also seen major LPG flows from the US Gulf ports to Asia,' explains Quijano. Presently, LNG transits are restricted to daylight hours according to the ACP which expects that sometime in the near future this restriction will be lifted.

Other sectors such as bulk carriers, tankers, car carriers, and passenger vessels have also transited the new locks. The months of January and February 2017 were the peak for LNG transits from the US Gulf, Houston and Sabine Pass.

On April 29 the first Neopanamax passenger vessel, Disney Cruise Line's Disney Wonder, transited the new locks signalling further diversification of traffic through the expanded Canal and with it new repositioning opportunities for the cruise industry.

'The original Panama Canal has been a cruise destination for many years' said ACP deputy administrator Manuel Benitez. The historic transit 'marks the beginning of cruise lines being able to include the new locks as part of their itineraries, opening up additional transit options and allowing cruise passengers to witness first-hand this feat of modern engineering,' he said.

The Disney Wonder is one of several cruise ships to have transited the canal during the 2016-2017-cruise season that ends in May 2017. Other lines such as Princess Cruises, Holland America Line, Royal Caribbean Cruises and Norwegian Cruise Line all sent passenger vessels through the original locks. In addition, smaller vessels, such as the Safari Voyager and National Geographic's Sea Lion, which call on ports in the Caribbean and along the east and west coasts of Central America, contributed to the segment's traffic as well.

By the close of the 2017 fiscal year, which ends September 30, the ACP expects 233 passenger vessels – representing a total 237,298 passengers – to have transited both the original and new locks.

On April 1, the Panama Canal began accepting booking requests for passenger vessels in the new locks. Reservations have already been made for passenger vessels to transit the expanded Canal for the 2017-2018 cruise season which starts in October 2017, and their number



*Hapag Lloyd's 10,500teu Valparaíso Express, has transited the expanded Canal seven times so far*



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## THE PANAMA CANAL

*The Atlantic bridge under construction*



is expected to increase in the coming months before the season begins.

Even though some incidents with the fenders were reported by vessels transiting the new locks during the first months following the inauguration of the third set of locks, the problems were rapidly solved and by early 2017, the ACP had installed additional fenders ending the incidents. 'Operations in the expanded Canal have climbed the highest curve,' ACP deputy administrator Manuel Benitez says.

The ACP has completed improvements and the widening to 305mtr of the Pacific entrance of the waterway and 'we continue to work on widening to 305mtr Gamboa Reach which should be completed before the end of the year 2017,' says Benitez.

'We will also call an international tender after October 1, for the purchase of ten more tugs, all similar and with 80 tonnes Bollard pull, six for delivery in 2018, and the remnants four for delivery in 2019, each set of tugs requiring 18 months for their construction,' he explains. That will bring the ACP tug fleet to 52 tugs up from the present 42 tugs. 'They will be used for transit operations in view of the on-going increase of the demand.'

The forecast for fiscal year 2017 (October 1 to September 30) points at 39m tonnes and 12,789 transits, adds Benitez. The Panama Canal has contributed to the National Treasury more than \$11.6bn since

it was transferred to Panama in 1999, while in 2017 it expects to provide \$1.6bn.

For FY 2017 (October 1, 2016 to September 30, 2017) the ACP expects close to 400m tonnes of cargo transported through the route in 2017, compared to 330m last year. Of the total figure, it is estimated that 150m tonnes will correspond to cargo in container ships, 100m tonnes to gas carriers including LNG and LPG, about 68m tonnes of bulk cargo and 48m tonnes in vehicle carriers, amongst others.

In early September, the ACP announced an increase from six to seven in the transit of Neopanamax vessels through the new locks from December 1, 2017. 'We made a large investment in the expansion and we must start reaping its benefits as quickly as possible,' Quijano said. He explained that measures will be accompanied by the completion of the widening of a segment midway of the Canal to 305mtr, in addition to the installations of buoys and new lit ranges and sector lights to guarantee the safe passage of Neopanamax vessels in both directions. Such actions aim to make better use of the installed capacity in the expanded Canal to meet the growing demand.



*Manuel Benitez*

The Arbitral Tribunal constituted in accordance with the arbitration rules of the International Chamber of Commerce (ICC) issued its final decision in favour of the Panama Canal Authority regarding the claim on the temporary cofferdam at the entrance to the new Pacific. Grupo Unidos por el Canal, S.A. (GUPC) and its shareholders, filed claims in excess of \$192.8m. GUPC had also requested an extension of time. All claims were dismissed under this arbitration.

The cofferdam was a temporary structure designed and built by GUPC to be able to carry out dry work. It was found that GUPC was fully responsible for the design and construction of the cofferdam. GUPC's arguments that the ACP had been negligent were dismissed by the Arbitral Tribunal.

The Arbitral Tribunal decided that GUPC must pay more than \$22m to the ACP for its expenses in the arbitration process. GUPC was also ordered to reimburse the ACP \$900,000 that the ACP had already disbursed, as a provision for expenses set by the International Court of Arbitration of the ICC.

'As of the end of July, GUPC's outstanding claims totalled \$5.6bn,' says Ilya Marotta, ACP evp of engineering and programmes management.

Amongst the projects under her supervision, 'we are finalising the design of a new \$300m spillway with a new location between the two Atlantic locks complexes. It is the same project that we have planned earlier but in a different location, now established in the middle of the old Gatun town between the two locks Atlantic locks. We tentatively plan to call a tender for the design by end of this year, and for the construction, tentatively in March 2018,' she says. 'It is a long overdue project which is needed for flood protection.'

Also the improvement and \$8.8m-reconstruction of the Gamboa Bridge that will transform it into a two-lane bridge, is expected to be finished in one year since it registered 37% of advance at July 2017.

While the third bridge over the canal, built by France-based Vinci, is expected to conclude by 2018, the ACP is working on Phase Two of the bridge which includes improving roads and building a new bridge over the spillway on the west bank of the waterway; tenders will be called in the coming months, she explains.

A group of five engineers has been organised under Marotta to 'review the lessons learned from the third set of locks, and analyse the conclusions in order to be prepared for the design of the fourth set of locks when demand dictates that it is needed,' she says.



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The Panama Canal participated in the International Maritime Organisation's 71st Marine Environment Protection Committee (MEPC) meeting as part of the Panama delegation. Held in London from July 3-7 this year, the MEPC assembles influential stakeholders from across the maritime community to discuss pollution prevention and control. This year's session focused specifically on the implementation of the Ballast Water Convention (BWM) and IMO's strategy to reduce greenhouse gas (GHG) emissions caused by the maritime industry.

Members of the Panama delegation participated in two working group

meetings, including one on the reduction of GHG emissions from ships, and another on further technical and operational measures for enhancing the energy efficiency of international shipping.

'Taking IMO's new strategy into account, the Panama Canal remains committed to reducing its impact on the environment to combat global warming, as we have since the Canal was inaugurated 103 years ago,' said the Panama Canal's Environmental Protection Specialist Alexis Rodriguez. The Panama Canal's strategic geographic location has enabled vessels to shorten the distance and duration of their voyages compared to alternate routes,

thus reducing costs and GHG emissions. The waterway is estimated to have saved more than 670m tonnes of carbon dioxide emissions over the course of its history.

In addition to providing the same shorter route, the expanded Canal's wider, longer and deeper lane has allowed more than 2,000 Neopanamax vessels (to date) to transit over the past year, providing greater cargo carrying capacity and requiring less cargo movements, thereby reducing costs, fuel consumption and emissions.

According to the ACP, in its first 12 months of operation, the expanded Canal contributed to a reduction of

## Water supply projects

Water supply has always been a major concern for Canal operations since vessels transiting on the original locks consumed 55m gallons of water for each lockage.

During the construction of the waterway in the early 1900s, the US Army Corps of Engineer had to build Gatun Lake, the world largest man-made lake at the time to provide water to the locks, and later Madden Lake in the 1950s, to prevent the occasionally torrential flow of the Chagres River which flows into the navigational channel of Gatun Lake and to control the level of water in the Lake during the dry season.

More recently, in 1998, Canal officials had to impose serious draught restriction measures because of the draught created by the El Nino phenomenon and again, in lesser proportion, in 2016. The new Neopanamax locks were designed with water saving basins to save 60% of water for each lockage. Meanwhile, the new locks use 7% less water for each transit of vessels up to 14,000teu.

However, Gatun and Madden Lakes are under pressure because they are also source of water for the potable water plants that feeds almost 55% of the Panamanian population. With high economic growth and more population needing potable water, in addition to the future increase of Neopanamax transits, water supply has become a growing concern.

The government through the Ministry of Environment has commissioned the Panama Canal Authority (ACP) to realise three studies that will serve as a basis for a long-term plan-horizon 2050. Some projects, such as studying potential reservoirs and dams of the Rio Indio watershed (that will take up to three years) are necessary to find and create new sources of water to address the increased demand for potable water in the Gatun Lake system, says ACP water capacity administrator Daniel Muschett.

Another important study, also programmed for two years, is located in the provinces of Herrera, Los Santos and Veraguas, precisely in La Villa, Parita, Perales and Santa María rivers. The third project considers using the water coming out the turbines of Bayano electric plant for a potable water plant that would feed the East section of the Capital City.

Gatun Lake



The water institute (IDAAN) already operates 4 water plants using Madden and Gatun lakes water and wants to build two more which means extraction of 75% more water or around 650m gallons of water per day, a considerable removal of water which would affect Canal operations if no solution is found to replace or locate new sources of water. One of the problems is people using water or contaminating with construction and increasing settlements areas reserved to the watershed and surrounding those of Canal operations.

All those projects include feasibility study and conceptual design; they will be put to international tender, some of them have already been called in the first half of 2017.

The Rio Indio project had been analysed in the late 1990s-early 2000 but no geological detailed studies were done at the time. The contract for these studies, was signed in December 2016, includes technical aspects such as geological and geotechnical analysis. The Rio Indio conceptual reservoir is 'very similar in size to Madden Lake,' says Muschett. The idea is – before thinking of building a fourth set of locks – to be able to 'maximise' the potential of the new locks, which were designed for 12 daily transits, almost the double of the present six slots. However, more water is essential to reach that goal.



Daniel Muschett

'Needless to say that we at ACP are greatly concerned about climate change because even though it rains a lot, we have no additional capacity to manage all this water. Climate change has modified the patterns of rainfalls in quantity and time frame,' explains Muschett who participated in the first studies of Rio Indio.



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more than 17m tonnes of carbon dioxide, which is the equivalent of how much approximately 60,000 hectares of rainforest would absorb during that time. Combined with the original Panamax-locks, this led to a reduction of more than 35m tonnes of carbon dioxide.

The Panama Canal Green Route is currently leading a number of sustainability initiatives, such as its 'Green Connection Award' and 'Environmental Premium Ranking', which rewards customers who meet high environmental efficiency standards. So far, more than 100 vessels have been honoured with the Green Connection Award and 75 vessels will be honoured with the Green Connection Award during their future transits. More than 300 vessels have applied and qualified for the Environmental Premium Ranking since it was implemented in January 2017.

The Ratings company Moody's confirmed early September, with a stable outlook; its A2 rating assigned to the 20-year, \$450m senior unsecured bonds issued by the ACP. The bonds were issued to partially finance the construction of the third bridge over the Atlantic which is now 69% complete. These bonds were qualified under equal conditions with the \$2.3bn loan granted by bilateral and multilateral institutions in October 2008 to finance the Panama Canal expansion programme.

Moody's also upgraded the ACP's Base Credit Assessment (BCA) from A3 to A2, which reflects the successful operations of the enlarged Canal to one year from its opening. According to the qualifying company, the expanded Canal has captured more transits and tonnage and has allowed the development of new businesses and investments.

Moody's notes that the expanded Canal has increased containerised container tonnage by 14% over the same period last year. The strong performance of the Canal is also driven by a significant increase in liquefied petroleum gas (LPG) and liquefied natural gas (LNG) vessels.

In its report, Moody's notes that the A2 rating is one step above the A3 ceiling rating of the Republic of Panama as a reflection of the historic operation of the ACP away from political interference.

On August 31, Fitch Ratings reaffirmed for the second consecutive year the Investment Grade rating 'A', with a stable outlook, for long-term debt and Panama Canal bonds; while last July Standard & Poors (S&P) Global Ratings affirmed the 'A-' corporate credit and long-term debt rating for the Panama Canal. ■

### Students at Sea Asia compete to recreate Panama Canal locks In Lego

#### Sea Asia Youth Lego Competition (Panama Canal Edition)



During the sixth maritime and offshore conference and exhibition Sea Asia, which took place April 25 –27, 2017 at the Marina Bay Sands, Singapore – co-organised by Seatrade and the Singapore Maritime Foundation – there was an activity never seen before and the first of its kind, a Lego competition for tertiary students as part of an initiative to give students pursuing a maritime-related education a greater understanding of the industry.

With support from the Panama Canal Authority, three groups of students from the Singapore Maritime Academy (Singapore Polytechnic), Ngee Ann Polytechnic and ITE College Central competed to recreate in 90 minutes, part of the world's technical wonders, the Panama Canal new locks. Using the Limited Edition Lego Education Panama Canal sets, the teams were judged on speed, accuracy and functionality of their model of the canal's third set of locks system.

'The Sea Asia Youth Lego Competition (Panama Canal edition) is a great way for us to engage the younger generation and promote maritime through a fun and interactive activity,' said David Chin, executive director of the Singapore Maritime Foundation. 'The competition aims to

engage youths and introduce them to the diverse nature of the maritime industry.'

'The competition was a great opportunity to exchange views with the next generation of professionals interested in maritime careers,' said Panama Canal administrator Jorge Quijano who presented the prizes to the first three winners, in the company of Mary Seeth-Cheng, Singapore's Ambassador to Panama, and the judges Daniel Ilteris of ABS and Kenneth Chin, former director of the Singapore Maritime Foundation.

The results showed the young competitors' ability to re-constitute, in record time, the complex Neopanamax locks. 'I was extremely surprised to see those students, who never had the chance to witness the functioning of the new locks, be so talented and capable of recreating the locks from Lego in such short time,' said Quijano.

'The younger generation are the future of the industry and we're pleased that Sea Asia 2017 could provide an opportunity for them to be present at the conference and take part in activities such as this competition, which was both instructive and enjoyable,' commented the Canal administrator.



# PSA PANAMA

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PSA Panamá International Terminal S.A. began operations in December 2010. PSA Panama is located at the entrance of the Panama Canal, on the Pacific side at the former US Rodman Naval Base. The terminal is well-positioned to participate in the growth of this strategic hub and provides an important port of call for shipping lines handling containers as well as Ro-Ro cargo.

The current expansion is worth approximately US\$450 million and involves the construction of an 800-meter quay wall and an increase of the handling capacity from 450,000 to 2 million TEUs. When fully operational in 2018, PSA Panama will be able to handle two mega ships simultaneously.

New container handling equipment to be added include the eight new super-post-Panamax quay cranes and 12 rail-mounted gantry yard cranes, which have already started to arrive at the terminal.



A view of the Panamax and Neopanamax locks on the Atlantic side

The number of Neopanamax vessels transiting is constantly growing

# A modern passage

**A** year after the inauguration of the third set of locks with the transit of the 'Cosco Shipping Panama' on June 26, 2016, Panama Canal authorities have seen their expectations exceeded as the number of Neopanamax vessel transits constantly grows.

The centenary waterway has successfully undergone its expansion with the construction of new larger, longer and wider locks that have transformed the Canal in a modern passage well adapted to the necessities of today's globalisation and the competition in world trade.

More than one hundred years ago, the US steamer 'Ancon' inaugurated on August 15, 1914 the canal that would join the Atlantic and Pacific oceans opening a channel that

a century later would prove too small for the modern vessels of the 21st century.

If we look at the 1914 pictures, there were very few spectators watching the American steamer Ancon sail across Gaillard Cut, which is the narrowest section of the Panama Canal and is still the most incommodious stretch of the waterway. At the time, the Panama Canal Company was a US-government agency and its construction by the US Army Corps of Engineers had been made possible thanks to some 60,000 labourers brought in from the West Indies and Caribbean islands. It is likely that only a handful of journalists were present for that historic event since the news was generated on the European battlefields where WWI was officially beginning.

Much has changed since 1914. The world has been twice at war; the Panama Canal has been transferred in 1999 to Panama administration by a treaty signed in 1977 between Panama and the US; and the container box has been invented transforming the shipping business, rapidly making the waterway in need of adapting to the new conditions of the industry. Even though the canal has continuously modernised its operations to keep up with the contemporary maritime requirements, the time came to expand by building a third set of bigger locks. But, this time, the design and construction would be under the supervision of the Panama Canal Authority with an entirely Panamanian workforce.

No wonder that more than 30,000 Panamanians, Canal employees, heads of



Left: Goethals completed ahead of time and under budget and on August 15, 1914, the US steamship Ancon made the first official transit. Right: June 26, 2016, the Neopanamax Cosco Shipping Panama completed its transit of the newly expanded Canal

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state and dignitaries from around the world, customers, and international and local journalists, spent Sunday, June 26, 2016 awaiting the transit of the Chinese vessel and cheering at her passage in the new Atlantic Agua Clara and Pacific Cocoli locks. The Panamanians in attendance felt an immense pride to have been those who built the third lane, 'entirely Panamanian.'

The history of Panama is closely linked to its geographical position. It has been seen as early as the 16th century as a passage between two oceans when it raised interest from the King of Spain Charles V who wanted to create a shortcut connecting Europe, the American continent, and Asia that would shorten the transportation time of his recently discovered Peruvian riches to Spain. However, Panama would have to wait until the early 19th century when the idea of building a navigable canal surfaced in Europe and the United States, supported by the inauguration of a trans-isthmian railroad by a US company in 1855.

With the opening of the Suez Canal, completed by Ferdinand de Lesseps in 1869, competition between US and European builders to begin work on a canal in Panama, a province of Colombia, was raging. In 1878, the French naval engineer, Lt. Lucien Napoleon Bonaparte Wyse obtained a concession from Colombia to dig a canal in Panama.

### **“Over 30,000 people watched the eagerly awaited first transit of the newly expanded Canal by the liner, Cosco Shipping Panama”**

Wyse sold the concession the same year to Ferdinand de Lesseps who wanted to construct a sea-level canal.

The Compagnie Universelle du Canal Interocéanique, under the direction of Ferdinand de Lesseps began operations in 1881, but the project was finally abandoned years later, defeated by an enormous financial scandal in France and diseases in Panama. However, a year before the French company would go bankrupt, it was clear that if the canal could ever be built it would have to include a series of locks. Gustave Eiffel, the steel genius architect, was commissioned to design and build the gates of the locks in his shipyard in Saint Nazaire, France. Today, looking at the graphic representation of one of those gates, the sliding model invented by Eiffel is extremely similar to the present version of the gates that have been installed in the new locks of the expanded canal.

The US received in 1902, US Congress authorisation for the construction of an interoceanic canal in Panama. A treaty was negotiated with Colombia, but was rejected by the Colombian legislature on the grounds that it infringed Colombia's sovereignty and provided insufficient remuneration.

In 1903, the Panama province declared its independence from Colombia, granting the US rights to undertake the construction of a waterway and the following year, the United States bought the rights and properties of the French Company for \$40m, gave \$10m compensation to Panama's government, and began excavating.

The United States undertook a major sanitary effort under Col. William C. Gorgas, wiping out the diseases that defeated the French. The monumental construction was completed in ten years at a cost of about \$387m. Its triumphant culmination was due principally to the engineering and administrative skills of John F. Stevens and Col George W. Goethals.

They had to dig through the Continental Divide, create the largest artificial lake of its time, earth dams and build three sets of twin locks, with mitre gates bigger than everyone had ever imagined and solve environmental problems of enormous proportions. Goethals

*The Cocoli Neopanamax locks on the Pacific side*





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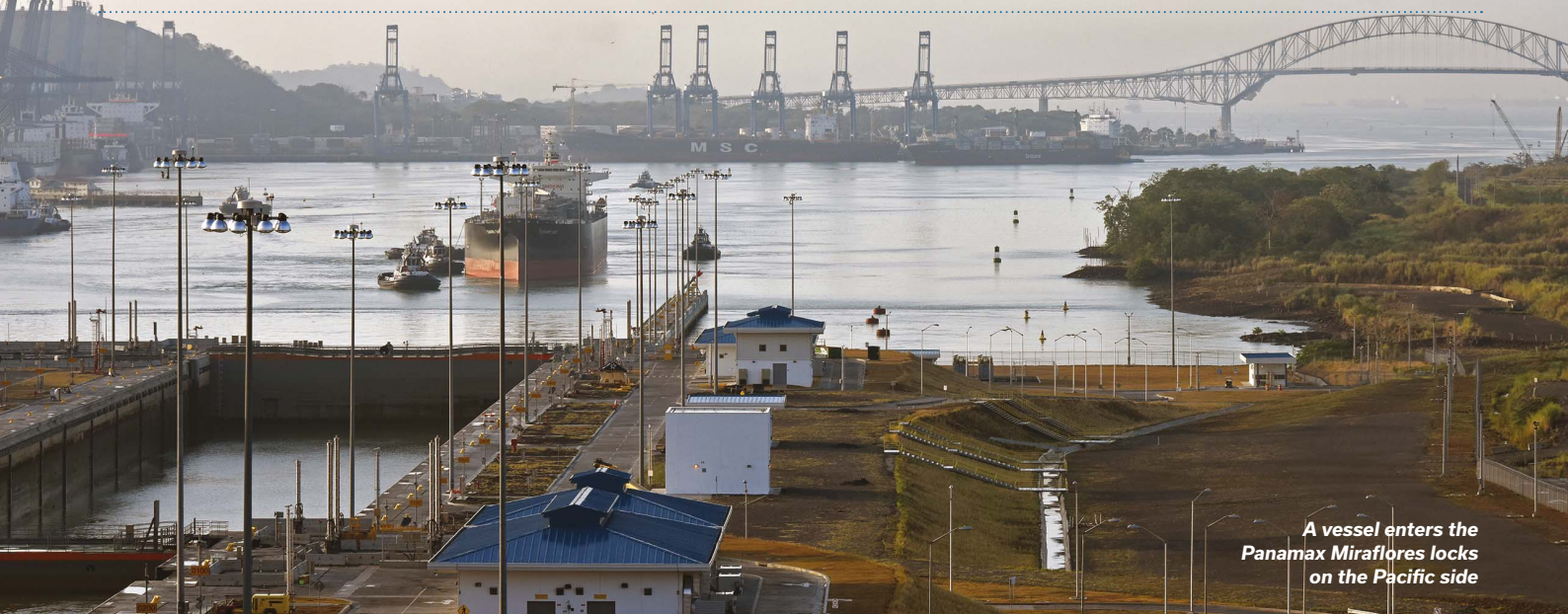
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*A vessel enters the Panama Miraflores locks on the Pacific side*

completed the construction ahead of time and under budget and on August 15, 1914, the US steamship Ancon made the historic first official transit.

### **A waterway for the 21st century**

With the waterway being transferred December 31, 1999, to Panama administration, Panama Canal officials presented to referendum in 2006 a proposal to build a third set of locks to increase capacity.

The Canal expansion aimed at letting the most modern vessels, the post-Panamaxes or Neopanamax, sail directly from Asia to the US east coast and Europe as they are, now, able to transit the new third set of locks, longer, wider and deeper than those of the existing waterway, built a century ago. Before the expansion, Canal capacity was around 340m Panama Canal Universal Measurement System (PC/UMS) tonnes and once inaugurated capacity is now doubled to 600m PC/UMS.

The Canal expansion was essentially composed of two major elements: the construction of the third set of locks and a series of other components such as the widening and deepening of the Pacific and Atlantic access channels to a 225mtr-width; widening and deepening of the Gatun lake channels; and improvements to facilities to enable the raising of Gatun Lake an additional 45cmtr to increase the water supply.

At the time of the release of the expansion proposal, costs for the expansion were detailed as follows: the

two new locks totalled \$2,730m; the water basins \$620m; the new navigation channels, \$820m; improvements to present navigational channels \$290m; increase water supply \$260m and \$530m for inflation during the time of construction putting the total cost of the expansion programme at \$5.25bn.

In December 2008, Canal officials sign the external financial structure for \$2.3bn with five multilateral agencies. The financial package was allocated as follows: European Investment Bank, \$500m; Japan Bank for International Co-operation, \$800m; Inter-American Development Bank, \$400m; International Finance Corporation, \$300m and the Andean Development Corporation, \$300m. Spreads over LIBOR, in the package are at 48 basis points, 75bp and 120bp and up to 140bp, which gave an average interest rate of 5.49% with a 20-year amortising period including a 10-year grace period.

The expansion features engineering novelties since the design of the third set of locks, on the eastern side of Gatun locks in the Atlantic and on the western side of Miraflores and Pedro Miguel locks, includes the construction of water-saving basins. The basins, three for each chamber of the new locks, re-use 60% water during lockage which will result in 7% less water consumption for each lockage than the original system. The new locks have three chambers, three water-saving basins per chamber – 18 in total for the entire project – a lateral filling and emptying system and 16 rolling gates.

The new locks – Agua Clara on the Atlantic side and Cocoli on the Pacific side – are 427mtr in length, 55mtr in width and 18.3mtr in depth. They can accommodate vessels up to 14,000teu-‘post-Panamax’ or ‘Neopanamax’ and no longer use the historic ‘mules’ or locomotives which are replaced by tugboats to position the vessel in the locks chambers. In comparison, the original locks measure 304mtr in length, 32.3mtr in width and 12.04mtr in depth allowing the passage of vessels up to 4,400teu, called the ‘Panamax’ vessels.

Another classic feature of the waterway also disappeared with the new design of rolling gates which are different from the hinged mitre gates used in the original locks, which require maintenance at the ACP industrial synchro-lift. The mitre gates also require dewatering of the locks, forcing temporary suspension of operations, normally for a week, to allow for the lock chamber sills to be reconstructed and the wall seals to be replaced.

The new locks have 16 rolling gates that operate from a recess located adjacent and perpendicular to the lock chamber. The gate configuration turns each recess into a dry dock which in turn allows servicing the gates on site without the need of removing them and without major interruption to locks operations. The system results in increased lockage capacity and flexibility as it offers shorter maintenance times at a lower cost.

The new locks’ filling and emptying system allows filling each lock chamber in 10 minutes whenever water-saving

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达尔文港东臂码头规划图  
Layout of East Arm Wharf in Darwin Port



达尔文港邮轮码头  
Darwin Cruise Terminal



北领地位置图  
Location of North Territory



达尔文港VTS系统  
VTS system in Darwin



玛岛港规划图  
Layout of Margaret Port





## CONSTRUCTION & EXPANSION OF THE CANAL



The Panamax locks continue to receive important tonnage

basins are not used, and in 17 minutes when these are employed. A total of 47.5m cu mtr had been excavated to build the new locks.

### The other components of the expansion programme

The construction of a third lane required the excavation of new navigation channels for accessing the new locks. The navigation channels are 218mtr wide, sufficient to allow the passage of Neopanamax vessels in one direction and in convoy mode of operations. On the Atlantic side, the new navigation channel is 3.2km long from Agua Clara locks to the Atlantic Ocean and on the Pacific side, the new navigation channel is 7.1km long in total, including a channel of 6.1km long to connect the new Cocoli locks to Gaillard Cut and another of 1.3km long to access the Pacific Ocean.

In addition, the ACP has deepened Gaillard Cut and Gatun Lake channels by 1.2mtr to 9.14mtr Precise Level Datum (PLD) giving the waterway a draught of 15.2mtr in tropical freshwater during most of the year to facilitate navigation of larger vessels as well as widening Gatun Lake channel to no less than 280mtr in straights and 366mtr in curves. However, the ACP is constantly improving the deepening of Gatun lake and widening of Gaillard Cut.

A series of contracts were awarded for the excavations and construction of the access channels. The process to award the largest contract of the expansion to design and build the third set of locks began on August 28, 2007, when the ACP released its Request for Qualifications for the project. Four consortia were pre-qualified, and on July 8, 2009, Canal authorities revealed that Grupo Unidos

por el Canal (GUPC) had received the best technical evaluation and offered the best price of \$3,118m, lower than the ACP's owner's allocated price of \$3,481m. GUPC is formed by Madrid-based Sacyr Vallehermoso as leader, accompanied by Italy's Impregilo S.p.A, Jan de Nul from Belgium and Panama's Constructora Urbana S.A. (CUSA) with the designers Montgomery Watson Harza (MWH), IV-Groep, Tetra Tech, and Heerema Fabrication Group that would fabricate the gates.

The Heerema Group will later be substituted by the Italian Cimolai shipyard. According to the terms of the fixed-price contract, the consortium had 1,883 days (269 weeks) to deliver the project from the commencement date, August 25, 2009.

### The construction of the locks

As the GUPC received August 25, 2009 the Notice to commence works, the landscape on both entrances of the waterway began to change, moving earth, excavating, blasting, and constructing facilities, while huge excavators created enormous craters.

At the Compagnie Nationale du Rhone (CNR) in Lyon, France, the 1/30 scale physical model confirmed the validity of the hydraulic design developed by GUPC. In October 2010, a team from the ACP and GUPC representatives visited CNR to see the model of the locks hydraulic systems and the results 'were excellent.'

In 2011, GUPC replaced its gm Antonio Zaffaroni by Bernardo Gonzalez, who had previously overseen construction of the locks on the Atlantic side. The expansion project was entering a crucial period of getting ACP acceptance of the concrete design that had been

delayed by a series of unforeseeable circumstances but subsequently complied with the requirements. Structural concrete placement began in June 2011. The special concrete had to meet ACP requirements, verified through a series of tests to prove its durability (to 100 years), low permeability to salt water, and compressive strength and shrinkage. About 4.8m cu mtr of concrete would be necessary to build both locks' complexes. The structural marine concrete was also accepted after having completed the American Standard of Testing Material (ASTM C 1202) used to determine the level of permeability.

GUPC awarded the fabrication of the 16 gates to Italian shipyard and builder Cimolai began the fabrication of the gates October 2011 which took two years. The gate design varies depending on their location in the locks. All gates are the same length 57.6mtr. The tallest of all gates is 33.04mtr, the equivalent of an 11-story building. They weigh on average approximately 3,200 tonnes, the heaviest facing the Pacific Ocean at Cocoli Locks, weighing 4,200 tonnes, because of a more robust seismic requirements and higher tides. Another critical part of the locks system was the construction of 152 valves for the control the flow of water through the conduits and culverts. The valves would be fabricated at the Hyundai Samho shipyard in Gwangju, South Korea. Also, GUPC subcontracted the excavation and construction of the three Borinquen dams to the consortium CBDam (Consortium Borinquen), formed by Spain-based EPSA and Costa Rica's MECO, which produced the design with GUPC.

In September 2012, Jorge Quijano, until then head of the expansion, was sworn in as the new Panama Canal Administrator while Ilya Marotta assumed the direction



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of the expansion programme being designated ACP evp for engineering and programmes management. Ilya Marotta had been deputy of Jorge Quijano for the third lane project until she was assigned to the completion of the expansion.

After a six-day work stoppage when workers petition for higher salaries and overtime-pay, GUPC said on April 2, 2012, that it will deliver the new locks completed and operational in April 2015. Because of the delay incurred with the acceptance of the concrete design and on July 20, it gave the ACP a notice of claims totalling \$573m.

Claims have to be evaluated by the ACP whether the claims present merit or not. If GUPC is not in agreement with the ACP's determination, they then go to the Dispute Adjudication Board (DAB). Once the DAB has made a decision on the claim, the ACP and/or GUPC can issue a notice of dissatisfaction, within 28 days, and if the dispute is not amicably settled by the parties, an International Arbitration may be commenced 56 days after or later in Miami under International Chamber of Commerce (ICC) rules.

However, by the end of 2013, GUPC presented a series of claims totalling \$1.6bn. The consortium threatened to stop works January 20, 2014, if it did not get answers to its claims. Talks between the ACP and GUPC were held throughout January to find a solution, but GUPC stopped all works on February 5, 2014. While negotiations were going on, both parties agreed to sign a Memorandum of Understanding (MoU). And the consortium resumed works February 20, 2014 on the construction sites of the third set of locks.



The consortium replaced Sacyr's manager Bernardo Gonzalez by Impregilo's Giuseppe Quarta and reaffirmed its commitment to 'conclude the works in time by end-2015.' A nationwide work stoppage is called by Panama's Constructors Union (SUNTRACS) that lasts two weeks.

Since the arrival of the last locks gates and their installation in the Atlantic Cocoli and Pacific Agua Clara locks – the last gate being installed in Cocoli locks April 28, 2015 – the landscape of works is changing dramatically. The third lane was finally taking shape while some of the most significant works, invisible to the eyes, were being performed as the expansion entered into the testing stages.

Water filling began June 11, 2015. 'It is the culmination of years of arduous labour,' said Quijano at the time. But as the filling of the locks marked the start of a planned and methodical phase of operational testing of the locks, including its culverts valves, maintenance bulkheads and gates, seepage emerged at the end of August 2015 on the sills separating the lower and middle chamber of the Cocoli locks, as they were being stress tested through exposure to level differentials much higher than those required for normal operations, but which may occur during dry-chamber maintenance works in the future. The problem came from the

design and was solved in January 2016 as GUPC reinforced with steel the sills in the three chambers of both locks-Agua Clara on the Atlantic and Cocoli on the Pacific. Testing of all systems on the expanded Panama Canal project was launched lasting several months.

At each locks site, 46 buildings have been erected – a total of 92 – and every set of gates have one machinery building, every set of valves has a hydraulic power unit room or building in addition to six buildings for the water-saving basins. Over two thousand tests were conducted to check the interoperability between operating systems on both sides of the Canal. Some 2,500km of cables – three and a half times the length of Panama – electrical, fibre optic and signals had to be connected. GUPC announced the final functional completion delivery date of the locks May 31, 2016.

The ACP went through a lottery process on April 29, 2016 to pick amongst its top customers the Neopanamax ship which would make the inaugural transit on June 26, 2016. The winner was the 'Andronikos' from China Cosco Shipping, a 9,443teu vessel with a beam of 48.25mtr and length overall of 299.98mtr. Andronikos would be later renamed 'Cosco Shipping Panama.' Commercial transits began 'full gear' the next day on June 27, 2016. ■



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**Panama delegation awarded 'Best International Pavilion'**

# A time to celebrate

**F**rom April 25 to April 27, 2017, Singapore was once again the 'rendez-vous' of the international maritime industry at the Sea Asia Exhibition-Conference, organised by Seatrade UBM. This year Sea Asia gathered the largest number of participants ever, 15,000 from 85 countries, in an 8,428sq mtr area visited by ship owners, operators, managers, ship builders, repairers and representatives of ports and terminals and port authorities.

The Panama Pavilion, that included the Panama Maritime Authority (AMP), Ministry of Commerce and Foreign Trade and the Panama Canal Authority (ACP),

*View of the Ship Registry's reception*



*Singapore Minister of Transport Khaw Boon Wan cuts the ribbon at Panama's pavilion*



displayed over 120sq mtr and was awarded, for the second time (the first time in 2015) the 'Best international pavilion', which was received by the Minister of Maritime Affairs, Jorge Barakat. The Panamanian delegation included, besides Jorge Barakat, also administrator of AMP, the minister of the presidency Alvaro Aleman, Jorge Quijano, administrator of the ACP, Tomas Avila, AMP secretary general and representatives of some 25 companies of the sector.

On the second day, Minister Barakat hosted a reception to celebrate the 100th anniversary of the Ship Registry that gathered ship owners from Singapore and

*Speakers and dignitaries participating of Sea Asia*



*Minister Khaw Boon Wan and Minister Barakat with Panama's Minister of the Presidency, Alvaro Aleman*

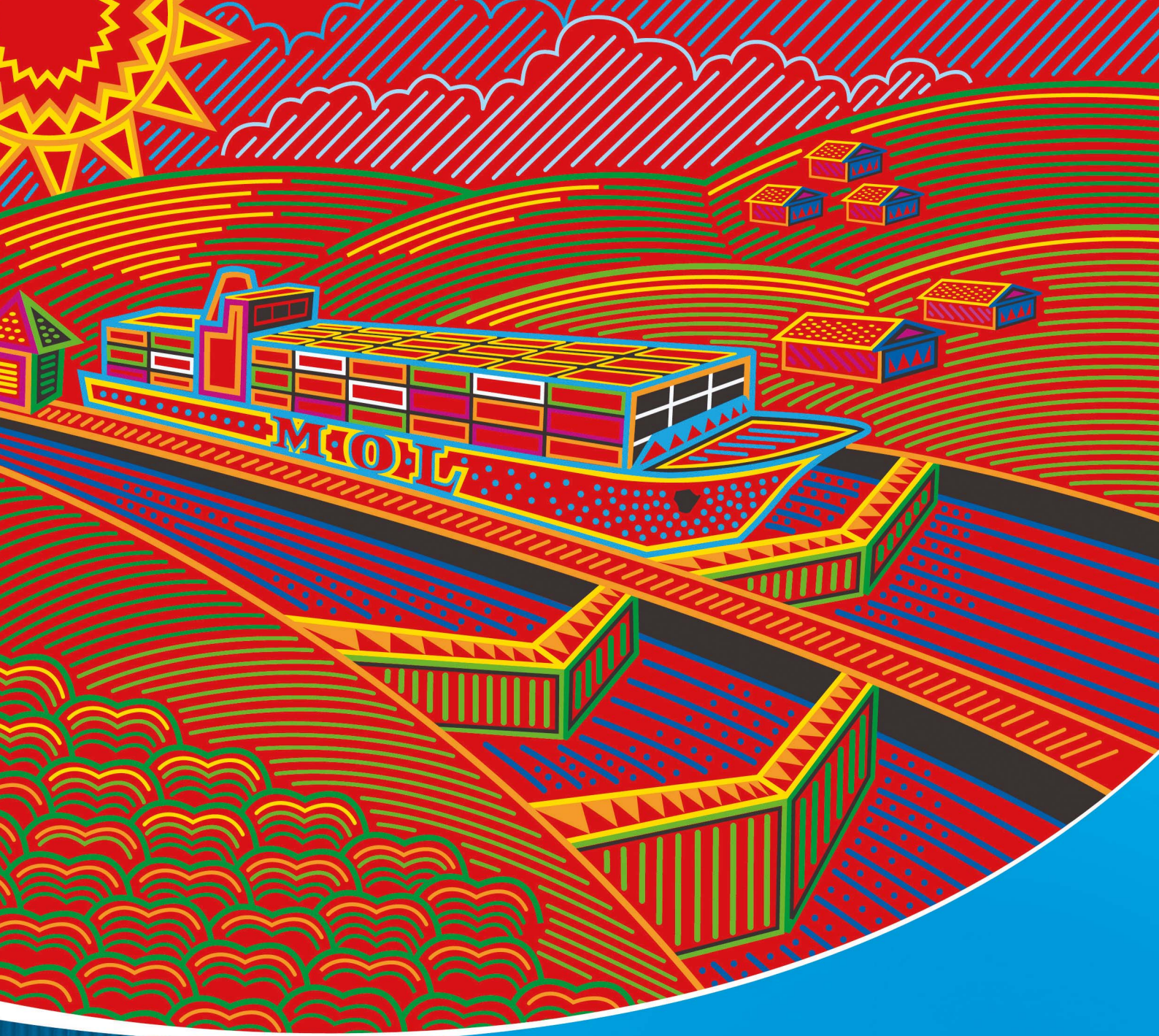


other Asian jurisdictions, shipping agents and managers and foreign delegates, high-profile conference speakers and maritime industry personalities.

The reunion that lasted well into the evening was enjoyable for all participants both foreign and Panamanian and was an excellent opportunity to talk shop but also celebrate and share the Ship Registry's gratitude with those who made possible the benchmark of one hundred years of service to the Panamanian Flag and who, particularly in the region, helped to maintain its quality, efficiency and reliability that have kept the register as the world's largest merchant marine. ■

*Panama's delegation from the private sector*





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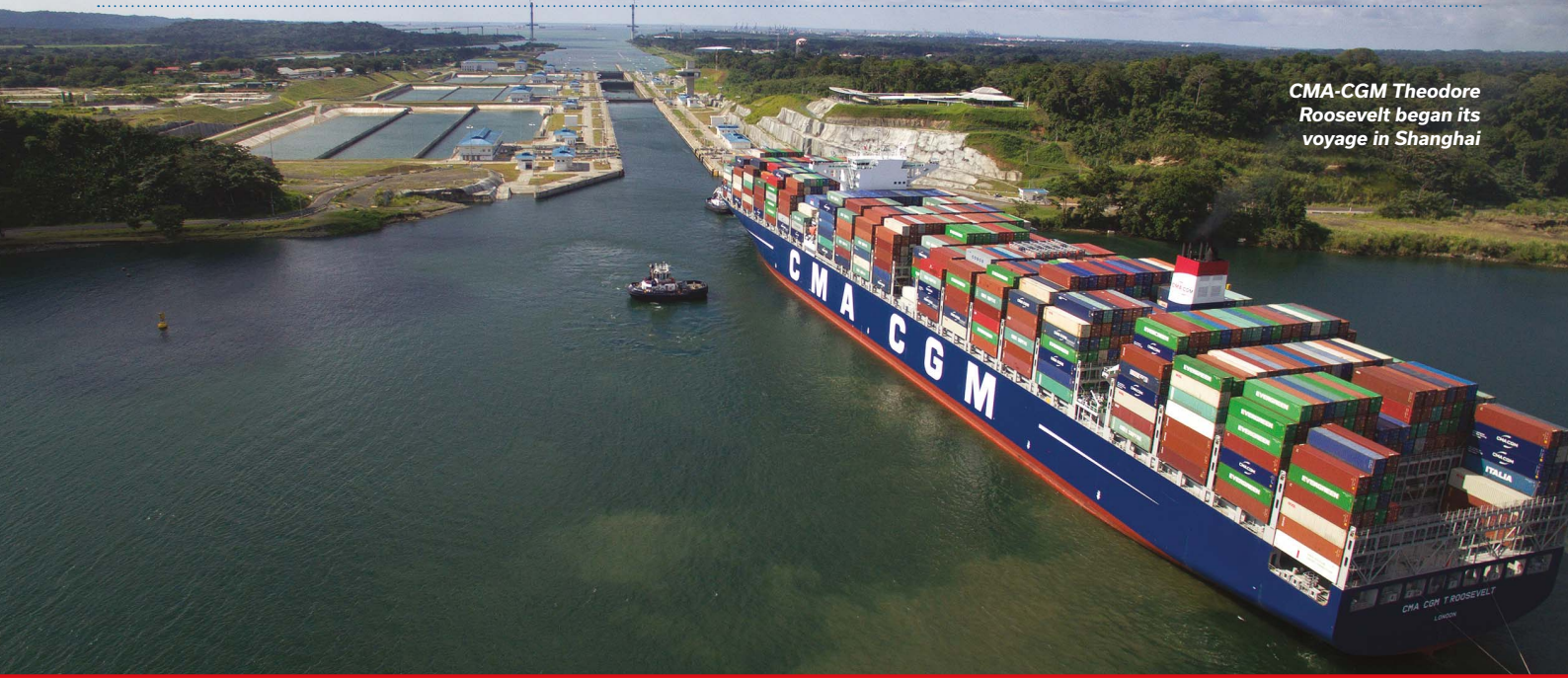


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CMA-*CGM* Theodore Roosevelt began its voyage in Shanghai



The \$5.25bn investment was a good business decision

# Surpassing all expectations

The expanded Canal's first year of operations 'surpassed all our expectations' said Panama Canal Authority (ACP) administrator Jorge Quijano, as Canal officials celebrated the first twelve months of the functioning of the new locks inaugurated in June 2016. The number of Canal transits and above all, the size of the vessels going through the new locks showed that the \$5.25bn investment was a good business decision.

More than 2,000 Neopanamax vessels to date (early September 2017) have transited the new locks since June 2016, and many of these larger ships are already bringing record volumes to ports in the region and in the US East Coast.

In April, the waterway welcomed its first Neopanamax passenger vessel the Disney Cruise Line Disney Wonder. The milestone signalled the further diversification of traffic through the expanded Canal and with it, introduced new repositioning opportunities for the cruise industry. Then it was, in early May, the passage of the 13,092teu Cosco Development and less than a month later, the 13,208teu OOCL France which became the largest ship to ever transit the canal; both vessels are part of Ocean Alliance's weekly South Atlantic Express service between Asia and the US

which is bringing the biggest Neopanamax vessels. Not for long.

Canal officials had not finished taking pictures and recording milestones before the 14,863teu CMA-*CGM* Theodore Roosevelt broke another record on August 22 being the largest Neopanamax to transit the new locks, en route between Asia and the east coast of the US. The ship was followed a week later, by her twin 14,863teu CMA-*CGM* J Adams, reaffirming the impact of the extended route. Both ships are 365.96mtr-long and 48.25mtr-wide.

The Theodore Roosevelt is based in the new South Atlantic (SAX) service of the new Ocean Alliance, which connects ports in Asia and the US using the Panama Canal. SAX's service consists of 11 container ships, ranging in size from 11,000teu to 14,000teu, including Cosco Development and OOCL France, which transited the

expanded Canal in May, establishing capacity records at that time.

CMA-*CGM* Theodore Roosevelt began its voyage in Shanghai and would arrive at ports on the east coast of the US, including Norfolk, Savannah, and Charleston. These terminals have registered growth and reached new tonnage marks after the investments they made to accommodate the ships that can now transit the enlarged Canal. For this trip, Theodore Roosevelt would also arrive in the Port of New York and New Jersey, which completed a \$1.6bn project to raise the Bayonne Bridge to 215ft. The investment will allow the third largest port in the US to receive for the first time containerships with more than 9,500teu in three of its four terminals.

'Since the shipping lines need four months to six months to re-design their services, the first three months were more than



a trial than a real appreciation of the usage of the new locks,' says ACP evp for planning and business development Oscar Bazan. 'In fact, I adjusted my projections to lower figures.'



Oscar Bazan

But the liners came back into force with 15 new liner services now transiting through the new locks since the inauguration in addition to another 14 Panamax services (in the original locks) for a total of 29 container services.

As of September 13, 2017, MSC is so far the first user of the expanded Canal at 11.9%, followed by MOL 9.7%, Evergreen 7.4%, Cosco 4.8%, Shell 7.4%, CMA-CGM 4.1%, Yang Ming 3.3%, Hapag Lloyd 2.8%, "K" Line 2.8%, Swiss Marine 4.3% and Cheniere Marketing 3.0%. Three big liners are at the bottom of the scale with Maersk at 2.2%, NYK 1.6%, and Hamburg Sud with 1.3%.

To keep the interest and fluidity of transits, the ACP announced early September an increase from six to seven in the transit of Neopanamax vessels through the new locks, starting on December 1. 'We Panamanians, made a big investment in the expansion and we must benefit as much as possible,' Canal administrator Jorge Luis Quijano said. As the waterway faces aggressive competition, so it is forced to provide



the reliability demanded by clients to attend to large volumes of cargo that will increase for the second time in the first two months of 2018, which is the peak period as the Canal has largely exceeded expectations for the first year of operations, whose forecast was an average of three to four Neopanamax vessels and ships of 8,000teu a day. Quijano said that the measures will be accompanied by the completion of the widening of Gamboa Reach to 305mtr and the installations of buoys and new transit lights to guarantee the safe passage of Neopanamax.

For fiscal year 2018, which begins on October 1, 2017 to September 30, 2018, 'we anticipate a record year with tonnage reaching 429.4m Panama Canal tonnes, and more than 13,000 transits that will include 2,335 Neopanamax vessels,' he said.

Although the Canal raised the tolls effective April 1, 2016, the new toll structure has brought, for the first time, new incentives. These include: a loyalty programme for container vessels, which

provides price improvements of as much as 6% on the capacity tariff, for customers who reach specific teu volumes. 'Around ten container lines are already taking advantage of this programme since April this year,' said Quijano. In addition, 'we will apply the ballast rate for LNG vessels on the return voyage so long as this trip to the canal is made within 60 days after the laden transit was completed; and we have also developed a ballast rate for dry bulkers to promote the repositioning of the larger vessels that need to use the Neopanamax locks.'

On June 1, 2017, the ACP published a proposal for modifications to its current tolls structure, making the beginning of a 30-day formal consultation period for industry feedback, allowing the waterway to continue providing a competitive service to its customers. During 2017, Canal officials met with Canal customers and industry representatives in Europe, Asia and North America, demonstrating the Canal's commitment to its customers. 'These meetings with customers in Asia, Europe and North America have been





## CUSTOMERS OF THE CANAL

Vessels from all registers transit the waterway



extremely valuable in providing us with a deeper understanding of the industry today, the challenges faced by individual market sectors, and the projected demand for the Neopanamax locks,' said Quijano who added 'it was deemed necessary to provide additional incentives to the containership sector – the largest user of the expanded Canal – to revise the tolls for LPG and LNG vessels, and to reclassify container/breakbulk vessels'.

The modifications were approved by the ACP's Board of Directors and the Cabinet Council and will be implemented starting October 1, 2017.

The proposed modifications safeguard the competitiveness of the waterway, the value of the route, and facilitate the Canal's goal of providing an efficient and reliable service to the global shipping community.

For the containership segment, the proposal offers more attractive rates per loaded containers on the return voyage, applicable only to those Neopanamax vessels deployed on the Canal route in the head and back haul legs, and when: (1) the utilisation rate of the northbound transit is higher or equal to 70%, and (2) the time lapse between the northbound and the southbound transit is not greater than 28 days. In order to promote the use of the services provided by the local transportation hub, any additional days that the vessel requires to perform port-related activities in the Panamanian terminals will not add to the 25 day period.

The proposal also modifies the tolls charged to LPG and LNG vessels, but keeps the units of measurement unchanged, in accordance with industry standards. In addition, this tolls proposal reassigns the vessels classified by the ACP as 'container/breakbulk' into the 'general cargo segment.' These vessels are currently part of the others segment.

This reassignment will result in more attractive tariffs for customers in this category, as general cargo tolls are lower. This change is made in response to a request submitted by customers during the 2015 tolls hearing and consultation process, and due to the fact that container/breakbulk vessels operate in a manner similar to that of general cargo vessels. As in the past, the ACP has taken into account the comments received during the tolls consultation processes and makes changes when considered necessary.

During FY2016 (October 2015-September 2016) cargo volume through the waterway

was 330.7m Panama Canal Universal Measurement System (PC/UMS) tonnes, a decrease of nearly 10m PC/UMS tonnes from the 340.8m PC/UMS tonnes registered in FY2015. Transits fell to 13,114, down from 13,874 the year before.

'FY2016 marked an increase in general business uncertainty, which had an adverse impact on investment and economic growth in the US and worldwide. Significant events during the year included the presidential electoral race in the US, renegotiation of the Greek debt, Brexit, and decline of raw material prices such as oil,' says Bazan.

### Main commodities (thousand long tonnes)

	FY 2016	FY 2016 (Oct-Jul)	FY 2017 (Oct-Jul)
<b>Crude Petroleum</b>	3,900,663	3,251,055	3,080,626
<b>Petroleum/ -products</b>	37,177,391	30,369,053	45,904,343
<b>Grains</b>	40,806,476	34,232,205	31,711,789
Barley	0	0	7,396
Corn	9,834,604	8,131,362	7,936,479
Grain, Misc	3,303,625	2,581,230	3,573,740
Rice	549,846	463,985	450,045
Sorghum	11,865,071	10,192,454	8,516,163
Soybeans	10,809,404	9,724,413	8,774,371
Wheat	4,443,926	3,133,599	2,453,596
<b>Coal and Coke</b> (Excl. Petroleum Coke)	8,126,726	6,657,565	14,419,466
<b>Container Cargo</b>	40,700,572	32,419,949	45,228,833
<b>Autos, trucks, accesories &amp; parts</b>	4,562,997	3,843,896	3,775,25
<b>Canned &amp; refrigerated foods</b>	2,568,409	2,109,875	2,101,703
<b>Nitrates, phosphates and potash</b>	7,301,924	5,908,056	6,606,584
<b>Lumber &amp; products</b>	2,459,983	1,982,909	1,751,673
<b>Manufactures of iron &amp; steel</b>	5,222,454	4,232,164	5,688,124
<b>Chemicals &amp; petroleum chemicals</b>	16,405,973	13,932,062	12,454,650
<b>Ores &amp; Metals</b>	11,033,765	8,842,952	9,779,487
<b>Subtotal</b>	<b>180,267,333</b>	<b>147,781,741</b>	<b>182,502,534</b>
<b>Others</b>	24,438,966	20,805,342	19,686,609
<b>Total</b>	<b>204,706,299</b>	<b>168,587,083</b>	<b>202,189,143</b>

### Panama Canal main cargo routes (long tonnes)

Origin route	Destination route	2016	FY 2016 (Oct-Jul)	FY 2017 (Oct-Jul)
East Coast US	Asia	41,651,102	35,238,889	45,525,982
Asia	East Coast US	23,476,581	19,042,124	24,277,352
West Coast South US	Europe	8,244,789	6,763,419	7,550,366
West Coast South US	East Coast US	10,823,311	9,248,930	8,907,398
East Coast US	West Coast South US	23,460,704	18,531,168	19,163,588
East Coast US	West Coast Central US	10,939,345	9,117,117	13,509,089
East Coast South US	West Coast South US	5,362,846	4,470,462	5,299,379
Europe	West Coast US	4,943,858	3,826,878	4,036,708
West Coast US	Europe	2,271,786	1,736,470	1,367,865
East Coast South US	Asia	1,327,223	1,135,416	1,222,376
Others		72,204,753	59,476,210	71,329,041
<b>Total</b>		<b>204,706,299</b>	<b>168,587,083</b>	<b>202,189,143</b>

In the US, economic growth remained sluggish albeit with some improvement to employment and personal consumption. The appreciation of the dollar reduced exports while government spending cuts resulted in economic growth remaining focused on private consumption.

'The economic growth of Asian economies was also weak, due mostly to a slowdown in China's economy – a main driver in the region – and a poor global demand.

Japan's economy remained stagnant. Although the Japanese economy showed less volatility than in the previous year, growth has faltered,' he added.

### Mitsui O.S.K Lines (MOL)

Mitsui O.S.K Lines (MOL) celebrated in 2015, the centenary of its first transit in 1915 through the Panama Canal, only a few months after the inauguration of the Panama Canal back in August 1914. The Tokyo-headquartered shipping line had until August 2017 the no. 1 ranking position amongst the waterway customers. The liner is also the second user of the expanded Canal with about 40% of the transits through the Neopanamax locks.

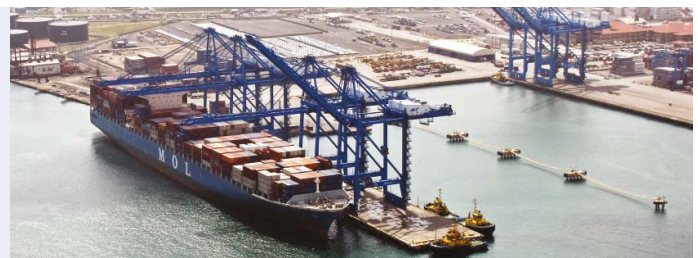
The Japanese shipping line, founded in 1884 has the world's largest ocean shipping fleet. Backed by experience and technologies developed over 133 years, MOL moves today's global economy. MOL operates specialised bulk carriers for iron ore, coal, and woodchips; tankers that transport crude oil and LNG; car carriers; cruise ships; ferries and coastal liners; and containerships that deliver a variety of finished products as part of the largest and most diverse global network of liner and logistics services. MOL Liner Ltd. is a wholly-owned subsidiary of MOL. The company transports a wide variety of cargoes in international standard containers. The MOL Liner containerships also cover a global network of routes.

MOL makes an average of 54 canal transits per month with MOL container vessels calling at Balboa and Manzanillo International Terminal (MIT).

But changes are coming for the Japanese shipping lines as the big three shipping groups: "K" Line, MOL and NYK, have officially established Ocean Network Express (ONE), making further progress on the integration of their container shipping businesses.

On 7 July this year, "K" Line, MOL and NYK have set up a holding company for ONE in Tokyo, and an operating company in Singapore.

The combined container fleet of the Japanese trio is expected for formally commence operations from 1 April 2018. 'For the integration of their container shipping businesses, including worldwide terminal operation businesses outside Japan, Kawasaki Kisen Kaisha, Mitsui O.S.K Lines, and Nippon Yusen Kabushiki Kaisha have announced the establishment of the holding company and operating company,' the trio said in a joint statement.



MOL at August 2017 was the first user of the Panama Canal

Japanese lines have received approvals for compliance with local competition laws in regions and countries where compliance is required. At present, the three carriers are operating in the same alliance named The Alliance, along with other members including Hapag-Lloyd, UASC and Yang Ming.

Today the Japanese company is among the top five users of the Panama Registry with approximately half of the group operated fleet registered under the Panamanian flag. 'We recruit cadets from the Panama Maritime University to perform their 12-month rotation on MOL vessels to become fully licenced engine or deck officers,' explains MOL (Panama) president and regional director responsible for the Caribbean and Central America, Julio De La Lastra, who was elected president of the Panama Chamber of Shipping in June 2017, for the fourth time.

After a re-organisation in 2005, the MOL opened its own commercial office in Panama and relocated the Vessel Operation Centre from Concord, Ca, to centralise the planning of all vessels movements and cargo stowage in North America, Central America, South America, Canada and the Caribbean. In 2010, the Coastal Logistics Centre was also relocated from the US.

MOL's containership services link the world with a growth particularly strong in Asia, which has seen tremendous economic expansion in recent years, and have traditionally held an advantage in South American and African markets. MOL is expanding their network with more port coverage and increased service frequency, not only with their own services but also in joint operations with partners.

MOL operates containership services worldwide, with around 100 ships ranging from 700teu to 8,000teu. 'We continue to develop competitive services by deploying newbuilding vessels as needed,' says De La Lastra.

**Ranking of countries by origin and destination of cargo from 10/01/2016 through 07/31/2017 (long tonnes)**

Rank	Country	Origin	Destination	Intercoastal	Total
1	US	91,890,513	47,370,255	1,456,497	140,717,264
2	China	16,086,039	20,930,319	-	37,016,358
3	Japan	4,757,453	18,792,875	-	23,550,328
4	Chile	10,029,416	13,188,319	-	23,217,735
5	Mexico	4,870,056	15,990,943	147,092	21,008,091
6	Colombia	13,880,851	5,292,555	301,357	19,474,763
7	Peru	6,204,783	11,586,536	-	17,791,319
8	South Korea	8,023,024	8,472,832	-	16,495,856
9	Ecuador	3,822,248	6,049,134	-	9,871,382
10	Canada	7,137,864	2,440,394	8	9,578,266
11	Panama	1,541,056	4,574,302	-	6,115,357
12	Spain	1,204,260	2,721,859	-	3,926,118
13	Taiwan	1,374,788	2,294,564	-	3,669,353
14	Netherlands	1,712,191	1,949,836	-	3,662,027
15	El Salvador	626,496	2,670,902	-	3,297,398

‘Despite the international shipping downturn this past year, we recorded one of the highest annual tonnage figures since the opening of the original Canal 103 years ago,’ said Quijano. ‘This latest success reinforces the continued strategic importance of the route and the growing value that recent investments in the Canal will bring to the maritime industry.’

Strong container traffic, newly introduced segments and the expanded Canal all contributed to the 330.7m PC/UMS that were transported through the Canal in FY 2016, the third highest amount ever recorded.

Another notable milestone was the introduction of the LNG segment during the final months of FY 2016. LNG carriers, which can now transit the waterway due to the expanded Canal’s wider, longer and deeper locks, contributed 1.5m PC/UMS and surpassed initial Panama Canal forecasts. The influx was also partially due to the unexpected emergence of US shale production and the lifting of a 40-year-old ban, allowing the country to export oil for the first time in decades.

Other welcome additions in FY 2016 were the first crude oil shipments to the Canal via Aframax and Suezmax vessels. The ACP did not anticipate this segment to transit so early in the expanded Canal’s infancy; however, the trend is one that has been received favourably and is expected to continue as the crude oil industry strengthens.

The US remains the main user of the Canal with 67% of the total tonnage transported at 139.2m tonnes, followed by China with 38.7m tonnes (11.9%), Chile with 25.31m tonnes (12.4%), Peru with 19.44m tonnes (9.5%) and Japan with 19.03m tonnes (9.3%). The ten other users of the Canal were in that order: Korea 7.93%, Mexico 7.84%, Colombia 7.77%, Ecuador 6.04%, Canada 5.44%, Guatemala 4.03%, Panama 2.78%, Trinidad & Tobago 1.85%, Spain 1.77% and Belgium 1.73%.

During Fiscal Year 2016 (that included three months of operations of the new locks), Neopanamax container vessels represented the largest segment using the new locks at 64.3%, followed by LPG carriers 22.8%, LNG carriers 6.7%, ro-ro

4.5%, products tankers 1.3% and dry bulk 0.4% while container vessels were also the number one segment transiting the original locks 22%, dry bulk 20.4%, chemical tankers 14.7%, reefers 7.4%, ro-ro 6.2%, general cargo 5.5%, product tankers 4.5% and others 19.35%.

The initial tender for the Corozal port project on the Pacific side of Panama was pulled in March 2017 after no bids were presented by the four pre-qualified port operators. Canal administrator Quijano says that the tender would be relaunched and the project has not been abandoned. According to Quijano, the ACP is revising the tender requirements but could not say precisely when it would be ready.

However, some of the projects ‘we aim to develop in the short-term include the concession for the construction of a ro-ro cargo terminal and a logistic park in the Pacific. These new projects will enable Panama to fully take advantage of the opportunities the newly expanded Canal has to offer,’ says Bazan.

The ACP has identified 1,200 hectares of land on the western side of the future Pacific locks, in an area formerly used for US military installations before 1999, to create a logistics park for international companies. Canal officials had commissioned the Deutsch Antea Group to study all the eventual ventures to develop the area to determine which would be its better use; petrochemicals, logistics or industrial or all three. ‘We are still at the planning stage,’ says Bazan. The design is very impressive but ‘can be realised in phases,’ explains Bazan.

With the opening of diplomatic relations with China, the logistics park-project is capturing the interest of many Chinese companies that look at participating in any future international tender, as they find the location extremely strategic to develop distribution centres. ■



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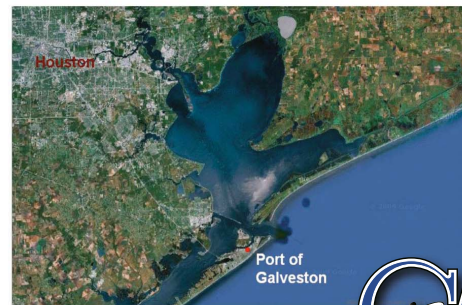
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On September 7, 2017 CMA-CGM Theodore Roosevelt was the biggest ship ever to arrive at the New York Newark Harbour, following the inauguration of the raised Bayonne Bridge



Since the Canal expansion, the patterns of global trade have changed

# US ports respond to demand

The inauguration of the third set of locks, June 26, 2016, 'has changed the patterns of global trade,' said former Panama Canal Authority (ACP) administrator Alberto Aleman. He explains that the expansion has been recognised by US ports and they have responded in order to accommodate the arrival of Neopanamax vessels.

Not long after the first anniversary of the Canal expansion, the port of New York and New Jersey received the 14,400teu CMA-CGM Theodore Roosevelt that was the largest container ship to call at APM Terminals Elizabeth terminal. The ultra-large container vessel (ULCV) also established a new record as the largest vessel to pass under the raised roadbed of the Bayonne Bridge, which now gives air draft clearance to vessels of up to 18,000teu. Until recently, box ships calling the Port of New York & New Jersey were mainly 5-8,000teu, the ship Theodore Roosevelt symbolised the impact of the Canal expansion on global trade and the necessity for enlargement of all US ports.

APM Terminals Elizabeth is being redesigned for the future with an extensive modernisation project that will be completed in 2018. The facility is in the middle of a \$200m infrastructure investment programme that will equip APM Terminals Elizabeth with the capabilities required to remain on the forefront of the anticipated increase in ultra-large container vessels into the global fleet and the US trade lanes.

The CMA-CGM Theodore Roosevelt was invited by the Port Authority of NY/NJ to formally inaugurate the newly modified Bayonne Bridge as part of her maiden voyage to the US east coast. The \$1.6bn project, completed in June, raised the bridge roadbed by 19.5mtr to 65.5mtr, enabling ultra-large container vessels to call terminals on the Newark Bay on the New Jersey side of the port's inner harbour.

For the fiscal year to date, Long Beach has handled 5.7m teu through the first 10 months of FY 2017, a 1.4% increase from the prior fiscal year. The port's fiscal year runs from October through September. For the calendar year, Long Beach moved 4.1m teu through July, a 6.4% jump from the same seven months last year.

The adjoining Port of Los Angeles, the only North American seaport busier than Long Beach, also saw for the calendar year to date, volume up to 5.3m teu, a 9.5% jump over 2016's numbers, according to port data.

Even more recently in September, the Port of Corpus Christi and US Army Corps of Engineers (USACE) signed a Project Partnership Agreement for deepening and widening of the Corpus Christi Ship Channel. The PPA, effective September 9, 2017 was signed by John LaRue, Port of Corpus Christi Authority executive director, and Colonel Lars N. Zetterstrom, Commander, USACE Galveston District.

The improvement project will widen the channel to 530ft to allow for two way-vessel

and barge traffic, and deepen the channel to 54ft MLLW (Mean Lower Low Water) for safer passage of deep draught vessels.

'The Corpus Christi ship channel improvement project is of critical importance for the Texas energy sector and for the nation's move toward energy independence. The Port of Corpus Christi has designated this project its number one priority. With the signing of this agreement its merit is proven as a national infrastructure priority as well,' said Charles W. Zahn, Chairman of the Port Corpus Christi Commission. The improvement project was initially authorised by Congress under the Water Resources Development Act (WRDA) of 2007 and re-authorised by WRDA 2014, and included under the WIIN 2016 Act (Water Infrastructure Improvements for the Nation Act).

The entire project is estimated to cost \$327m with the USACE proportionate cost-share projected to be \$225m and Port Corpus Christi Authority's proportionate cost-share projected at \$10m. These funds are intended for use in the design and construction of the deepening of the channel from the Gulf of Mexico to Harbour Island.

As a major economic engine of the South Texas Coastal Bend, Port Corpus Christi is the 4th largest port in the United States in total tonnage. Strategically located on the western Gulf of Mexico with a 36 mile, 47ft (MLLW) deep channel, Port Corpus Christi is a major gateway to international

and domestic marine commerce. The Port has excellent rail and highway network connectivity via three North American Class-1 railroads and two major interstates.

The Canal expansion also pushed cargo volume at Georgia's seaports to record levels in Fiscal Year 2017, the Georgia Ports Authority said. Ports in Savannah and Brunswick handled 33.4m metric tonnes of total imports and exports in the fiscal year that ended June 30. That's the ports' greatest tonnage ever and an increase of 8.3% over the previous year. Savannah is the fourth-busiest container port in the US, behind the ports of New York-New Jersey, Los Angeles and Long Beach, California.

Savannah moved a record 3.85m container units, up 6.7% from fiscal 2016 and forecast for this year is to pass 4m containers units. 'The Panama Canal has been probably the largest single game-changer we've seen this year,' Griff Lynch, the port authority's executive director said.

The Georgia Ports Authority board approved nearly \$73m to buy six more ship-to-shore cranes due to arrive at Savannah's docks in 2020. By that time, Savannah will have 36 total cranes – half of which will be tall enough to load and unload super-sized ships. That will enable the Port of Savannah to work on three giant ships simultaneously, Lynch said.

A \$973m project to deepen the Savannah River shipping channel, so bigger ships can transit fully loaded even at low tides, is scheduled for completion in 2022.

South Carolina Ports Authority handled 2.14m teu in FY2017, an increase of 10% from the year prior and all-time high for

the port authority. The port authority set an ambitious growth plan for the fiscal year, according to SCPA president and ceo Jim Newsome.

Breakbulk cargo exceeded planned volumes by 8.8% with 846,952 pier metric tonnes handled from July 2016 to June 2017. The non-containerised cargo segment saw 258,455 finished vehicles across the docks of the Columbus Street Terminal, said the port authority. Intermodal volumes increased 12.1% from the previous year prior. Nearly a quarter of the port's total containerised cargo moves by rail and expansion of cargo at Inland Port Greer helped rail lifts exceed FY2017 plans by 11%. The facility finished the fiscal year with a record 121,761 rail lifts, said SCPA.

### \$973m to deepen the Savannah River shipping channel

'Amid uncertainty in the industry due to the consolidation of ocean carriers, SCPA successfully continued our growth trend well above the US port market average,' said SPCA president and ceo Jim Newsome. 'Through the expansion of import-export business in our region, it was a positive fiscal year for us and we expect continued growth into our new year.' The increased volume growth was accompanied by 'exemplary' operational metrics for the fiscal year as well, according to SCPA. Dockside crane reliability averaged 99.44%, marking the ninth straight year of ship-to-shore crane reliability over 99.4%, said the port authority.

Additionally, the SCPA Board approved several expansion projects, including

the construction of four refrigerated container access racks at the Wando Welch Terminal, and engineering design services for upcoming projects at Inland Port Greer. Those inland port projects encompass the relocation of the chassis yard to provide additional container operational space.

US President Donald Trump's proposed budget for FY 2018 has marked \$108m for harbour deepening projects. On May 24, 2017, the US Army Corps of Engineers (USACE) released its Army Civil Works Programme, FY 2017, Construction Work Plan. In addition to USACE funding, state and local government authorities are pitching in millions of dollars to help deepen harbour channels. Dredging is one of the most critical components that will enable growth for many ports on the US East and Gulf Coasts.

The expanded Panama Canal is putting pressure to speed up key US waterside infrastructure improvements to accommodate for the bigger ships transiting the Canal and an important component is ensuring adequate water depths to allow for larger vessels to safely berth and discharge cargoes. As seen above, the ports that do not yet have the required navigational depths are working hard to secure the necessary funds to remain competitive.

The Port of Virginia and the Port of Georgia currently rank one and two for services deploying ULCVs through Panama and have invested \$711m to handle these vessels that carry more than 13,000teu. On May 8, 2017, the container ship Cosco Development was the first berth at Virginia International Gateway terminal in Portsmouth, heading



Port of Corpus Christi

directly for the port before going south to Savannah and finally Charleston.

The Port of Virginia, with 50ft channel depths, has received Congressional approval to dredge to 55ft. In third place behind New York/New Jersey and Savannah container volume, the Port of Virginia is coming on strong. The Virginia Port Authority and the Georgia Ports Authority entered into the East Coast Gateway Terminal Agreement on February 22, 2017, and shortly thereafter submitted an agreement to the federal government for approval, which came April 7.

The two ports will be able to discuss how to mitigate costs associated with mega-vessels and retain the velocity of container movement. The intent is to foster economic growth and provide public benefit for the two largest southeast ports. This partnership will allow the ports to utilise joint marketing materials in attracting ocean common carriers, to better coordinate vessel calls for Neopanamax ships arriving in the southeast, to develop the most advanced container handling operations, to improve intermodal operations through terminals and to negotiate with a single voice.

Partnering with the Georgia authority will help on other commercial fronts too by allowing the two ports to succeed in winning growing Midwest market opportunities that could level the population advantage enjoyed by New York/New Jersey. The agreement provides access to information from five additional marine terminals with slightly more weekly vessel calls.

Port Everglades has ordered the three largest cranes on record, with an outreach of 22 rows and a lift height sufficient for an eight-high deck stow, as part of its \$437.5m expansion. The Broward County Board of County Commissioners approved the \$41.4m crane purchase, with an option for an additional three cranes anytime within five years of placing the order for the first three cranes. The contract has been awarded to ZPMC, at a price equivalent to US\$13.8m per crane.

The port has seven cranes and currently handles just over 1m teu a year. However, it believes the 16-row outreach and five-high lift height of its existing cranes

is insufficient. 'We cannot afford to wait until our harbour deepening and widening project is completed because the cranes are needed now,' said Port Everglades chief executive and port director Steve Cernak. 'Cargo ships are getting larger and several shipping lines already coming to Port Everglades from Europe and South America need Super Post-Panamax cranes now.'

After the expanded Canal opened last year, Baltimore's container traffic grew by 9% in the second half of 2016, hitting a record 538,567 containers last year. In the first quarter of 2017, the port's container volume grew 8%. 'We were concerned that with the success that we had in 2016 – we were the fourth-fastest-growing port in North America – if we were continuing to grow at that pace, we would have needed to grow container (space) by 2023,' said James White, executive director of the Maryland Port Administration.

The port administration announced May 30 that it has completed the purchase of Point Breeze Business Centre near Seagirt Marine Terminal in southeast Baltimore in a \$55m deal that will expand Seagirt's footprint to 356 acres. With the new land, said White, the port should have adequate container capacity through 2030. The Maryland Port Administration acquired the 103-acre Point Breeze Business Park for \$92.5m but Rukert Terminals Corp., a nearby private marine terminal operator, has agreed to buy 33 acres from the State for about \$35m, White said as the property's owner, Point Breeze, wanted to sell to one buyer.

The port is now the US's top port for automobile imports. The State struck a \$1.3bn-50-year deal with Ports America

Chesapeake in 2010 to allow the private company to operate Seagirt in exchange for a 50ft deep berth and four post-Panamax cranes capable of unloading the giant new containerships. 'The cranes are already there, the dredging is already done, the rail yard is there for when we get the double-stack,' White said.

## The Port of Galveston received a \$1m grant to boost its security

The Port of Galveston received a \$1m grant to boost its security; the grant, awarded by the Federal Emergency Management Agency, will be used to fund two projects. The first expands the port's fibre network infrastructure and video surveillance systems, supports cyber security efforts and provides funds to assist with system maintenance. The second will replace the canopy at the security gate serving the port's West End terminals, according to a news release.

The total budget for both projects is \$1,121,435. The funding is to be matched by the port with a 25% cost share of \$280,359. 'It will help us continue our commitment to enhancing the security of the port and ensuring the safe movement of passengers and cargo through the Port of Galveston complex,' said interim port director Peter Simons.

The grant was awarded through the 2017 Port Security Grant Programme. Cruising is big business for Galveston, which reported nearly 1.1m passengers through the first seven months of 2017, an increase of 8% from the same period last year. More than 1.7m passengers set sail in 2016 on cruises from Galveston, and an expanded cruise terminal also opened last year. ■





**Aiming to increase efficiency and elevate safety and security standards**

# Connecting global shipping

**P**anama is celebrating the centenary of the Ship Registry which is under the supervision of the Panama Maritime Authority (AMP) as the Directorate-General of Merchant Marine. The Ship Registry, that was created by Law 63 of December 15, 1917, is the world's largest register and has maintained this position since 1993.

To commemorate the centennial there's nothing better than hosting the World Maritime Day, organised every year by the International Maritime Organisation (IMO). This year, the IMO selected Panama to celebrate the World Maritime Day Parallel Event, which took place in Panama City from October 1 to October 3. The theme or topic for this year is 'Connecting Ships, Ports and People', very appropriate to highlight the contribution of Panama as a country to global trade. The yearly maritime 'rendez-vous' is the occasion to discuss a topic through the whole year at different levels and events all over the globe. The event was inaugurated by the IMO Secretary-General Kitack Lim and President Juan Carlos Varela and included bilateral meetings, conferences and a gala-dinner which was the official celebration for the hundredth anniversary of the Ship Registry.

Panama was re-elected as member of the 'A' Category at the end of 2015 during the IMO 29th General Assembly for the 2016-2017 biennium.

Panama joined the IMO Council for the first time in 1979, but with the implementation in 2002 of the 1993 amendments to the IMO's Constitutive Convention, it is elected to the 'A' category, which includes the world's most important maritime countries providing international shipping services during the IMO General Assembly of November 2001. It was a great achievement for Panama and the recognition of decades of arduous work to comply with the requirements, ratifications and implementations of the numerous conventions and other resolutions enacted by the IMO.

However, the main challenge for Panama in order to continue occupying



Jorge Barakat, AMP administrator and minister of maritime affairs

a prominent position with the other members of the 'A' Category, was to carry on proposing and implementing controls and measures to safeguard human life at sea and protect the marine environment, in addition to achieving excellence in making its system of seafarers' certifications conform to the required controls for the issuance of titles of competence in accordance with all the international agreements. The Panama Ship Registry has been working hard to strengthen quality processes, establishing management indicators, and undertaking measures focused on corrective and preventive actions to ensure that seafarers who opt for a Panamanian title, comply with international standards and current national regulations for the issuance of certificates of competences (CoC). Those actions have enhanced the image of Panama-licensed seafarers before the international maritime community.

Aiming to increase efficiency and elevate safety and security standards of the service given by the more 620,000 seafarers who serve on-board of Panama-flagged vessels, the AMP, through the General Directorate of Seafarers, made available to all users the Seafarers' Automated Application (SAA), a 24/7 technological platform which let online access worldwide, for the seafarers' documentation services, with transparency and security in record time. With the implementation of the



SAA system, the cost of documentation for seafarers will be reduced with the 'full term' obtainments on in the shortest time possible.

'We have fully implemented the SAA that was previously a manual process,' says AMP administrator and minister of maritime affairs, Jorge Barakat. The SAA system follows the standards established in the STCW'78, amended, which confirms that the maritime administration complies with the international standards of training and certification for seafarers. The platform is in operation at 34 consulates which manages 80% of volume of procedure for seafarers and provides better control and monitoring of documents issued by consulates and regional centres, says Barakat.

The New York Technical Documentation Office of Ships 'Segumar office' that oversees all technical queries and responds to customers has been moved to Miami, Florida. 'With the re-location of the Segumar-office, we will provide quality service 24/7, to our customers on the US East coast. This strategic move will give us the possibility of establishing better and more effective policies to access the shipping market that is linked to and

developed from the Miami area, while opening new contacts with the large passenger ships industry – based in Florida and surroundings – as well as the drilling rigs (MODUS) companies that operate on the coasts of Florida, New Orleans and Texas,' said Panama minister of maritime affairs Jorge Barakat, at the time.

Likewise, the technical team of the AMP will be able to interact with the United States Coast Guard (USCG) and, in this way strengthen the existing links between the two administrations.

The functions of the Miami-Segumar office will be to co-ordinate and execute actions related to technical inspections of Panamanian vessels for the safety of navigation and human life at sea, issue technical certifications, coordinate the issuance of Statutory certificates by the Recognised Organisations (ROs) and the

collection of the rights that correspond to the maritime administration as well as organising the investigation and applications of corrective actions in the vessels of the Panamanian Registry.

Minister Barakat travelled to Belgium in September 2017 to formally initiate recognition by the European Union, the certificates of competence issued by the AMP to Panamanian officials and workers. This marks a milestone for all Panamanian cadets and officers who will benefit from greater employment opportunities on European-flagged vessels and reiterates the commitment of the



Minister Barakat cements links with USCG

### China and Panama to sign maritime accord

Panama's decision in June 2017, to open diplomatic relations with China, which had been in the pipeline for decades, offers undoubted opportunities for the maritime sector and Panama's Ship Registry. The new relations will allow the signing of a bilateral Agreement on merchant marine so that Panama could enjoy the most favoured nation status that would give Panama-flagged vessels the advantages of lower port costs applicable to other States which have similar agreements with China, says Panama's minister of maritime affairs Jorge Barakat.

The accord with the Ministry of Transport could be signed before the end of 2017 during the first Panama's official visit to Beijing. 'By incorporating Panama in the list of co-operative countries it would promote the competitiveness of the Ship Registry and allow Panama-flagged vessels to benefit from better operational costs for Panama's fleet that dock in Chinese ports,' says Barakat who is also administrator of the Panama Maritime Authority and head of the Ship Registry.

During his visit in September, China's minister of foreign affairs Wang Yi said that new relations 'will bring hope, co-operation and mutual benefits,' adding that 'bilateral ties have finally entered the correct state for the times. History will remember that the decision to establish diplomatic relations between Panama and China met the fundamental, long-term



Wang Yi and Jorge Barakat

interest of both countries,' said Wang during the inauguration of the Chinese embassy.

Panama will be able to open Consulates and merchant marine offices in Shanghai, Guangzhou and Hong Kong in the coming months. The future Consulates in China will register all maritime services including naval mortgages and property titles. Now with diplomatic relations, Panama will qualify for establishing technical offices in China for the control of maritime safety and navigation of its vessels, which will strengthen the quality of the fleet.



*Minister Barakat travelled to Belgium in September 2017 to formally initiate recognition by the EU, of the certificate of competence issued by the AMP, meaning that cadets and officers will benefit from greater employment opportunities on European-flagged vessels*

present administration to strengthening and promote maritime careers at a national and international level.

This process will continue with a further technical visit to Panama by Belgium officials to verify the good practices implemented for the standards of competence, training, qualification and quality systems for seafarers in order to achieve a favourable result in the audit process with the European Maritime Safety Agency (EMSA) which will audit the AMP and Panama's International Maritime University early 2018.

'I am deeply satisfied and optimistic because it will raise the standards of quality, training and certification and will offer great benefits and working opportunities for our national seafarers, something I promised them when I took office in 2014,' explains Barakat.

Also, higher controls have been established on the maritime training centres (MTCs) to focus on promoting the recognition of the foreign MTCs, through the rigorous audit processes. As of today there are recognised 29 foreign MTCs benefiting Panama's seafarers who have more options to keep updated, and to comply with the international maritime training standards.

Three regional documentation offices have been opened in Seoul, Korea; Piraeus, Greece and New York, US. These offices give users easier access and offer a quicker and more efficient service, resulting in competitiveness and expansion of Panama's presence in the global maritime market.

Barakat has designed a five-year plan, parts of which are being already

executed; the plan is expected to conclude within the next two years. Some of the technological innovations are: improvements into the current platform to the online services for the incorporation of online payments, issuance of technical certifications (e-certifications), registration process inquiries, vessels monitoring, and publications, among others, and those innovations are well underway taking the Registry and all the AMP operations into the 21st century.

Conscious of the fierce competition amongst international registers, the AMP administrator and minister of maritime affairs, has taken upon himself to visit with his staff, customers and ship owners around the world forging a special and personal relationship with ship owners and companies in Asia and Europe. 'If we meet, as an individual, with ship owners they will tell us what we can improve in our regulations and where to cut red tape still existing in our procedures. That's something they would not do by email. I have always been convinced that there is nothing more useful than direct communication,' he says. 'That is our new marketing strategy.'

As part of his working agenda during the month of July, Jorge Barakat visited the shipping line MSC, to promote and, in this way, strengthen commercial ties between Panama and the Swiss liner in Geneva, where he met with the founder

and president of the company, Gianluigi Aponte and his family Diego Aponte and Alexa Aponte. MSC, founded in 1970, currently has more than 225 ships flagged in Panama, serving 335 ports in six continents, providing a network of representation agencies. MSC container ships have a capacity of up to 19,000teu, including some of the largest container ships in the world, such as MSC Oscar, MSC Zoe and MSC Oliver. They have recently ordered ULCV of up to 22,000teu.

The AMP and the Port Authority of Hamburg signed in August, a Memorandum of Understanding (MoU) on strategic co-operation aimed at promoting commercial exchange, cruise business and maritime transport.

The Authorities will establish regular exchanges of management information and will co-operate in areas of shared interest, such as port planning and management, port legislation, aids to navigation, environmental protection, sustainability and IT solutions. 'This agreement is the beginning of a fruitful relation between the two entities,' said Jorge Barakat during the signature of the MoU.

During the twenty-fifth session of the Logistics Cabinet Meeting, in June, an Interinstitutional Cooperation Agreement between the AMP and the Panama Canal Authority (ACP), for the development and implementation of the Unique Maritime Window System of the Republic of Panama (VUMPA – its acronym in Spanish).

The VUMPA project, launched by the Maritime Authority of Panama, through



Administrator Jorge Barakat visits MSC in Geneva, 2017

the Directorate-General of Maritime Ports and Ancillary Industries, complies with the Convention to Facilitate International Maritime Traffic (FAL-65), through an initiative made up of those institutions, the Customs Authority, ANA, the National Migration Service, SNM, the Panamanian Authority for Food Safety, AUPSA, the Ministry of Health, MINSAL, the Ministry of Agricultural Development, MIDA, and the Panama Canal Authority which serve as information receiving entity.

This initiative, which constitutes a significant advance in commercial matters, aimed at the implementation of more efficient services for the user, is intended to facilitate maritime transport by simplifying and minimising paperwork, documents and formalities related to arrival, stay in port and departure of the ships that make international trips, through Panama's jurisdictional waters.

'The VUMPA will streamline the processes of ships when going to port operations; as well as for the country, by adding a higher quality to the service that is currently provided from Panama, increasing the competitiveness of our ports, contributing to build a unified country image in logistics and with this reaffirming Panama's position as a logistics platform for the Americas,' said Barakat.

With the adoption of this system, the Panama Maritime Authority has ratified its commitment to the new demands and responsibilities arising from international maritime standards and agreements adopted by the International Maritime Organization (IMO), particularly in relation to the facilitation of international shipping. Likewise, it reaffirms the work carried out by the AMP in favour of the optimisation and modernisation process, with the primary purpose of facilitating operational processes through the development of new technologies and boosting the competitiveness of Panama's port system.

The scope of the project covers four phases respectively, and the first phase, called 'Process of formalities for the arrival and departure of ships' is under way with a VUMPA portal to be launched for users in September.



*Fernando Solorzano, director of merchant marine and head of the Ship Registry*

More than any of his predecessors, Barakat has understood the importance of signing co-operations agreements with other maritime administrations and opening new markets for the domestic maritime sector and seafarers formed at Panama's Maritime University, amongst others. With the same spirit, he has established a strong collaboration with international organisations aiming at closer relationships with the maritime administrations of the US, Europe and Asia, making sure that they would benefit from each other, with particular emphasis on Panama's collaboration with the IMO where the country is the largest contributor.

The International Maritime University of Panama (UMIP) has been selected by the IMO to host the regional Maritime Technology Cooperation Centre (MTCC) for the Latin America region. MTCC-Latin America joins MTCCs in Africa, Asia and the Caribbean under the Global MTTC Network (GMN) project, funded by the European Union and implemented by IMO.

The project will help mitigate the harmful effects of climate change. Under the Global MTTC Network (GMN) project, UMIP will host MTCC-Latin America. The selection of UMIP followed a competitive international tendering process.

UMIP joins the already designated-MTCCs in Africa, Asia and the Caribbean. In February, IMO announced that Jomo Kenyatta University of Agriculture and Technology (JKUAT) will host MTCC-Africa. In December 2016, IMO announced that Shanghai Maritime University in China will host MTCC-Asia, while the University of

Trinidad and Tobago will host MTCC-Caribbean. One further MTCC will be established in the Pacific, to form a global network of five centres.

The regional MTCCs will deliver the agreed project milestones over a three-year period, making a significant contribution to IMO's continuing, widespread efforts to ensure effective implementation and enforcement of the global energy-efficiency regulations for international shipping.

The MTCCs will receive allocations from the €10m European Union funding for the project. They will be established and resourced to become regional centres of excellence, providing leadership in promoting ship energy-efficiency technologies and operations, and the reduction of harmful emissions from ships.

The AMP has also been working in association with Panama Chamber of Shipping on the construction of a pier, on the Pacific entrance of waterway, near Amador, for maritime auxiliary services. The project, in draft by several previous administrations, is finally coming to happy ending. The creation of a concept that meets current needs and that, under the administration of the AMP, for those entrepreneurs fulfilling their obligations and having operating licenses granted by the AMP, will become an important tool for doing business.

This modern pier, whose cost is \$5.67m, will be built over a period of six months. The Panamanian company 'Consorcio Marítimo Inzelve' was awarded the contract and the construction has already begun. It will offer the same service for up to four ships simultaneously, two load-ships and two passenger-ships, and will include warehouses, cranes, monitored 24-hours-a-day, as well as controls and services of infrastructure in this category, in addition to the inclusion of offices, warehouses and facilities.

The new pier, located in a strategic point, very close to the Bridge of the Americas, 'will act as a means to optimise the competitiveness demanded by the maritime industry and routed to our country on track to be the number one auxiliary maritime services,' comments the AMP administrator. ■

# Panama has launched the world's largest Vessel Monitoring Centre.

## And it's powered by Pole Star.

We're setting new standards in excellence for maritime administrations. Keep up-to-date with increasing safety and compliance requirements, all within one powerful platform. Visit our website to learn more.

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The Ship Registry's Panama team



The world's largest ship registry

# A year of celebrations

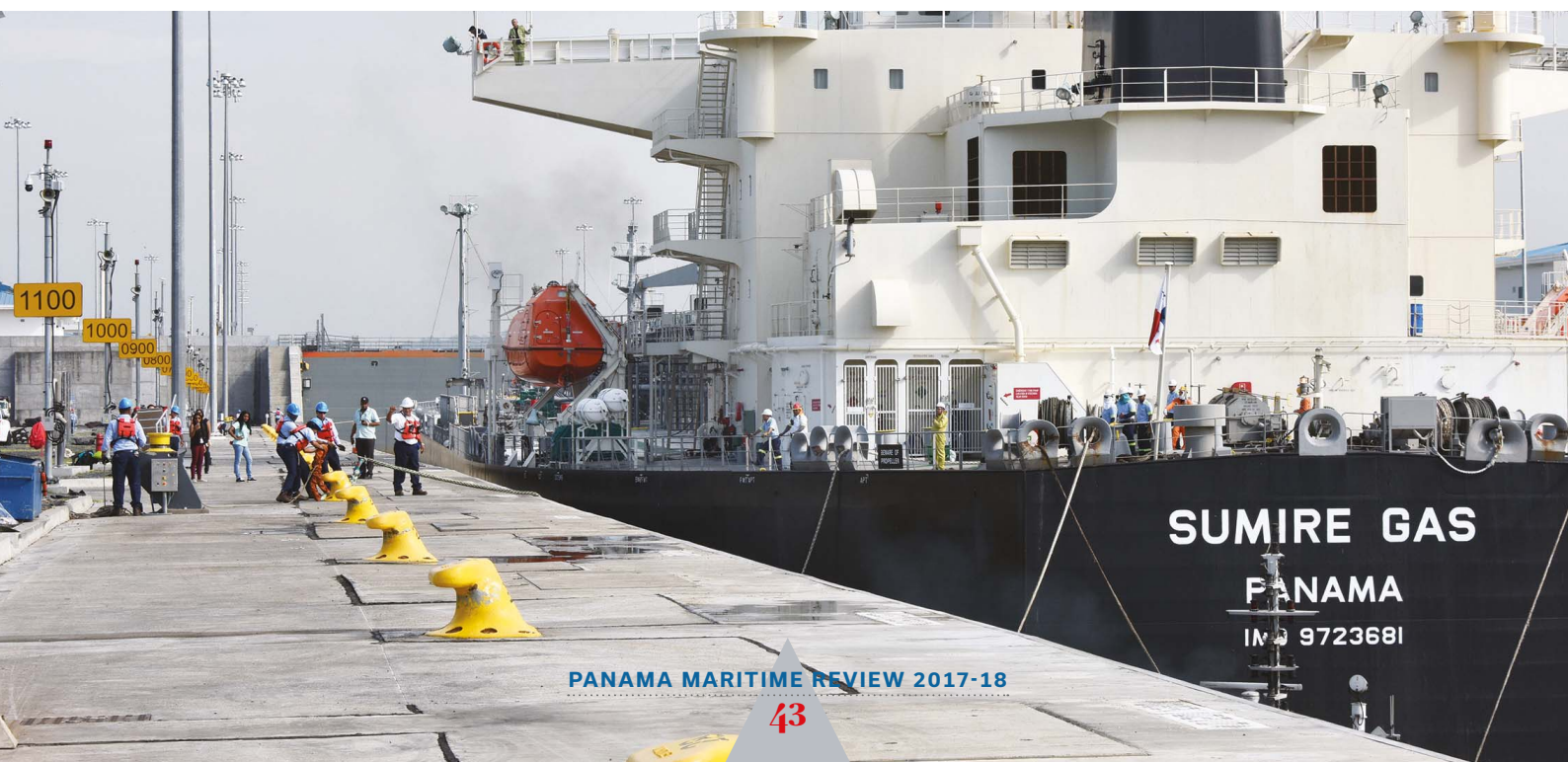
This year has been a time for celebrations for the Panama Ship Registry as it celebrated its centenary. Panama was a young 15 year-old independent nation when the government enacted law 63 of December 15, 1917, creating the register of ships. It is very unlikely that politicians of that time ever imagined it would become, a century later, the world's largest international registry, but the broad sense of the legislation made possible over the years the transformation into the register of today.

Much has passed since the Belen Quezada was registered in Panama back in 1919

for the infamous purpose of bypassing the 'Prohibition' in order to transport, lawfully, Canadian whiskey. It is no secret that the ship registry was used by many for similar purposes such is the case when reference is generally made to the Resolute and Reliance. However, it is not widely known that the ship registry also served vessels engaged in short sea shipping in Central American trade, or that it provided a 'safe haven' for oil companies in danger of having their ships seized during World War II, or that under the flag vessels transported goods and aid to Europe during the same war, amongst others. So, from a shameful beginning to facilitating a

neutral flag for vessels to register into, from rust bucket to quality register, the Panama Ship Registry has come a long way.

'It is the ship registry that turns the word 'Panama' into a household name in the maritime sector since its inception. For a century our flag has been flying over the high seas on vessels whose owners, operators and seafarers are usually non-Panamanians but have made our national emblem their own,' said President Juan Carlos Varela in his message for the 100th anniversary of the registry. 'This responsibility has made Panama a leader in the ratification, implementation and





L-R: Arsenio Fernandez, then-Panama Ambassador to the IMO; Fernando Solorzano, head of Panama Ship Registry, Kitac Lim, IMO Secretary-general; Jorge Barakat, AMP administrator and IMO Legal Affairs director Frederic Kennedy

compliance of the major international maritime conventions, even before we became the world's largest ship registry by tonnage and numbers of vessels almost 25 years ago, in 1993,' he added.

Today, the Ship registry continues as a leader of the world's merchant marine with 8,095 vessels, over 100gt and 219.7m gt at July 2017, slightly down from 8,094 vessels and 222m gt at end-December 2016, according to IHS-Lloyd Register. Panama's merchant marine represents 17.1% of the world's fleet at end-June, 2017 and the age of the fleet remains at 16 years.

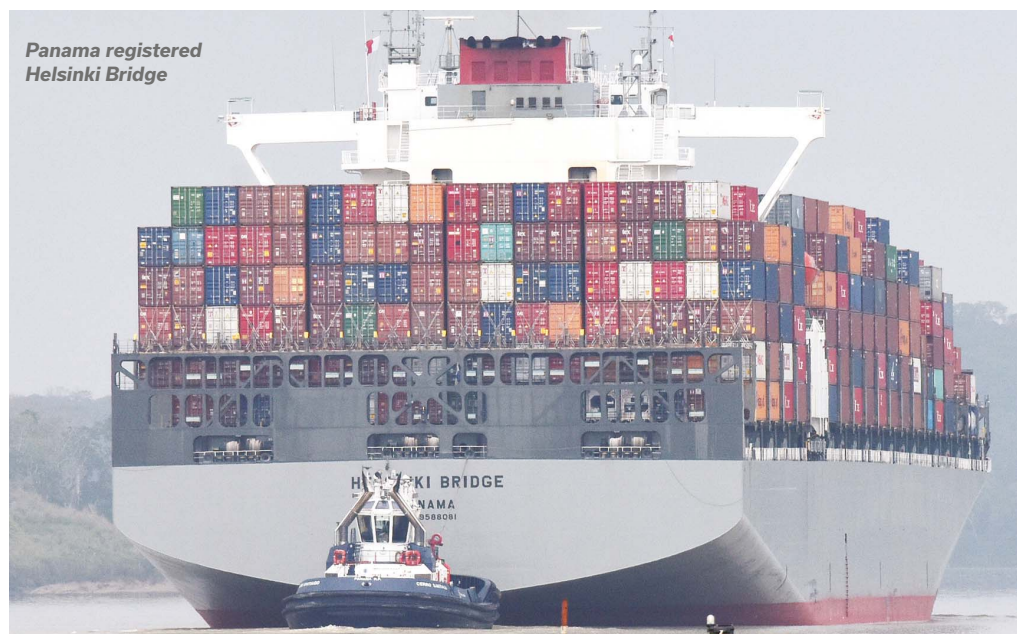
According to Panama's Merchant Marine statistics department, the participation at June 2017, of vessels less than five years of age were 1,272 vessels, representing 48.8m gt and 22% of Panama's fleet. The 2,596 vessels range from 6-10 years of age with a total tonnage of 93.7m gt and 43% of the fleet at June 2017. The main users of the Registry are Japan 30.1%, Korea 11.1%, Switzerland 8% and Greece with 6.1%.

The Panama Ship Registry is an important contributor to the national economy bringing directly around \$160m in fees and taxes, and indirectly some \$250m to the economy, including the legal sector which is one of its main beneficiaries. It is also the flag with the highest number of seafarers, over 629,000 seafarers' worldwide (at mid-2017) which hold Panama competency licence to date, the largest manpower registry globally.

The Panama Maritime Authority (AMP) has new offices for SEGUMAR (Segumar is the acronym for Seguridad Maritima – Safety at Sea). Segumar offers technical support and a 24/7 service (all year round) in Ibamari, home of Japan's leading maritime cluster and in Istanbul Turkey and Miami US, that has replaced the New York office. Segumar has also offices in Piraeus, Busan, Seoul, Singapore and Tokyo with the Segumar-Panama office having the largest number of employees. All these offices are staffed with technicians speaking the language of the country and, as such, able to reply promptly to any eventual technical problems. 'At the end of 2017 we will be providing these same services in Manila, London, Houston and Dubai,' said AMP's general director of

Merchant Marine and head of the Ship Registry, Fernando Solorzano.

Panama's decision last June to open diplomatic relations with China, which had been in the pipeline for decades, offers for the maritime sector and the Ship Registry in particular many opportunities. The new relations will allow the signing of a bi-lateral Agreement on merchant marine so that Panama could enjoy the most favoured nation status that would give Panama-flagged vessels the advantages of lower port costs applicable to other States which have similar agreements with China, says Panama's minister of maritime affairs and AMP administrator, Jorge Barakat. It will include Panama in the list of



co-operative countries and promote the competitiveness of the Ship Registry.

Another benefit will be the opening of Consulates and merchant marine offices in Shanghai, Guangzhou and Dalian and change the Hong Kong's commercial office into a consulate. The future Consulates in China will register all maritime services including naval mortgages and property titles. Now with diplomatic relations, Panama will qualify for establishing technical offices in China for the control of maritime safety and navigation of its vessels, which will strengthen the quality of the fleet.

This year has been very productive for the Registry as the Seafarers Automated Application (SAA) has been implemented and the system that was manual until now, has been suspended. 'SAA is the technological platform that allows access online, 24/7, with the emissions of seafarers documents in short time with transparency, following standards established in the STCW'78, amended, which confirms that the maritime administration complies with the international standards of training and certification for the more than 600,000 seafarers worldwide,' says Magdalena Carrera, AMP's general director of

Seafarers. The platform is operated in 34 consulates which manage 80% of volume of procedure of seafarers and provide a better control and monitoring of documents issued by the consulates and regional centres. This electronic certificate will maintain the security measures required to ensure their validity. By end of September 2017, an update in the programme of the platform will have been set, which may simplify and make easier the evaluation and procedure of seafarers.

'One of our main goals as a Ship Registry is to issue 'Electronic Certificates' in full, it means that through this new

## Panama hosts the world's largest Vessel Monitoring Centre

The world's largest Ship Registry, Panama Maritime Authority (AMP) in conjunction with Pole Star Space Applications have deployed what is widely considered to be the world's largest vessel monitoring centre, managing over 8,000 SOLAS class vessels. Pole Star currently provides Maritime Domain Awareness (MDA) services to 46 nations.

In addition to the provision of a fully out-sourced Long Range Identification and Tracking (LRIT) System, Pole Star will provide non-SOLAS vessel monitoring, Vessel Vetting, Sanctions Compliance, Port Risk Mitigation and Ship Security Alert Service (SSAS) Management of the fleet. The new vessel monitoring centre will be based in Panama City and manned by trained staff on a 24 x 7 x 365 basis.

Panama is the first flag state to implement such a broad range of Maritime Domain Awareness (MDA) capabilities under a single platform. This new standard of excellence clearly sets a precedent for other flag states who will wish to keep up-to-date with increasing safety and compliance requirements for their fleet.

The AMP currently has full LRIT compliance and has indicated the need to increase their maritime safety capabilities system by extending the safety and security scope of their current system. The new system will incorporate similar MDA tools for the Non-SOLAS vessels operating within the Panamanian territorial waters, including small fishing, leisure vessels, service vessels, commercial and industrial fishing vessels, fuel transfer vessels, and vessels operating within maritime concessions.

Additionally, the Panama flag will be the first flag state to implement a comprehensive and Sanctions and Compliance system for all the vessels flying the Panama flag. The new Vessel Vetting system will also allow the flag's Port State officials to deploy a Port Risk Mitigation plan for all the country's ports. The system will alert the AMP of any vessel subject to existing sanctions and embargoes, and if the vessel carries any risks relating to terrorism, war zones, or infectious disease.

With approximately 90% of world trade transported by sea, and trade increasingly being used as a mechanism to

facilitate financial crime, it has increasingly come under the spotlight as a means of breaching sanctions regulations. Pole Star's sanctions screening solution was designed with and for financial institutions, and is being used by major banks and trade finance companies around the world to manage reputational risk, and to ensure regulatory compliance.

Pole Star's sanctions compliance system's Best of Breed ship-centric solution has received multiple FinTech and RegTech awards, such as the Monetary Authority Singapore (MAS) FinTech Award and Peer Choice Award at the Citi® Tech.

In terms of vessel security and piracy counter-measures, the AMP will also be deploying a real-time Ship Security and Alert (SSAS) platform where they can manage SSAS alerts, flag tests, and verify compliance with the ISPS Code.



John Ramsauer

'The Panama flag implementation clearly indicates that the global LRIT platform is stable; and leading flag states are starting to build upon its foundation to improve safety at sea for all its stakeholders. We fully expect that most quality-driven flag states will follow suit and commence similar implementations in terms of non-SOLAS vessels, and good governance in terms of compliance and vessel vetting, says John Ramsauer, director of global

operations at Pole Star. He adds that leading flags are already engaging with Pole Star to deploy similar technologies to maintain their competitive stance in what is a very turbulent ecosystem.

Pole Star Space Applications is a privately owned UK technology company that has been providing ship-centric monitoring, regulatory compliance & risk management services to the shipping industry since 1998. They have over 100 employees operating via a network of offices located in London, Panama, Boston, Hong Kong and Singapore. They are widely acknowledged as one of the leading providers of remote fleet monitoring, risk management, ship security, Long Range Identification and Tracking (LRIT) and fisheries monitoring services.

methodology no more courier payments, time to pick up the certificate or payment of duplicates, been no longer required from our users. And for sure, certificates might be printed on-board,' says Carrera.

Considering afore mentioned, the implementation of the BWMC has been the kick-start opportunity to achieve this goal, through the E-Segumar Application, and as well as in this way contribute with the paper-less culture. The certificates will not be delegated to the Recognised Organisations (ROs).

The certificates have validity and consistency with the format and content required by the relevant International Conventions or instrument. The certificates are protected from edits, modifications or revisions by other parties. They have a unique tracking number for verification purpose, as well as a printable and visible symbol confirming the source of issuance. 'Our first step to achieve this goal is the implementation of our platform E-Segumar Application,' says Solorzano. With the new platform e-segumar app, third parties intervention is not required; this will reduce as well any additional charge, unless the ship-owner or operator decided to use third parties in this process.

The current E-Certificates are: CLC 92, BWMP Approval, IBWMC and DMLC Part I. As part of the planning schedule more certificates will be added to the E-Segumar platform over the coming years.

Taking into account that the IACS recommendation No.75, on the

Format for Electronic Exchange and Standard Reports will allow the better processing of reports from Recognised Organisations in XML this will facilitate the electronic exchange of statutory data between IACS Member Societies and AMP, says AMP officials.

'As a leading ship registry we are working towards the commitment with the shipping industry to facilitate the communication among the ship, its owner, manager, the Port State Control Authorities, the class or RO, and our administration,' says Solorzano.

The AMP's General Directorate of Merchant Marine (DGMM) re-certification based on the ISO 9001:2008 Quality Management System was concluded satisfactorily in September by Lloyd's Register Quality Assurance Inc. (LRQA).

For the Ship Registry, obtaining this re-certification in the framework of its centennial is fundamental to carry on imposing new goals. 'We continue to prepare ourselves to face the quality audit within five months to be certified with the ISO 9001:2015 Quality Standard, which represents a great challenge for the Ship Registry in the arduous commitment to maintain ourselves and fulfil an excellent attention to our clients that conform the world's first ship register,' adds the head of the Registry, Fernando Solorzano.

Following a series of meetings that took place in Belgium and Portugal in 2016, the AMP administrator Jorge Barakat travelled to Belgium in September 2017

to formally initiate the recognition by the European Union, the certificates of competence issued by the AMP to Panamanian officials and mates. This marks a milestone for all Panamanian cadets and officers who will benefit through greater employment opportunities on European-flagged vessels and reiterates the commitment of the present administration for strengthening and promoting the maritime career at national and international level. This process will continue with a further technical visit to Panama by Belgium officials to verify the good practices implemented for the standards of competence, training, qualification and quality systems for seafarers in order to achieve a favourable result in the audit process with the European Maritime Safety Agency (EMSA, the English acronym) which assists the European Economic Member States on maritime safety and the prevention of pollution caused by ships to this end, ensures the correct application of European legislation and encourages cooperation between member states.

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWMC), adopted in 2004, came into force on September 8. Accordingly, all ships engaged in international maritime transport must carry out their ballast and sediment water management in accordance with the provisions of that Convention.

The AMP and the Ship Registry have created a specialised section to evaluate the technical documentation that



Maersk is also a large customer of the Ship Registry





Panama-flagged ships must carry on board, as evidence of faithful compliance with the International Convention.

As a result, the AMP determined that the definitive certification and approval of the Ballast Water Management Convention (BWMC) plans will be carried out by the General Directorate of Merchant Marine in the Segumar-Panama Department and 'considering the importance of the implementation of this Convention at the international level and compliance by the Panamanian merchant fleet, it is therefore necessary to delegate to our Recognised Organisations some of the tasks necessary to control and comply with the Convention's guidelines on board Panamanian flag vessels,' said the AMP.

Within these requirements it is possible to emphasise that the ships bigger than 400gt, are object of inspections with the purpose of verifying the faithful fulfilment with the requirements of the Convention.

The AMP has developed a web platform, which allows the approval of these plans and the issuance of certificates, which makes this process more comfortable and interactive for its clients; platform that has been in use since March 2017, with the main objective that the Panamanian merchant fleet obtained its Approvals and Certificates in time for the date of entry into force of the Convention.

With the implementation of this Convention, the AMP has taken the first steps towards the era of electronic navigation, these documents being the first electronic Certificates issued by the AMP. 'Currently, we have a special category of Circulars called 'BWMC' available on the website [www.segumar.com](http://www.segumar.com),

where our users can find updated information regarding the AMP's policy on the Convention for the Management of Ballast Water and Sediments of Ships,' explains Solorzano.

Standards for ballast water management will be gradually introduced over a given period of time and as an interim solution, ships must exchange ballast water on the high seas. Most ships will need to install a ballast water treatment system on board. With the Convention into force, all ships are now required to maintain a BWM management plan, and the procedures described shall be implemented. In addition, all ships will have to carry a 'Ballast Water Log Book' and must apply BWM procedures in accordance with the rules of the Convention. Existing ships will be required to be fitted with a ballast water treatment system, but after a phasing-in period. Parties to the Convention have the option of taking additional measures in accordance with the criteria set out in the Convention and the IMO guidelines.

The AMP published Resolution ADM No. 138-2017 of August 16, 2017, and in the Official Gazette No. 28358-A of September 5, 2017, the Regulations of the International Convention for the Control and Management of Ballast Water and the Sediments of Ships. 'With the resolution the AMP counts with a tool of importance for dealing with each of the circumstances, which according to our experience, we encounter as the first record of ships worldwide. We have held meetings with some entities related to the environmental issue, port managers and port concessionaires, in order to inform them about the progress made in this respect by this administration,' said Solorzano.

Another important aspect of international activity is the recent positive evaluation of Panama as a Cooperating State at the Tokyo MoU Meeting held in Vladivostok, Russia, as it marks the way for the audit to be carried out by the Panamanian Registry of Ships to be accepted the next year as a Member State of that body of inspection of maritime safety of ships in the Asia Pacific region.

It also highlights the recent evaluation by the Organisation for Economic Cooperation and Development (OECD), which level of the Forum on Pernicious Fiscal Practices held at that organisation's headquarters in Paris, France, in early September of 2017, declared 'Non Pernicious' the shipping regime of the Republic of Panama.

The term 'Non-Pernicious' refers to the fact that it poses no risk, nor is it detrimental to the tax or fiscal base of other countries, said Solorzano, who added that the Panama Ship Registry has illustrated the OECD through an evaluation that the Panama shipping system complies with the regulations of this Organisation.

The IMO celebrates each year the World Maritime Day where a topic is discussed through the whole year at different levels and events all over the globe. This year, the IMO has selected Panama to celebrate the World Maritime Day Parallel Event, which took place in Panama City from October 1 to October 3. The theme or topic for this year is 'Connecting Ships, Ports and People', very appropriate to highlight the contribution of Panama as a country to global trade. It was the occasion for the Ship Registry to celebrate its centennial. ■



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Manzanillo International Terminal



New alliances and acquisitions in the maritime sector

# Transshipment improving

**T**he global crisis of the shipping industry in 2016 took its toll on cargo volumes moved by Panamanian ports. The impact of the Canal expansion was slow to be seen and the crisis directly affected port activity, mainly transshipment, in Panama. But as figures would prove, shipping alliances were also slow to take advantage of the new locks. Many services were re-shuffled allowing liners to upgrade to Neopanamax vessels quite quickly and in 2017 the waterway began to transit much bigger vessels, even up to 14,000teu and in larger numbers than expected for the period. Nevertheless, last year was an *Annus Horribilis*, said most port operators in Panama.

After a disappointing performance in 2016, that saw containerised cargo volumes falling by 9.1% to 6.26m teu, Panama's port activity rebounded during the first six months of 2017 growing by 13.4% to 3.41m teu, up from 3.1m teu compared to the same period in 2016. All the terminals registered decreases in box volumes last year, some even by double digit.

At Manzanillo International Terminal (MIT) volume fell in 2016 by 7.3% to 1,831,595teu down from 1,974,981teu the year before, recording the second year the Atlantic terminal would not pass the 2m teu milestone it regularly registered in 2014 and 2013. Evergreen's Colon Container Terminal (CCT), also located on the Atlantic side, saw its volume decreased by 19.9% to 632,845teu, after having posted a double digit growth of 57.1% with 789,663teu in

## After a disappointing performance in 2016, Panama's port activity rebounded during the first six months of 2017

2015. Cristobal, at the Atlantic entrance of the Panama Canal and administrated by Panama Ports Company (PPC) saw a slight decrease of 2.3% to 793,941teu.

On the Pacific side, PPC's Balboa registered a fall in volume of 8% to 2,831,893teu down from 3,078,101teu in 2015 while PSA-Panama volume fell by 26.9% to 157,967teu. However, the PSA-Panama terminal was undergoing a \$450m-expansion while continuing operating the port.

'2017 will go down as a time of transition in the maritime business on a global level and above all with many changes in Latin America. New alliances and acquisitions in the maritime sector; new terminals opening and others in the process of completing expansion. Much of the competition for transshipment cargo will make the Chinese 'year of the rooster' very challenging,' said Carlos Urriola, president of SSA Marine International, parent company of Seattle-based Carrix.

The first six months of 2017 brought some comfort to port operators who all but one, recorded growth for the period.

CCT's volume grew by 18.9% to 323,700teu. 'Starting in May, we have four Neopanamax calling CCT on a weekly basis because CCT has become the port of call for the Ocean Alliance with the SAX service coming with 13,000teu vessels,' explains CCT gm Capt. Chang Yen-I. 'Our forecast is to reach over 700,000teu and maintain our growth as the second half of the year is the peak season.'

At MIT, volume increased by 9.6% to 934,978teu. 'New direct services linking MIT to the US has now made the US the leading origin and destination country for volume at MIT, with a 33% increase for inbound and a 20% increase for outbound transshipments,' says MIT gm Stacy Hatfield.

'Compared to the same period last year, cargo volume destined to Brazil from MIT has also doubled. Most of the volume growth in 2017 is directly linked to new Neopanamax services calling MIT, although not all of the upgraded services have resulted in extra volume due to a strong commercial effort, also local imports at MIT are growing at 35%.'

'Since May 2017, the increase has averaged only 2%, so there has been a noticeable growth slowdown. We do not anticipate a significant change in this trend, and we will likely finish the year with only marginal growth compared to 2016,' he adds.

Hutchison's Panama Ports Balboa has seen a slight growth of 2.7% to 1.47m teu but gained The Alliance and is expecting an increase of

## Manzanillo International Terminal (MIT)

Port activity registered a disappointing performance in 2016 with containerised cargo volumes falling and Manzanillo International Terminal (MIT) was no exception with a decrease of 7.5% to 1,851,595 teu down from 1,874,981 teu a year ago. But as soon as 2017 began, volumes picked up increasing by 9.6% to 934,978 teu compared to the same period the year before.

'New direct services linking MIT to the United States have now made the US the leading origin and destination country for volume at MIT (in 2017), with a 55% increase for inbound and a 20% increase for outbound transshipments,' says MIT gm Stacy Hatfield.

Manzanillo International Terminal (MIT), a joint venture between SSA Marine, the world's largest privately-owned port operator and a group of Panamanian investors, is a pioneer in container transshipment in Panama having started operations in 1995 as a green field project.

Finally, the Canal expansion is making impact on port operations that have seen Neopanamax and even Super-Neopanamax vessels calling the Panamanian terminals.

'Compared to the same period last year, cargo volumes destined to Brazil from MIT, have also doubled. Most of the volume growth in 2017 is directly linked to new Neopanamax services calling MIT, although not all of the upgraded services have resulted in extra volume due to a strong commercial effort and also local imports at MIT growing at 55%,' he says.

MIT received its first Neopanamax vessel 1 July 2016, shortly after the inauguration of the Canal expansion. 'We are currently working five Neopanamax calls per week, with the largest vessels having a capacity of 10,589 teu. MIT is operating at only about 55% of our throughput capacity, so we can handle significantly more volume. The 6 ASCs that were commissioned in late 2014 have proven to be very effective in the efficient handling of cargo, and certainly the ability to



MIT saw an increase in volume of 9.6% (934,978 teu) in 2017

increase container yard density in the automated rows has been advantageous for us.'

'Although our year to date volumes through July, are up by 7% compared to last year, most of this increase took place during the first four months of 2017. Since May, the increase has averaged only 2%, so there has been a noticeable slowdown in growth. We do not anticipate a significant change in this trend, and we will likely finish the year with only marginal growth compared to 2016,' he adds.

'The recent alliances' shakeup is one of the factors changing the fundamentals for terminal operators. You also have recent/upcoming merger and acquisitions (including the Maersk Line/Hamburg Sud and MOL/NYK/"K" Line) and the trend of carriers seeking and taking equity stakes into transshipment hubs,' comments Hatfield.

The first phase of MIT's expansion plan is now completed, with an increase in capacity to 5.5m teu. This phase included an additional 595mtr Neopanamax-berth equipped with four new Super-Post-Panamax cranes. New ro-ro dolphins that can accommodate two ro-ro vessels simultaneously have also been added. During 2014, MIT was the first port in Latin America to receive Automatic Stacking Cranes (ASCs); all six of these cranes have since been commissioned and placed into operation. The performance of MIT's new automated cargo gate, combined with the ASCs has been very good.



Stacy Hatfield

its volume in the next few months, while Cristobal grew by 78.8% to 629,018 teu thanks to transshipment re-location from the Caribbean repairing its terminals after last years devastating hurricane.

'We are seeing a lot of changes in the networks, higher tonnage is being deployed in the region and more competitors are planning to tackle the same markets. My forecast is that competition in the WCSA will get tougher when the carriers that don't have important market share, decide to enter into those markets. Transshipment hubs are under a lot of pressure due to mergers and new alliances,' says PPC

commercial director Edgar Pineda.

'It is likely that cargo volumes will be flat for 2017 in Panama. We see less transshipment from Asia but an explosive growth of reefer from South America,' says PPC ceo Paul Wallace.

In 2017, PSA Panama International Terminal registered a double digit decrease of 48.4% to 47,130 teu mostly due to the construction of its \$450m



Edgar Pineda

expansion that should be completed by year-end with capacity up to 2m teu, three berths, and 16.3mtr draught ready for mega vessels, in addition to 11 quay cranes and 42ha-terminal area.

On the Atlantic side, Evergreen's Colon Container Terminal has completed its expansion and built the new Berth No.4, the terminal will continue with the next stage of its planned expansion programme. On completion, this will enable the terminal to handle two large vessels of 12-14,000 teu simultaneously. The terminal is expecting to have six Super-Post-Panamax cranes by early 2018 increasing capacity to 2.4m teu.

The inauguration of the expanded Panama Canal has been profitable for all the terminals 'as we now receive regularly Neopanamax on a weekly basis and with 13-14,000teu capacity,' says Capt. Chang.

On July 9, 2016, the Ever Lambent – a 8,452teu containership owned by the Evergreen Group – passed through the expanded Panama Canal, the first Neopanamax to dock at CCT as she was deployed on the NUE service, which serves Qingdao, Ningbo, Shanghai, Coco Solo (Colon Container Terminal), Savannah, Charleston, Baltimore and New York. The transit marked a new era for Evergreen Line's all-water services connecting the Far East with the US east coast. The vessel was not only Evergreen's first large containership to pass through Panama Canal's third set of locks, but also the first Taiwanese-operated cargo ship over 100,000dwt to transit the expanded Canal.

The Ocean Alliance (Cosco, CMA-CGM, OOCL and Evergreen) is calling CCT on a weekly basis with four Neopanamax coming from the Far East. The services include SAX (13,000teu-vessels) that return through the Suez Canal, AUE, NUE

going from the US East Coast to the US West Coast, with two vessels. 'So far the new alliances are working pretty good, and offer a better service to customers,' says Capt. Chang. 'Shipping lines could see profits this year,' he adds. 'We are optimistic because we may add another service from Europe by the end of the 2017.'

CCT is also developing 32 hectares of land adjacent to the terminal into a sizeable logistics park. Expected to be completed soon, the new facility will connect with the terminal operation with the aim of providing seamless, efficient logistic services for customers.

CCT specialises in handling containers, general cargo and rolling stock for a fast and efficient transshipment, providing custom-made services to all shipping lines with gatehouse with governmental offices of Customs, AUPSA and Quarantine, and an adjacent rail intermodal connection served by Panama Canal Railway Company and 984 reefer plugs.

Also located at the Atlantic entrance of the Canal is Cristobal, administrated by PPC a subsidiary of Hong Kong-

based Hutchison Ports Holdings, which was revamped with 13 STS cranes and 47 RTGs as part of its expansion that doubled its capacity to 2m teu.

At the moment, cargo volumes got a boost because Cristobal serves as an alternate terminal while some Caribbean ports continue their re-construction following a devastating hurricane last year that toppled down most of Kingston's quay cranes.

On the Atlantic side, in Colon's Manzanillo Bay, Manzanillo International Terminal (MIT), a jv between the world's largest privately-owned port operator and Seattle-based SSA Marine and a group of Panamanian investors, has completed the first phase of its expansion plan, with an increase in capacity to 3.5m teu. This phase includes an additional 395mtr Post-Panamax- berth equipped with four new Super-Post-Panamax cranes. New ro-ro dolphins that can accommodate two ro-ro vessels simultaneously have also been added.

During 2014, MIT was the first port in Latin America to receive Automatic

## Colon Container Terminal (CCT)

The inauguration of the expanded Canal has been good for all terminals in Panama as volumes began to rebound the following year in 2017. At Colon Container Terminal (CCT), on the Atlantic side, like all the other Panamanian ports, volumes decreased by 19.9% to 652,845teu. 'Last year (2016) was a terrible year for the maritime sector in general but containerised cargo grew by 18% during the first half of 2017,' says CCT President Capt. Chang Yen-I.

CCT, which is owned by Taiwan's Evergreen Group, saw volume grow by 18.9% to 525,700teu. 'Since the beginning of May, we have four Neopanamax calling CCT on a weekly basis because CCT has become the port of call for the Ocean Alliance with the SAX service coming with 15,000teu vessels,' he explains.

The Ocean Alliance is formed by Cosco, CMA-CGM, OOCL and Evergreen and is a weekly service with four vessels coming from the Far East and has integrated the services SAX, AUE and NUE. 'So far the Ocean Alliance is working well and offers better service to the customers,' he says.

'Our forecast is to reach over 700,000teu in 2017 and maintains our growth as the second half of the year is the peak season.'



**Capt. Chang Yen-I**



**CCT is developing 32 hectares of land into a logistics park**

And there is the possibility to welcome another service from Europe before the end of this year.

In light of the demand for increased terminal capacity to handle larger vessels following the completion of the Panama Canal's expansion programme, Evergreen's CCT has built the new Berth No.4 and the terminal has continued with the next stage of a planned expansion programme. The construction, which has been awarded to CHEC, will enable the terminal to handle two large vessels of 12-14,000teu simultaneously. The terminal is expecting to have six Super-Post-Panamax cranes by end 2017 increasing capacity to 2.4m teu.

CCT is also developing 32 hectares of land adjacent to the terminal into a sizeable logistics park. Expected to be completed in two years, the new facility will connect with the terminal operation with the aim of providing seamless, efficient logistic services for customers.

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## PSA Panama International Terminal (PSA Panama)

PSA Panama International Terminal (PSA Panama) will inaugurate early 2018 its \$450m-expansion that will raise its capacity to 2m teu up from 450,000teu and will be ready for mega-vessels since draught has been brought to -16.5mtr. In total the terminal will feature 11 STS cranes with a 42 hectare terminal area. All civil works will conclude by end 2017.

'The expansion of the Panama Canal was expected to bring a boost for transshipment but the market is still in flux. The alliances are reshaping services and merger-related integration is still ongoing,' says PSA's head of Latin America Enno Koll. 'In transshipment, more will depend on the individual shipping lines. Their needs will play a key role in determining which ports are successful.'

'We are positive for the long term, because of Panama's location. On the Pacific side, PSA's expansion creates sufficient capacity for the next 5-7 years.'

Timing seemed perfect two years ago, to start construction when global economy was slowing down and the shipping industry sailing through difficult waters; works have continued at good pace in spite of loading and unloading cargo regular operations at the terminal.

The new terminal will have 11 quay cranes with a maximum outreach of 24 rows and over 1.1km of berth length. In addition to the eight new quay cranes, the terminal will feature 12 rail mounted gantry cranes (RMGs), nine rubber tyre gantry cranes (RTGs), 52 prime movers and three empty container handlers.

PSA Panama, a subsidiary of PSA International, started operations in December 2010. The terminal, like other ports



\$450m expansion to inaugurate early 2018

in Panama has suffered from a reduction of cargo volumes in 2016, a phenomenon felt by all Panamanian terminals and PSA Panama was no exception with cargo volumes falling 26.9% to 137,967teu. In 2017, PSA Panama registered a further decrease, mostly due to the construction of its expansion that should be completed by year-end.

Although the Panama Canal inaugurated its third set of locks on June 26, 2016 allowing Neopanamax vessels to transit the waterway, shipping lines have re-shuffled services as well as mergers and acquisitions have changed, at least for the moment, many services calling Panama.

PSA Panama's expansion will offer the Neopanamax vessels transiting the Canal a new terminal with ample facilities and connections.

Stacking Cranes (ASC's) becoming the first Latin American port to be automated; all six of these cranes have since been commissioned and placed into operation. The performance of MIT's new automated cargo gate, combined with the ASC's has been very good. Vessel production has also improved since 2015, with the highest averages since 2007. 'This is mainly the result of improved processes such as the terminal automation and our employees' remarkable teamwork,' comments MIT gm Stacy Hatfield.

'MIT received its first Neopanamax vessel on 1 July 2016 with MOL Benefactor, shortly after the inauguration of the Canal expansion. We are currently (at August 2017) working five Neopanamax calls per week, with the largest vessels having a capacity of 10,589teu. MIT is operating at only about 55% of our throughput capacity, so we can handle significantly more volume, says Hatfield. 'The 6 ASCs that were commissioned in

late 2014 have proven to be very effective in the efficient handling of cargo, and certainly the ability to increase container yard density in the automated rows has been advantageous for us.'

'The recent alliances' shakeup is one of the factors changing the fundamentals for terminal operators. You also have recent/upcoming merger and acquisitions (including the Maersk Line/Hamburg Sud and MOL/NYK/"K" line) and the trend of carriers seeking and taking equity stakes into transshipment hubs. It's difficult to forecast short or med-term impact other than the fact that there will be more downward pressure on rates for services rendered to ocean carriers (including stevedoring/terminal service rates), and a need to implement newer technology to gain efficiencies and differentiation,' adds Hatfield.

PPC, that administers the ports of Balboa on the Pacific side and Cristobal on the

Atlantic side, has invested over \$1.5bn to increase capacity on both terminals. The 50 hectare-expansion of PPC facilities has included extending the container yard to 63 hectares and Balboa piers to 1,900 metres of quays with 27 STS cranes, the biggest carnage in Latin America. PPC employs more than 4,200 people, 99.9% of them Panamanians and moved in the first six months of 2017 an average of 45% in Balboa only and an average of 18%-20% in Cristobal, of all container cargo in the country and thus is a leader in the port activity.

Balboa, the jewel of Panama Ports is Latin America's most craned terminal with 27 STS and 83 yard RTG cranes, all of which are electrified to prove PPC commitment to a green and sustainable environmental footprint.

'Asian carriers have increased their shares of South and Central American business thanks to the many alliances now

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existing. Bigger ships mean that we can now deploy more cranes so we can unload vessels much faster and therefore have no more congestion in Balboa,' comments PPC ceo Paul Wallace. 'There is now a phenomenon of bigger vessels coming simultaneously and all demanding cranes at the same time. That where we find it very useful to be the most-craned terminal in Latin America.'

'We are doing a lot of 'hot' transshipment with bigger reefer vessels from South America to Chile, Ecuador and Peru. That's where we are growing. Business is changing very quickly.'

Before the inauguration of the Canal expansion Balboa was the first terminal in Panama to regularly welcome Neopanamax vessels with services transshipping cargo for the West South American coast.

'Moreover, we are one of the most efficient ports and through continuous investment in equipment and process, can still accommodate significantly greater volume and additional berth windows at our existing facility. In that, there is little need for additional smaller, fragmented ports on the canal – carriers increasingly require large, efficient hubs to serve their

complex networks. Mega vessels cannot 'milk round' and regional connectivity, especially reefer trades need speed of transit, we serve that market very well,' Wallace says.

Balboa receives Maersk Line: calling 12 times a week with full WCSA feeder service network from Balboa, including three Asia-Balboa services and one 2M service; MSC: calling nine times per week at Balboa in share services with multiple lines, with specially Hapag Lloyd; CMA-CGM Group: calling in slot agreement with MSK, MSC, THEA, including services connecting Far East-

**Panama Ports Company (PPC)**

'It is likely that cargo volumes will be flat this year (2017) in Panama Pacific ports. We see far less transshipment from Asia, as a greater percentage of cargo stays on larger, upgraded vessels able to transit the Panama Canal, but an explosive growth of reefer from South America, which will end the year almost box for box the same as last year, there is no overall growth' says Panama Ports Company (PPC) ceo Paul Wallace.

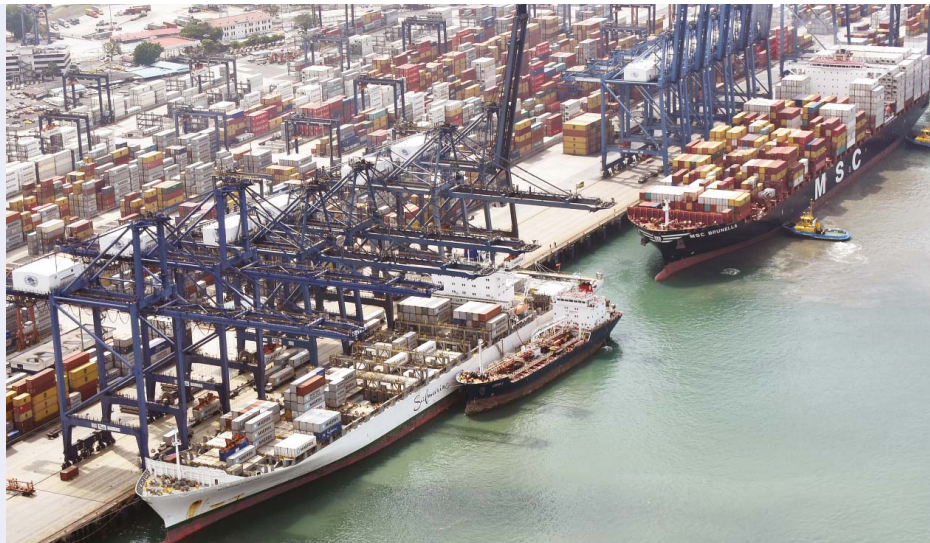
Like most of Panama terminals in 2016, PPC, a subsidiary of Hong Kong-based Hutchison Ports Holdings that administers the ports of Balboa, on the Pacific side and Cristobal at the Atlantic entrance of the Panama Canal, saw volumes decreased at Balboa by 8% to 2,851,895teu and Cristobal by 2.3% to 793,941teu. However, during the first half of 2017, volumes rebounded at Balboa that registered a growth of 2.7% to 1.47m teu but gained The Alliance and is expecting an increase of its volume in the next few months. Containerised cargo grew by 78.8% to 629,018teu at Cristobal, on the Atlantic side thanks to transshipment re-location from the Caribbean repairing its terminals after last year devastating earthquake. 'My forecast for 2017 is to move 3m teu at Balboa and 1.2m teu in Cristobal,' says Wallace.

During the nearly 20 years of its concession PPC has re-invested over \$1.5bn to adequate both terminals to its customers' needs, doubling capacity to 3m teu in Balboa and 2m teu in Cristobal.

The 30 hectare-expansion of PPC facilities has included extending the container yard to 63 hectares and Balboa piers to 1,900 metres of quays with 25 STS cranes, the biggest carnage in Latin America while Cristobal was revamped with 13 STS cranes 47 RTGs. PPC employs more than 4,200 people, 99.9% of them Panamanians and moved in the first six months of 2017 an average of 43% in Balboa only, and an average of 18%-20% in Cristobal, of all container cargo in the country and thus is a leader in the port activity.



**Paul Wallace**



**We are doing a lot of 'hot' transshipment with bigger reefer vessels**

'Asian carriers have increased their shares of South and Central American business thanks to the many alliances now existing. Bigger ships mean that we can now deploy more cranes so we can unload vessels much faster and therefore have no more congestion in Balboa,' comments Wallace. 'There is now a phenomenon of bigger vessels coming simultaneously and all demanding cranes at the same time. That where I find very useful to be the most-craned terminal in Latin America.'

'We are doing a lot of 'hot' transshipment with bigger reefer vessels from South America to Chile, Ecuador and Peru. That's where we are growing. Business is changing very quickly.'

Panama Ports was the first terminal in Panama to regularly welcome Neopanamax vessels with services transshipping cargo headed for the West Coast South US.

'Currently, at PPC we have nine Neopanamax services calling Balboa and three in Cristobal. At Balboa we have two services under the AC network from Maersk connecting Far East-Mexico-West Coast South US, which are AC2 & AC5. An additional five Neopanamaxes from MSC, which are ANDES SB, AZTEC NB, AZTEC SB, that serves Far East-Mexico-West Coast South US and the recent merger SAWC-US-NWC NB and SAWC-USA-NWC SB, which connects West Coast South US with the Caribbean and Europe.'

## Panama Colon Container Port (PCCP)

The construction of a \$1.1bn-2.5m teu box terminal on the Atlantic coast, in Margarita Island, in addition to a \$800m LNG reception and regasification terminal and Gas to Power Project in Bahia Las Minas will be the first direct investments made by Chinese companies in Panama.

President Juan Carlos Varela took the shovel for the break down ceremony June 8, 2017, of the Panama Colon Container Port in presence of high dignitaries of the Chinese companies and Panamanian officials. The future Margarita new container terminal, capable of servicing Neopanamax vessels, reaffirms the confidence of foreign companies in the economic stability of this country, President Juan Carlos Varela said on the occasion.

The Margarita's Panama Colon Container Port (PCCP) is an investment of Landbridge Group and its partners and consists of three berths totalling 1.2km with a draught of 18mtr, which will be built by China Communications Construction Company Limited (CCCC) and the design of the piers by Beijing-based Port Design Institute (PDI). Two of the three berths will have capacity to receive Super-Neopanamax vessels and the third berth for Neopanamax and multipurpose ships. PCCP has a 20-year-concession renewable for 27 hectares where the terminal and container yard will be built.

Pre-selections of the sub-contractors and tenders are put in place at the moment before proceeding at the commencement of the works, says PCCP general manager Zhang Liang.

Landbridge acquired the Port of Darwin in Australia's Northern Territory. The AUS\$506m- lease guaranteed Landbridge control of the port for the coming 100 years.

In Bahia Las Minas, the gas project consists of the construction, installation and operation of a plant that will use natural gas, and the installation of a reception and regasification terminal for liquefied natural gas (LNG). The PERA Energy Park is developed by Shanghai-based Gorgeous Group in joint venture with a Panamanian company and though it owns around 100 hectares of land, the project is to use partially a first lot of 10



R-L: Kang Xuezheng, Chairman of CCCC Dredging Group; Wang Weihua, Permanent Representative of Chinese Embassy in Panama; Ye Cheng, Chairman of LandBridge Group; Juan Carlos Varela Rodríguez, President of Panama; Jorge Barakat Pitty, Minister of maritime affairs; Ko Tin Kowk, Chairman of Shanghai Gorgeous Investment Co. Ltd and Zhang Liang, ceo of Panama Colon Container Port. Inc.

hectares where will be built a 420MGW power plant, and a floating story-unit-jetty to dock the LNG vessels.

'The Environmental Impact Study for the 'Gas to Power' project is still in the process of approval and evaluation by Panama's environmental authority,' said Zhang. The construction of the jetty will require a lot of dredging for the access channel and along the jetty around 1.5km from -11mtr to -15mtr. 'We are in the process of defining which company will do the engineering, procurement and construction (EPC) which at its turn, will subcontract the different phases of the project,' he explains. Once given the environmental approval, 'we are ready to begin the site development, access roads and other constructions.'

The terminal will not only supply natural gas to PERA thermoelectric plant that will be located in the Energy Park, but also to other users such as other generation plants, urea fertilizer factory, and others, comments Zhang. There is also another potential business in providing LNG to the vessels transiting the Panama Canal, which have been modified to use LNG as fuel. 'We are seeing more and more the tendency to use LNG as fuel, because it is clean and the fuel of the future,' he added.

WCSA, USEC with ASIA and WCNA with North of Europe; Hapag Lloyd: currently arriving in THEA services and slot agreement with MSK/MSK services; HSUD: calling in slot agreement in MSC and MSK services but it does not own windows; Cosco/China Shipping: Share 3 service with MSC from Far East to WCSA and "K" Line/NYK: currently arriving in THEA services and slot agreement with MSK/Xpress feeders; Marfret: calling in 1 Xpress feeders service, says PPC commercial director Edgar Pineda.

PSA Panama started operations in December 2010. Most shipping lines calling connect weekly main services and feeder services there. In 2016, Evergreen and ZIM started servicing PSA Panama

and in 2016 it began a \$450m expansion programme to increase its capacity to 2m teu, up from 450,000teu, in a ground-breaking ceremony attended by President Juan Carlos Varela, PSA Group ceo Tan Chong Meng and PSA Regional ceo David Yang and numerous members of the President's cabinet. Timing seemed perfect to begin construction; works have continued at good pace in spite of loading and unloading cargo in day-to-day operation at the terminal.

PSA Panama will inaugurate early 2018 and will be ready for mega-vessels since draught has been brought to -16.3mtr. In total the terminal will feature 11 STS cranes with a 42hectare-terminal area. All civil works will conclude by end 2017. The

new terminal will have 11 quay cranes with a maximum outreach of 23 rows and over 1.1km of berth length. The investment into civil works amounts to \$285m while the value of equipment will be over \$125m. In addition to the eight new quay cranes, the terminal will feature 12 rail mounted gantry cranes (RMGs), nine rubber tyre gantry cranes (RTGs), 52 prime movers and three empty container handlers.

But with bigger vessels transiting the Canal and benefiting from economies of scale, PSA Panama will be soon in capacity to welcome those Neopanamax once its expansion is concluded.

The terminal, like other ports in Panama has suffered from a reduction of cargo

volumes in 2016, a phenomenon felt by all Panamanian terminals and PSA Panama was no exception with cargo volumes falling 26.9% to 157,967teu. In 2017, PSA Panama registered a further decrease, mostly due to the construction of its expansion that should be completed by year-end.

'The expansion of the Panama Canal was expected to bring a boost for transshipment but the market is still in flux. The alliances are reshaping services and merger-related integration is still ongoing,' says PSA's head of Latin America Enno Koll. 'In transshipment, more will depend on the individual shipping lines. Their needs will play a key role in determining which ports are successful.'

'We are positive for the long term, because of Panama's location. On the Pacific side, PSA's expansion creates sufficient capacity for the next 5-7 years,' says Koll.

Looking to the future, there are multiple possibilities for additional terminals in Panama. The initial tender for the Corozal port project on the Pacific side of Panama was pulled in March after no bids were presented by the four pre-qualified port operators. ACP administrator Jorge Quijano says that the tender will be relaunched and the project has not been abandoned. According to Quijano, the ACP is revising the tender

requirements but did not precise when it would be ready.

On the Atlantic side, President Juan Carlos Varela attended the break down ceremony with Chinese officials in June 2017 for the construction of a new terminal in Colon by the Chinese consortium Panama Colon Container Port (PCCP), comprised of Shandong's Landbridge Group and its partners.

The terminal will feature four berths totalling 1,200mtr with a draught of 18mtr and capacity of up to 2.5m teu, to be built in several phases. The development could also include liquefied natural gas facilities and other projects.

The facility will be specifically designed to accommodate Neopanamax vessels, with construction to be handled by China's CCCC Group and the design of the piers to be done by Beijing-based Port Design Institute (PDI).

The question is whether there will be sufficient cargo to fill yet another Atlantic side terminal. The country's port capacity, including PSA expansion, totals 14m teu per year, double the average cargo volume.

According to one Panamanian port executive who spoke on condition of anonymity, 'It is very difficult to see

where additional volumes will come from, considering the current economic situation in the region. At this stage, any increased port capacity will likely only result in continued pressure to lower rates and create a war on prices.'

'The market is more fluid now that carriers are seeking to either own outright transshipment hubs or acquire an equity stake. That might be one factor behind new transshipment capacity coming online or being built,' this port operator says. 'A new tender for a smaller starting project (lower capital investment) in Corozal may actually gain some interest from a few port operators. Although it may not seem to make economic sense at the moment but additional investments by the private sector into Panama seems positive.'

On the passenger shipping front, the consortium Cruceros del Pacifico, formed by Belgium's Jan de Nul and Beijing-based China Harbour Engineering Co, was awarded a \$165.7m contract by the Panama Maritime Authority to design, develop and build the Amador Cruise Terminal at the Panama Canal's Pacific entrance. The work will be carried out within 24 months. The terminal, with a draught of 10.5mtr, will have capacity to accommodate two cruise ships of 360mtr in length, with a capacity of 5,000 passengers per vessel. ■



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**Bunker sales in Panama grew by 23% for the period January-June 2017**

# A good year in prospect

**T**he first half of 2017 proved to be one of the best moments for the bunkering sector with strong increase in total sales. Traders believe the trend will continue during the rest of the year.

Bunker sales in Panama grew by 23% for the period January-June 2017, driven mostly by the Neopanamax container vessels that are now lifting large quantities of heavy fuels on both entrances of the Panama Canal, along with a stable to slightly increasing spot market demand. The sector sees for the first time the impact of the Panama Canal expansion. 'I think we can expect the market to reach 4.5m tonnes in 2017, if we rely on the volumes observed in the first half of the year,' says a bunker operator.

During the first six months of the year, the number of vessels attended also grew by 13.25% to 2,991 compared to the year before and total sales augmented by 23% to

## Panama is a port very definitely heading in the right direction

2,416,092 metric tonnes of which 2,232,360m tonnes were of fuel oils and 183,732mt of marine diesel with respective growths of 21.84% and 49.98%, according to Panama Maritime Authority (AMP) statistics. 'I would not be surprised if Panama doubles its sales in 2020. My perception is that volumes will continue to grow, particularly in low Sulphur oil,' says Panama player Quin Oil president Harry Quinn.

It was surprising that for the first time, bunker activity marked a substantial jump on the Atlantic side where sales grew by 35.01% to 540,255m tonnes and the number of vessels attended by 30.62% to 930. On the Pacific side, there were 2,061 vessels attended, up 6.84% while sales increased by 20.66% to 1,875,837m

tonnes. Traditionally, the Atlantic market moves lower volumes but 'although we saw a serious reduction of the market in 2016, deliveries have had a 15% to 20% increase during the first half of this year,' says Oiltanking Terminal managing director Alvin Anaya. Oiltanking operates a bunkering terminal on the Atlantic side with capacity of 750,000bbls (120,000cbm). The average load of barges has also increased volumes to 15,000-20,000bbls and they are bigger and in better conditions, leading to improved margins, adds Anaya.

'Prices on the Atlantic side are more competitive influenced by a slow-down in nearby Venezuela with also less bunkering activity on the Caribbean coast of Colombia, which could be a reason for the increase registered,' he adds.

Venezuela has not been a supplier to Panama for many years mainly due to the high Sulphur of both their fuel oils



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Harrier bunker ship



Jose Digeronimo

'Self-Regulation' of the market by terminals and cargo providers. The terminals now are demanding to see licences and documentation from barges and suppliers, and

also many cargo providers are now only accepting barges that are certified by oil majors under the SIRE programme,' says the bunker operator.

It is likely that this trend will continue, which hopefully will reassure clients that Panama is a port very definitely heading in the right direction.

In fact, 'our officials have now better training and therefore perform greater controls,' says AMP administrator Jorge Barakat who emphasises that the regulatory entity of terminals and barges is studying the implementation of

and diesels, so the impact (of Venezuela crisis) has been minimal in the bunkering market, comments the bunker operator.

One of the reasons for this unexpected growth of sale might be that 'Panama's Atlantic side has more products and its barges are more efficient in addition

to much better prices than Kingston, Jamaica an important supplier last year,' says VT Ships' Jose Digeronimo.

'There is also a positive effect of a growing trend of stronger enforcement from the AMP and the Secretary of Energy, and also a strong growth in

## Isla Melones Terminal

On the Pacific side, the state-of-the-art Isla Melones Terminal, built on a 58,700sq mtr island, began operations in May 2013 as a marine fuels terminal servicing the bunkering industry in Panama. This 16-tank storage facility, which was the first of its kind in the country, is a privately-owned company with a storage capacity of 2.1m bbls for heavy fuel oil and diesel operating within a Tax-Free Zone.

Melones Terminal is located less than eight nautical miles from the Pacific entrance of the Panama Canal; its pier can accept Aframax vessels and has the capability of handling Low Sulphur fuel oil (1%S) with a segregated system to coup with the demand of this new quality fuel. Melones Oil Terminal, Inc. is an ISO 9001 certified operation. These characteristics make Melones Terminal a very competitive terminal in the Central American Region.

'Our berth facilities allow the receiving of 100,000dwt tankers and up to four bunkering barges at a time. At the moment, the terminal has a storage capacity utilisation ratio of above 90% while our berth utilisation is approximately 40%. Our priority is the safe and efficient operation of our marine fuels terminal and to ensure the confidence of our customers in safekeeping their products,' says Melones Oil Terminal, Inc. evp Rafael Pirro. He emphasises, 'safety always comes first'.

To further develop the terminal, the terminal is in the process of implementing upgrades to the facilities in order to increase pumping rates for loading tanker vessel and further develop other sides of the business, particularly trading. Also 'we are planning expanding capacity with 840,000bbls and with six new HFO tanks, in order to grow and taking advantage of the increase of



traffic the Panama Canal has generated and will continue to create as a result of its recent expansion,' adds Rafael Pirro.

'Bunkering demand on the Panama Canal Pacific side has grown on average 25% annually since 2015. We believe there is enough storage on the Pacific side for the current demand. However, the demand for the next three to five years is projected to grow between 10-20% annually and that is the reason why we are planning to build capacity in a near future.'

Like many bunker terminal operators as well as traders and suppliers, Rafael Pirro believes that Panama, as a country, 'needs a more comprehensive strategy to take even more advantage of its logistics potential, bunkering and Melones Terminal being part of the logistics supply chain.'

Melones Oil Terminal, Inc. is a forward-looking company committed to the marine fuels storage business and willing to invest as necessary to develop their terminal and service all its customers to the highest standard in the industry.

## BUNKERING



Telfer Tanks

a measurement system that, if applied, would guarantee exact deliveries. 'Any regulations that can help provide a better service and reputation for the market are positive, as long as the authorities ensure that everybody complies,' responded a bunker operator.

In 2016, total bunker sales amounted to 4,009,262m tonnes, a growth of 7.82% over 2015 with fuel oil taking the lion's share with 3,736,740m tonnes registering an increase of 7.81% and marine diesel, 252,522m tonnes, a growth of 7.92%, while there were a slight decrease, 5.17%, in the number of vessels attended to 5,336 ships. On the Pacific side, the number of vessels fell by 4.93% to 3,758 while total sales were up 11.02% to 3,125,289m tonnes. Like always, sales on the Atlantic side fell by 2.14% to 883,973m tonnes.

Panama bunker market has always been one of the most competitive of the region. Various factors intervene: Vessels awaiting transit through the Panama Canal are the perfect clients to bunker

in Panama since some ships spend days before transiting the waterway' original locks; therefore market conditions have attracted an increasing number of players every year. Nearby suppliers offer a large availability of products, in quantities and at competitive prices.

The maritime sector, as a whole and its auxiliary activities including bunker trade, has invested heavily in expanding facilities in expectation that the expanded Panama Canal could provide more bunker business with Neopanamax vessels transits, prompting the construction of high-tech terminals in Panama. Bunker sales represented in 2016 around \$1.5bn.

Bunker storage capacity has reached 30m bbls while it is estimated that over \$1.5bn has been invested in the sector in the past seven years. Although some important bunker suppliers have left Panama- Aegean, Ow Bunker and BP-some newcomers have entered the market-Kamca and Monjasa. Kamca has

become a registered supplier and taken a strong position renting tank space and chartering vessels.

'There are around ten actual bunker suppliers serving the Panama Canal. However, as one of the only ISO-certified bunker companies operating here, we set the bar high when it comes to quality, not least the one delivered by our sourcing partners. Therefore, we are pleased to see a development where two-three oil cargo majors have entered the local market as it brings us new opportunities,' says Monjasa Americas director Rasmus Jacobsen. According to Monjasa, it currently manages four barges in the Panama Canal – three in Balboa and one in Cristobal – and delivers 35,000-40,000m tonnes of oil products monthly.

There is however a very clear change on the patterns for bunker demand at the Panama Canal since the expanded waterway was inaugurated, with a return to the long known split of 60% Pacific and 40% Atlantic.

'We have seen Singapore remaining with flat to slightly growing volumes, but Rotterdam experiencing 10 to 15% falls so it is difficult to assess the overall global demand as increasing. Certainly we believe Balboa has benefitted directly from the closing of the tax loopholes in the Far East of Russia, which has pushed certain container operators to find alternatives for RMK 700, which Panama has been able to provide at attractive levels due to strong South American fuel oil availability on the West Coast,' explains a bunker operator.

'The market appears to be fairly well balanced in terms of supply and demand right now, albeit with ferocious competition if the volume falls by a small amount such as in the traditionally slow



Some 60% of bunker sales are made on the Pacific side



mid-year period. We therefore believe that all suppliers must be aware of the overall market volume and be able to resize their operations quickly should this boom in demand start to slow or even to go in reverse.'

'It is continually amazing how banks continue to finance bunker traders or suppliers that have little or no assets to support the turnover that they generate. We are certainly only one major shipping company bankruptcy away from further disruptions and closures in the trading market – and the era of simply hiring more and more bunker traders functioning as a 'call centre' with an aim to increase turnover and profits, is dead and buried, with many trading companies cutting back heavily on employees and offices. Suppliers must now focus on truly profitable business, not losing money to take market

share, and delivering value to the supply chain again. This will be healthy for the market after this period of readjustment, because for certain there were far too many players all competing for the same cake...' comments a bunker operator.

According to a report from Reuters, in March 2017, Royal Dutch Shell agreed to lease capacity at a large oil terminal in Panama that has been used by US refiner Tesoro Corp, sources involved in the deal told Reuters, gaining much-needed storage for its crude operations.

The facility, designed for storage and transshipment of oil, is owned by Petroterminal de Panama and provides up to 14m bbls capacity, a pipeline network that connects the Atlantic and Pacific oceans, and docks for very large tankers. 'We have signed a contract with Shell

for a three-year period involving all the available space we have,' said an official from the Panamanian government, cited in the report. It was still unclear when the contract would start and the capacity it involved, but the source said the deal will soon be submitted to the Finance Ministry's board of directors for approval.

Petroterminal de Panama in 2008 announced it would reverse the flow of its 130km trans-Panamanian pipeline. After the completion of the project in 2010, Tesoro started shipping more than 100,000bpd of crude through the line under a seven-year agreement.

For Shell, having access to Panama would expand its current network in the Atlantic. After buying BG Group, it became the largest gas player in the Caribbean island of Trinidad and

### COASSA, the Oiltanking's Atlantic terminal in Panama



Oiltanking's bunkering terminal, Colon Oil And Services S.A. (COASSA) in Colon, Panama, received on January 6, 2012 its first vessel 'Kamdilousa'. Since then, some 220 Panamax vessels have been unloaded, more than 1,000 barges have been loaded, nearly than 6,000 trucks have been dispatched and more than 500 batches of product have been delivered by pipeline to the power plant next to COASSA, without any accident and delays.

In November 2015, the terminal added four new tanks, which has more than doubled its storage capacity from 500,000 bbls (47,000 cbm) to 750,000 bbls (120,000 cbm). Hence, COASSA has proven to be a reliable partner for the bunkering industry in Panama by tailoring its services to its customers' specific needs during the last six years. And now, when the bunkering sector is not doing particularly well and the maritime industry is struggling due to very weak demand and overcapacity, terminals have to play a significant role; efficiency and flexibility can offer new possibilities for the players to weather the storm in a much better position.

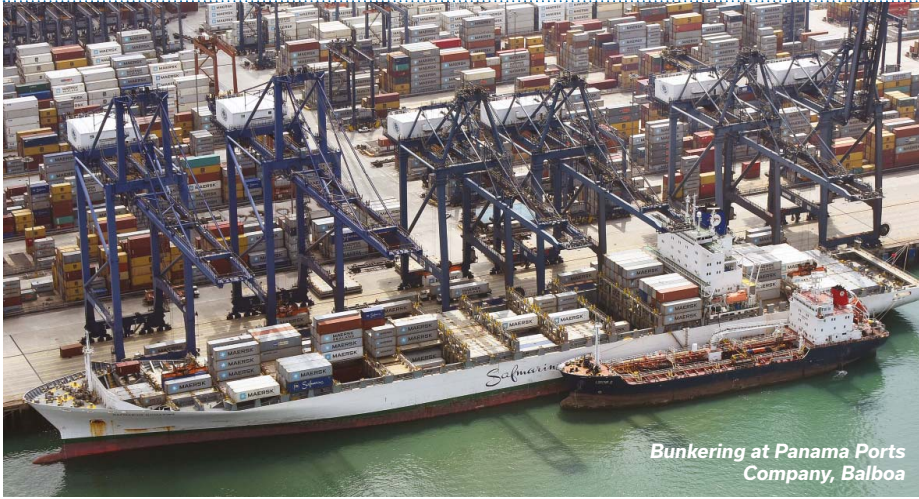
This has been the mission of COASSA, presenting itself not only as a simple service provider, but also a logistic partner that oils and keeps as smooth as possible the interaction among all the actors along the bunkering chain: traders, physical suppliers, barge operators, ship owners, maritime agencies. This certainly enhances synergies among actors which at the end results in cost reduction, so much needed specially now when everybody is facing headwinds.

However, at least there are some signs of recovery. Demand for marine fuels in 2017 has been significantly higher than in 2016; and particular, at the Atlantic side, bunker sales have grown at 55% in the first half compared to the same period of 2016. Such increase in demand has been also felt in COASSA. It is a little bit too early to tell that this recovering demand is fully related to the expansion of the Panama Canal, but it has certainly something to do with it.

Additionally, there are other challenges to tackle, for instance, it seems that the deadline for the new cap of sulphur content will be upheld by MARPOL, global 0.5% in 2020. This will also put more pressure on the industry to do things 'slightly' differently. In 2012, COASSA was the only terminal at the Atlantic entrance of the Panama Canal that was able to handle LSFO; likewise COASSA is ready for the forth coming challenges and will continue adjusting to its customer needs by providing services with same quality, commitment and with the outmost responsibility on safety.

Hence, COASSA is constantly in contact with its customers and the market in general to be fully prepared for the change to come. There is the confidence that physical suppliers will continue trusting in companies like COASSA to handle its valuable product, by knowing that they have the support and expertise of a leader group such is Oiltanking with a worldwide network of 81 terminals in 24 countries.

## BUNKERING



Bunkering at Panama Ports Company, Balboa

Tobago, where it also has blending and lubricant facilities.

There are 12 free zones fuels having the current concession including aviation fuel tanks Tocumen International Airport. These oil-free zones enjoy certain tax incentives granted by law to boost the sector.

Petroamerica Terminal S.A. (PATSA S.A.) has a 1.1m bbls tank farm in Arraijan in Western Panama, in addition to several piers at the former Rodman base to load and unload petroleum products. The company has invested in a Jet fuel terminal since it is the segment that grows faster and there is increasing demand at Tocumen Airport.

VTTI B.V. (VTTI), the global independent provider of energy storage announced in January 2017 the acquisition of a 230,000cu mtr facility in Panama, resulting in a joint venture between VTTI and Global SLI, VTTI taking 75% interest in PATSA S.A. VTTI's expertise and knowledge of the industry as well as its international network will further strengthen the central role PATSA plays in supplying domestic and international markets and enhance its multiple potential growth opportunities.

Most of the bunker traded in Panama comes from Houston, Ecuador, sometimes Venezuela and the Caribbean. Panama's major bunker suppliers are Chevron, Chemoil, CEPESA, Glencore, Bominflot, Peninsula Petroleum, Triton, Rio Energy, Quinn Oil, Terpel, Kamca and more recently US-based Clipper Oil for which 'Panama is Clipper Oil's second largest bunker market'. The company supplies numerous types of vessels on the Pacific side of the Canal.

On the Pacific side, the \$80m state-of-the-art Isla Melones Terminal, built on a 38,700sq mtr island, 15km from the Panama Canal Pacific entrance, began operations in April 2013. The terminal is a privately-owned company with a storage capacity of 2.1m bbls for heavy fuel oil and diesel and it operates within a Tax Free Zone (OFZ). The terminal has the capability of handling Low Sulphur fuel oil (1%S) with a segregated system to cope with the demand of this new quality.

Decal, with a present tankage capacity of approximately 1.1m bbls (175,000cu mtr) is being increased by 181,500cu mtr, for a new total capacity of 2.23m bbls (356,500cu mtr) in one tranche. The expansion consisted in the construction of 14 tanks and the existing jetty is also being expanded to add two more barge loading positions permitting a loading capacity up to four barges at a time with maximum 3,000 tonnes/hr.



Bahia Las Minas

In December 2010, Colon Oil and Services SA (COASSA), a terminal for marine fuels located on the Atlantic entrance of the Panama Canal was purchased by the Hamburg-based Oiltanking Group and began operating in January 2012. The terminal has currently 750,000 barrels of capacity, a jetty of 14mtr depth for Panamax vessel and three positions for barges, plus a truck loading rack. Oiltanking owns and operates 73 terminals in 22 countries and is one of the world's leading storage partners for oils, chemicals and gases. Oiltanking can expand its facilities in Panama to a total of 1.15m bbls if needed.

On the Atlantic side, Telfer Tanks, located in the Atlantic port of Cristobal, is a joint venture of international and domestic investors. It has a 400mtr pier and 1.2m bbls of tank capacity, with a 4-island-8 position, automated loading rack for truck delivery. The terminal, which is the newest on the Atlantic side, began operations mid-2015.

Royal VOPAK has received government confirmation to begin building a new pier and 655,000cu mtr tanks in Bahia Las Minas on Panama's Atlantic coast.

The future of the market is very difficult to predict and always subject to the sustained number of transits through the Panama Canal and their awaiting time but with the number of Neopanamax vessels taking bunkers in Panama increasing, it seems that 'tomorrow looks brighter than expected years before,' says a trader. ■



**Logistics requires a great workforce that is well trained and skilled**

# No.1 topic since expansion

**D**eveloping the logistics sector in Panama is definitely one of the most talked-about topics in the country since the inauguration of the expanded Canal on June 26, 2016. It is because the increase of vessels transits through the waterway opened the door to a multitude of opportunities for adding value to the goods that are transhipped and re-exported from Panama. But it is not a simple equation on the availability of lands near the waterway or how to market the idea with the largest global retailers or wholesalers. It requires a great work force that is well trained and skilled in that field.

Some measures have been taken in that sense. President Juan Carlos Varela in 2016 gave the order to proceed with the construction of the \$200m Superior Institute of Specialised Technology (ISTE) that will form some 5,000 technicians in two years. The students will have a diploma of bi-lingual technician particularly oriented to the logistics sector. The Institute, with technical assistance from the UK and Singapore, will open in January 2019 and should respond to business groups' insistence for having a skilled work force to develop the logistics sector.

President Varela has been one of the most, if not the most supportive president of the maritime and logistics sectors. In November 2015, he announced the creation of a committee to design a

national logistics strategy, focusing on an integral planning for ports, as well as redirecting the Colon Free Zone and the technological inter-oceanic corridor area. His predecessor had already implemented a spending plan in infrastructure to complement the \$5.2bn Panama Canal expansion that was inaugurated in June 2016. But Panama aims at being more than that, as the Panama Canal expansion recently inaugurated offers advantages that no other country has in the region.

Panama looks at becoming the regional transshipment and logistics hub of the Americas as one of Panama's biggest assets is its strategic location positioning the country as a centre for transportation. Its Tocumen airport, with Panama's COPA Airlines, is already considered as one of the most important hubs in the Americas connecting North, Central and South America and the Caribbean.

Many international companies have already taken advantage of the local tax incentives. With a strategic location close to the expanded Panama Canal, Kuehne + Nagel's newly opened facility will carry out reception, storage and distribution activities for the brands of the Unicomer Group, a store operator with more than 1,000 stores in 24 countries.

The operation at the new warehouse represents an important step for Kuehne + Nagel's expansion of contract logistics services in Central America. Due to its access to diverse maritime routes and

frequency of transport, the location within the Colon Free Zone, the second largest free trade zone in the world and the largest of the Western Hemisphere, brings logistics benefits to Kuehne + Nagel's customers and will facilitate the access to new markets.

'We chose Kuehne + Nagel as our logistics provider due to its expertise in contract logistics and important presence in the region. On top of that, the warehouse location will also favour our business and competitiveness by its proximity to our main markets in Latin America, ensuring fast and cost efficient delivery to our stores,' said Mabel Pacheco, corporate trade manager of the Unicomer Group.

Ricardo Rocha, managing director of Kuehne + Nagel Central America & Caribbean, said being 'pleased about the trust the Unicomer Group has placed in us and look forward to continuing this successful partnership by providing our innovative warehousing and distribution services. With the new facility in the Colon Free Zone, we are able to strengthen our position in a key market such as Panama, being an important hub for South and Central America as well as the Caribbean, by leveraging our end-to-end solutions offering.'

This is not the only case of a re-location either in the Colon Free Zone or in Panama-Pacifico, where government and private sector make all efforts to develop the incipient logistics sector.

Panama Pacifico, which is often cited as a success story, is located in the former Howard Air Force base which is developed by UK-based London & Regional-Panama. The complex Panama Pacifico has more than 250 companies foreign and national installed in the area, many of them processing, transforming and giving value-added to products before being re-distributed elsewhere in the region.

Nestlé, a Swiss-based multinational consumer-goods group, is to open a regional procurement centre in Panama and the Ministry of Trade and Industries has welcomed Nestlé's decision, as it supports an official policy of promoting the country as a shipping, logistics and corporate-administration hub.

This time, Nestle has not chosen to install in the already created economic and/or free zones or even Panama-Pacifico but in Costa del Este, a new business suburb of Panama City which will become Nestlé's third regional procurement centre, the others are based in Switzerland and Malaysia. The facility will centralise the purchasing of raw materials, packaging and related services across the Americas.

The multinational company will operate the centre under a special legal framework, launched in 2007 through Law 41, creating special licences for multinational business headquarters, known in Spanish as SEM, which give foreign companies exemptions from local income and dividend taxes. Foreign companies are attracted by Panama's transport links, technology, infrastructure,

financial centre and economic stability, making the scheme a success.

At August 2017, a total of 135 multinational enterprises (SEM) offices have benefited from the tax and labour benefits of Act 41 of 2007 and have installed their regional offices in Panama, which represents an investment of more than \$820m and supporting 5,000 jobs. The last to take advantage of the SEM law was the pharmaceutical company GSK, which groups in one place the headquarters for Central America and the Caribbean of its pharmaceutical division and the hub of demand and supply for Latin America.

During 2016 a total of 25 companies took advantage of the SEM incentives to set up local offices. Among them were Church & Dwight, a US consumer-goods company, an advertising and sales unit of Japan's Sony Pictures Television, China's Cosco Shipping, and a German sportswear manufacturer, Adidas. Even though companies continue to flow into Panama facilities, whether in Panama-Pacifico, the Colon Free Zone or enjoying the incentives given by Law 41, there is still a long way to consolidate the business hub and logistics project.

Foreign Direct Investment (FDI) into Panama rose by 15.9% year on year in 2016, to reach \$5.21bn, according to the UN's Economic Commission for Latin America and the Caribbean.

Panama-Pacifico mixes residential areas and commercial and business facilities

that include warehouses, a high-tech manufacturing area and office buildings. This special zone has been segregated in different areas: The warehousing area named PanAmerica Corporate Centre (PCC) promotes an industrial park with a total land area of 88 hectares, 44.4ha are proposed for buildings and infrastructures.

The master plan includes a total of 27 buildings for lease in a sharing space model designed for logistics services, warehousing and distribution, light manufacturing, freight movement and assembly. The facilities are available from 800sq mtr to 50,000sq mtr in flexible and divisible formats. A security gate provides service 24/7 with control access. Three buildings are 100% operating with a storage capacity of over 67,600sq mtr. Two units are under construction expanding the storing capacity with about 42,000sq mtr.

The Panama-Pacifico Special Economic Area (PPSEA) established by Law No. 41 of July 20, 2004, in the former US Howard Air Force Base near the Panama Canal, is an area assigned for the production of goods and services with high added value and technology. With the aim of driving foreign direct investment and attracting new growth industries to take root in the country, the PPSEA is an important initiative by Panama to diversify its economy outside of the maritime industry and into value-added, just-in-time manufacturing and distribution.

Depending on the supply-chain setting, a presence in the PPSEA can offer an alternative means for manufacturing closer to final markets of many companies targeting Central and South America. Start-ups to Fortune 500 companies, such as 3M, BASF, Caterpillar, Covidien, Dell, Grainger and VF Corporation, have already relocated some of their manufacturing or packaging operations to the PPSEA to take advantage of its proximity to many parts of Latin America, while some have set up regional headquarters or shared-services centres, such as training or call centres, to take advantage of various incentives and cost savings.

In addition to the one-stop shop with access to 11 government branches, special





*PanAmerica Corporate Centre, Panama Pacifico Logistics park*

labour and legal incentives, simplified on-site immigration benefits and access to the on-site workforce training centre, the PPSEA also provides businesses located there such tax incentives as exemptions for 12 Specific Business Activities: corporate headquarters, back-office operations, call centres, multimodal and logistics services, high-tech manufacturing and process manufacturing, aviation industry services, offshore services, the movie industry, data, radio, television, audio and video transmission, transfer of inventory between companies on-site, transfer of goods and services to ships/aircrafts and their passengers, imports and re-exports.

The Panama Canal Authority (ACP) is also designing projects around the expanded Canal intending at developing a 1,200ha area, on the western bank of the Panama Canal close to the Pacific Cocoli new locks that could attract foreign investors for establishing value-added projects and creating logistics parks around the Panama Canal and the terminals on the Pacific side. The ACP had commissioned the Dutch consultant Antea to study all the eventual ventures for developing the area and

determine which would be its better use; petrochemicals, logistics or industrial or the three of them together.

Since Panama opened diplomatic relations with China, 'I have seen significant interest from Chinese companies established in Panama in getting information on the Canal's future projects such as the port of Corozal, the ro-ro terminal and the logistics park. The Chinese companies seems to have a particular interest in using Panama as a distribution centre for the Americas,' says ACP administrator Jorge Quijano.

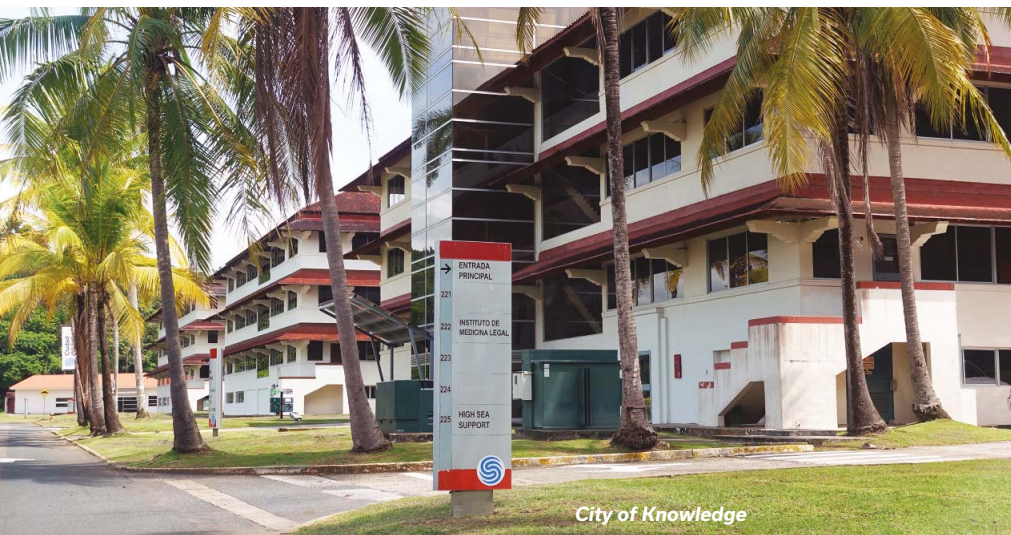
The ACP 'is still at the planning stages of the international tender (of the logistics area),' says ACP evp for planning and business development Oscar Bazan. The design is very impressive but 'can be realised in phases,' explains Bazan. The project includes the construction of a terminal for ro-ro operations with a quay, vehicle storage yard and vehicle processing centre in a 40-hectare-area with a capacity of approximately 500,000 vehicles per year. Other sections could be used for either small assembly plant or spare parts distribution, food processing, barge terminal and a

logistics park for distribution centre. The design is not definitive and will adapt to the many uses depending of the interested parties.

However, to expand both the scope of the current operations and the number of companies able to provide 'real' logistics services, 'Panama must increase the awareness of the public in general (about the industry, how it works, the activities and players it involves, relevant weight on national economy and potentials) if issues are to be addressed,' says Juan Carlos Croston, vp marketing, Manzanillo International Terminal (MIT), one of Panama's most important ports. But the most important issue is really the creation of a national plan to scale up micro and small logistics players. There are a lot of logistics entrepreneurs in the country but they don't have easy access to resources to help their companies pass the start-up phase and the only way they have to compete is on cost. For Croston, it is imperative to set an educational programme for the right preparation of the men and women who will work in that sector.

The Inter-American Development Bank (IDB) has announced a contribution of \$800,000 through the approval of two technical cooperation grants, each of \$400,000, for the Strategic Programme for the Development of Infrastructure and the Strategic Programme for the Development of Integration. In both cases, the beneficiary countries will be Mexico, Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and the Dominican Republic, members of the Mesoamerica Project.

In this way the IDB will contribute to the logistical development of the Mesoamerican region through studies and action plans that aim to generate regional transport and logistics strategies, promote regional investment plans, support the transformation of the Pacific Corridor (the component of the Inter-American Mesoamerican Highway Network that extends from Puebla, Mexico, to Panama City) and support the implementation of National Logistics Plans. Regional strategies will focus on three areas: intermodal transport, freight logistics and urban mobility. ■



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Neopanamax enters  
Agua Clara locks



A new chapter for Panama's economy and maritime sector

# Continued opportunities

**T**he Panama Canal expansion inauguration a year ago has enhanced the goals of Panama's maritime sector that sees in the enlarged waterway a source of opportunity that will complement Panama's unique geographical position.

Moreover, the decision to open diplomatic relations with China begins a very different chapter for Panama's economy and its maritime sector. It opens the door for Chinese companies to participate in ventures which have direct relationship in the management of shipbuilding, ports, ships repair, inspections and technology, amongst others.

Even though China has always been a strong commercial partner for Panama in and out of the Colon Free Zone, it is unlikely it will affect volumes of cargo transhipped in Panamanian ports, says Carlos Urriola, president of Seattle-based SSA Marine International. 'But we may see Chinese companies participating in constructions and infrastructure projects in the next two or three years which will generate high volumes of project cargo,' he explained.

The sector (that includes the Panama Canal, the container terminals, logistics companies and shipping services) is now an important segment of the country's economy with 33.5% of its Gross Domestic Product (GDP) and the largest after financial services, according to a study commissioned by the Chamber of Shipping in 2015.

## The first year of operation has proved a resounding success

With a two-year delay, the expanded Canal opened at a time when the international shipping industry was facing one of its worst crises. Global trade growth had slowed down and the industry still has excess capacity dating back to the 2008-09 global crisis, which is a worrying sign of the times. But the first year of operation has proved a resounding success, much better than expected say Canal officials. The average number of daily Neopanamax transits is 5.5 and until August 15, 2017, some 1,782 Neopanamax had transited and another 220 Panamax vessels in the new locks. Overall canal traffic thus far has increased by 354 transits this fiscal year, amounting to a 3.2% surge.

The opening of the bigger locks has re-configured most services, upsizing the vessels and though they did not bring additional transhipment to Panama's terminals in 2016 (cargo volumes rebounded in the first half of 2017), they have opened the possibility of future businesses around the expanded canal.

The Panama Canal Authority (ACP) is itself looking at ventures around the new locks, including the construction of a ro-ro terminal which is at the feasibility stage, and a 1,200-hectare area for the creation of distribution centres and other businesses, to boost the incipient logistics sector.

Some years ago, the government had passed favourable legislations giving tax incentives to multinationals establishing regional headquarters in Panama that brought a great number of firms to initiate operations in the economic free zone of Panama-Pacifico located in the former Howard Air Force base which is being developed by UK's London & Regional. The former US military installations – that reverted to Panama at end-1999 with the implementation of the Panama Canal Treaty – have been transformed and developed into residential areas, transport and economic zones that have boosted the potential of the maritime sector since they are located in the surroundings of the Panama Canal.

The Panama Maritime Authority (AMP) has also been working in association with Panama Chamber of Shipping on the construction of a pier, on the Pacific entrance of waterway, for maritime auxiliary services. The construction of the new pier, located in a strategic point, very close to the Bridge of the Americas, has been awarded to a local company and construction has already begun. The auxiliary services pier will optimise the competitiveness demanded by the maritime industry.

This modern pier, whose cost is around \$6m, should be ready in 2018. The Panamanian company 'Consorcio Maritimo Inzelva' was awarded in September 2016, the construction of the pier. It will offer the same service for up to four ships simultaneously, two load and two

## SHIPPING SERVICES



The Chamber of Shipping's new board of directors, elected in June 2017

passengers, and will include warehouses, cranes, monitored 24-hours-a-day, as well as controls and services of infrastructure in this category, in addition to the inclusion of offices, warehouses and facilities.

**The Panama Chamber of Shipping (Camara Maritima de Panama [www.camaramaritima.org.pa](http://www.camaramaritima.org.pa))** is an important actor on Panama's maritime scene. It was created in 1979 as a non-profit organisation and groups shipping lines and shipping agencies, marine supplies companies, ship repair, bunkering, ports administrators as well as the railroad and almost every sector related to the maritime business. Because of a great number of new companies, foreign and nationals have opened shop in Panama in recent years, its membership has grown to 240 companies, all related to the maritime-port activity and the chamber membership comprises the shipping agencies, ship chandlers, terminal operators and the largest shipping lines in the world and main users of the Panama Canal, such as Maersk Line, Cosco, Evergreen, MOL, APL, Seaboard, Crowley Liner Services, CMA-CGM amongst others, having offices in Panama and operating Neopanamax and Panamax vessels, tankers, reefers and bulk carriers.

Every year the Chamber of Shipping elects a new board of directors. The election in June 2017, brought a new board of directors presided by Julio De La Lastra, president of MOL-Panama who succeeded Rommel Troetsch from Marine & Logistics Group. De La Lastra was elected for the fourth time as head of the Chamber of Shipping,

De La Lastra will be accompanied by: first vice-president Nicolas Vukelja, Marine Advisors; Second vice-president Flor Torrijos, Inter-maritime Group; Treasurer Javier Ortiz, Director DECAL; Secretary Wendy Sagel, Marine Engineers Corp; and directors Patricia Velasquez, Macosnar; Alexei Oduber, Alliance Transport Logistics; Veronica Valenzuela, Glencore; and Francis Zeimetz, Panama Agencies.

The new Chamber of Shipping president told the audience that 'we need to be prepared for the changes as market distortions will adjust. After all, change is the most natural and constant thing in life. The maritime sector responds to the economic cycles of nations and consequently, little by little we will see the re-establishment of international markets that will benefit our waterway and our port system.'



Julio De La Lastra

For De La Lastra his new tenure as head of the Chamber of Shipping will focus on four points.

'First: Always seek unity and consensus amongst the members (of the guild) to be able to carry, at all times, a consolidated union message that allows the Chamber of Shipping to reach its objectives. Second: To strengthen the Chamber's participation in the development of plans, projects and regulations that apply to the sector in order for them to have a real positive impact for all. It is

therefore imperative to build an effective strategic alliance between the Chamber of Shipping and the institutions related to the sector, to make the Panamanian maritime sector even more competitive. Third: To identify areas requiring attention or improvement in processes and, Fourth, no less important: To work in forming a critical mass of young people, committed to contribute disinterestedly with the sector, the guild and the country. This generational change is needed to ensure that the Panama Chamber of Shipping continues to be relevant for many more years.'

The new Chamber of Shipping president renewed the Chamber's commitment to participate in a proactive manner in the government economic and development agendas that would support the maritime sector aiming at contributing to the sector's benefits with alliances between the private and public sector.

Every two years the Chamber of Shipping in co-ordination with the **Panamanian Maritime Law Association (PMLA)** organise a series of conferences and exhibition known as Panama Maritime that put the eyes of the international maritime industry on Panama.

**Panama Maritime**, the biannual Conference and exhibition, in its 13th year took place at the Megapolis Convention Centre on March 12-14, 2017 and was inaugurated by Kitack Lim, IMO Secretary-General, in the presence of Alvaro Aleman, minister of the Presidency who was representing President Varela; Jorge Barakat, minister



of maritime affairs and administrator of the AMP and international and local personalities of the maritime industry.

Panama Maritime is organised alternately by the Chamber of Shipping and the Panama Maritime Law Association. This year the Organising Committee, from the Panama Maritime Law Association, was presided by Lawyer Flor Torrijos, from the Inter-maritime Group, who thanked the attendees for their presence at the event that gathered around 300 delegates with some 30 exhibitors and important leaders of the maritime industry of Panama and experts from more than 50 countries.

The IMO Secretary-General offered a current vision of the maritime industry, its challenges and the new regulations that will be implemented mainly for the protection of the marine environment and 'to enhance efficiency of maritime trade' while 'listening to the needs of the maritime industry.' Lim congratulated

Panama's 'great achievement in celebrating 100 years of the Ship Registry and the major contribution it represents to the maritime sector.'

At the end of the opening ceremony, awards were made to relevant industry players, including Carnival Cruise Line, Quinn Oil and the Panama Canal administrator, Jorge Luis Quijano, who was chosen as the 'Maritime Personality of the Year'.

The Conference-Exhibition, the largest of its kind in Latin America, aims at bringing together players in the maritime industry to find new and proactive solutions to the most important challenges facing the sector today and those projected in the future.

The next **Panama Maritime XIV** will take place in 2019, the president of the Organising Committee is Capt. Orlando Allard, RTI Latin America, who will represent the Chamber of Shipping

as the Panama Maritime Conference-Exhibition alternates its presidency with the Chamber of Shipping and the Panama Maritime Law Association (PMLA).

At the end of September 2017, the chamber of Shipping organised the first Annual Maritime Conference of Panama that will integrate the main clusters of the Chamber of Shipping during two and a half days with conferences on bunkering and environment, ports and shipping, logistics, auxiliary maritime industries and marinas, at the Hotel Sheraton, Panama on the 27, 28 & 29 September.

### Bunkering

The inauguration of the Panama Canal's third set of locks in June 2016 proved to be an important incentive to bunker sales that grew significantly in the first half of 2017. Traders believe the trend will continue during the rest of the year.

Bunker sales in Panama grew by 23% for the period January-June 2017, driven

## Sea Energy Group

**Sea Energy Group ([www.seaenergycompany.com](http://www.seaenergycompany.com))** is a holding group of Panamanian companies with more than seven years of experience in the market, offering to our clients a range of different maritime services that goes from technical support, bunker deliveries through 'Ship to ship' operations, crew management, shipping agency, until advisories, both in the Pacific side (Balboa) and in the Atlantic side (Cristobal) always with social commitment and legal loyalty, based on the fundamental values of our company, as it is the responsibility with the environment and the mystique during our operations.

Through the line of companies at Sea Energy Group, we are pleased to offer strategic responses that are developed by our multi-disciplinary human talent. We rely on our certified and experienced crew, which ensures the operability of our ships and brace the environmental care.

With our commercial allied Ship Management Panamá (Management/Agency) we make sure we meet the guidelines of the International Safety Management Code and the International Ship and Port Facility Security Code, by implementing on board quality management systems for all processes that represent productivity for the company, aiming for the anticipated identification and mitigation of incidents

or accidents in our own vessels and the vessels of our clients. In addition to the management services, we can also satisfy our clients' needs by offering them at the same time shipping agency services, to all type of vessels and in all national ports in Panama, what makes us different from the rest of the companies of the maritime sector.

Along with our subsidiary Sea Energy Company we are presently working as bunker physical suppliers in Panama. However, we aim to extend our fleet and be able to offer our complete supply chain of bunker deliveries (as physical suppliers) in different ports in the Caribbean and North America.

Our fleet is equipped with sophisticated technological equipment for the optimisation of navigation and manoeuvrability, allowing us to provide customers with 100% effectiveness in our operations.

Currently we own a fleet of 4 vessels: three Tankers and one Landing Craft with which we seek to expand our range of services, transporting general cargo between different routes in the Caribbean, foremost among Venezuela, Aruba and Curacao in order to start working as transporters of multimodal cargo.



Bunker sales represent around \$1.5bn a year



mostly by the Neopanamax container vessels that are now lifting large quantities of heavy fuels on both entrances of the Panama Canal, along with a stable to slightly increasing spot market demand. The sector saw for the first time the impact of the Panama Canal expansion and operators forecast the market could reach 4.5 tonnes in 2017, if the trend continues.

The Panama bunker market has always been one of the most competitive in the region. Various factors intervene: Vessels awaiting transit through the Panama Canal are the perfect clients to bunker in Panama; therefore market conditions have attracted an increasing number of players every year; and the proximity of suppliers such as Ecuador and Venezuela offers availability of products, in quantities and at competitive prices.

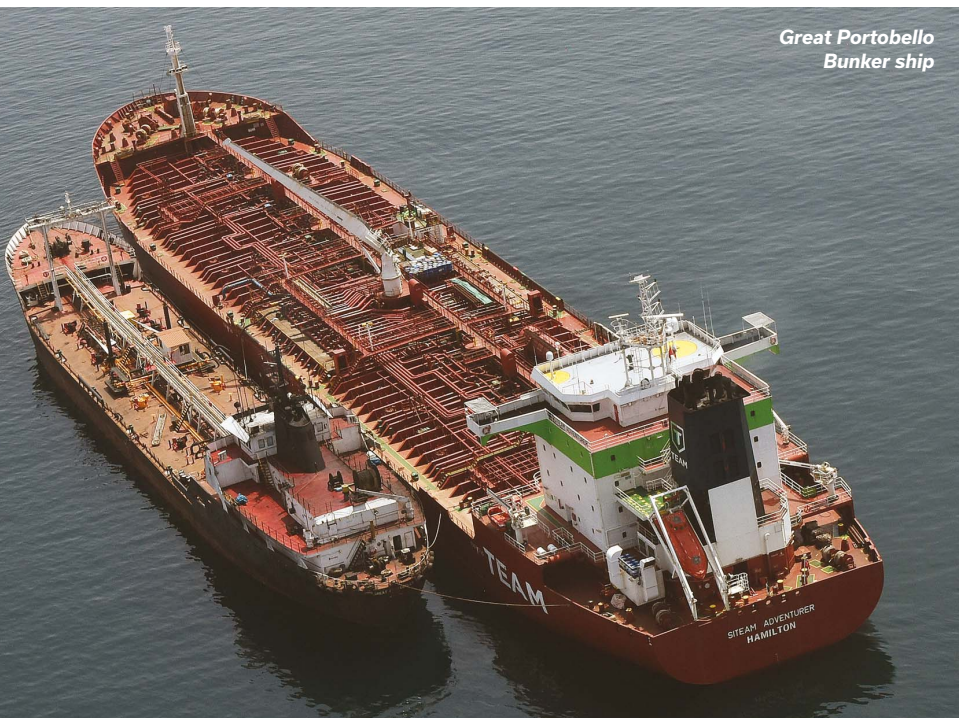
Bunker sales are an important segment of maritime and auxiliary activities. The sector had betted on the fact that the expanded Panama Canal could provide more bunker business with Neopanamax vessels transits and the expectations have been a determined element in prompting the construction of high-tech terminals in Panama. Existing oil terminals have also expanded their facilities, creating some bunker storage over capacity since Panama total storage capacity is 30m bbls.

Many players estimated that delivering bunkers to those bigger ships require a different kind of barge than those existing in Panama and new purchases have been renovating the barge fleet. They say, sales have grown so 'we continue to service the Panamax vessels as well as the Neopanamax and it is a good market.'

In 2016, total bunker sales amounted to 4,009,262m tonnes, a growth of 7.82% over 2015 with fuel oil taking the lion's share with 3,736,740 tonnes registering an increase of 7.81% and marine diesel, 252,522 tonnes, a growth of 7.92%, while there were a slight decrease, 5.17%, in the number of vessels attended to 5,336 ships. On the Pacific side, the number of vessels fell by 4.93% to 3,758 while total sales were up 11.02% to 3,125,289 tonnes. As always, sales on the Atlantic side fell by 2.14% to 883,973 tonnes.

The bunker market represents around \$1.5bn-\$1.7bn annually, which is low considering an increase in sales, say industry players. During the first six months of the year, the number of vessels attended also grew by 13.25% to 2,991 compared to the year before and total sales augmented by 23% to 2,416,092 tonnes of which 2,232,360 tonnes were of fuel oils and 183,732 tonnes of marine diesel with respective growths of 21.84% and 49.98%, according to AMP statistics.

It was surprising that for the first time, bunker activity marked a substantial jump on the Atlantic side where sales grew by 35.1% to 540,255 tonnes and the number of vessels attended by 30.62% to 930. On the Pacific side, there were 2,061 vessels attended, up 6.84% while sales increased by 20.66% to 1,875,837 tonnes. Traditionally, the Atlantic market moves lower volumes but 'although we saw a serious reduction of the market in 2016, deliveries have had a 15% to 20% increase during the first half of this year,' says Oiltanking Terminal managing director Alvin Anaya. Oiltanking operates a bunkering terminal on the Atlantic side with capacity of 750,000bbls



Great Portobello Bunker ship

(120,000cbm). The average load of barges has also increased volumes to 15,000-20,000bbls and they are bigger and in better conditions, leading to improved margins, adds Anaya.

'Prices on the Atlantic side are more competitive, influenced by a slow-down in nearby Venezuela with less bunkering activity on the Caribbean coast of Colombia, which could be a reason for the registered increase,' he adds. Venezuela has not been a supplier to Panama for many years mainly due to the high Sulphur of both their fuel oils and diesels, so the impact of the Venezuela crisis has been minimal in the bunkering market, comments a bunker operator.

'There is also a positive effect of a growing trend of stronger enforcement from the AMP and the Secretary of Energy, and strong growth in 'Self-Regulation' of the market by terminals and cargo providers. The terminals are now demanding to see licences and documentation from barges and suppliers, many cargo providers are now only accepting barges that are certified by oil majors under the SIRE programme,' says an operator.

Most of the bunker traded in Panama comes from Houston, Ecuador, sometimes Venezuela and the Caribbean. Panama's major bunker suppliers are Chevron, Chemoil, CEPSA, Glencore, Bominflot, Peninsula Petroleum, Triton, Rio Energy, Quinn Oil, Terpel, Kamca and more recently US-based Clipper Oil for which 'Panama is Clipper Oil's second largest bunker market'. The company supplies numerous types of vessels on the Pacific side of the Canal.

Although Panama is not the only port offering LSFO, most terminals have special tanks for those products distributed now by the major suppliers. Many vessels coming from the Far East and the West Coast of South America are expected to take small quantities of LSF fuels to burn them when approaching and leaving US ports as SECA had come into force in January 2015.

On the Pacific side, the \$80m state-of-the-art **Melones Oil Terminal**, built on a 38,700sq mtr island 15km from the

## The Panama bunker market has always been one of the most competitive in the region

Panama Canal Pacific entrance, began operations in April 2013. The terminal, the first of its kind in the country, is a privately-owned company with a storage capacity of 2.1m bbls for heavy fuel oil and diesel and it operates within a Tax Free Zone (OFZ). The terminal has the capability of handling Low Sulphur fuel oil (1%S) with a segregated system to cope with the demand of this new quality.

**Decal**, with a present tankage capacity of approximately 1.1m bbls (175,000cu mtr) is being increased by 181,500cu mtr, for a new total capacity of 2.23m bbls (356,500cu mtr) in one tranche. The on-going expansion consists in the construction of 14 tanks and the existing jetty is also being expanded to add two more barge loading positions permitting a loading capacity up to four barges at a time with maximum 3,000 tonnes per hour.

In December 2010, **Colon Oil and Services S.A. (COASSA)**, a 300,000bbls-terminal for marine fuels located on the Atlantic entrance of the Panama Canal was purchased by the Hamburg-based Oiltanking Group and began operating in January 2012. Oiltanking owns and

operates 73 terminals in 22 countries and is one of the world's leading storage partners for oils, chemicals and gases. Its total capacity has been expanded to 750k barrels, for fuel oil, marine gas oil, cutter and diesel, with a segregated system for LSFO.

On the Atlantic side, the \$80m oil terminal **Telfer Tanks**, located in the Atlantic port of Cristobal, has a 400mtr pier and 1.2m barrels of tank capacity, with a 4-island-16 position, automated loading rack for truck delivery, and began operations mid-2015.

In addition, new projects are coming along with 3.3m bbls planned with the expansion of PetroAmerica Terminal SA (PATSA) with 0.35m bbls; **Royal VOPAK**, 1.8m bbls and **OilTanking**, 1.15m bbls. Royal VOPAK has received government confirmation to begin building a new pier and 655,000cu mtr tanks in Bahia Las Minas on Panama's Atlantic coast.

**Petroamerica Terminal S.A. (PATSA S.A.)** has a 1.1mbbls tank farm in Arraijan in Western Panama, in addition to several piers at the former Rodman base to load and unload petroleum products. The company has invested in a Jet fuel terminal since it is the segment that grows faster and there is increasing demand at Tocumen Airport.

**VTI B.V. (VTI)**, the global independent provider of energy storage announced in January 2017 the acquisition of a



230,000cu mtr facility in Panama, resulting in a joint venture between VTTI and Global SLI, VTTI taking 75% interest in PATSA S.A. VTTI's expertise and knowledge of the industry as well as its international network will further strengthen the central role PATSA plays in supplying domestic and international markets and enhance its multiple potential growth opportunities.

In July 2011, NYSE-listed **Aegean Marine Petroleum Network (AMPN)** was granted a 20-year concession to administer 65 tanks and supply bunkers on both entrances of the Panama Canal, with total storage capacity of 2.7m bbls but in 2013, AMPN ceded the concession to **Panama Oil Terminal S.A. (POTSA)**.

According to a report from Reuters, in March 2017, Royal Dutch Shell agreed to lease capacity at a large oil terminal in Panama that has been used by US refiner Tesoro Corp, sources involved in the deal told Reuters, gaining much-needed storage for its crude operations.

The facility, designed for storage and transshipment of oil, is owned by **Petroterminal de Panama** and provides up to 14m bbls capacity, a pipeline network that connects the Atlantic and Pacific oceans, and docks for very large tankers. For Shell, having access to Panama would expand its current network in the Atlantic. After buying BG Group, it became the largest gas player in the Caribbean island of Trinidad and Tobago, where it also has blending and lubricant facilities.

## VT Ships entered the bunker market in October 2009 and operates two double-hull barges for BP on long-term charters

**Chevron-Texaco** operates a tax-free fuel zone like the other seven free zones existing in the country. **Exxon Mobile** has kept a local presence through PetroAmerica (PATSA) that bought AMSTA in 2003. Shell Marine Products has entered the bunkers market along with Singapore-listed **Chemoil Energy Limited**, and Canada-based **Triton** and **CEPSA**. Mexican government-owned **Pemex International** entered the Panamanian market in 2007 by forging an alliance with local storage. The Mexican company stores 1.32m bbls of fuel oil on both sides of the Panama Canal, from which it will provide marine fuel to major distributors in the region. Also two companies **PetroBunker** and **Petroport** have entered the market in 2008 and have built storage tanks.

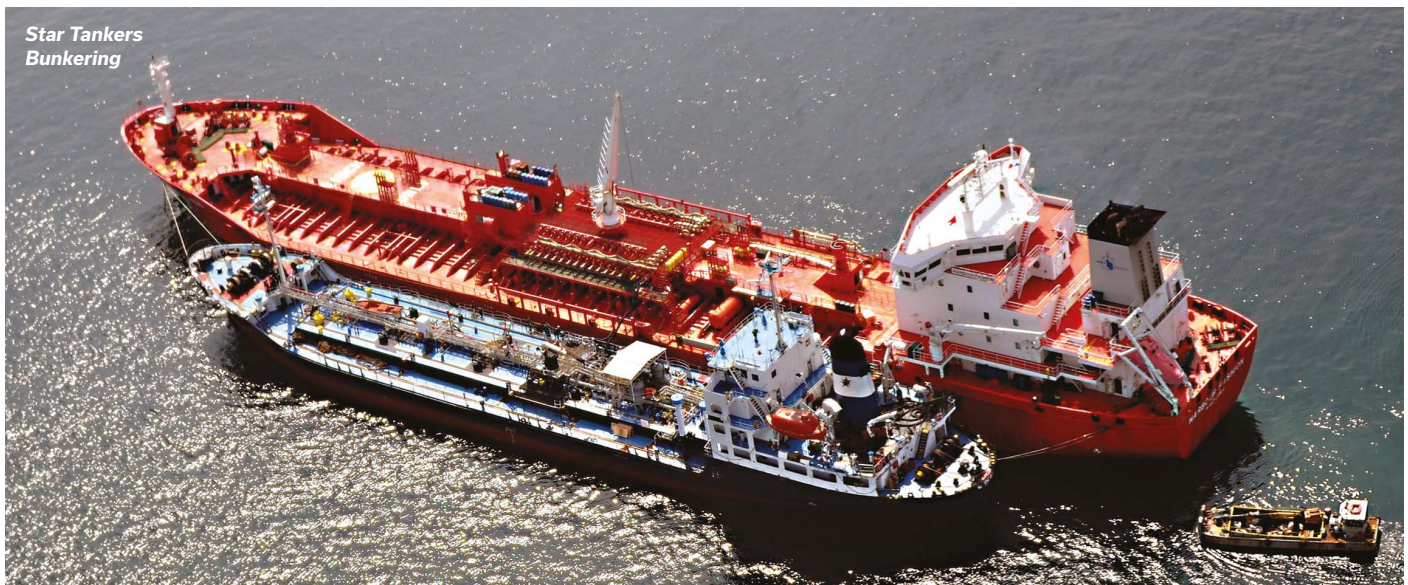
**VT Ships** entered the market in October 2009 and operates two double-hull barges for BP on long-term charters, the 4,198t Venray and the 2,900t Vaals (Clean MDO/Black HFO); in addition to three companies: **Trading Tankers**, **Interoceanic Supply Services (ISS)** and **Star Tankers Bunkering** which are now trading bunkers in the region.

Star Tankers is a product tankers' company based in Panama and was founded in 2010 'to meet the growing demand in quality bunker transporters that would meet the latest IMO regulations regarding protection of the environment and compliance with the codes,' says its general manager Raul de Saint Malo. All Star Tankers Bunkering vessels are classed with members of IACS and also meet the requirements of the International Safety Management code (ISM), the Tanker Management and Self-Assessment code and the International Ship & Port Facility Security Code.

**Compañía Marítima de Panama S.A. (Grupo Boluda)** provides oil to its customers abroad the Caribbean, Central and South America, giving Compañía Marítima de Panama the experience on international oil trading as well. **Terramar Oil & Services** provides barge service, bunker and other services.

**Interoceanic Supply Services Corp (ISS)** entered Panama's market in December 2007. The company has five barges, situated on each side of the waterway.

In 2013, ISS bought two new barges: Great Portobelo with 40,000 bbls and a very successful loading capacity was bought this year to renew the fleet and Great Darien, a supply boat with 5,000 bbls capacity. This supply boat will only transport Marine Gas Oil (MGO). In addition, ISS owns Great Balboa, Great Gatun and Great Panama as well as the Great Diablo and Great Coiba. ISSC is the owner of Telfer Tanks terminal that began operations in 2015.



### Chandlery

Chandlery, like shipping agencies, dates back to before the opening of the Panama Canal, when vessels arrived at the port of Colon in the late 1880's looking for fresh goods before continuing their routes either northbound or southbound. At the time, food supplies to the vessels were mostly handled by the shipping agencies. It was not until the post-WWII that the first dedicated chandlers appeared on the market. New companies are continuously entering Panama's chandler market attracted by future opportunities with the Panama Canal expansion, transforming the sector into a very competitive market where chandlers have had to diversify their operations and extend their activities to ship repair supplies. There is nothing traditional anymore in the chandlery sector where food and vegetables become a secondary market while the supply of materials to make small ship repairs on board is leading the sector.

However, it is not clear whether the transit of Neopanamax vessels which most of the time have no waiting time, will bring additional business to ship chandlers. The cruise market remains 'very competitive and demanding' ship chandlers say as most cruise vessels buy the large majority of their products in the US.

But there is the construction of a cruise terminal at the Pacific entrance of the Canal in Amador, which will be administrated by the Panama Maritime Authority, that could mark a difference for ship chandlers on the Pacific side. With some 200 cruise calls a year, cruise vessels have offered opportunities for ship chandlers to increase their business but not in the proportion expected by chandlers before the cruise industry began to call Panama on a regular basis.

**Mercantile Shipstores S.A. MERCANSA (www.mercansa.com)** has consolidated, over its 40 years of presence in the market, its position as a key vessel provider for the Panama Canal customers and other clients in Latin America and the Caribbean region. The group is currently present in Panama and in the Dominican Republic through its fully-owned subsidiary MERCANSA Dominicana (Mercantile Shipstores Dominicana) and is a member of the International Ship Suppliers & Services Association (ISSA) Panama and the International Marine Purchasing Association (IMPA).

MERCANSA holds over 4,500 references in a 10,000sq mtr warehouse in the Colon Free Zone (Atlantic side) and new warehouse in Albrook (Pacific side) that

provides immediate delivery through its specialised division MERCANSA Ship Supply at competitive prices, on the widest range of deck, engine, cabin, deck, safety materials, provision, bonded-goods and FRS (Fire, Rescue and Safety) related products, as MERCANSA currently services a large number of the 14,000 vessels that transit the Panama Canal every year. A new business unit Mercansa Food Logistics, as wholesaler and distributor for ship chandlers and the local market, includes new cold storage of 1,000sq mtr, a new refrigerated truck fleet of 15 units, a warehouse in Albrook, Pacific side, and its own supply boats in both sides, Atlantic-Pacific.

As the company has increased sales into the South America and Caribbean marketplaces, MERCANSA brings the following services throughout two specialised divisions to provide top level services to its clients: MERCANSA Wholesale, a fully dedicated export division that offers marine wholesale supplies, and acts as an exclusive for companies such as D. Koronakis S.A, PG Products Ltd, Strike First Corporation of America, Trewlany, National Foam or Tufropes, to name just a few.

A recognised specialist for mooring, towing and wire ropes and hawsers, MERCANSA

### Centralam Panama S.A.

Centralam Panama S.A. is amongst the oldest and most recognised players in the chandlery business and as such well experienced. The company has recently moved to new facilities with better access and more space in Albrook Free Zone, just outside Balboa Port, with easy access to all the terminals plus launch facilities at the Pacific side of the Canal. In addition to its main base in Albrook Free Zone, Centralam Panama S.A. maintains a down-scaled operation in the Colon Free Zone, enabling them to attend urgent ad-hoc requirements for its customers on the Atlantic side in case of time constrains.

Centralam focus on growth through satisfied customers spreading the words in the business as the preferred 'marketing strategy'. 'It is certainly the cheapest and with the growth we see, it appears to work. This is the hard way and the smart way. Our organisation is growing, and we have to focus on not growing too fast, there is a limit to how fast we can train our new staff, keeping our old quality of service and performance at par,' says Centralam gm Thomas Rold.

'Our toughest competitors are not local. Almost all vessels trading through Panama have the choice between several ports where to place most of their purchases. Panama is not the cheap option, and due to our location, we will most likely never

be able to compete on price alone. So our strategy has to follow what Centralam has always been about: High level of service and satisfaction. With a smile on your face, you can learn to live with the bill.'

Just as the retail business sector in Panama attracts shoppers 'we have to make Panama the preferred shopping mall for vessels.' And combined serves is one of the ways. 'As operational costs increase, we have to combine services to increase efficiency and become more competitive' explains Thomas Rold.

The large question in the chandlery business is perhaps more structural, what will be the pattern of purchase in the future? 'I am 100% convinced that the companies that will grow and have success are the companies that form part of the creation of change, and not only the companies that can adapt,' he says.

'Our plans, at Centralam Panama S.A., are to increase the amount of customers that decide to use Centralam Panama S.A as their preferred supplier of stores and services. This is simple. Success comes through providing what you customer wants, and not through looking for a customer that will accept what you want to provide,' he adds.

also sells specialty marine and heavy duty coatings, marine fire-fighters suit and chemical proof clothing, fire-extinguishers, fire extinguisher cabinets, foam concentrate, foam proportioning systems, fixed and portable foam fire-fighting equipment, monitors, nozzles, specialised big flow pumping solutions and many other safety related products.

With Panamanian port and industrial sectors developing rapidly as well as in the region, MERCANSA has included a list of industrial products (distributed through the Colon Free Zone and in the Capital city) such as floor preparation, grinding and polishing products, corrosion and coatings removal, concrete and stone dressing, deck and tank de-scaling, vibration management solutions, local area tamping, compound mixing and dust control products amongst others.

The Group Safety division, MERCANSA FRS (Fire, Rescue & Safety) not only provides consulting services on the best products available in the sector to

comply with an ever increasingly complex legislation, but offers a high setting of life-raft and rescue boat service station, with inspections realised by qualified and experienced technicians for safety products, should they be marine-related or industrial.

MERCANSA ceo Vikash Deepak, believes the Panama Canal expansion is definitely and affecting our business positively, as it will attract ships that had not passed through the canal before; gas carriers and Neopanamax ships.' However, the business is not necessarily to serve more ships, but that ships allocate a greater portion of their budget to purchasing goods and services in Panama, rather than in other ports, he says. 'The expanded Canal will also represent a logistical challenge for suppliers, since it will allow ships to transit faster, limiting the time to supply them,' he added.

MISHAL S.A., located in the Colon free Zone, provides provisions but also bond, cabin, deck, engine, electrical, safety

and material lashing on a 24/7 basis to the vessels waiting for transit or in transshipment, and represents the brand names Conseal, Devcon products, Scaling Machines Kanjl, MacGregor, Seck and Peck & Hale.

**Panama Ship Supply (www.shipsupplypanama.com)** is located in Panama City and in the Colon Free Zone. The company was established by two logistics and customer service professionals with over 25 years of experience in the maritime industry, to provide first class service implementing the highest standards in the industry and support to the maritime sector.

**PROTECSA Proveedora Tecnica S.A. (www.protecsa.com.pa)** is one of the most experienced companies in the supply, installation and service of hydraulic systems, industrial hardware, marine electronics and marine systems, having established in Panama 30-years-ago. The company specialises in installation while giving equally

### Blue Sea Ship Services

**Blue Sea Ship Services** is one of the main suppliers of high-quality products and services to ships and boats in the Republic of Panama, especially those that transit the well-known Panama Canal.

'The years of experience of Blue Sea Ship Services, as well as its human resource team, guarantee the complete fulfilment of the needs of its clients, from the simplest request to the most complex demand,' said Zamorano Aparicio, ceo of Blue Sea Ship Services.

The mission of Blue Sea Ship Services is to provide fast, reliable and efficient services through a highly qualified staff, offering the best options for our clients and establishing a solid commercial relationship. 'Our people work with responsibility,

commitment, dedication. Deliveries are always made on time, as required by the industry. We believe that punctuality is crucial for our business,' added the ceo.

The supply store includes food for any type of international cuisine: Western, Indian, Chinese, Filipino, Norwegian, Greek and German. We even supply Jalal food. It also provides a variety of products- including prestigious brands- in terms of beverages: Beers, wines, rum, champagne, gin, various types of whiskey, cognac, vodka, and others.

Furthermore, Blue Sea Ship Services supplies cabin store products at very competitive prices; as well as spare parts for deck and motors, tools, hoses and couplings, instrumental tubes, ropes and ropes, safety clothing, ladder nets, lifting equipment, mooring equipment, etc.

'Our company also has a full range of computer equipment, electronics, and appliances at very good prices. Blue Sea also has fire and safety equipment, which complies with all international standards. It also has a full line of lifeguard equipment.'

It offers marine electronic equipment such as navigation equipment, radars, marine hand radios, multifunctional screens, autopilots, marine cameras and chart plotters; all from the most popular brands. Moreover, it also offers ship fumigation and pest control services and processing of technical and legal documents, as well as ship maintenance and repair.

'Blue Sea is waiting for you in Panama,' said Zamorano.





Jason Critides at the Islamorada International bookstore

supporting equipment for marine electronics, being authorised agents for Sperry Marine, Anristu, Kodan, Leica, Magnavox, Newmar and a large number of other renowned international brand names. It can import and deliver locally spare parts and equipment duty free and can export to any part of the world.

MEC Stores is one of the companies of the MEC Group, dedicated specifically to ship chandlery. The company was created ten years ago, when the need to supply stores and equipment for vessels was identified as a legitimate need for regular customers of the company. Since the opening of the MEC Shipyard in Balboa, the company has been focusing on the needs of the vessels arriving at the facilities on the Pacific side of the Canal.

### Charts

Islamorada International S.A. ([www.islamorada.com](http://www.islamorada.com)) is the largest nautical bookstore in Latin America, and well known to the merchant marine community, yacht owners and sailors who will find what they are looking for at the colonial-style building in Balboa near the Panama Canal.

Islamorada International is second-to-none in the Latin American region for nautical publications and its stocks of commercial shipping journals for the professional mariner. Islamorada – with its location in the former Canal Zone,

## Islamorada International is second-to-none in the Latin American region for nautical publications

an area of historic interest in itself – is a store worth browsing. It is decorated with some interesting pieces of nautical paraphernalia including of the Panama Canal since its inauguration in 1914.

The company, created some forty years ago by the present owner's father, is a treasure trove of nautical charts, nautical publications, maritime software and marine instruments. It is also a great place for visitors from round the world looking for maps that will make their travels safe.

But those are not the only bookstore's customers since the experienced company caters not only to those who call Panama but also to clients who regularly use the services well outside the region as the company is a part of a network of Admiralty chart agents around the world. To save time and costly courier expenses, Islamorada International 'is working closely with other appointed Admiralty chart agents to supply their customers in

our region in a more expedited fashion,' explains Islamorada International manager Jason Critides.

The company has been appointed as an Oceangrafix Remote printing agent, and can supply Print-on-Demand charts for clients in Panama or elsewhere. 'That has been very successful, particularly the NOS charts, since it now is a last minute option for vessel entering US waters, where there are stringent regulations on keeping your chart folios up to date. They have been selling well,' says Critides.

'For the last couple of years we have been printing Admiralty charts and their US equivalents. These are printed at the last minute with the latest 'Notices to Mariners' applied,' he adds.

The bookstore offers a wide range of professional maritime reference books on the industry in general; with subjects ranging from tanker operations, port operations, maritime education, to salvage. 'Tramp bulk and tankers form the mainstay of its customers in addition to clients from round the world and merchant shipping that transits the Panama Canal and trades in Latin America,' explains Critides.

Islamorada International, classified as an International Chart Agent (UK Hydro Graphic Office) and appointed distributors of US (NIMA and NOS) and

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[www.islamorada.com](http://www.islamorada.com)



New Zealand hydro graphic products, has a staff of skilled, bilingual people to provide a service to ships and companies not only in the Caribbean and Latin America, but worldwide.

Chart Folio Management Services are provided for Admiralty NZ and US hydro graphic products, ranging from just the steady supply of Notice to Mariners to a customised chart-folio management service, with provision of automatic new editions delivery. 'We are authorised distributors for Admiralty digital products such as Admiralty Vector Chart Service (AVCS) and the Admiralty Raster Chart Service (ARCS), as well as Admiralty Digital Publications (ADP),' he explains. 'In recent years, the Admiralty launched the AVCS, allowing operators a very flexible and economical ENC service which licences cells for periods of three months up to 12 months.'

The ENC coverage being offered by the AVCS continues to grow, as is the interest in the service since the International Maritime Organisation (IMO) has mandated ECDIS (Electronic Display and Information Systems) as of 2012. The implementation will be phased in sections, the first of them will concern all new construction and then, year after year, different segments will require it on-board. 'We work closely with the UK Hydro Graphic Office and original equipment manufacturers to educate and assist owners in this process with information on the systems, what ENCs are legal, what equipment is legal, what are the training requirements and more,' says Critides.

The bookstore also sells plotting, weather, optical, and navigation instruments in addition to a wide range of nautical books covering navigation, seamanship, towing and salvage, ship design and naval architecture, yachting and leisure, marine engineering, cargo work, log books, maritime business and even maritime law.

### Dredging

**The Panama Canal Authority (ACP) Dredging Division:** The dredging work for the Canal modernisation programme was being performed simultaneously with the expansion dredging and should be completed in early 2018, once the widening of the southern part of Gatun Lake is accomplished. Meanwhile, the ACP completed widening the Gaillard Cut, the narrowest part of the waterway, which was done by the ACP, taking advantage of its better knowledge of the site conditions and its experience working around transiting vessels with a minimum impact.

As part of the expansion dredging project, the Gatun Lake has been deepened to an elevation of 9.14mtr above sea level or 16.76mtr Mean Lake Level (MLL) and the navigation channels widened to a minimum width of 218mtr. As part of the expansion programme, the Gatun Lake level has been raised by 0.45mtr to 27.1mtr and will provide additional water storage capacity to make nearly 1,000 additional lockages a year.

In December 2012, the Dredging Division finished the deepening of Gaillard Cut from -15.52mtr MLL to -16.76mtr MLL and, continued working on widening the 14km stretch from Bas Obispo reach

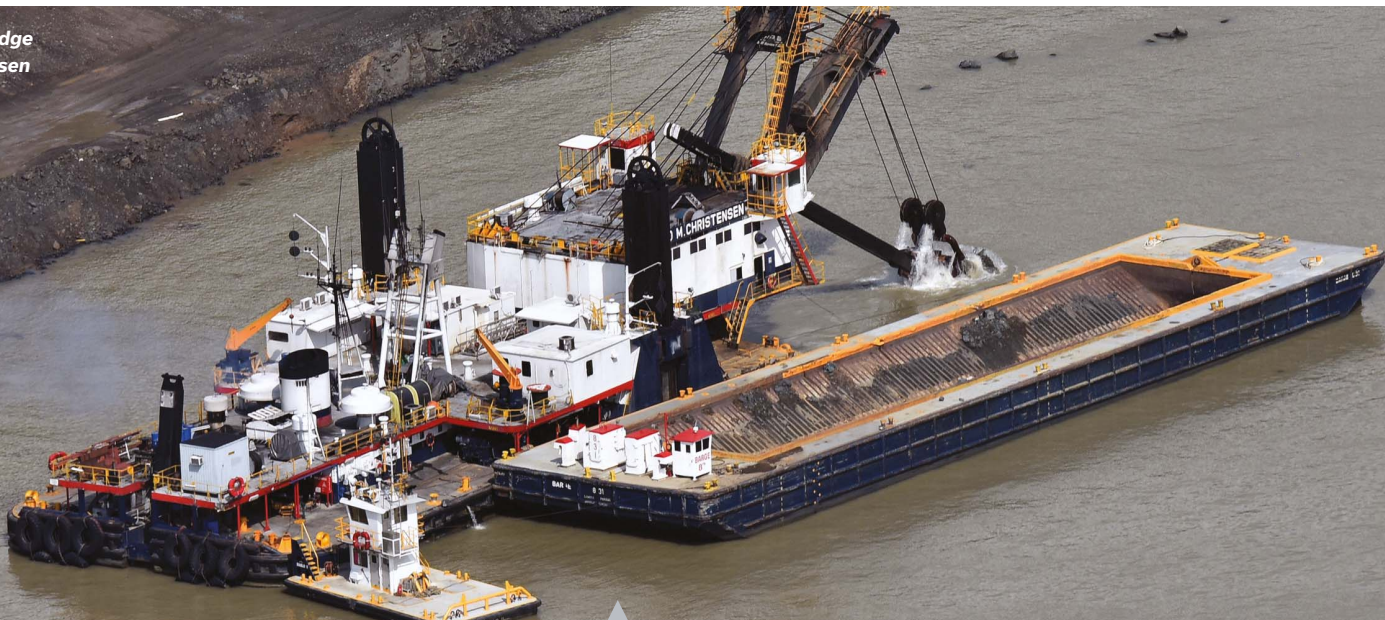
to Pedro Miguel reach from 192mtr to 218mtr, which concluded in December 2014. The scope of this project included the excavation and dredging of 29.8 m cu mtr of material, including the drilling and blasting of 11.8m cu mtr of these materials, and the relocation/replacement of aids to navigation within the widened reaches.

The widening of Gaillard Cut up to 218mtr will improve navigation safety for Neopanamax ships transiting the narrowest part of the Panama Canal.

Additionally, channel reaches of Chagres Crossing and Gamboa will increase width to 305mtr, on a 7.7km portion of channel, in order to have meetings of two neo-Panamax vessels transit in opposite directions, and the expansion of Gamboa's mooring area to accommodate at the same time a Panamax and a Neopanamax vessel. This requires the removal of approximately 11.7m cu mtr of earth and rocks. The \$130 m project began in October 2013 and should conclude by June 2018. The scope of works includes drilling and blasting, dry excavation, dredging, and the relocation/replacement of aids to navigation within the widened reaches.

At the peak of this projects, the ACP added over 300 temporary employees to its Dredging Division work force, to perform the remaining dry excavation and dredging, including drilling and blasting, with the existing and new equipment. The ACP dredge fleet, composed by the dipper dredge Rialto M. Christensen, the recently introduced backhoe excavator Alberto Aleman Zubieta, cutter suction dredger QUIBIAN I and cutter suction

ACP Dredge  
Christensen







Van Oord-Moin works

## Van Oord: a familiar partner in Central America

Family business **Van Oord** ([www.vanoord.com](http://www.vanoord.com)) operates around the world as a leading contractor for dredging, marine engineering and offshore and energy projects (oil, gas and wind energy sectors) and provides innovative solutions for marine engineering challenges. Van Oord is an independent public limited company based in the Netherlands with branch offices worldwide.

The Panama office is the dedicated point of contact for all clients in Central America, North America and the Caribbean countries and from there all projects in this specific area are being coordinated.

Van Oord has been active in Central America for decades. August Runge, Area Manager North & Central America, explains about recent activities in the region: 'Since January 2013 we have been involved in the construction of a new container terminal for APM Terminals in Moín, Costa Rica. Our consortium won the project in October 2013 through an early contractor involvement process. In addition to dredging 6.5m cu cm of sand and 3m cu cm of material, the work includes the construction of a 2.2km breakwater, 650mtr quay wall and pavement, and reclamation of 40 hectares of land. We focus on the dredging works and breakwater construction, whilst BAM International is focused on the civil works and utilities. Multiple activities are taking place simultaneously as the partners in the VOBAM consortium are working around the clock in a fully integrated approach.'

Another renowned project in the Caribbean is the so-called Sandy Bottom project. In 2014, the government of the Bahamas, Van Oord and Damen Shipyards signed an agreement

for a rigorous upgrade of the naval bases on three islands and the delivery of a fleet of new patrol vessels.

'Our scope in this project includes dredging, constructing several breakwaters and quay walls and corresponding civil engineering works. The work is spread out over sites up to 700km apart. When working in vulnerable areas like this, we take into account the interests of the environment and our stakeholders. Various measures to protect the vulnerable surrounding corals were taken. Corals that were located in the footprint of the access channel were relocated to a recipient-site nearby to ensure their preservation. In addition to the relocation, Van Oord was actively involved in the breeding of coral. Our in-house developed coral engine provides a continuous source of out-place able corals with which local stakeholders can create and, if necessary, rehabilitate their coral reefs,' says Runge.

'Recently, our trailing suction hopper dredgers Lelystad and Dravo Costa Dorada have been carrying out maintenance dredging works in several ports in Dominican Republic, Costa Rica, Panama, Trinidad and Tobago and Mexico. In this way we play a crucial role in the accessibility of important waterways and ports in Central America, contributing to the area's economic prospects. Since several months, our trailing suction hopper dredger Utrecht is working on the trenching works for the new Texas (in the US) to Tuxpan (in Mexico) subsea-pipeline installation. The work never stops,' concludes Runge.

'Soon our vessels will head to Cuba for beach re-nourishment works to serve the tourism sector and protect the coastal areas for sea level rise.'

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dredger MINDI, were been kept extremely busy, 24/7, until the end of the expansion project maintaining channels depth through maintenance projects while developing capital projects. After the end of the expansion project, a year ago, the 70 year old cutter suction dredge Mindi was retired from the fleet, as planned since the beginning.

**Dredging International (DEME Group-DI)** from Belgium has been involved in the Panama Canal expansion since the beginning of the project. DI was awarded by the ACP the dredging of the Pacific entrance for the Canal expansion project, in April 2008. DI offered \$177.6m to widen the Canal's approximate 14km navigation channel to a minimum of

22.5mtr and deepen it to a maximum level of -15.5mtr Mean Low Water Spring (MLWS). It was the first project in Panama for Dredging International and one of the largest projects currently under execution in the Americas.

The scope of work included dredging 9.1m cu mtr from 14.2km of the canal, from

### Royal Boskalis Westminster N.V.

**Royal Boskalis Westminster NV.**, a leading global maritime services company operating in the dredging, maritime infrastructure and maritime services sectors, has become a regular feature in the various infrastructure works in the isthmus with dredging projects since 1989. Through its subsidiary company Boskalis Panama S.A. they have won a series of contracts and works for the private port concessionaries, port operators in Panama during the last decades, but have also executed a couple of dredging works in the past for the Panama Canal Authority (ACP) and more recently has written history with the construction of the first artificial island in the Americas for Panama's Grupo Los Pueblos.

In March 2015, Royal Boskalis Westminster NV. (Boskalis) was awarded a contract from Compañía Insular Americana, S.A. to construct the second artificial island off the coast near the residential area of Punta Pacifica in Panama City's bay. The client Compañía Insular Americana, S.A. is an affiliated company of Ocean Reef Island Inc. for which Boskalis constructed the first artificial island.

This project follows the successful construction of the first island by Boskalis, which was handed over to the client in early 2015. With a contract value of more than \$58m the project began in May 2015 and was expected to complete two years later, said Boskalis Panama general manager Marc de Leeuw, a civil engineer with 15 years of experience with Boskalis in places as far as Australia and India, and who arrived early 2015.

The project involves constructing the second artificial island –La Pinta– in the Pacific Ocean off the densely populated shoreline of Panama City. Nine hectares of land will be created by using approximately 600,000cu mtr of rock to form a perimeter and filling it with more than 1m cu mtr of sand. A bridge is being built to connect the second island to the first island. The first artificial residential island in the Americas

of which construction began early in 2011 had already been concluded 'on schedule' in February 2015.

Boskalis has been using tugboats and barges to transport the rock from Vacamonte to the project site and a clamshell and excavators to install the rock perimeter. The sand is borrowed from existing submarine sand concessions while vibro-compaction works are executed to stabilise the newly created land.

The entire project created by the Panamanian renowned real estate company Grupo Los Pueblos, consists of two artificial islands located offshore next to the residential neighbourhood of Punta Pacifica, in the bay of Panama and will be completed with a marina. The first island features approximately 72 lots already sold out and is linked to the shore by a bridge. 'The island's sale of lots was a success. The second island is similar in size, and its construction was scheduled to take less than two years- time.'

At the time of writing the second island has been successfully completed and handed over to the client for further development.

With the construction of the Panama Canal third set of locks completed and inaugurated the ACP is looking to diversify its activities, whereby the tendering of the Corozal port continues to be pursued but also the development of a logistic park and opportunities in the LNG business are being considered.

The recent establishment of diplomatic relations between China and Panama could also offer opportunities in the maritime and logistics sector. These developments are followed with interest by Boskalis.

Boskalis' strategy is aimed at benefitting from key macro-economic factors which drive worldwide demand in their markets: Expansion of the global economy, increasing energy consumption, global population growth and the challenges presented by climate change.





Dredging at Agua Clara

its entrance at the Amador Causeway up to the Miraflores and new locks sites, making of Dredging International's scope a vital part of the \$5.25bn expansion programme. DI's split the project into eight sections that was dredged over two phases, removal of the relatively soft overburden, and then, removal of the rock. In January 2012, the ACP requested a modification of the contract that brought additional work and expanded the deadline to June 2013.

DI had deployed in Panama, nine units in total, brought new vessels with the latest technology, including the drillship Yuan Dong 007, a mix of very new and

proven dredges specifically selected for the job. Those included DI's cutter flagship, 28,200kW self-propelled heavy-duty vessel D'Artagnan that has 6,000kW cutter power, plus the 9,000cu mtr trailer Breydel and the backhoe Samson, a clamshell and a couple of self-propelled 2,000cu mtr hopper barges. Drilling and blasting were initiated with the Yuan Dong 007 chartered by DI, a pioneering vessel designed and built specifically for the Panama Canal expansion project. Built at a cost of \$25m by Chinese blast company Yuan Dong, at Ningbo shipyard, the vessel has ten integrated towers and the capacity to blast up to 60,000cu mtr of rock a week.

In addition to the ACP expansion, Dredging International Panama dredged the approach of the PSA Panama International Terminal (PSA Panama) as subcontractor to Alvarado & Durling and Vergel & Castellanos, which built the facilities. There was some land-based dredging in addition to the of 1m cu mtr to increase depth to 14.5mtr at MWLS.

In June 2010, the ACP awarded DI their second Panama Canal contract to dredge Gatun Lake since the Belgium Company offered the lowest price of \$ 39.98m for widening and deepening the existing navigational channel by dredging approximately 4.6m cu mtr

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in the northern most reaches of the Lake. This contract was one component within the ACP Fresh Water Dredging and Excavation Project for the Canal expansion, which included the dredging and/or excavation of about 30m cu mtr in the 425sq km Gatun Lake and Gaillard Cut.

Belgium-based **Jan De Nul Group Panama**, innovation, expertise and sustainability. These are the corner stones of Jan De Nul Group's success. Thanks to its skilled employees and the world's most modern fleet, Jan De Nul Group is a leading expert in dredging and maritime construction activities, as well as in specialised services for the offshore industry of oil, gas and renewable energy. These core maritime activities are further enhanced by Jan De Nul Group's in-house civil and environmental capabilities offering clients a complete package solution.

Our professional and innovative solutions are trusted across the industry. Whether it concerns the construction of a new cruise terminal for the AMP or a new port complex in Western Australia, together with our customers, we build for further economic development.

Since 2004, Jan De Nul has been continuously active in Panama. From the widening and deepening of the Atlantic entrance, the construction of two new lock complexes within the scope of the Canal expansion programme or building new port facilities for a copper mine in Central Panama.

Since 2015, Jan De Nul has been extending the PSA Panama terminal, a three stage contract. The first enabling works project, in 2015, included preparatory works for the future container terminal platform during which, among others, the subsoil was improved. In 2016, we started with the two follow on contracts: one for quay construction and the second for excavation of a dry building pit for the quay deck construction including dredging the link with the Panama Canal.

Jan De Nul can offer the client the unique combination of civil and dredging works. This was attractive to PSA Panamá as it eliminated interface risks between contracts.

### Maritime Services

Most of the Canal customers shipping lines have established regional operations in the country to handle directly their operations with the waterway; many of them having based their regional offices in Panama and participating in the growth of the maritime sector.

A number of companies have opened offices in Panama to be present when the expanded Canal began operations end of June 2016 or because they had become involved in the Canal expansion works. Those companies are oriented towards auxiliary services, from inspection, class and survey companies for the Ship Registry, to port construction, security, distribution firms of port and shipping equipment and consulting firms. They have consequently contributed to the

strengthening of the sector with new capital and products.

The most important shipping lines are now working directly their vessels from their offices opened in the past ten years. It is likely that many shipping lines will change names and offices as product of the recent mergers and acquisitions in that sector.

**APM-Maersk** group of companies in Panama with more than 200 people, has its commercial headquarters in Costa del Este, covering the local **Maersk Panama Cluster** (covering 10 countries) and the new **Maersk Line Regional Team** that recently relocated from Sao Paulo, **APM Terminals** and **Damco Latin America** regional teams, as well as the Latin America liner operations centre located in Balboa. **Maersk Panama S.A.** operations officially started January 1992 with ten staff members, one office with the opening of two services, the Andean Service covering the east coast of US, Panama and west coast of South US serviced by three vessels. But the present structure is also likely to change as the AP Moeller Group continues its re-organisation.

**APL Panama**, through its predecessor the Pacific Mail Steam Ship Company, had been present in Panama long before the Panama Canal was inaugurated in 1914. PMSSC introduced in 1848 a pioneering coastal steamship service between Panama and California for passengers and freight.

ACP Dredging  
Lake Gatun



### PPG Protective Marine Coatings

PPG ([www.comex.com.mx/divisionprofesional](http://www.comex.com.mx/divisionprofesional)) has been world leader in paints and coatings for over 150 years with presence in more than 75 countries, including Panama, providing solutions and technological support to contractors and large metallurgical companies, such as ICONSA, Marine Metals, Shipyards MEC, to the industrial and maintenance division of floating equipment of the ACP, as well as to the industrial and private sectors.

To ensure excellent service and support to our customers, we currently have a strong local structure of more than 200 employees, three storage and distribution centres and we are specially focused on offering personalised attention and customisation to the specific needs of each project.

The Company has certified and specialised technicians to provide a system of inspection, specification and products that comply with the international standards NACE, SSPC, ISO, NORSOK, IMO, which allows us to provide solutions to the aggressive environmental requirements that contribute to increase the speed of corrosion, usual in Panama, for the boats in the different operating conditions.

PPG offers to the maritime market a wide portfolio of the SIGMA brand, specially designed to protect from small boats like fishing boats, barges and tugboats, to large vessels and tankers of great draft. SIGMA includes solutions for all areas of the boat: SIGMA ECOFLEET self-polishing antifouling for low and medium speeds and the anti-fouling SIGMA SAILADVANCE RX, a self-polishing formulated with hydrolysable resin that provides low friction properties, providing constant activity and effectiveness up to 90 months.

PPG also provides high impact resistance solutions for icebreakers with the SIGMASHIELD 1200 and SIGMASHIELD 460 systems as well as the SIGMAPRIME and SIGMACOVER anti-corrosion systems specified for the live and



deadline, which protect against corrosion of metal structures in the different fleets for a longer time.

As a leading global company, PPG also dominates the supply of solutions for fuel storage terminals. This is the case of Melones Oil Terminal, who applied the line SIGMACOVER and SIGMADUR for the protection against corrosion of their tanks and pipes. And for the protection of the structures and metallic piles in the springs in the zone of the splash and under immersion, was applied the product High Build Epoxy Sigmashield 880, resistant to the high abrasion and corrosion characteristic in those zones and able to go into immersion After 30 minutes from its application.

All these are just a few examples of the excellent results offered by the SIGMA portfolio and PPG experience, with high performance products and the technical support that guarantees the quality of the coating systems and which has generated, in thousands of customers around the world, the trust for the development of successful and lasting projects in the maritime and industrial industry of Panama, by the hand of PPG.

In the modern age, in 1995, APL began the first, dedicated all-water east coast Service from Asia to the US east coast, with calls at Manzanillo International Terminal (MIT). Since beginning 2005, APL has initiated operations from the port of Balboa for transshipment and connections to its own network of vessels.

Panama is the regional office for Latin America but also calls other Panamanian terminals. APL has maintained the same regional office even though after the recent purchase of its parent company NOL by CMA-CGM. APL has seen its business grow substantially with the increase of reefers being transhipped in Panama from South America to Europe.

The **China Shipping Agency (Central America)** provides services from the Far East, the US and Panama with

vessels fully owned or operated by China Shipping Container Lines Cy. Ltd, affiliated to the China Shipping Group. The company's Far East-North America service operates 13 vessels out of the company's 98 container vessels and a total of 120,000 teu, also cooperates with CMA-CGM, ZIM, and P&O Lines on a service-US east coast to Asia and vice versa. As China Shipping has recently been absorbed by Cosco, the holding company Coscocs, Cosco China Shipping Group Chairman Xu Lirong has launched the new lines of business of the company: Cosco Shipping Lines (central US) Inc. and Cosco Shipping Line (Panama) Inc. The launch took place in June 2016, one day after the opening of the expanded canal with the transit of the Cosco Shipping Panama. The merger of the two largest Chinese shipping lines will make Coscocs the

fourth largest in the world with a market share of 7.7% according to figures from Alphaliner.

The French carrier **CMA-CGM** is amongst the top ten first customers of the Panama Canal and is a leader in the international container shipping industry, now the third world's largest shipping line, playing a predominant role in the global economy by carrying more than 90% of all goods bought and sold around the world. The CMA-CGM Group operates globally through a network of 650 agencies in more than 150 countries. With its five main hubs located in Malta, Tangier, Khor Fakkan, Kingston and Port Kelang, the Group serves both major shipping lines and secondary axes.

CMA-CGM started operation in Panama on January 1, 2006 under the new joint

venture named CMA-CGM Panama, Inc. Before that date, the French company was represented in Panama by French Shipping Agency until December 2005. CMA-CGM calls Panama ports on both Atlantic and Pacific sides. Two offices are located in Panama: one in Panama City and one at Manzanillo International Terminal (MIT) in Colon.

CMA-CGM's team in Colon takes care about Colon Free Zone exporters, in close relation with Panama City office. With an organisation dedicated to reefers and a network of experts in over 85 countries, CMA-CGM moves most of agricultural Panamanian exports, in particular fruits such as watermelons and pineapples. CMA-CGM owns one of the largest and youngest fleets of reefer containers: 170,000 reefer teu in fleet within 90,000 Low Energy teu.

**China Ocean Shipping Company (Cosco)** has opened offices in Panama in the late 1990s and is amongst the Panama Canal top ten customers. Cosco-Panama that was transferred in 2003 to Coscon formerly Cosco Americas, handles six branch agencies in Central America covering Venezuela, Colombia, Mexico, Dominican Republic, Costa Rica and Panama and operates as a general agent for Cosco vessels and for other vessels as well. All branches account to Cosco-Panama which acts as an internal financial centre for the group operations in the region. The Panama regional office will be augmented with the recent merger with China Shipping. Cosco officials said the re-organisation has been effective since 2017.

Chile's **Compania Sud Americana de Vapores (CSAV)** and **Crowley** have also opened offices in Panama while

Taiwan-based **Evergreen** operates its liner services and agencies for the region from its subsidiary in Panama located in its own 'green' building. Even after the merger of CSAV container unit and Hamburg Sud, CSAV maintains its office in Panama as the company continues to operate in Latin America. Crowley operates several routes in the Caribbean basin calling mainly Panamanian ports on the Atlantic side.

**Mitsui O.S.K. Lines (MOL)**, one of the oldest Panama Canal customer, through a re-organisation in 2003, the liner opened its own commercial office in Panama and relocated the Vessel Operation Centre from Concord, Ca, to centralise the planning of all vessels movements and cargo stowage in North America, Central America, South America, Canada of and the Caribbean.

### Intermaritime's new Training Academy and ICS Class office in Paraguay

With continued success in the past year **Intermaritime** is seeking new growth opportunities and has strategically chosen two new representative locations in both North and South America. Intermaritime Group is proud to announce the opening of new representative offices located in Asuncion, Paraguay and Miami, Florida.

ICS Class has authorised and audited the new representative office to handle all services to the South American market based out of Paraguay. All of our product offerings will be provided through our representatives such as Statutory Certification, Flag Registration, Insurance and Surveys.

Intermaritime has also just recently inaugurated a new training (Intermaritime Training Services) located in Miami, Florida where it will provide to the US market, all certified Panama flag courses we offer in Panama. This new training academy location gives convenient access to many ship crews around the world who regularly go through South Florida

ports to get top of the line training from Panama Flag-accredited training providers.

This year Intermaritime has also seen the launch of its Ballast Water Management Certification. The Panama Flag put this certification into mandatory requirement for 2017 and ICS Class has helped its clients go through a seamless transition.

ICS Class is a member of Intermaritime Group formed by 6 companies committed to providing integral maritime solutions tailored to the customers' needs: Class Organisation (ICSClass), law firm (Panama Maritime Lawyers), Survey team (ICSurveys), Training Centre (Panama Maritime Training), Insurance Provider (AQM) and Radio Accounting/Point of Services Activations Company (World Maritime Communication).

All of Intermaritime Group's companies are certified with International Standards depending on the service, ISO 9000 BV Certified, IFIA Certified, Lloyds List Registered, to mention a few.

Intermaritime Group is present in over 70 countries with exclusive surveyors and representatives worldwide to attend each one of its clients locally. Its headquarters are in Panama, with offices in Dalian, China, to serve Asia, and London to serve Europe. In this last decade, thanks to its customers the Group has attended to more than 5,000 vessels with its Global Network.

Take advantage of its multidisciplinary team of professionals from naval architects, radio technicians, risk specialists, surveyors, bunker inspectors, adjusters and lawyers with years of experience that can provide its customers with the advice and technical expertise they deserve.

'At Intermaritime we've got you covered,' says Panama Maritime Lawyers & Corp partner Flor Torrijos.

**INTERMARITIME**  
We've got you covered



## A new option for commercial diving

Alpha Commercial Diving Services ([www.alphadivingpty.com](http://www.alphadivingpty.com)) which is just coming into its second year of operations on the Panamanian maritime scene is an all-round diving company.

Alpha specialises in ship maintenance and repairs as well as construction diving and is going from strength to strength having been approved as a service provider for in water surveys (IWS) by ABS at the beginning of the year in February 2017 and most recently by Lloyds Register in July.

We are currently working on our ISO 9001 certification which we are hoping to achieve by the end of 2017 to which end our staff have been sent on ISO 9001 training in the UK, say Alpha Diving owners.

The company has participated in over five international maritime trade fairs over the last two years, our most recent being Sea Asia in Singapore earlier this year. 'Visiting Sea Asia was a real eye opener and gave us great insight into what is going on in the current shipping market and was a great networking experience,' says owner Jonathan Jones.

'Our client base is expanding by the day and we are slowly but surely getting busier as the months go by.'

Alpha's team of divers is highly skilled. They are all ADCI (Association of Diving Contractors International) certified



'Visiting Sea Asia was a great networking experience,' says owner Jonathan Jones

and ADCI guidelines are fully adhered to. The team has been working in ship maintenance in Panama for many years.

'The challenge for the months and years ahead in an increasingly competitive commercial diving industry in Panama is for diving companies to offer a quality service while maintaining high safety standards,' adds Jonathan Jones.

MOL is amongst the top Customers of the Canal and one of its vessels, MOL Benefactor, holds the record – in the Canal's 102 years history – for the highest toll paid for transiting the waterway on September 9, 2016, a few days after the inauguration of the third set of locks. The Tokyo-headquartered shipping line had the no.1 ranking position amongst the waterways top customers, as at August 2017. The liner is also the second top user of the expanded Panama Canal with about 40% of the transits going through the Neopanamax locks.

But changes are coming for the Japanese shipping line as the big three shipping groups – "K" Line, MOL and NYK – have officially established Ocean Network Express (ONE), making further progress on the integration of their container shipping businesses. On July 7 this year, "K" Line, MOL and NYK have set up a holding company for ONE in Tokyo, and an operating company in Singapore. It is likely that now the three Japanese shipping lines will operate, after 2018, under a single office in Panama.

**Pole Star Company ([www.polestarglobal.com](http://www.polestarglobal.com))** is privately owned and headquartered in London, with offices in Panama, Boston, Hong Kong and Sydney. Pole Star currently provides ship monitoring and risk management services to 118 governments (including LRIT data centres for 46 maritime administrations and ship registries) and more than 1,100 organisations based in over 90 countries. In total, the company tracks more than 40,000 ships – almost half the world's fleet.

Pole Star is proud to support the world's largest Ship Registry, AMP in what is widely considered to be the world's largest vessel monitoring centre, managing over 8,000 SOLAS class vessels.

In addition to the provision of fully out-sourced Long Range Identification and Tracking (LRIT) services, Pole Star provides non-SOLAS vessel monitoring, Vessel Vetting, Sanctions Compliance, Port Risk Mitigation and Ship Security Alert Service (SSAS) Management of the fleet. The new vessel monitoring centre is based in Panama City and manned by trained staff on a 24 x 7 x 365 basis.

Panama is the first flag state to implement such a broad range of Maritime Domain Awareness (MDA) capabilities under a single platform. This new standard of excellence clearly sets a precedent for other flag states who will wish to keep up-to-date with increasing safety and compliance requirements for their fleet.

The AMP currently has full LRIT compliance and has indicated the need to increase their maritime safety capabilities system by extending the safety and security scope of their current system. The new system will incorporate similar MDA tools for the Non-SOLAS vessels operating within the Panamanian territorial waters, including small fishing, leisure vessels, service vessels, commercial and industrial fishing vessels, fuel transfer vessels, and vessels operating within maritime concessions.

The Panama flag is the first flag state to implement a comprehensive Sanctions and Compliance system for all the vessels flying the Panama flag. The new Vessel Vetting system will also allow the flag's Port State officials to deploy a Port Risk Mitigation plan for all the country's ports.

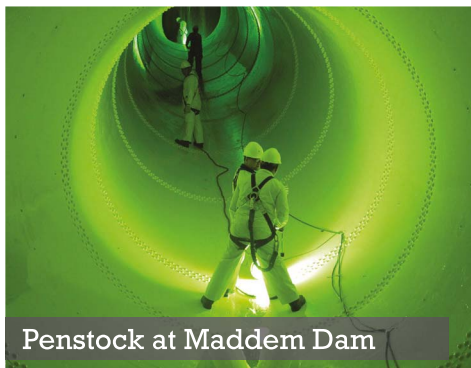
# MARINE METAL COATINGS, INC.

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**Corrosion Control & Concrete Demolition**



Miter Gate of the Panama Canal

## CORROSION CONTROL



Penstock at Maddem Dam

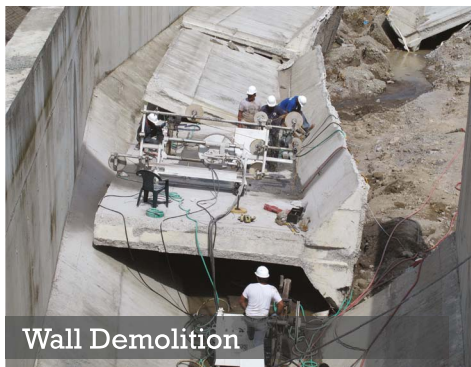


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The system will alert the AMP of any vessel subject to existing sanctions and embargoes, and if the vessel carries any risks relating to terrorism, war zones, or infectious disease.

In terms of vessel security and piracy counter-measures, the AMP will be deploying a real-time Ship Security and Alert (SSAS) platform where they can manage SSAS alerts, flag tests, and verify compliance with the ISPS Code. In addition, the time consuming task of managing the SSAS test schedules will be automated, allowing for significant improvements to efficiency.

'This expanded scope award coupled with Pole Star's recent United States Coast Guard (USCG) contract clearly indicates that the global LRIT platform is stable; and leading flag states are starting to build upon its foundation to improve safety at sea for all its stakeholders. We fully expect that most quality-driven flag states will follow suit and commence

similar implementations in terms of non-SOLAS vessels, and good governance in terms of compliance and vessel vetting,' says John Ramsauer, director of Global at Pole Star. He adds that leading flags are already engaging with Pole Star to deploy similar technologies to maintain their competitive stance in what is a very turbulent ecosystem.

Pole Star Space Applications is a privately owned UK technology company that has been providing ship-centric monitoring, regulatory compliance & risk management services to the shipping industry since 1998. They have over 100 employees operating via a network of offices located in London, Panama, Boston, Hong Kong and Singapore. They are widely acknowledged as one of the leading providers of remote fleet monitoring, risk management, ship security, LRIT and fisheries monitoring services.

Under its Purplefinder® brand, Pole Star develops innovative and reliable

systems that enable commercial shipping customers to monitor and manage their assets worldwide. These products provide ship owners and managers with the information they need to maximise operational performance and safeguard their assets and crews. Over 15,000 vessels are managed by the company's Fleet Management (FM), Ship Security Alert System (SSAS), and Marine Asset Tracker (MAT) product range.

Through its Absolute Software™ brand, Pole Star provides Fisheries Vessel Monitoring Solutions (VMS) to fisheries authorities in more than 30 countries, allowing them to monitor compliance effectively over large, remote areas. Specialised features include the calculation of fishing activity catch reporting and quota data to support environmental programmes for the sustainable harvesting of fish stocks. Over 6,000 commercial fishing vessels, operating under 35 flags, are managed by the company's VMS systems.

### Robert Bosch Panama worked for the Canal expansion

Robert Bosch Panama ([www.boschrexroth.com](http://www.boschrexroth.com) & <https://www.boschrexroth.com/en/xc/industries/machinery-applications-and-engineering/marine/marine>) of the Bosch Group has a presence in Panama since 2011. The Bosch Rexroth Company participated in the Canal expansion and its project consisted in providing 158 complete hydraulic systems, including six spare units. Apart from the technical challenges of the project, time played a decisive role. Rexroth needed to develop 158 customer-specific power units and drive cylinders for the valve operation to regulate the water flow. These compensating valves control the inflow to the lock chambers and water-saving basins. After final completion of the hydraulic drives' design, the first partial delivery to the Panama construction sites had to be fulfilled by January 2013.

The lock system's unique process and international service required as close to perfect equipment availability as possible to ensure the canal operates reliably. Because of this, all installations also required a redundant design, so every step through the Panama Canal has a backup. This exhaustive redundancy contributes to a lock availability of 99.9%. Bosch Rexroth combined know-how and production capacities from China, Germany, the Netherlands, South Korea, Brazil, Chile, Mexico and the US to complete this successful project.

Having established a regional presence in 1906 in North America, the Bosch Group, a leading global supplier of technology and services, employs some 52,500 associates in more than 100 locations, as of December 31, 2016. According to preliminary figures, in 2016 Bosch generated consolidated sales of \$15.7bn in the US, Canada and Mexico. Its operations are divided into



four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected industry. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source.

The Bosch Group comprises Robert Bosch GmbH and its roughly 450 subsidiaries and regional companies in some 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. The basis for the company's future growth is its innovative strength.



*Alpha Diving Services specialises in ship maintenance and repair*

All the company's products are supported 24/7 by a dedicated team of 80 professionals. Fluent in over 20 languages and located in offices in London, Boston, Panama, Hong Kong and Australia, Pole Star is a local company in every market they serve. All staff adheres to strict quality assurance practices, which have allowed the company to obtain ISO9001:2008 certification.

**Alpha Laval**, with local presence in Panama with Technical and Commercial branches working together and a field engineers network ready to support the complete service portfolio, Alfa Laval offers a wide range of solutions, troubleshooting and maintenance for the treatment of ballast water (PureBallast), fuel, lube oil treatment separators, plate heat exchangers, boilers (Aalborg Alfa Laval), oily water treatment (PureBilge) and is also in the capacity to train, audit and develop technical skills for the crew and customers technical teams, solutions that minimise the financial impact of any unexpected break down.

**Alpha Commercial Diving Services (www.alphadivingpty.com)** is open for business on the Panama maritime scene. An all-round diving company specialising in ship maintenance and repairs as well as construction diving, bringing together a team with a wealth of experience in all areas of commercial diving.

**Braemar (incorporating The Salvage Association) Braemar S.A.** is a world leading multi-disciplinary Marine Surveying and Technical Consultancy and has set up a new office in Panama. Braemar SA offers a broad range of

technical and in-depth expert services to the maritime industry. In addition to traditional Hull & Machinery damage surveys it has also successfully further developed our scope of services to include a broad range of expert marine consultancy services and also expansion of the project cargo warranty capacity.

The company has offices in New York, Miami, New Orleans, Houston, Seattle, Montreal, Rio and in the future, Toronto.

**ClassIBS -Isthmus Bureau of Shipping (www.ibs.com.pa)** was founded in May 1995 in Panama and recently celebrated its 30th anniversary. ClassIBS was established as Classification Society in order to promote the regulation and development of the shipping and shipbuilding industries.

Although ClassIBS has its head office in Panama, it has a network of representative offices and more than 75 surveyors around the world, which work under direction and coordination from its head office. In addition to its classification activities, ClassIBS conducts surveys on behalf of third parties including State Administrations like Panama through the Panama Maritime Authority, Belize through IMMARBE (International Merchant Marine of Belize), and Jamaica through the Maritime Authority of Jamaica, among others. The society also verifies the safety management systems of ship-management companies and ships, in accordance with the International Safety Management (ISM) Code, International Ship and Port Facility Security (ISPS) Code and Maritime Labour Convention 2006 (MLC 2006).

**Hubel Marine B.V.** is a Rotterdam-based maritime consultancy firm Hubel Marine B.V. were laid in the 1980 by Mr. J.W. de Koning performing flag state inspections for Panama. The range of services grew and since 1997 the company is run by Erik de Koning, his son and sole owner.

De Koning was joined, a couple of years later, by Wouter Sluis who is now general manager, and a support team of professionals. The four pillars of the company are the following services: Registration of vessels, Flag State seafarer endorsements, Flag related Classification surveys and a service department that assists with the sale and purchase of vessels between clients.

**Intercoastal Marine Inc. (IMI) (www.imi.com.pa)** is the leading marine construction company in Central America. Since its foundation in 1995, IMI has played a major role on the development of the marine sector in Panama completing most of the existing container terminals in the country. It continues to participate in all the tenders and large projects of the expansion of the existing terminals on both sides of the Panama Canal.

In 2011, IMI was acquired by two important construction companies in Latin America: Concreto from Colombia and Salfacorp from Chile through a Colombian outfit called Consalfa. IMI, backed by its partners, offers solid management and depth technical expertise on each and every one of its workers and professionals. IMI is an equipment intensive company and offers a large series of heavy cranes that range from 12 tonnes to 300 tonnes and it has bought its sixth 2,100hp-25 tonnes bollard pull-tug boat. IMI has been able to maintain its sustainable growth in Panama and simultaneous start its internationalisation in other Latin American markets such as Guatemala and Dominican Republic.

**International Marine Experts (IME) (www.ime.com.pa)** provides for inspections of ships and yachts that have been damaged or require inspections or surveys for either insurance purposes or for pre-purchase condition and appraisal evaluations. The company, located near the Panama Canal, is comprised of a small group of professional marine engineers and ships officers.

Its sister company, Overseas Marine Certification Services (OMCS), is both a Recognised Organisation (RO) and Recognised Security Organisation (RSO) authorised by the Panama Maritime Authority to survey and issue all necessary statutory certificates on its behalf required by the Panamanian government and the IMO for Panama-flagged vessels. With headquarters in Panama and regional offices located in Shanghai, China & Dubai UAE, IME offers a worldwide coverage.

**The Inter maritime Group**, founded by Eng. Santiago Torrijos, is formed by six companies dedicated exclusively to the maritime business for the most important Flag states. **Inter maritime Certification Services (ICS Class)** giving class and statutory services to ships flying Panama, Belize, Honduras and Kiribati flags as Class Society, RO and RSO for the issuance of Class & Statutory Certificates. ICS Class is a classification society with headquarters located in Panama, Republic of Panama. ICS Class is an independent and non-commercial organisation carries out its classification activities in an impartial and objective way in compliance with the ICS Class Rules and Regulations. ICS Class Rules and Regulations set appropriate standards for the Classification and Construction of Ships providing all the information needed for classification purposes.

Inter maritime Group has a training centre **Panama Maritime Training Services (PMTS)** with more than 15 years of experience since, certified by the Panama Maritime Authority and IMMARBE (International Merchant Marine Registry of Belize), as well as the Panamanian

Ministry of Education, to conduct out STCW78/95 courses and assessment.

To respond to clients' demands, the Group has built a strong business structure that includes a law firm, **Panama Maritime Lawyers & Co.** The Group represents, as Deputy Registrars and Maritime Registrars, the following Maritime Authorities: Panama, Belize, Bolivia, Honduras, Vanuatu and Sierra Leone.

Three years ago Inter maritime Group launched its strategic partnership with Marine and Cargo Reinsurance Broker Aquamercantile, the first reinsurance broker to be authorised by the Superintendency of Insurance and Reinsurance of Panama (Registration Number ROC-002) specialising in Cargo 'Stock Throughput', Marine Cargo, Marine Hull & Machinery including War Risks, Protection & Indemnity as well as other marine liabilities, Oil Terminals and Port Facilities, Claims and Salvage Assistance 24/7.<sup>4</sup>

**Macosnar Corporation (www.macosnar.com)** is a Panamanian RO, RSO, and classification society founded in 1995 to offer services of professional quality to the maritime community in an efficient and appropriate way. Such services are carried out with a highly experienced staff of Engineers and Naval Architects which guarantee the performance of surveys and certifications according to the norms and regulations of the IMO.

Macosnar celebrated its 20 years of anniversary in 2015, which enhances its day to day commitment in maintaining and developing a global coverage including the achievement of Flag Administrations

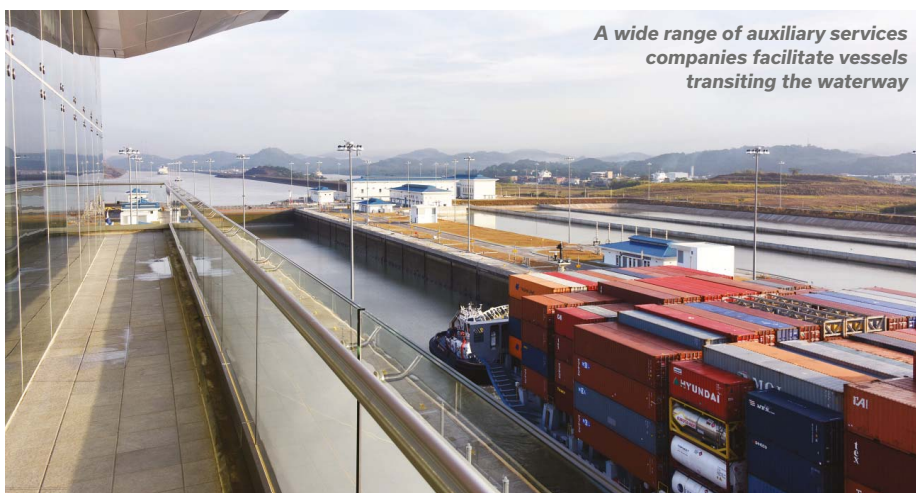
recognitions to satisfy its customer needs always having present the safety of life at sea, and the prevention of the pollution of marine environment. The organisation is under a quality system ISO 9001:2008 that also consolidates its constant improvement in the services delivered.

With Head Offices in Panama, Macosnar has established offices in Asia, Middle East and South America and has a surveyor network of more than 35 representatives worldwide to attend their customer needs. Furthermore, STCW Trainings and Vessel and Yacht Registration comprise the group of service companies among others.

**Marine Metal Coatings Inc.** is an innovative company with two main trades: corrosion control and concrete demolition with diamond tools. The company specialises in the surface preparation (grit blasting and 40,000 PSI ultra-high pressure water blast) and painting of ship hulls, cargo, ballast, fuels and water tanks. Marine equipment, mitre gates, caissons, piping, penstocks for hydroelectric dams, bridges and piers have been serviced and protected from corrosion by their company.

**Maritime Advisors & Developers Inc. (MAD Inc.)** specialises in maritime and consulting services. Eng. Nicolas Vukelja Duque with a 15 year-experience in the sector is the managing director, accompanied by his brothers. MAD Inc. is a member of Panama's Chamber of Shipping of which Nicolas Vukelja is the vice president (2017-2018).

The **Meyer's Group** was founded in 2006. It emerged due to the market needs to have a company that generates trust, service and quality led by its founders' visionary ideas, whose goal is that of satisfying the customers' needs in Latin America and the Caribbean. With over 10 years of experience in the maritime sector, Meyer's Group is projected as one of the fastest growing companies and expansion in the Panamanian market, bringing together renowned companies with business lines in the area of land and sea transport, construction and agro-industrial sector. It includes various companies of tugboats, marine transport and supply boats as well as a construction company and other ventures.



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Outstanding performance  
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### National Shipping Adjusters

**(NASHA) ([www.nashapanama.com](http://www.nashapanama.com))**

was founded in 1985, as one of the first RO and Classification Societies. It is duly authorised by the Panamanian Government to conduct statutory surveys, class and certification and offers a reliable, flexible and cost effective service. The company operates under ISO-9001:2008, in compliance with IMO standards, national and international regulations, these are a guarantee to offer a quality service.

**Oceanco Safety & Supply** was founded in 1983 as a supplier of safety equipment, marine paint and deck spares to the Central and South American region. The company also established a fully equipped internationally approved Life raft Service Station at the same time to meet the needs of its customers. Since 1983 Oceanco Safety & Supply has grown tremendously and now offers delivery services and has warehouses strategically positioned close to the main Pacific and Atlantic ports of Panama to serve its customers.

### Panama Maritime Group (PMG)

headquartered in Panama, has over more than 200 representative offices around the world. PMG, a pioneer in the promotion of Panama's maritime sector, was created by Dr. Hugo Torrijos Richa who left an important legacy to the maritime industry. This led Panama to become the world's largest Ship Registry presiding over Latin America's most successful port privatisation and transshipment programme in the 1990s.

Dr Hugo Torrijos, one of the architects of Panama's maritime boom, passed away in December 2010 and his widow Magali de Torrijos has been successfully managing PMG to maintain his legacy.

PMG, one of the first groups in Panama to offer a comprehensive one-roof solution to the maritime community, includes the companies **Panama Maritime Documentation Services Inc, (PMDS)** a RO authorised by the Registers of Panama and Belize to perform surveys and statutory certification to all type of vessels, **Torrijos & Asociados (T&A)**, a Law Firm specialised in ship registrations company incorporation, crew licenses and legal consultancy, among others and **Marine Training and Certification Centre (MTCC)** a centre of seafarers formation and training, following the requirements established by the STCW Convention. The Group incorporated **PMDS Class** in 2012, for which specialised staff was hired.

**Raytheon Anschütz**, the German navigation system manufacturer Raytheon Anschütz has established its new subsidiary **Raytheon Anschuetz Panama, S. de R.L.**, in Panama City. The new company acts as the regional customer support and service coordination centre, including service training capabilities and a large spare parts depot for Panama, Middle and South America and the Caribbean.

The facility of Raytheon Anschuetz Panama is located close to the Panama

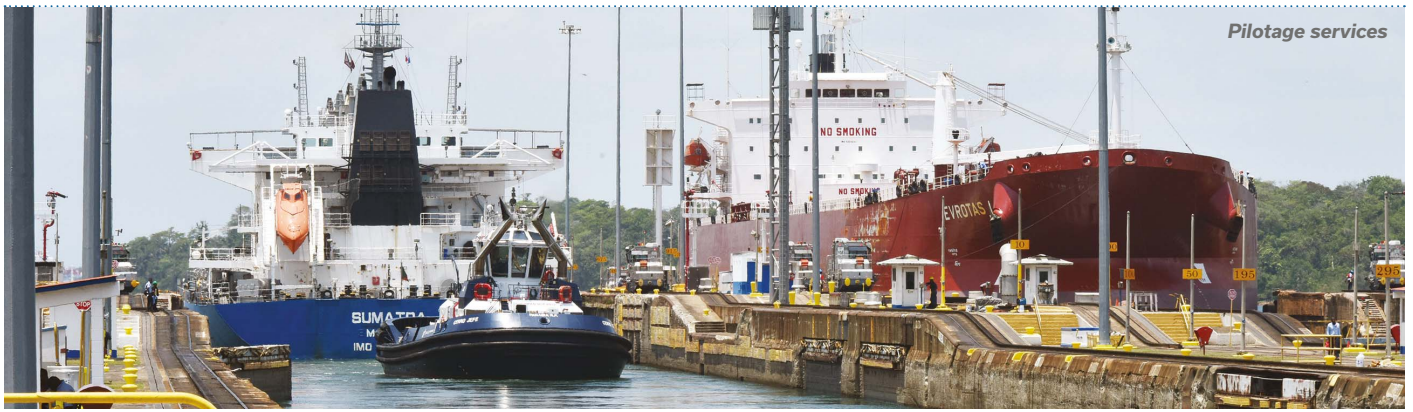
Canal and in decent proximity to the airport, enabling fast access to perform maintenance or repair tasks for ships passing the Panama Canal as well as in the whole region. It has acquired the activities of High Sea Support (HSS) Panama. Since its establishment in 2000 as a subsidiary of the Danish company Hans Buch A/S, HSS has been providing sales and service in Panama not only for Raytheon Anschütz equipment, but also for other navigation and communication companies. The facility of Raytheon Anschuetz Panama contains a workshop and a warehouse with spare parts for the brands being served.

**RTI Latin America ([www.rtiforensics.com](http://www.rtiforensics.com))** is a subsidiary of RTI Group, a global company headquartered in Annapolis, Maryland and regional offices in London, California, Bahrain and Panama. RTI offers a wide range of forensic engineering services, particularly the design and implementation of risk-based safety management systems. RTI is a pioneering accident and failure investigation and safety management consultancy serving high risk industries, including utilities, multimodal transportation, oil and gas, construction, hydroelectric and mining, maritime administrations and the legal and insurance markets. Capt. Orlando Allard is the president of RTI Latin America, which was established in Panama City since 2008.

With origins dating back to 1975, RTI expert witness and high-risk industries

*Surveys and certification for all types of vessels*





Pilotage services

accident investigation services also include material testing laboratories, root cause analysis, risk assessment, development of risk matrix and mitigation controls and multimedia accident animation and reconstruction. Magic Motion Studios, another integral part of RTI Group, provides graphics animation and accident reconstruction services and Anamet Inc., and the laboratories in California, provide material analysis and testing. The RTI office in London deals primarily with risk, safety management and maritime issues and the Bahrain branch provides security and safety services in the Gulf and Middle East regions.

**SETIMSA Group** is a Panamanian company with 20 years of experience in the development of projects in the port sector at national and international level. It has professionals with over 30 years of experience in the sector. The company began operations in 1997, when the president and founder, Eng. Gabriel Araya Ahumada, with great vision, found a niche at a time when private operation of container terminals was just starting in Panama.

### Pilotage

**Caribbean Pilots** was created at end-2007 to provide pilotage services to the ports established in the bay of Manzanillo, Colon and ship owners and liners calling Colon Container Terminal (CCT), Manzanillo International Terminal (MIT) and Colon Port Terminal (CPT). The company has eleven pilots, some of them working as pilots at the ACP.

**Panama Pilots Services Company (PPSC) ([www.panamapilot.com](http://www.panamapilot.com))** is the oldest company providing this type of service. Founded 20 years ago, Panama Pilots Services includes Quality Action Club, Pilsemar S.A. and Practicos Unidos de Panama, each company having its

own history. Quality Action Club was created by a group of pilots working for Panama Refinery and the port of Coco Solo, while Practicos Unidos de Panama was formed by a group of small vessels' pilots and Pilsemar, was created in 1995 by a team of pilots working at the Panama Canal.

When the MIT began operations in 1995, the three companies decided to join efforts to offer the first ever-privately-owned container port in Panama, pilotage service to MIT's new larger and bigger vessels. PPSC provides service on a 24/7 basis which requires to have pilots available all the time.

### Pollution control

**Ocean Pollution Control S.A (OPC) ([www.oceanpollution.net](http://www.oceanpollution.net))** is a Panamanian response company which is operating in Panama as mandated by a 20-year contract with the Panama Maritime Authority. The company has operating bases in Panama (Pacific side) and Colon (Caribbean side). OPC has all required marine equipment and shore installations to respond to oil spills, recover contaminants and provide final disposition to contaminants and material employed in its recovery.

It has opened new offices in Honduras and Guatemala in 2008 and before the end of 2008, OPC added Costa Rica to its offshore business with a basic response centre in Puerto Limon. Previously in 2005, OPC formed a partnership in Nicaragua where it began operations providing environmental services to oil companies, including soil remediation and land farming just outside Managua, the capital of Nicaragua. OPC keeps investing in newer equipment and developing other services which include oily water and slop removal from vessels calling Panama as required by the MARPOL agreement.

### Port Services

The **Port & Cargo Company** began operations in 2004. The company is considered to have been the first labour outsourcing company in Panama. It started offering stevedoring and port workers to Evergreen's CCT on the Atlantic coast, marked the introduction of outsourcing in the maritime industry in Panama.

**Tecniport New Mindi Port Development Corp.**, was formed in 2008 and represents Capacity Trucks of Texas (COT), Cummins Engines, Allison Transmission and Terex Port Equipment in Panama. It provides services to all Capacity Trucks located in Panama and provides servicing, warrant support, full technical solutions and sales of OEM parts. It is the only authorised dealer for Capacity Trucks; Terex Port Equipment and Allison Transmission in Panama and also serves as non-exclusive dealer for Cummins Engines. It has around 70 technicians.

### Shipping Agencies

Shipping agencies have seen their activity reduced, many have joined in alliances or mergers and redirected their activities offering a variety of other services.

**Associated Steamship Agents ([www.shipagents.com](http://www.shipagents.com))** is considered the 'dean' of shipping agencies, having operated in the country for nearly 120 years. The original owner Capt. William Andrews opened an office in the Atlantic city of Colon in 1889, the same year the French Compagnie Universelle du Canal Interocéanique ceased operations in Panama.

Since then, and through purchases, mergers and name changing, the company has developed into the present organisation which maintains offices at Balboa and Cristobal, where operations departments work 24/7, responding to the needs of the agency principals from

around the world who use the Panama Canal and Panamanian ports.

Associated Steamship Agents are also agents for Lloyd's of London and undertake hull and machinery surveys on behalf of underwriters from Europe, the United States and the Far East. Associated Steamship Services, together with Wilford & McKay, Fernie and Gateway Transit, has formed a strategic alliance. The business remains largely dominated by domestic agencies that offer experience and know how. It represents shipping lines and cruise lines.

**C.B. Fenton & Co (www.cbffenton.com)** is one of the oldest shipping agencies established in Panama. It represents more than 100 ship owning companies throughout the world, with agents in Europe, the US and the major shipping capitals of the Far East and four offices located in the country, two at each terminal of the canal with the capability to provide full agency services at all ports within the Republic of Panama. CB Fenton has a large clientele of cruise lines.

Since October 2010, C.B. Fenton & Co has moved its headquarters in Panama-Pacífico, at the International Business Park, Las Brujas Ave. Building A, Suite 210, the former Howard Air Force base transformed into an economic development area. It was purchased by the Chilean Company Ultramar which has retained its brand name.

**Inchcape Shipping Services-Panama (ISS) (www.iss-shipping.com)** is a

leading provider of agency services in Panama and in Central America where it represents several navies and shipping lines and provides one of the best examples of the integration of a local company into a group of worldwide reach.

ISS in Panama originates from the Pacific Steam Navigation Company (PSNC), which began operations in the Gulf of Panama in 1845. After the construction of the Panama Canal, PSNC opened its offices in the Atlantic Terminal, Colon and was represented by the Ford Company in Balboa in 1961, when the two companies merged creating Pacific-Ford. In 1984, the company joined with Inchcape Shipping Services and completed its union with the company in 1995, becoming Inchcape Shipping Services, S.A.

ISS provides full husbandry services to vessels transiting the Panama Canal or calling at Panamanian ports and anchorages. Its experienced bilingual operations team have an excellent working knowledge of local marine regulations, and utilise this expertise to save vessel time for the vessels.

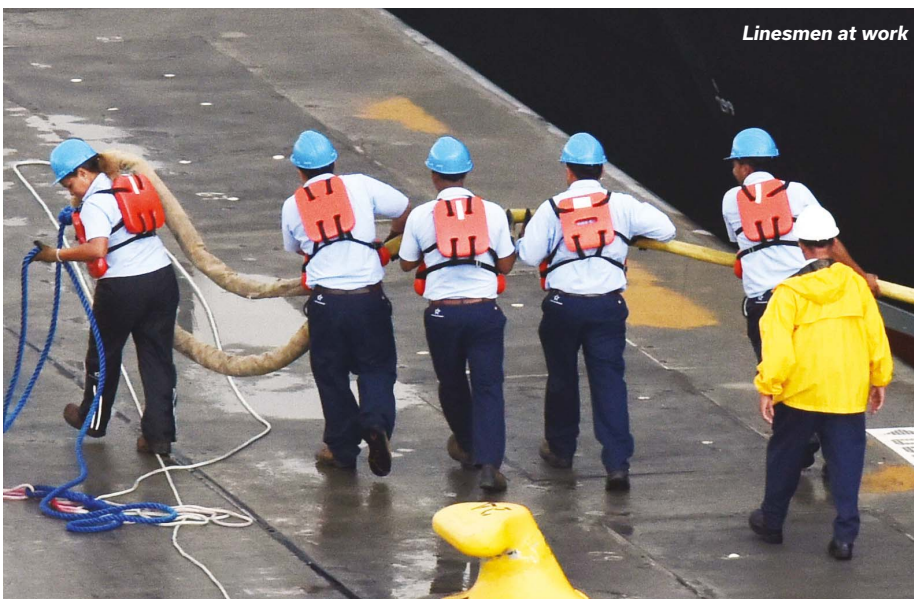
**Panama Shipping Agency & Services (PSAS)** was created in 2010 but its principals have been involved in the shipping industry for more than a decade. The company is authorised to operate as 'port agent' in any port of Panama and is recognised as a shipping agency by the ACP for vessel transit purposes. PSAP also provides services of chandlery. The agency acts as a ship manager

providing cash to master to enable the responsible person to settle directly with local suppliers and advances of wages to the crew. In addition, it can co-ordinate classification surveys, statutory surveys, ISM and ISPS audits with the main class societies (IACS members) and other recognised organisations authorised by most flag states.

**Roza & Cia (Panama) S.A. (www.therozogroup.com)** is part of the Roza Group which is composed of Jaime Roza Gomez & Cia Ltda, ship chandlers founded in 1961, Roza & Cia Ltda, maritime agents (1989), Roza y Cia (Panama) S. A., ship agents (1997) and, Overseas Ship Suppliers Corp., general ship chandler at the Panama Canal, in Panama since 2001 which offers services of shipping agency and supply services in Cristobal and Balboa, Manzanillo International Terminal, Chiriqui Grande, Almirante and Bahia Las Minas.

The **Roza Group** offers quality service to meet the goals and objectives of its clients since it will always go the extra mile to ensure that the specific needs of its clients are fulfilled to the best of their interest. Expertise, availability of resources, and supervision of personnel, allows Roza & Cia (Panama) S.A. to perform an excellent service and easier handling of port operations from vessel's arrival to departure. Since being established in 1961 with its first company Jaime Roza Gomez & Cia in Cartagena de Indias, Colombia, it has developed into one of the leading shipping companies of the North Coast of Colombia and since 2001 has expanded its services to the ports of Panama. By aiming to provide the best possible services, the Roza Group has gained a well-known reputation as reliable Agents and Ship Chandlers for ships of all kinds, offering service on a 24/7 basis.

**Norton Lilly International Panama (www.nortonlilly.com)** was founded in 1841, and has progressed with the shipping industry as the company changed through mergers and acquisitions. In 2002, Norton Lilly became the combination of three of the most highly-respected companies in the ship agency business, Strachan Shipping Agency, Kerr Norton Marine and Norton Lilly International. This merger created



a robust and versatile shipping agent poised to evolve with an ever-changing industry.

It is one of the largest providers of agency services in North America capable of offering a wide range of services for numerous vessel types specialising in providing port services and logistics for bulk, tanker, reefer, liner and passenger vessels in the oil, gas, breakbulk, dry bulk, container and cruise industries. This means that customers are assured a wide range of domestic and international support with service to over 70 ports through 39 offices in the US, and offices in Panama, Canada, Mexico, Venezuela, Barbados, and Trinidad.

Other shipping agencies established in Panama include **Agencias Continental, Barwill Agencies, C. Fernie & Co, Cross Road Agencies, Pacific Agent Ship Panama, Panama Agency Co, PanCanal Shipping Agency, Sopisco, Wilford & Mc Kay, Unigreen Marine** and **Setimsa** and many more.

### Ship Repair

With the Panama Canal expansion inaugurated in 2016, the ship repair sector is seen as one of the most promising amongst auxiliary businesses of the maritime industry. However, the problem is a lack of space to expand activities. Many international ship repair companies had been looking at Panama to install shop and companies already in place had also been hunting for land to build new facilities but the problem remains. President Juan Carlos Varela and AMP administrator Jorge Barakat are keen to develop the sector trying to list areas where new facilities could be established. Most ship repairs are undertaken afloat and at ship repair companies on land.

Beyond the existing players, there have also been major newcomers attracted by canal expansion, such as Wärtsilä that opened shop in Panama in 2007. The company, which has recently moved to Panama-Pacífico at the former Howard US air force base, is servicing its main

customers including the Canal tugboats and other private companies.

Panama-Pacífico has seen several companies offering this type of services coming to the economic-free zone located in the former US Howard Air Force base, which provides ware-houses for repairs and spare parts.

**The ACP Fleets and Equipment Maintenance Division** executes all repairs to the Panama Canal's tugboats, barges, launches, dredges, floating cranes, spillway and locks gates and mechanical flow control devices, land based heavy equipment, and machinery and the vehicle's fleet at its shipyard and other industrial and marine repair facilities throughout the Canal's operating areas.

The historical shipyard dry dock, located at Mount Hope on the Atlantic side, was built by the French Compagnie Interoceanique du Canal de Panama in 1886, as testifies an engraving on the

## Talleres Industriales (TI)

TI has 48 years of experience in ship and industrial repair services, in the Panama Canal area, as well as in Latin America. That can easily translate into 80,000 vessels serviced since its foundation. Talleres is a family-owned company, under the leadership of the second generation. Lino Arosemena, its ceo, is responsible for leading the company towards becoming the preferred choice in Panama, Latin America and the Caribbean.

TI has a highly skilled and dedicated workforce, which exceeds 400 employees, led by a mix of both experienced and dedicated young engineers and managers. The company performs repair works in over 18 countries in the Americas and Caribbean, and owns and operates 15 floating equipment units – supply boats, deck barges, crane barges, diving boats, crew boats – in Panama and Colombia. TI is located on both sides of the Panama Canal, with two workshops, and has a Branch Office in Cartagena, Colombia. All the equipment, including those for underwater use, for welding and lifeboats, are certified ISO, ABS, DNL-GL, Lloyd's, BV, NK, RR, RINA, KR and CR.



TI carries out all kinds of projects, from world record underwater jobs (80 tonne steel doubler plate in Peru), salvage and major structural afloat repairs, to routine electrical, mechanical, machinery, painting, and welding and underwater maintenance jobs. Our short-term goal is to have a floating dry dock for tugs, barges and supply boats on the Atlantic side. With the recent expansion of the Panama Canal, we have invested in additional heavy duty equipment, in order to serve vessels at further anchorages, and have modified five Neopamax vessels to comply with the mooring arrangements needed for transit.

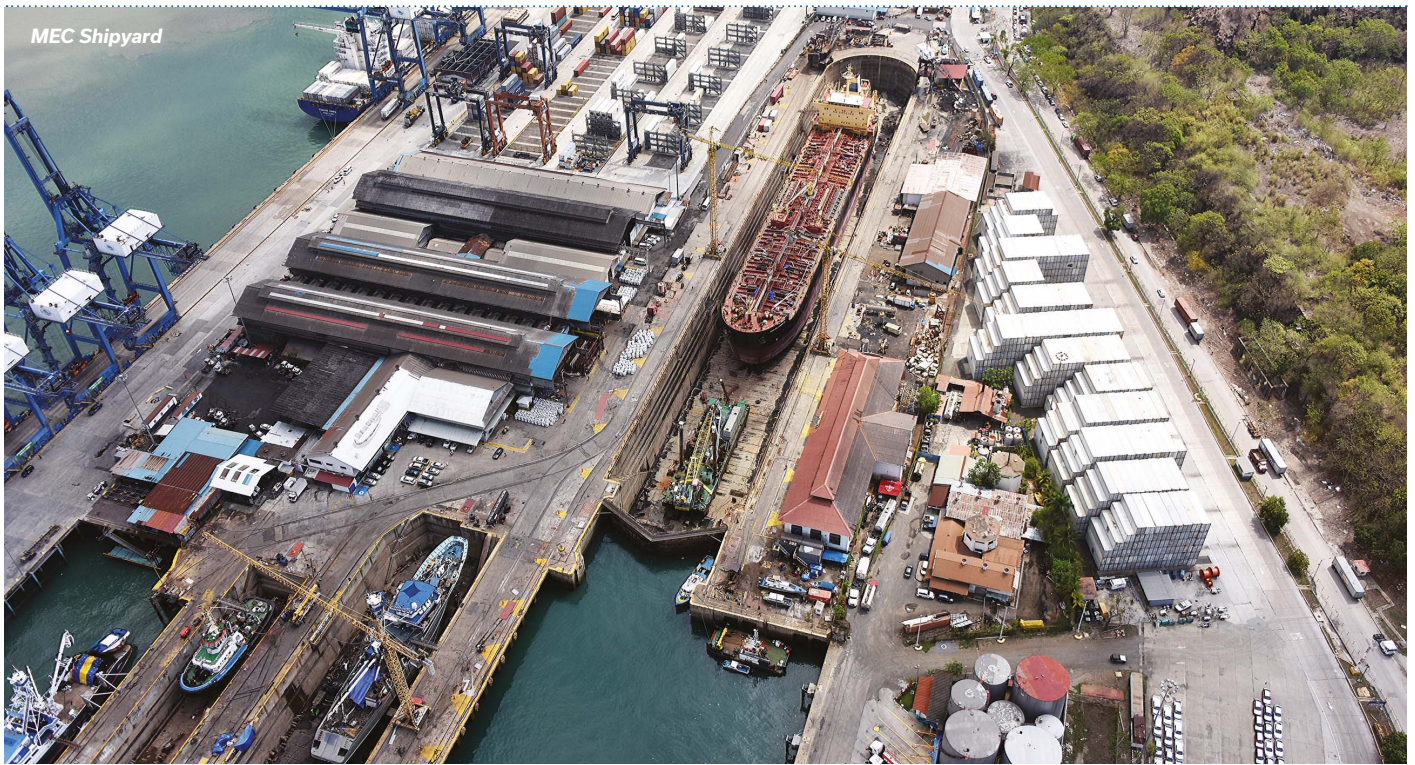
TI is part of the holding company, Colon Maritime Group (CMG), which in turn has 8 companies under its umbrella, in Panama and Colombia.

One of these companies, Canal Barges & Cranes, has invested heavily in deck barge, currently with seven deck barges in Panama and Colombia, and under the leadership of its general manager, Raymond Pitty. It is our vision to keep growing and become the most professional barge rental company in Latin America, by having the best certified equipment, of diverse dimensions, for any purpose.

Another company under the CMG umbrella is Cargo Safety Services SAS; it is our first overseas formal investment. The company performs lifeboat and crane inspections, and load testing of all on-board vessel and offshore equipment, under the leadership of its general manager, Fredy Orjuela. It is our vision to serve the South American market, from Colombia, with skilled engineers, managing the highest standards of quality, in a cost efficient manner.



## SHIPPING SERVICES



walls. It was expanded in the 1930s by the US Panama Canal Company which used it extensively.

The shipyard has two docks: dock 14, 142mtr long; and dock 15, 270mtr long. Both can handle vessels with a draught up to 10.5mtr. In addition, the division has a synchro-lift with a capacity of 1,720 tonnes that lifts and transfers vessels and locks gates from the water into its eight repair areas for servicing. Additionally, dock and synchro-lift space are rented to maximise the facilities and support the local emerging ship repair industry.

The Mount Hope shipyard, in addition to providing primarily repair and modification services, also gets involved in new construction. In 2004, it built a 16.2mtr-24-people aluminium launch for Canal's personnel transport; in 2005, it completed the construction of the 51mtr long drill barge 'Baru', equipped with four drilling rigs that can bore holes 30mtr deep in a single pass; and has constructed four spillway gates as well as two lock's vehicular bridges.

**Astillero Bayano ([www.astilleroBayano.com](http://www.astilleroBayano.com))** at the Port of Coquira, on the Bayano River, just 23 nautical miles east of the Panama Canal's Balboa entrance, is able to service the local growing industry, at international quality standards. Astillero Bayano has built, redesigned, and repaired tug boats, supply boats, barges and many other types of floating

equipment used in Panama's maritime industry. The yard is able to do repairs both on land or afloat.

The facilities include: a marine railway, with a maximum capacity of eight vessels at a time and beds able to hold up to 600 tonne-vessels, an engine shop for repairing, overhauling engines such a Caterpillar, Detroit Diesel, and Cummins; a machine shop and equipment used for aligning, forging and manufacturing metal pieces with lathes, drills, presses; a carpentry shop with all the wood and equipment necessary for doing any type of woodworking, from hull construction and repair, to detailed cabin finishes; a sand blasting and painting shop with sand blasting equipment and all types of marine and epoxy paints; fuel tanks for supply of diesel fuel and lubricants; marine chandlery containing a wide variety of replacements for basic vessel equipment and a 200ft dock suitable for loading and unloading, as well as afloat repairs.

**The PMS Group ([www.msupply.com.pa](http://www.msupply.com.pa))** comprises **Professional Manpower Supply, Professional Diving Services and Professional Ship Suppliers**. PMS has a team of technicians, engineers and staff with more than 20 years of experience in the ship repair business. The company's main works involve repairs and maintenance of ships including a-float repairs, on dock, dry-docking, marine structures and industrial repairs as well as underwater repairs. PMS's fully

equipped and well-maintained facilities located in the Panama Canal area, allow marine repairs on all kinds of vessels.

**MEC Shipyards** marked the 100th anniversary in 2016 of the Panamanian facility that began operations a year after the inauguration of the Panama Canal. The shipyard is located on the waterway Pacific side entrance, next to the port of Balboa and was built last century by the US Panama Canal Company.

In July 2012, MEC Panama won the concession for the operation of the Balboa Shipyard after placing a bid for \$99m paid in full by the end of the term which amounts to \$250,000 a month plus 5% of the total sales. Also apart from the monthly fee, MEC Panama has an obligation to invest a total of \$12m during their term in order to assure that the facilities will be taken care of.

Balboa's facilities include Dry Dock 3 with a length of 70mtr, Dry Dock 2 with a length of 130mtr, and Dry Dock 1 with a length of 318mtr and a capacity to hold a Panamax-vessel, without mentioning the two docks for quayside repairs. Equipment investments have included three brand new Potain tower cranes, as well as two refurbished 45 tonne-crane that are original hardware from the shipyard and one mobile crane with a capacity to pick up 66 tonnes. Also included in the original hardware from the shipyard are the main pumps that are

used to fill up the dry docks. Today, the shipyard enjoys a particular good location for the vessels transiting the Panama Canal which need repairs.

**BAS-Marine** is a Panama-based ship a-float repairs company, located at the Pacific entrance to the Panama Canal. The company was created to provide timely and quality a-float repairs with world-class service and professionalism, in Panama and the region. The principles and founders of BAS-Marie have been in the maritime business for over 50 years.

On staff BAS-Marine has two USCG chief engineers with more than 20 years of sailing and shipyard experience, fleet owner with more than 40 years of international commercial maritime experience, mechanical and systems engineers, supply chain logistics experts, vetting officers, project management staff and a complete compliment of IACS class certified welders, fitters and mechanical technicians. BAS also offers technical sourcing and supply, bunkering, potable water supply and extended supply and services for the mega and super yacht sector and represents high tech maritime products such as SIMSITE impellers, BONLOK weldless pipe solutions, Sims pump-company and Sea Fire-fighting systems. The machine shop and fabrication shop have CNC lathe and milling equipment, laser alignment tools and rectification tools as well and state-of-the-art welding cutting and fabrication equipment.

### Towage

**Boskalis** subsidiary **SMIT Harbour Towage**, now **SAAM SMIT Towage (SST)** has a proud tradition of nearly 170 years of service in the maritime sector. The company has earned an excellent reputation by combining expertise and

experience with high-quality materials and equipment.

From July 2014, Boskalis teamed with SAAM to create a strong regional harbour towage company in Canada, Mexico, Panama and Brazil named SAAM SMIT Towage. SAAM is the largest tug operator in the Americas, and the fourth worldwide, with 126 units. With the closing of the alliance, SMIT and SAAM operate a modern fleet of over 96 tugs in the countries involved. Both partners view this new co-operation as their growth platform in the Americas for their towage and marine transport related services.

SMIT Harbour Towage Panama Inc. has operated in Panama since 1986 until 2011 and now SAAM SMIT Towage (SST) continues to work through its affiliated company named Virtual Logistic Marine Services, Inc. Virtual Logistic Marine Services started its operations at MIT, expanded to CCT and now also works the Port of Balboa and most of the international ports in Panama.

Working on the largest fleet of modern harbour tugs in Panama, 'our crews are proud to deliver this important service to the international shipping community. Day-to-day safe handling of vessels depends on the ability to make swift and sound decisions based on extensive training and backed by experience. Every year over 10,000 vessels are assisted. As market leader our fleet is an essential contributor to the operations of Panamanian ports. Our dedicated staff combined with modern equipment, high training standards and resources makes the difference for our clients. We deliver a reliable and safe service year-round,' says SST gm Walter van der Dussen.

In May 2016, SAAM SMIT Towage (SST) received a new tugboat to strengthen its

fleet in Panama. SST Rambala belongs to the ASD 2913 series and is characterised by being a compact, manoeuvrable and powerful tugboat, ideal for crowded ports and waterways with limited space, as well as including firefighting capacity. Built in Rumania by Damen shipyard, the new vessel has a length of 29mtr, CAT 3516C 6772 BHP at 1800 rpm (total) engines, and 83 tonnes bollard pull. It will provide services at MIT.

'The purchase of SST Rambala is a proactive decision that seeks to prepare our fleet in Panama for the Canal's new locks,' explained Marcelo Jullian, ceo SST for Mexico, Canada and Panama. The arrival of the new vessel 'ensures a high level of service for our customers, as many of them use Panama as their regional hub,' said Jullian.

'As part of a global network of professional harbour towage and port services providers, we constantly monitor our quality levels and our customers' special wishes. Our working relations with both large and small clients, including ship owners, agents, freight forwarders, brokers, pilots and port authorities, confirm our consistent quality of service. These parties know that they can rely on our staff and crew for a round-the-clock service in every port in which we operate, in all weather conditions,' van der Dussen said. 'They are assured that we can adapt our fleet to the need of the shipping community.'

**Meyer's Group** was founded in 2006. It emerged due to the market needs to have a company that generates trust, service and quality led by its founders' visionary ideas, whose goal is that of satisfying the customers' needs in Latin America and the Caribbean. **MMG Tugs Boats and Barges Services** offer barges and supply boats in the ports of Colon and



SAAM SMIT tugs at Manzanillo International Terminal

## SHIPPING SERVICES

Balboa. **Meyer's Tugs** responsible for providing marine towing services in the most important ports in Panama, Central America and the Caribbean with a fleet of over 10 tugs operating in Panama, Costa Rica and Venezuela.

With a fleet of 18 boats, the company **Marine Transport** provides transportation services to ships at sea, loading and unloading of goods, supplies, agents, marine authorities, passengers, technicians and everything the ships transiting the Panama Canal may need, at anchor in Panama Bay and in Colon, on the Atlantic side.

**Compañía Marítima de Panama (www.cmpgb.com)** through its subsidiary **Tug Services Panama (TSP)** is the operator of a fleet of tugboats placed on both sides of the Panama Canal. TSP operates throughout the Pacific coast, the Atlantic coast, in the Caribbean region and up and down the Atlantic and Pacific coasts of South and Central America and the West Indies. During its years of operation, TSP has performed salvage work, escort service, towage, docking/

undocking and practically any service where a tug is needed.

**Svitzer (www.svitzer.com)**, a wholly owned subsidiary of the A.P. Moller-Maersk Group, has been at the forefront of specialised marine services for more than 175 years. With a fleet of more than 500 vessels worldwide this makes Svitzer a global leader within towage, salvage and emergency response.

Svitzer's regional office in the Americas, located in Miami, Florida, is responsible for serving ports and terminals in Bahamas, Canada, Chile, Dominican Republic, Mexico, Panama, Peru, Puerto Rico, Trinidad & Tobago and Venezuela.

In the Americas Svitzer operates more than 55 tugs. The tugs operated by Svitzer, basically are large tugs of 65 tonnes bollard pull and 85 tonnes bollard pull. But tugs of smaller or bigger size can also be provided based on needs of Svitzers clients in the Americas region

In Panama, Svitzer – with a contract with Petroterminal de Panama – serves both

the Atlantic and Pacific coast terminals with three tugs, the Egil, the Svitzer Amazonas and the Svitzer Hawk and has recently brought in three more spot vessels to the Caribbean region, where the company is expanding operations with the Svitzer Kestrel and Svitzer Owl currently performing spot work in the region and the Svitzer Nereid in Mexico.

The 65 TBP Svitzer Kestrel and its sister vessel, Svitzer Owl, are new builds based on the proven S65/31 in-house design. The last vessel is the Svitzer Nereid, which with its 88 TBP will be one of the strongest harbour/coastal tugs available in the Caribbean. Svitzer Americas is pleased to bring these vessels from their worldwide fleet into the growing region.

Svitzer's fleet in the region guarantees back-up vessels close-by, which is crucial for continued operations for its customers. The three latest mobilisations underscore Svitzer's commitment to the Caribbean and Latin American market by supplying advanced and high-powered tugs to provide tailor-made solutions for their clients. ■



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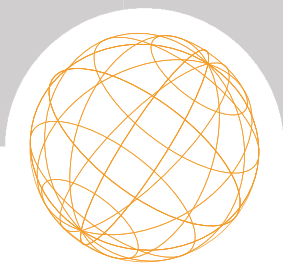
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Law firms are internationally well renowned for their longevity

# Worldwide recognition

**M**any Panamanian law firms have witnessed the growth of the world's largest merchant marine ship registry. Their participation in this process has been essential to the continuing expansion of the Ship Registry and a strong domestic maritime sector. But they are also internationally well renowned for their longevity, opening offices covering major capitals throughout Europe, Asia and the US, offering services from maritime to corporate business and giving Panama international recognition for the quality of its legal and offshore services.

Two important legislations initiated the sector, which helped it develop into one of the most significant components of Panama's economy.

At the time the recently formed government, seeing the potential of creating new activities around the inauguration in 1914 of the Panama Canal, enacted Law 63 of December 15, 1917, creating the Ship Registry and Law 32 of 1927, establishing the organisation and management of corporations. The combination of both legal acts propelled the Isthmus to a position where, one hundred years later, Panama leads the world's largest fleet.

Since then, the succeeding governments wrote a number of legislations promoting the sector of services by creating the Colon Free Zone, the banking centre and posterior to the transfer of the Panama Canal in 1999 and the reverted areas, others especially oriented to giving tax incentives. In particular, Law 41 of August 24, 2007 gives a series of legal and tax incentives to multinational firms and corporation relocating their headquarters in Panama

and thus creating growing demand for legal services.

At August 2017, a total of 135 multinational enterprises (SEM) offices have benefited from the tax and labour benefits of Act 41 of 2007 and have installed their regional offices in Panama, which represents an investment of more than \$820m and supporting 5,000 jobs and more are interested to come. The construction of the Panama

*PMLA board of directors 2017-2018*





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- Corporate advisory in general including incorporation, organization, modification, merger, acquisition and dissolution of corporations, and in general, business and corporate structuring.
- Legal consultation with respect to Panamanian Maritime and Corporate Law.

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Canal expansion also attracted a substantial number of transport companies including shipping, ports and cargo companies, maritime ancillary activities and corporate business. Panamanian law firms have, therefore, become specialists in corporate and maritime businesses.

The legal sector is represented by several trade guilds but there is a particular association that caters to the maritime sector, the Panamanian Maritime Law Association (PMLA or APADEMAR, Asociación Panameña de Derecho Marítimo [www.apademar.com](http://www.apademar.com)). The PMLA was created at the end of the 1970s by a group of lawyers specialising in maritime law.

The PMLA's board of directors is elected every year and for the period 2017-2018, the association has elected a new board of directors which is presided by Francisco J. Linares, director-president, Morgan & Morgan who was director-vice president on the board 2016-2017; Maria Lourdes Galan, director-vice president, De Castro & Robles Law Office; Ramon Franco, director-secretary, Franco & Franco; Pilar Castillo, director-deputy secretary, Arias, Fabrega & Fabrega; Govanna Avendano, Avendano Law, director-treasurer; Alexis Herrera, director-deputy treasurer, Icaza, Gonzalez-Ruiz & Aleman and Belisario Porras, director, Patton, Moreno & Asvat, who had been the president of PMLA for two periods: 2015/2016 and 2016/2017.

Two members of the PMLA, Gian Castellero and Jazmina Rovi, have been appointed to the Panama Maritime Authority (AMP) Board of Directors as director and deputy director respectively.

Every two years the Panamanian Maritime Law Association (PMLA), in cooperation with the Chamber of Shipping, organise a series of conferences and an exhibition known as Panama Maritime, which focusses the international maritime industry on Panama.

The biannual Conference-exhibition Panama Maritime, in its 13th version (March 12-14, 2017) took place at the Megapolis Convention Centre and was inaugurated by IMO Secretary-General

### Morgan & Morgan Group – 95 years of excellence



*Juan David Morgan Jr*

With almost a century of successful trajectory, the origins of the Morgan & Morgan Group (The Group) date back to 1925, when Dr Eduardo Morgan Alvarez (1902-1988), a Welsh immigrant, began his law practice in the Republic of Panama.

In the early 1960s, Eduardo Morgan Jr and Juan David Morgan joined their father, giving the firm its present name: Morgan & Morgan. Besides its strong local practice, they gave the firm an international vision.

Over the years, the law firm has constantly grown and new partners, associates and professional staff have joined the firm to form The Group, an international organisation with over 800 employees worldwide capable to offer its clients a full range of legal, fiduciary, and financial services.

Today The Group is a full service Panamanian law firm, regularly assisting local and foreign corporations from different industries, as well as recognised financial institutions and government institutions, in important investments in Panama and the region. It also has a strong maritime practice, both on contentious (wet and dry) and transactional work. The firm is a member of the

Morgan & Morgan Group, an extensive network of legal, fiduciary and financial entities with operations in America, Asia and Europe.

Of particular note is its continuous advice for clients involved in all stages of the development of important projects related to energy, banking, water supply, real estate, oil, mining, infrastructure, insurance, retail, ports and maritime transportation, among others.

The growth of the Panamanian economy and the fact that Panama has become an important regional investment centre has required that The Group's attorneys acquire considerable experience in multidisciplinary practices covering the entire spectrum of the needs of their clients when doing business in Panama.

Panama's strategic location at one of the major crossroads of the world's shipping lanes, the expanding maritime services industry, and the Panamanian merchant marine – today the largest in the world – are just some of the factors which have contributed to the importance of the Panamanian maritime jurisdiction.

The Group's maritime practice in dispute resolution started to grow when the Maritime Court of Panama was created in 1982 as a result of The Panama Canal Treaties. It replaced the US Federal District Court operating in the former US Canal Zone. The jurisdiction of the now two maritime courts extends to all maritime cases in the Republic of Panama, including, from the year 2,000, those against the Panama Canal Authority arising from accidents during transit of the Panama Canal.

The Group's attorneys practicing in this field are specialists in all types of maritime claims, including those against the Panama Canal Authority for accidents occurring while vessels transit through the Panama Canal. The Shipping and Admiralty Litigation Department represents ship owners, P&I Clubs, charterers, hull and cargo underwriters, banks and other shipping interests in all types of maritime disputes.

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Kitack Lim, in presence of Alvaro Aleman, minister of the Presidency in representation of President Juan Carlos Varela, Jorge Barakat, minister of maritime affairs and administrator of the Panama Maritime Authority (AMP) and international and local personalities of the maritime industry. The assistance to Panama Maritime XIII was a success registering the largest international audience ever.



Francisco Linares  
PMLA President

This year the Organising Committee, from the Panama Maritime Law Association, was presided by Lawyer Flor Torrijos, from the Inter-maritime Group, who thanked the attendees for their presence at the event that gathered around 300 delegates with some 30 exhibitors and important leaders of the maritime industry of Panama and experts from more than 50 countries.

The IMO Secretary-general offered a current vision of the maritime industry, its challenges and the new regulations that will be implemented mainly for the

protection of the marine environment and 'to enhance efficiency of maritime trade' while 'listening to the needs of the maritime industry.' Lim congratulated Panama's 'great achievement in celebrating 100 years of the Ship Registry and the major contribution it represents to the maritime sector.' At the end of the opening ceremony, awards were made to relevant industry players, including Carnival Cruise Line, Quinn Oil and the Panama Canal administrator, Jorge Luis Quijano, who was chosen as the 'Maritime Personality of the Year'.

The Conference-Exhibition, the largest of its kind in Latin America, aims at bringing together players in the maritime industry to find new and proactive solutions to the most important challenges facing the sector today and those projected in the future.

Panama Maritime XIV, to be held in 2019, will be organised by the Chamber of Shipping and its organising committee presided by Capt. Orlando Allard.

In his acceptance speech, the new PMLA president Francisco Linares emphasised that 'continued legal training is indispensable for legal professionals, especially in our area. That is why I would like to develop an international seminar on maritime law, perhaps in the last quarter of this year. I have already made arrangements with the Faculty of Law of Tulane University to carry out this activity.'

Most of Panamanian lawyers have studied abroad and many have specialisations

## ANORCO celebrates its 50th anniversary

Arosemena Noriega & Contreras – (ANORCO-www.anorco.com) is one of the most renowned and respected law firms in Panama, dedicated to general legal practice since its inception, almost fifty years ago.

'The firm was created by Dr. Carlos Arosemena A., Dr. José Angel Noriega P. and Dr. Gabriel Castro S. on August 6, 1968 and has been working with the highest standards of loyalty, ethics and respect ever since,' says senior partner Victoria Eugenia Myers. In addition to its three senior partners, Julio César Contreras III, Victoria Eugenia Myers and José Miguel Navarrete, the firm has seven more Associates.

Through its affiliated company 'Panama Services, S.A.', the firm offers personalised, professional and specialised services for companies and individuals wishing to take advantage of the use of offshore centres. All the services are provided in an efficient and cost effective way, giving its clientele constant support in their day to day operations.

ANORCO is part of a worldwide network of correspondent lawyers, and in this respect, is an active member of highly recognised international legal associations such as Club de Abogados, with members throughout Latin America and Europe and Jus Laboris, an alliance of law firms offering employers cross-border employment and pensions law advice, with coverage in 47 countries and the Bomchil Group, an Association of Independent Latin American Law Firms, founded in 1963, engaged in a full service international practice in each of the seventeen jurisdictions in which its members are located.

Additionally, ANORCO is a member of the main professional associations in Panama and abroad, such as Colegio Nacional de Abogados de Panama, Asociacion de Abogados Internacionales, Asociacion Panamena de Derecho Marítimo, Camara Marítima de Panama, Asociacion Panamena de Derecho de la Propiedad Industrial (APADEPI), International Bar Association (IBA), Inter Pacific Bar Association (IPBA), International Trademark Association (INTA), Asociacion Interamericana de la Propiedad Intelectual (ASIPI), Camara de Comercio, Industrias y Agricultura de Panamá, Asociacion Panamena de Ejecutivos de Empresa, American Chamber of Commerce and Industry of Panama (AMCHAM) and British Chamber of Commerce Panama.

This network provides an efficient and cost-effective method for handling all customers' affairs both locally and internationally.

Because of its international profile, the firm is well recognised in and outside the Republic of Panama, for which it is included in the rankings of leading organisations dedicated to assess and recognise those firms whose performance in specific areas is outstanding. Currently, the firm is included in the rankings of various publications such as: Chambers & Partners, International Financial Law Review and Legal 500.

'Arosemena, Noriega & Contreras' is also committed with the community and with the professional and human development of its labour force and its environment. To fulfil this commitment, the firm has created the ANORCO Foundation, a non-profit entity to carry out social programmes in the most needed sectors of Panama.



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*L-R at Panama Maritime XIII: Jorge Barakat, minister of maritime affairs and AMP administrator, Flor Torrijos, president of the organising committee, IMO Secretary-General Kitack Lim and ACP administrator Jorge Quijano*

from international prestigious universities in maritime law.

‘Like the Canal, ports and the merchant marine are key elements of our platform for international maritime services. Panamanian ports are one of the great success stories of our country, in the last 20 years...,’ said Linares.

The new PMLA president also referred to the essence of the association: ‘...Our ship registry continues to be a pride for all Panamanians. Our open registry celebrates this year 100 years of being at the service of globalised free trade. But pride should not give way to complacency. The same protectionist tendencies that create risks for the Canal and our ports would surely impact our ship registration. Without global trade there are no goods to be transported through the oceans. There is no need for ports, for Canal, for ships, for ship registration when there is nothing to move by sea. In addition, like the ports, our ship registration faces a fierce competition if we fall asleep on our laurels. In the 1990’s we dethroned Liberia, to become the world’s number one flag. So we have to be alert and proactive.’

‘This board of directors will, as all previous ones have been, fully available to the competent authorities, to enhance and project our maritime services platform to the maximum. To the minister of maritime affairs we want to say that, as always, ‘you can count on our guild’. With transparency and good communication between the PMLA and the AMP, I am sure that we will be able to face all the challenges that 2017 presents to us.’

However, ‘all of us, both in the private sector and the public sector, must understand that the key to success lies in tracing the road map with a stare, not in what had succeeded before, but in what are now doing the competitors of Panama,’ Linares concluded.

In fact, competition is fierce in the sector where not only the top tier registries operate but also a plethora of small registries not very particular on the implementation of regulations or the quality and security of the ships they flag and the safety of the seafarers they employ. Some registries like Liberia and Marshall Islands are more interested in registering tankers and product vessels but they remain strong foes of the Panama’s merchant marine. Generally, most of those registries offer also offshore companies.

The AMP and the Ship Registry in association with the ACP have participated in international conferences-exhibitions, like Sea Asia in Singapore, or Posidonia and Nor Shipping, where many of the PMLA members have brought their expertise and representation to form a united front enhancing the quality of the Ship Registry.

There had been some actions that have complicated the scenery for Panama’s law firms and to respond to the many critics about the lack of international tax transparency standards, the country was finally declared ‘largely compliant’ by the OCED Global Forum, in 2017, which may lead the country to be removed from the notorious black list of non-co-operative countries next year.

For the past two years, Panama has tried to shake out the infamous reputation of being lenient towards tax evasion and money laundering practices, which were put in the limelight after the publication of the Panama Papers in April 2016, even though Panama was not the only or even primary offshore location pointed at in the huge trove of documents. Panama requested a Fast Track Review by the OECD in March 2017, and by June of that same year the country was granted a ‘Largely Compliant’ rating. The number of offshore companies fell in 2016 but the financial sector, mostly the banking centre, remained unaffected by the impact of the Panama Papers.

During this period, Panama ratified the Convention of Mutual Administrative Assistance that allows for automatic exchange of tax information with over 100 jurisdictions a number of regulations concerning offshore companies.

Shareholding information about Panamanian corporations (whether they operate in shore or offshore) is confidential. There is now the obligation that bearers’ be ‘immobilised’, which means the bearers’ shares must be given in custody to an authorised agent, who would hold them on behalf of the owners of the shares. The authorised custodian must keep the shares (and information about its owners) in strict confidentiality but must have the information available to the competent authorities if they request it.

According to Law 52, Panamanian corporations doing business outside Panama must keep accounting records for up to five years. In other words, back documentation of transactions must be kept, either with the company’s local resident agent or somewhere else (even outside Panama) provided this information/documentation is given to the local resident agent.

Generally, when a shipping line decides to flag its vessel with Panama, the company creates an off-shore corporation for each of the vessels it will register. One of the best advantages of Panama’s Registry is the excellence of the registration of mortgages, very appreciated from the financial institutions. ■



Panama's economic relationship with China has grown in recent years

## Economic growth at 5%

**S**hort of two weeks for the first year anniversary of the expanded Canal, President Juan Carlos Varela made, June 12, the most important decision of his administration by announcing that his government had established diplomatic ties with China. Although the move had been in the making for more than a decade, it came as a surprise and was applauded by the political and business sectors.

Panama's economic relationship with China has grown in recent years. Although Taiwan had an Embassy in Panama, China was represented by a commercial office with an equivalent in Beijing. Panama only exported for around \$50m a year but China is a main exporter to the Colon Free Zone.

Chinese companies have been present in Panama for some years and participated in important infrastructure works.

The first contract was in 2011 when China Communication Construction Company (CCCC), in partnership with US-based Louis Berger Group, was awarded the design contract for the third bridge over the Panama Canal.

China's Landbridge Group, a privately owned company based in the northern

Chinese port of Rizhao has started construction of the \$1.1bn-2m teu, Panama Colon Container Port, capable of servicing Neopanamax vessels in Isla Margarita on the Atlantic side of the waterway. Landbridge, which is best known for its activity in the LNG business, has a concession to build a LNG plant although it is still awaiting the necessary environmental permits to proceed with the construction.

Five Chinese companies are also competing for the prequalification of the construction of the Metro third line in Panama, and the fourth bridge over the Canal.

In July, a consortium formed by Belgium's Jan de Nul and China's CHEC was awarded the \$186.6m contract for the construction of a cruise port on the Pacific side. CHEC, a subsidiary of China Communications Construction Co. Ltd., has been present in the isthmus for some years, having been awarded the construction of Evergreen's Colón Container Terminal expansion, amongst other projects.

President Varela's declaration opened the way for strengthening the Ship Registry and the signature of future maritime agreements with China that will allow

Panamanian vessels to benefit from special rates when entering Chinese ports, a key factor for keeping the register as the world's largest merchant marine fleet.

The economy slowed for the fifth consecutive year in 2016, to 4.9%, its weakest pace in six years, dragged down by the poor performance of some key externally oriented sectors, and nearly 1 percentage point lower than the 5.8% registered in 2015. Growth has now slowed in every successive year after reaching a high of 11.8% in 2011, when Panama's public works boom was at its height. External forecast point at economic growth at 5% for the present 2017.

Foreign direct investment (FDI) inflows were almost 16% higher in 2016 than in the previous year and set a new annual record of \$5.2bn. Just over two thirds of FDI was in the form of re-invested profits by foreign companies operating in Panama, showing the ongoing confidence of investors in the Panamanian economy and their readiness to plough profits back into developing existing projects.

FDI stocks in Panama stood at almost \$45bn at end-2016. The largest recipients of FDI have historically been the banking

sector, followed by the Colon free trade zone (CFZ). Commerce and the financial sector, along with transportation, remain the main recipients, but recently construction, real estate, utilities, mining and telecoms have all seen rapid increases, boosting their relative importance as destinations of FDI.

Colombia accounted for a twentieth of FDI. Now the US accounts for around 19% of the FDI stock and Colombia for 17% mostly investment in banking and construction.

The value of re-exports from the Colon Free Zone (CFZ), still affected by the trade dispute with Colombia and economic turmoil in Venezuela, historically two of its key markets, fell by 8.3% for the year.

Panama recorded a capital and financial account surplus of \$5.2bn (10% of GDP) in 2016, a \$1.3bn year-on-year increase, driven by ongoing strong appetite amongst investors for building their presence in Panama. The non-financial public sector deficit (SPNF), which represented 3.2% of the Gross Domestic Product (GDP) in 2015, decreased to 1.9% in 2016, according to the Fiscal Balance Report corresponding to the official closing of 2016.

The deficit before the adjustment included in the Fiscal Social Responsibility Law (FSRL), went from \$1,208m in 2015 to \$1,065m in 2016, which, with the adjustment reflects a total deficit of 1.5% of GDP, a figure that is within the limit authorised by the regulation.

In the first quarter of 2017, GDP grew by

6.2%. This marked a stronger pick up in the economy compared to the deceleration trend observed in previous years.

According to the government- Monthly Index of Economic Activity (IMAE), output grew by 5% year on year in January, 5.5% in February and 7.5% in March.

FDI during the first quarter of 2017, totalled \$1,315m, representing an increase of 10.7% compared to the \$1,189m registered during the same period last year, according to preliminary figures from the National Statistics and Census Institute (INEC) at the Office of the Comptroller-General of the Republic. The Comptroller-General Office indicates that, in the first three months of 2017, general license banks registered foreign direct investment in the amount of \$160.9m, an increase of 3.7% compared to the \$155.2m in the first quarter of 2016.

The economy is traditionally being driven by several export-oriented sectors, as well as by renewed construction activity. Owing to Panama's strategic asset – the expanded canal, which was inaugurated in June 2016, improving shipping capacity and strengthening the country's role as a logistics hub – the economy is benefiting from an upturn in global trade. However, other sectors are underperforming, including financial services, which grew by only 3.7% year on year; manufacturing, 2%; electricity, gas and water, 2.1%; agriculture and livestock decreased by 1% and fishing by 9%.

Trade that grew by 9.5% year on year in the first quarter, was boosted by a double

digit rise in the value of re-exports from the Colon Free Zone, which may indicate that the sector is beginning to recover after a couple of tough years owing to difficulties exporting to Colombia and Venezuela. This is the first time in three years that the Colon Free zone shows a regain of activity.

Oil-dependent Venezuela has been hit by a deep recession, a political crisis and a dramatic shortage of hard currency. And Panama has not solved yet its trade dispute with Colombia, which has imposed tariffs on Panama's textiles, clothing and foot wear re-exports. Although a World Trade Organisation (WTO) panel ruled in Panama's favour, the tariffs are still in place. Panama says that they should be lifted as part of current bilateral trade negotiations; Colombia says that it will lift them when the negotiations conclude.

In the first quarter of 2017 total CFZ trade rose by 13.5% year on year, to \$4.8bn, reflecting a 16.5% increase in re-exports, to \$2.5bn and a 10.4% increase in imports to \$2.3bn as global trade is recovering, and Latin America as a whole is picking up slightly.

Observers say that the Free Zone should change its business model and concentrate on value-added activities. New companies, such as a Swiss logistics group, Kuehne+Nagel, and a US technology company, Hewlett Packard and Under Armour, have moved into the CFZ.

Transportation, storage and communications grew by 10.4% and construction, the most important sector (16.7% of GDP) grew by 6.6% as new public works projects got underway.

The National Assembly passed April 22, an important bill reforming the more than a century-old state-owned Banco Nacional. With no Central Bank, Banco Nacional performs regulatory responsibilities and operates as the government financial agent and sometimes as a development bank. The bank has good ratings in liquidity and loan quality and posted profits up 21% in 2016 with \$124.8m.

The reforms intend to make the financial institution compliant with national



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## Upcoming Events

**Seatrade Cruise Asia Pacific**, 1 – 3 November 2017, Baoshan District, Shanghai, China

**Seatrade Middle East Cruise Forum**, 12 – 13 December 2017, Dubai, UAE

**Seatrade Cruise Global**, 5 – 8 March 2018, Fort Lauderdale, USA

**Seatrade Cruise Med**, 19 – 20 September 2018, Lisbon, Portugal

**Seatrade Cruise Awards**, September 2018, Lisbon, Portugal

**Seatrade Cruise Asia Pacific**, Autumn 2018, Shanghai, China

**Seatrade Europe**, 11 – 13 September 2019, Hamburg, Germany

**Seatrade Cruise Awards**, September 2019, Hamburg, Germany

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requirements for its board members and administrative procedures and will become more independent.

In June 2017, Standard and Poor's Global Ratings upgraded Panama's banking industry's risk outlook to stable. According to the S&P agency, 'the prospects for solid growth in the Panamanian economy have a positive effect in the banking system, as well as in its operating results.' S&P's decision is based on strengthening the regulatory framework and is based on the introduction of Basel III capital adequacy standards, liquidity (to be adopted) and standards for the prevention of money laundering. The rating agency indicated that the funding structures were not affected by the inclusion of the country in the Grey FAFT list and by the incorporation in the US' OFAC list of the Waked business group.

In March 2017, the assets of the International Banking Centre (CBI) totalled \$120.14bn, compared to the \$117.695m of the same period of 2016, according to the report of the Superintendence of Banks of Panama. CBI assets grew by 2.1% during this period, reports the regulator.

While liquid assets fell by 0.6%, the loan portfolio grew by 2.7%, and investments increased by 1.1% and other assets expanded by 10.7%. Most

banks are in the process of improving efficiency and rationalising resources which should lead to increases in profitability during the year.

Deposits grew by 1.5% reaching \$85,451m in March 2017 compared to the same month of the previous year. During the same twelve months, liabilities decreased by 1.8% and other liabilities increased by 8%. CBI's equity grew by 10.2% to \$ 13.967m at end-first-quarter of 2017, compared to the previous twelve months. Profits increased by 12% in the first quarter of 2017, thanks to a reduction in expenses and increase in income from financial operations. And the CBI obtained a net profit of \$486m between January and March 2017. The increase is explained by an increase in net interest income, a drop in overall outlays and lower growth in loan-related provisions.

On the domestic front, the credit portfolio of the National Banking System grew by 4.2% in March 2017, compared to the same month of the previous year, driven by local portfolio. Credit to the private sector was the fastest growing by 8.7% during the first quarter of 2017. On the contrary, the external credits of the banking system were reduced, which is viewed by the Superintendence as 'a symptom of prudence from the banks before the complex and uncertain external context.' The sectors that presented growth were mortgages,

10.2%, industries, 11.5%, and livestock, 11.2%. Mortgages showed an increase of \$1,403m, consumption grew by \$1, 175m and construction with \$973m.

Domestic mortgages loans totalled \$15,126m, up from \$13,722m a year ago, driven by the increase of housing offers. 'The improvement in the conditions of residential mortgage loans in recent years has been the main promoter of the demand for housing,' said the Banking Superintendence. Lower interest rates and longer average terms have raised the purchasing power of families. The report underlines that mortgage demand could be maintained mostly because of the growing housing demand and greater credit access, in the frame of a sustained growth.

The return on assets (ROA) for the International Banking Centre (CBI) registered a value of 1.6% for March 2017. Meanwhile, the same indicator for the National Banking System stood at 1.40%. These indicators are consistent with the growth of profits and assets, the report said.

With the improvement of profit, adds the Superintendence of Banks, also improved the return on equity (ROE). The ROE, which measures the return of shareholders for every dollar invested by the International Banking Centre, registered a value of 14.6% in March 2017 but the same indicator registered 13.4% at the National Banking level. ■

## Panama resolves tax matters

The OECD Global Forum declared on June 28, 2017, that Panama had become 'largely compliant' with international tax transparency standards which may lead the country to be removed from the notorious black list of non-cooperative countries next year.

For the past two years, Panama has tried to shake out the reputation of being lenient towards tax evasion and money laundering practices, which were put in the limelight after the publication of the Panama Papers in April 2016, even though Panama was not the only off-shore location pointed at in the huge trove of documents.

During this period, Panama ratified the Convention of Mutual Administrative Assistance that allows for the automatic exchange of tax information with over 100 jurisdictions and passed a number of regulations which now request owners of Panama offshore companies to be immobilised, even for corporations, as well as keeping and making available auditable



accounts for five years. It also requested a Fast Track Review by the OCDE in March 2017, aiming at cleaning its image before the next OCDE review, in September 2018.

The inscription of off-shore companies fell in 2016 but the financial sector, mostly the banking centre, remained unaffected by the impact of the Panama Papers.



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Disney Wonder



Neopanamax cruise ships are capable of transporting up to 4,000 passengers

## New customer benefits

**T**he expanded Panama Canal welcomed on April 29, 2017, its first passenger vessel through the new locks: Disney Cruise Line's Disney Wonder. The transit of Disney Wonder introduced new repositioning opportunities for the cruise industry and benefits to its customers.

The Panama Canal has been a cruise destination for many years but the 'historic transit marked the beginning of cruise lines being able to include the new locks as part of their itineraries, opening up additional transit options and allowing cruise passengers to witness first-hand this incredible feat of modern engineering,' said Panama Canal Authority (ACP) deputy administrator Manuel Benitez as he watched the huge cruise ship going through the third set of locks.

Disney Wonder is one of several cruise ships to have transited the canal during the 2016-2017-cruise season, that ended in May, although her passage through the new locks marked a milestone for both the cruise industry and the ACP.

Other lines such as Princess Cruises, Holland America Line, Royal Caribbean International and Norwegian Cruise Line all sent passenger vessels through the original locks. In addition, smaller vessels,

such as Safari Voyager and National Geographic's Sea Lion, which call on ports in the Caribbean and along the east and west coasts of Central America, contributed to the segment's traffic as well.

By the close of the 2017 fiscal year, which ends September 30, 2017, ACP International Trade Specialist Albano Aguilar expected 233 passenger vessels, representing a total 237,298 passengers, to have transited both the original and new locks.

On April 1, the Panama Canal began accepting booking requests for passenger vessels in the new locks. By end of April, 18 reservations had already been made for passenger vessels to transit the expanded Canal for the next 2017-2018 season, a number which is expected to increase in the coming months.

Neopanamax cruise ships are capable of transporting up to 4,000 passengers, nearly twice as much as the Panamax-cruise vessels able to transit the original locks.

From January to April 2017, a total of 205,516 passengers arrived in Panama, according to statistics from the Panama Maritime Authority (AMP) and the Panama Tourism Authority.

Pullmantur's homeporting vessels, Zenith and Monarch, generated 102,301 cruisers.

Colon 2000 welcomed 90,200 passengers, Amador 11,703 and Cristobal 1,312 passengers. The figures indicate that these cruise ports registered a movement of 125 ships: homeporting 44, Colon 2000 40, Amador 22 and Cristobal 19, during that period.

An investigation of the behaviour of cruise passengers arriving at the ports, in Colon, showed that 90% make scheduled tours to established destinations and others choose to go shopping or sightseeing. These tourists, according to the Tourism Authority records, generally go to the new Agua Clara locks, Portobelo, Fort San Lorenzo, Colon Free Zone, Gatun locks; while others choose to take the train and visit the shops of Albrook Mall, in the capital city, and visit Panama's Casco Viejo and the Miraflores locks.

The annual International Cruise Lines Association (CLIA) report revealed that more than 25m people are expected to cruise in 2017, an increase of 67% compared to 2007.

Among the most prominent trends in this same study, the so-called Millennials and Generation X will be inclined to travel more on a cruise; and in the next three years, 48% of non-cruise passengers plan to travel on a cruise while 85% of cruise

passengers are interested in repeating this vacation option.

In May 2017, Pullmantur began its second season of cruises in Colon with Zenith operating seven day itineraries in the Caribbean. The company anticipates finishing the year in Colon with numbers up 40% than the year before.

The German operator TUI Cruises included Panama on its itineraries for the first time in November 2016, with the arrival of Mein Schiff 4 in terminal 2 of Colon 2000 port. AIDA and Hapag Lloyd's Europa 2 also anchored in Colon.

Carnival, Princess, Norwegian, Celebrity, Oceania, Holland America, Wind Star, Regent Seven Seas and Disney ships pass through the Panama Canal and some itineraries include stops at Panamanian ports.

Caribbean Princess underwent an extensive two-week dry dock in Freeport, Bahamas from where she emerged from



a multi-million-dollar renovation with new offerings appealing to families, including Camp Discovery Youth & Teen Centre, upgraded Movies Under the Stars, Princess Luxury Bed and interconnecting staterooms, just in time for the upcoming Europe summer and fall Caribbean seasons. The cruise ship will also be wired for Ocean Medallion launch that will be available for the 2018 summer Caribbean season.

The newly renovated Caribbean Princess started her Europe season with a transatlantic sailing on April 6, continuing throughout the summer in the British Isles, and by October, will come to the Panama

Canal, transiting the new Agua Clara locks and spending the season in the Caribbean.

Additionally, for the first time in four years, Princess Cruises offers summer Caribbean cruises, including Panama Canal transits in 2018. The Caribbean Princess returns to sail on a full summer season of voyages ranging from seven-day Eastern and Western Caribbean to a 20-day Caribbean and Panama Canal Explorer.

The 2018 April to October summer programme features 47 departures, roundtrip from Ft. Lauderdale, including eight unique itineraries visiting 23 destinations in 22 countries. In addition, four ports offer late night stays so guests have more time to explore the evening offerings these destinations have to offer.

Silversea Expeditions announced a new tour of the Americas in 2018, including Panamanian destinations such as Fort Amador, Isla de Coiba, Darien and the City of Panama. The itinerary will be undertaken by Silver Explorer, tracing

## The Amador Cruise Terminal will be ready in 2019

The consortium Cruceros del Pacifico, formed by Belgium's Jan de Nul and Beijing-based China Harbour Engineering Co. (CHEC), was awarded a \$165.7m contract by Panama Maritime Authority (AMP) to design, develop and build the Amador Cruise Terminal at the Panama Canal Pacific entrance.

'The AMP and the country will have a project that will be the jewel of the Pacific and will drive our national tourism,' said Panama's minister of maritime affairs and administrator of the Panama Maritime Authority Jorge Barakat.

'After talking with the principal international cruise operators, we have decided that we will administrate it and keep it open to all cruise lines without restriction. And for that enterprise, we have signed a co-operation agreement with the port of Hamburg which will provide assistance and operation know-how,' said Minister Barakat who added that the AMP has already begun talks with the port of Valparaíso in Chile to sign technical agreements.

The work will be carried out within 24 months and its inauguration is planned for the first quarter of 2019. The terminal will have capacity to accommodate two ships of 360mtr in length, with a capacity of 3,000 passengers per vessel, in an area whose draught must reach 10.5mtr and be able to receive cruise ships at any time of day, regardless of the condition of the tide.

The terminal will have an area with parking for 300 vehicles, 60 spaces for buses and 25 for trucks. An environmentally friendly administrative building of approximately 10,800sq



mtr will be built to serve the 10,000 passengers when the port is in full operation. This building will have a green building certification, with more than two hectares as a green area and paths, which should be integrated with the other spaces included in the project.

The cruise terminal will be a public port and will be administered by the AMP, a measure aiming at ensuring that this terminal provides quality service to all operators using it and not limit the use to any cruise company in particular.

Jan de Nul participated in the consortium Grupo Unidos por el Canal that built the third set of locks and has also been awarded the construction of the expansion of PSA-Panama Terminal on the Pacific side to double its capacity to 2m teu while CHEC, a subsidiary of China Communications Construction Co. Ltd., has been present in the isthmus for some years, having been awarded the construction of Evergreen's Colón Container Terminal expansion, amongst other projects.



Celebrity Infinity

a route to the north from Ushuaia, the city of the end of the world along the Pacific coast to the multicultural and vibrant Vancouver.

'These exciting new expeditions offer the modern traveller the opportunity to re-discover the impressive and historically interesting west coast of the Americas,' said Conrad Combrink, Silversea's vice president of strategic planning and development. 'Each of these unique expeditions will offer a wide variety of exploration activities – traversed at Zodiac to discover the rich marine ecosystems, trekking in rainforests, discovery of prolific wildlife, crossing of historically important rivers and exploration of volcanoes and savour an incredible gastronomy. Expeditions along the western coasts of these two great continents will impress and leave the most fearless traveller overwhelmed more, if possible.'

The first trip features Callao, Lima, to Fort Amador, Panama City, of 14 days, from March 21 - April 4, 2018. Four new destinations are waiting to be explored in this new trip: Puerto Quepos, recognised by the varied fauna, 109 mammals and 184 species of birds in its Manuel Antonio National Park; Golfo Dulce, Costa Rica's biodiversity wonderland; Isla de Coiba, the Panama prison turned into a paradisiac island; And the cosmopolitan city of Panama. In addition, a river adventure through the legendary Darien jungle of Panama reveals one of the most diverse ecosystems in the world.

The second voyage: Fort Amador, Panama City, to Puerto Quetzal of 12 days, April

4-16, 2018. This trip along the Pacific coast of Central America is intermingled with exceptional nature, fascinating history and remote communities with mysterious jungles full of exotic plants, unlikely wildlife, indigenous peoples rarely visited by the outside world.

The Panama Tourism Authority (ATP), Copa Airlines and Pullmantur Cruises signed a joint collaboration agreement in July 2017 to promote Panama as a cruise tourist destination, with the objective of attracting tourists from Latin America to boost tourism and tourism. Pullmantur will depart from the Port of Colon, one of its three homeports in the region.

Copa Airlines will offer exclusively to Pullmantur cruise passengers who wish to board in Colon, special rates to fly from 14 airports located in eight Latin American countries to Panama: Bolivia: Santa Cruz, Brazil: Belo Horizonte, Sao Paulo, Porto Alegre and Rio de Janeiro, Chile: Santiago de Chile, Ecuador: Quito and Guayaquil, Mexico: Guadalajara, Monterrey and Mexico City, Paraguay: Asuncion, Peru: Lima and Uruguay: Montevideo.

This agreement will be enforced with the collaboration of wholesalers who distribute holiday packages in other countries. 'What we are looking for is complete packages, including an air and cruise ticket,' said Copa Airlines.

The ATP will collaborate with Pullmantur Cruises in promoting the country through various marketing actions in the Southern Cone. This alliance will allow greater exposure of the country brand

in international television media; also in movie portals in Colombia, Peru and Ecuador with spots of 10 and 20 seconds, which will promote vacation packages of seven nights and five destinations in the Southern Cone and Caribbean.

'This alliance will help promote Pullmantur throughout Latin America, which will revert to the arrival of more tourists who disembark and embark in Panama,' said Augusto Terracina, manager of Port Colon 2000. 'These tourists stay two or three days before or after their arrival or departure from cruise port. This will make the business more dynamic especially on weekends that are days of little movement in hotels and shopping centres,' he added.

For the upcoming cruise season 2017-2018, Pullmantur Cruises will once again rely on Port Colon 2000, from where Monarch will operate a total of 52 departures of its 'Antilles & South Caribbean' and 'Legendary Caribbean' routes.

'I am fully convinced that these strategic alliances with two entities linked to Panama as the Tourism Authority and Copa Airlines will be a very important stimulus for our commercial activity. They will certainly help us make our product even more attractive,' said Richard J. Vogel, president and ceo of Pullmantur Cruises.

Vogel added that 'we estimate that the economic impact derived from our guest and crew expenses will be about \$10m in Panama, an amount that should be added to our own contribution,' explained Vogel. ■

Pullmantur Cruises



PANAMA MARITIME REVIEW 2017-18

Panama City



Financial benefits and inexpensive living within an idyllic beachside setting

## Popular retirement location

**T**he year 2016 might have been the biggest for Panamanian tourism ever, with the country finding itself on Forbes' annual top destinations list. Affordable shopping was a large part of the nation's draw during the mid-2000s. Panama became a popular retirement location, with older foreigners finding financial benefits and inexpensive living within an idyllic beachside setting. This trend remains true today, and as recent as this year the nation was ranked by Investopedia as the second best place for Americans to retire.

But since the Panamanian government finally awarded, at end 2016, a \$20m international advertising campaign to attract tourists from the United States, Europe, and South America, its main markets, optimism is back amongst tourist operators and hotels.

'We have great hopes for that campaign because we're going to move from having zero promotion to having a full campaign. The change has got to be noteworthy. We believe that next year's going to be better than this one,' said Tourist Authority administrator Gustavo Him. The advertising campaign is geared towards increasing the number of tourists Panama welcomes the current level of 2.4m to 3m per year.

Tourism, which contributes about 10% of Panama's gross domestic product (GDP), has seen figures of the sector slowing down with hotel occupancy falling because a lack of a government tourism

### Tourism contributes about 10% of Panama's gross domestic product

policy, say operators of the sector. The hotel sector has been particularly hit by the absence of international advertising since 2014. 'Panama has a lot to sell and very good tourist offerings, but if you don't communicate, you don't sell anything,' said the president of Panama's hotel association (APATEL), Sara Pardo.

The VML Chicago agency that won the advertising campaign contract has gone in an entirely different direction in presenting a very original campaign for the Isthmus country. The new campaign, 'Not for Tourists,' is aimed at adventure travellers, showcasing the country's

lush rainforests, rugged mountains and untamed jungle. 'Panama is for those who don't want the generic experience,' says the advertising agency.

In its first advertising campaign aimed at American and Canadian visitors, the Panama Tourism Authority turned these factors into an asset with special focus on Internet and social networks. However, the government's announcement of the opening of diplomatic relations with China may have far-reaching implications for the country's economy, including the real estate market.

According to real estate agents five years ago, Chinese home buyers were almost non-existent in Panama City, but that has changed. In the first half of 2017, Chinese buyers accounted for about 20% of Punta Pacifica Realty's sales in Panama City, compared to 5% in 2015. Most of the

*El Valle Sunday market, the best place to buy handicrafts*



sales were focused on high-end rental properties in towers along the waterfront in Punta Pacifica and Balboa Avenue, including the Trump Ocean Club and the modern Yoo Panama.

China is already very active in Panama. Several Chinese companies have regional headquarters in Panama City. Panama tourism should also be a direct beneficiary. Direct flights from China would be a logical next step, as well as the easing of bureaucratic restrictions on travel. China is the world's largest outbound tourism market, with more than 135m travellers in 2016, a 6% increase from a year earlier, according to the World Tourism Organisation.

There is already a large and growing Chinese community in Panama. And the Bank of China is already financing property deals through an office in

Panama City. Meanwhile, many hotels are preparing for receiving Chinese tourists and tour operators looking for eventual guides who may speak the language, amongst Panama's Chinese community.

Visitors' arrivals in Panama have increased by 25.4%, from January to May 2017. A total of 102,388 passengers from Europe entered the country through Tocumen International Airport, some 20,754 more passengers compared to the same period of 2016.

The European airlines that increased passenger revenue in this period of 2017 were: Iberia, with a total of 30,677 passengers, about 7,388 more than in 2016 with a growth of 31.7%; Lufthansa with a total of 21,715 passengers, about 7,713 more than in 2016, an increase of 55.1%. Air France followed with a total of 24,311 passengers, about

3,370 more than 2016 and a growth of 16.1%; Turkish Airlines, with 3,202 passengers, about 2,544 more than in 2016. Panama, through the renowned Hub of the Americas, connects with key destinations in Europe, such as Spain, Germany, France, Italy and the Netherlands.

The last year, Panama has also strengthened as a hub for receiving two direct flights from Europe: the new Lufthansa Frankfurt-Panama air route, which began in March 2016; and the flight between Istanbul and Panama from Turkish Airlines since May 2016.

The Tourism Authority has a promotional agreement with Lufthansa to increase the volume of air traffic between Europe and Panama and motivate German travellers to visit 'Panama as your next vacation and business destination'. The international

### Facts & figures

- Visitors arrivals in Panama increased by 25.4% from January to May 2017. A total of 102,388 passengers from Europe entered the country through Tocumen International Airport, some 20,754 more passengers compared to the same period of 2016.
- Recent Google measurements revealed that Panama's YouTube promotional videos recorded 95% views in Spain in March and April 2017 and that travel-related searches for Panama increased more than 19% between May 2016 and May 2017.
- From January to April 2017, a total of 205,516 passengers landed at Panama main cruise ports according to statistics from the AMP.
- Panama Home Port of operations to Pullmantur Shipping Company, with the vessels Zenith and Monarch, received 102,301 cruisers.
- Followed by Colon 2000 with 90,200 passengers, Amador with 11,703 and Cristobal with 1,312. The figures indicate that these cruise ports registered a movement of 125 ships: Home Port, 44 cruise vessels, Colon 2000, 40, Amador, 22 and Cristobal with 19 cruise ships.
- During 2016, Tocumen airport registered the entry of 14.7m passengers. A second airport terminal is nearing completion.
- Tocumen International Airport received some 3.7m passengers between January and March 2017, an increase of 172,906 compared to the first quarter of 2016.
- Also some 2.6m passengers were in transit on international flights; another 610,048 entered the city and 577,958 left. On average, 42,000 passengers arrived at or left the terminal each day.
- In August 2016, the government awarded the Chicago-based VML a \$20m contract for the country's ad campaign, geared towards increasing the number of tourists Panama welcomes from the current level of 2.4m to 3m per year.
- In 2016, Panama has also strengthened as a hub for receiving two direct flights from Europe: the new Lufthansa Frankfurt-Panama air route, which began in March 2016; and the flight between Istanbul and Panama from Turkish Airlines since May 2016.
- On April 29, 2017, the expanded Panama Canal welcomed its first Neopanamax-passenger vessel through the new locks: the Disney Cruise Line Disney Wonder.
- 245 cruise ships transited the Canal during the 2016-2017 season.
- Other lines such as Princess Cruises, Holland America Line, Royal Caribbean Cruises and Norwegian Cruise Line all sent passenger vessels through the original locks.
- In addition, smaller vessels, such as the Safari Voyager and National Geographic's Sea Lion, which call on ports in the Caribbean and along the east and west coasts of Central America, contributed to the segment's traffic as well.
- On April 1, 2017, the Panama Canal began accepting booking requests for passenger vessels in the new locks. So far to date, 18 reservations had already been made for passenger vessels to transit the expanded Canal for the season 2017-2018, a number which was expected to increase in the coming months.
- The cruise season 2017-2018 will begin on October 2, 2017 with the transit of Island Princess and 235 transits are expected.
- 11 new cruises that will transit the Panama Canal from Princess Cruise, Norwegian Cruise, Carnival Cruises, Viking Ocean Cruises, Silverseas Cruises, Lindblad Special Expedition and CMA-CGM.
- The Norwegian Bliss will transit during this season, which will be the cruise with the largest capacity – 4,200 passengers – to transit the Neopanamax locks.



A cosy restaurant in El Valle

promotion campaign that began recently in markets like Spain has been a key factor to selling the attractions that Panama offers.

Recent Google measurements revealed that Panama's YouTube promotional videos recorded 95% views in Spain in March and April 2017 and that travel-related searches for Panama increased more than 19% between May 2017 and May 2016.

The Panama Canal has also been busy on the tourism front as it has welcomed its first Neopanamax-cruise ship through the new locks on April 29, 2017 with Disney Cruise Line's Disney Wonder. This milestone signals further diversification of traffic through the expanded Canal and with it introduces new repositioning opportunities for the cruise industry and benefits to its customers.

'The original Panama Canal has been a cruise destination for many years' said Panama Canal Deputy Administrator Manuel Benitez. 'The Disney Wonder's

historic transit marks the beginning of cruise lines being able to include the new locks as part of their itineraries, opening up additional transit options and allowing cruise passengers to witness first-hand this feat of modern engineering,' commented Benitez.

By the close of ACP's fiscal year 2017 (September 30, 2017) the Panama Canal International Trade Specialist Albano Aguilar expects 233 passenger vessels, representing a total 237,298 passengers, to have transited both the original and new locks.

With a large expatriate-market made of international companies' executives and retirees, there is much to see and to do for an active two-day or for a longer stay, in the interior. The resorts on the Pacific coast, in Bijao, Playa Blanca and or Buenaventura, have seen an increase in rentals and purchases of apartments and beach houses in the past two years. The advantage is their proximity from Panama City (a one and a half hour drive) and the amenities offered for children and parents

with pools, nice beaches and golf courses and security on the premises.

**A must-see little town**

One of the most visited little towns of the interior, El Valle de Anton, (less than two hours drive from the capital city) continues to attract foreign and domestic tourists for a two day-stay most of the time. The town, high in the mountains of Panama, is located in the second largest inhabited volcano crater in the world. Once a crater lake, this quiet village became home to native populations (Ngabe Bugle) from the surrounding mountains, which have been here for thousands of years. At 120km from Panama, it is a cool picturesque country resort accessed by a sinuous road climbing through forests and pastures to the mountain-rimmed valley.

The place attracts tourists, retirees from the US and weekenders, particulars from Panama City, which prefer a moderate climate and the full aboriginal of nature. Many wealthy Panamanians from politics and business have their weekend homes in El Valle. The population's permanent residents are about 6,500 persons, but during weekends and holidays can grow up to 8,500.

There are thermal waters and strange land formations and curious rock drawings or 'petroglyphs' that can be seen on the outskirts of the village, in La Pintada neighbourhood. Nobody knows what they mean, when they were made or who the carvers were.

El Valle is one of the best places in Panama for watching tropical birds, in the valley and in the cloud forest of the Gaital Mountain. Some 339 species of birds had been registered in El Valle and the surrounding area by El Valle resident biologist Mario L. Urriola Hernandez. The tops places are known as 'El Cerro Gaital' (1,185mtr), 'El Cerro Pajita' (616mtr) and 'El Cerro Caracoral'.

El Valle has developed a prosperous industry for flowers and ornamental plants making the small town also a centre for orchids. Panama is said to have nearly 1,000 species of orchids, many of them rare. The country's national flower, the flower of Espiritu Santo, is a delicate milky-white orchid



The history of the Panama Canal is always a magnet for history-buff tourists

## TOURISM

(*Peristeria Elata*) whose inner lip resembles the head of a dove. It is sometimes called 'holy ghost' or 'white dove'. This and many others can be bought at the Sunday morning market.

The Orchids Centre (Aprovaca Orquídeas) has been set up by the non-profit organisation APROVACA (Association of orchid's producers from El Valle and Cabuya) and dedicates itself to the task of cultivating and conserving endangered local and regional orchids. At the moment 147 different kinds of orchids can be seen. The centre is open every day from 9am to 4pm (Tel: 983-6472). Entrance fees up to four persons: Adults \$2.00, students \$1.00, minors up to age 15, \$0.75. Entrance fees for five persons and more: Adults \$1.50, students \$0.75, minors up to age 15, \$0.50.

Be warned that Panama adheres to the CITES convention for the exportation of rare or endangered species and if collectors want to take or ship orchids specimens out of the country they must purchase plants from licenced exporters and be in full possession of the necessary waybills for customers. For residents of Panama, El Valle Sunday market is the best place to buy rare and exotic plants and flowers. The market is also a centre for soapstone carvings and other handicrafts of clay, wood, straw and vegetable fibres, and ceramics, bateas (wooden trays), woven baskets, hats, carved and painted totumas (cups made from squash) and trinkets made from acorn.

The privately-owned zoo-Finca El Nispero is the must-visit 'par excellence'.



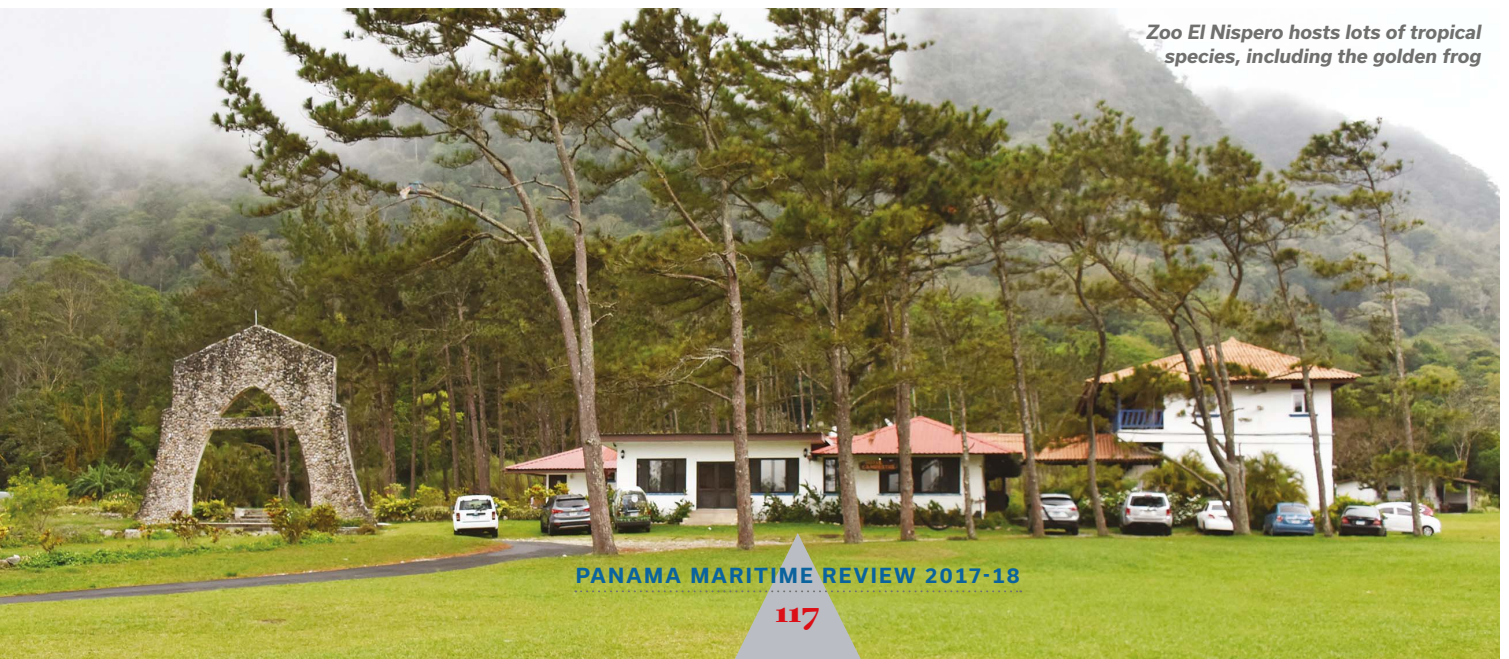
The zoo is also home to the brand-new Centre for amphibian conservation of El Valle (EVACC), an amphibian study centre sponsored by the Houston, San Antonio, and San Diego zoos. The centre studies the bacteria that is wiping out the golden frog, among other amphibians, and works to ensure the amphibians' survival. The centre has aquariums, exhibits, and a video and reading centre in English and Spanish. El Nispero hosts also a rich collection of birds, tropical animals, plants and trees. Open every day from 7am to 5pm. Entrance fees for tourists: adults \$5.00, children \$2.00 and for locals: adults \$2.00, children \$1.00.

Hiking is a widely-practised sport in El Valle. A path behind the Hotel Campestre leads to the Cloud Forest Reserve of the Cerro Gaital Natural Monument. Here the cloud forest offers its unique flora and fauna. Serious walkers and birdwatchers will be pleased. There are two tours from La

Mesa: For the large one to the top but it is better to ask the locals for advice, start early in the morning and bring some climbing experiences; Up and down it will take about 5-6 hours. The best is to go with one of the local tour guides who can be found at the IPAT booth at the market.

The Sleeping Indian (La India Dormida) is a hill chain with the silhouette of a sleeping Indian woman in the west of El Valle. The name has its origin in a local legend. It is a walk of about one hour and a half and when at the top, here is a great view over the valley.

It is impossible to leave El Valle without trying the delights of Lourdes Fabrega de Ward's kitchen, at La Casa de Lourdes that doubles as a beautiful lodge, a range of exotic dishes with tropical accents and exquisite desserts. Several other smaller restaurants- Bruschetta Restaurant and Dona Nella- and many more can be recommended. ■



# THE PANAMA CANAL MAP





## THE PANAMA CANAL MAP



**COLON CONTAINER TERMINAL (CCT)**



Pier No.1 and 2 with 612mtr length and 14mtr draft.  
 Pier No. 3 with 370mtr length and 15mtr draft.  
 Pier No.4 and 5 with 320mtr length each one and 16mtr draft.

**Terminal Equipment**

- 3 ZPMC Super Post Panamax Gantry Cranes
- 5 ZPMC Post Panamax Gantry Cranes
- 5 Mitsubishi Panamax Gantry Cranes
- 12 units of RTG (6+1) Mitsui
- 18 units of RTG (6+1) ZPMC
- 9 units of Side Loader
- 3 units of Reach Stacker
- 12 units of Forklifts (1 x 10 ton and 11 x 3 ton)
- Current yard capacity: Laden: 16,000teu, Empty 22,000teu
- Reefer plugs: 984
- Access Channel 15mtr drafts with turning basin of 600mtr wide
- Nonstop operations
- Open to public
- Preventive Maintenance, minor repairs to damaged containers, dry boxes and reefer containers, steam cleaning and reefer pre-trip (PTI) jobs

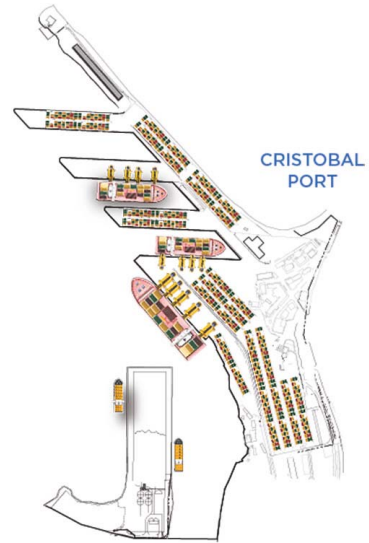
**Security System comprehends**

- CCTV System
- K-9 Dogs
- CCT owned Security Guards
- Boat Patrol guarding shipside operations
- Full compliance with ISPS Code and Basc

**Others**

- Power House: 5 Generators (1,600 KVA e/o)
- Rail Link Operated by Panama Canal Railway Co. uniting the Atlantic with the Pacific Coast

**PPC – PORT OF CRISTOBAL (Atlantic)**



**FACILITIES**

- 28 hectares of storage areas
- 970 mtr Dock for Container
- 3 berths
- 13 quay cranes, of which 9 are Post-Panamax with a reach of 19 rows of containers and 4 Panamax with a reach of 13 rows of containers.
- 47 RTGs
- 13.5mtr (Dock 7 & 10) maximum draft
- Annual capacity of 2 million teu
- Train terminal inside terminal

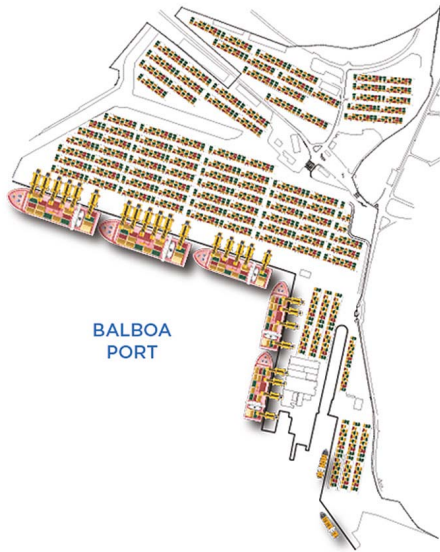
**PSA PANAMA INTERNATIONAL TERMINAL**

FACILITIES	CURRENT	FINAL
Dock (mtr)	340	800
Gantry cranes	3 (16R)	8 (24R)
RTGs	9	24
Capacity (m teu)	0.47	1.50
Draft (mtr)	-14	-17
Container berths	1	3
Quay length (mtr)	300	1,100
Area (ha)	14	40
Max depth at chart datum (mtr)	14.5	16.7
Quay cranes	3	11
Designed capacity ('000 teu)	450	2,000



The expansion project began in May 2015 and will take an estimate of 20 months. This This expansion consists in the installation of 800 metres of linear quay, two simultaneous berths for mega ships, and the expansion of its container yard to 2m teu capacity.

**PPC – PORT OF BALBOA (Pacific)**



BALBOA PORT



**FACILITIES**

- 47 hectares of storage areas
- 1,710 mtr of Dock for Containers
- 5 berths
- 25 quay cranes, of which 7 are Super Post-Panamax with a reach of 22 rows of containers, 10 Post-Panamax with a reach of 19 rows of containers, and 8 Panamax with a reach of 13 rows of containers.
- 83 RTGs (electric and hybrid)
- 15.7mtr (Dock 16/17/18) maximum draft
- Annual capacity of 4-5 million teu
- Logistics connectivity to the Atlantic by train and truck, allowing for connection to the Atlantic from ship-to-ship in 4hrs

**COLON 2000**



**FACILITIES**

Length  
Depth

**DETAILS**

100mtr  
11mtr

**MANZANILLO INT'L TERMINAL (MIT)**

**FACILITIES (MIT)**

**DETAILS**

Navigation, berthing, pilotage/tugs

**Container berths**

Length 2,040mtr  
Main Berth depth -14mtr  
Berth 5 and Berth 8 depth -16.5mtr  
2 Mediterranean-style ro-ro berths with total length of 500mtr and with a water depth: Berth 6, -12.5mtr and Berth 7, -10mtr  
All berths +2.5mtr above MSL. Tide variance is 30cm.

**Ship to shore container gantries 19**

Yard infrastructure/equipment  
Total paved CY area 520,000sq mtr  
Storage 73,100teu  
2,106 plug capacity for refrigerated containers

**Yard gantries (RTGs) 24 (STS-19)**

ASC 6  
Toppicks 31  
Sidepicks 35  
Yard trucks 176  
Bombcarts 148  
Forklifts 46  
Gates 3 inbound, 3 outbound lanes with weight scales  
2 additional in/outbound lanes to access Colon Free Trade Zone

**Container equipment and refrigeration repair facilities**

Inspections, preventive maintenance, and damage repair to container equipment including dry boxes, refrigerated containers, clip-ons, generator sets and container chassis. Also live reefer monitoring and maintenance, steam cleaning and pre-tripping.

**Port security** ISPS, CSI and C-TPAT Certified; a member of BASC. MIT also meets Super Carrier Initiative Standards.

**Safety management/  
Hazardous cargo**

15 person emergency response team on call  
ISO 9001 Certified  
24-hrs

**MIT Logistic Park**

Total area 100,000sq mtr



UBM's maritime portfolio

# CONNECTING CUSTOMERS GLOBALLY



EXPO MARITIME  
**EXPOSHIPPING**  
ISTANBUL



**Seatrade  
Awards**

 **Marintec  
SOUTH AMERICA**

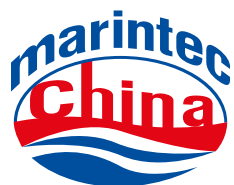
UBM plc is the largest pure-play B2B Events organiser in the world. In an increasingly digital world, the value of connecting on a meaningful, human level has never been more important. At UBM, our deep knowledge and passion for the industry sectors we serve allow us to create valuable experiences where people can succeed. At our events people build relationships, close deals and grow their businesses. Our 3,750+ people, based in more than 20 countries, serve more than 50 different sectors – from maritime to pharmaceutical ingredients. These global networks, skilled, passionate people and market-leading events provide exciting opportunities for business people to achieve their ambitions.

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Official publications

**Seatrade  
Maritime Review**      **Seatrade  
Maritime News**



## Upcoming Events

**Marintec China**, 5 – 8 December 2017, Shanghai, China

**Sea Japan**, 11 – 13 April 2018, Tokyo, Japan

**LNG Shipping & Clean Energy Forum**, 24 April 2018, Singapore

**Seatrade Maritime Awards Asia**, 25 April 2018, Singapore

**Seatrade Awards**, June 2018, London, UK

**Marintec South America**, 14 – 16 August 2018, Rio de Janeiro, Brazil

**Offshore Marintec Russia**, 2 – 5 October 2018, St. Petersburg, Russia

**Seatrade Maritime Middle East**, 29 – 31 October 2018, Dubai, UAE

**Seatrade Maritime Awards Middle East, Indian Subcontinent & Africa**, October 2018, Dubai, UAE

**Exposhipping Expomaritt Istanbul**, March 2019, Istanbul, Turkey

**Sea Asia**, 9 – 11 April 2019, Singapore

**Marintec Indonesia**, 13 – 16 September 2019, Jakarta, Indonesia

**Seatrade Offshore Marine & Workboats Middle East**, 23 – 25 September 2019, Abu Dhabi, UAE

**Marintec China**, 3 – 6 December 2019, Shanghai, China



UBM

## USEFUL INFORMATION

**Official name:** República de Panamá.

**Population in 2017:** Estimated 4.2m

### Ethnic groups

Mestizo (mixed Indian and European ancestry) 70%, West Indian 14%, Caucasian 10%, Indigenous population 6%.

### Location

Approximately 9° North, 80° West, at the geographical divide between North and South America, bordering the Caribbean Sea to the north and the Pacific Ocean to the south.

### Geography

Panama's total land area is 75,517sq km. A mountain range with peaks over 2,500mtr forms the spine of this s-shaped country. Panama occupies the southeastern end of the isthmus forming the land bridge between North and South America. Lowlands make up over 85% of the territory, with tropical rain forests to be found near the Canal, along the Caribbean coast and in Darien province.

### Terrain

Mountainous. Highest elevation: Volcano Baru 3,475mtr; Coastline 2,857km.

### Climate

Tropical, with an average year-round daytime temperature of 27°C, in the mountains the average is 10-15°C. Humidity averages 70%. The rainy season lasts from May to December.

### GDP in 2016 (prices 2015)

\$55.18bn

### GDP in 2016 (prices 2007):

\$37.47bn

### GDP per capita 2016 (prices 2007)

\$9,282 (+3.3%)

### Inflation 2016:

0.7%

### Annual GDP growth 2016:

4.9%

### Natural resources

Timber, seafood, mining (copper, gold), tourism.

### Foreign trade (excludes CFZ) 2016

**Exports of goods (FOB):** \$636.1m (-8.5% on 2015).

**Imports (FOB):** \$10.72bn (-3.3% on 2015).

### Colon Free Zone (trade 2016)

**Imports:** \$9.24bn (-10.9% on 2015)

**Re-exports:** \$10.42bn (-8.3% on 2015)

### Foreign Direct Investment (FDI) 2015

\$5.2bn (+15.9% on 2015)

### Fast growing economic sectors (2016)

Electricity, water and gas supply (10.6%), Construction (8.3%), Mining (7.0%), Transport & communications (1.8%). **Positive performances:** Real estate (4.7%), Wholesale and retail trade (3.3%), Private education (10.9%), financial intermediation (6.6%) and Hotels and restaurants (2.2%), health care (3.6%) among others.

### Panama Ship Registry

8,222 Vessels exceeding 500gt, totalling 221m tonnes at June 2016, up from 218.5m gt and 8,092 vessels at June 2015, according to IHS Statistics.

### Services

75% of GDP of which 35% is for the maritime sector including the Panama Canal, ports and related services.

### Agriculture and industry

Primary sector (6% of GDP) includes agriculture and cattle farming; secondary sector (24% of GDP) includes industry and infrastructure; services (70%) includes Colon free Zone, banking, transport and telecommunications.

**Land:** Agricultural 24%, exploitable forest 20%, others 56%.

### Government

Panama is a democratic republic with elections held every five years. It is composed of three governing branches: Executive, Legislative and Judicial. Panama is divided into nine Provinces and four Comarcas or Indian territories. These are divided into 67 districts.

President Juan Carlos Varela, from the Partido Panamenista, was elected May 4, 2014 and was sworn in July 1, 2014 for a five-year term.

### Government branches

**Executive:** President (head of state), one Vice President.

**Legislative:** Legislative Assembly (71 members)

**Judicial:** Supreme Court: The president proposes judges for the Supreme Court; they are approved by the Legislative Assembly and sit for terms of 10 years; a system of appeal originates in courts of first instance, rising to the Supreme Court at the apex.

### Religions

Roman Catholic 85%, Protestant 15%.

### Languages

Spanish (official); various indigenous native languages.

### Education

Compulsory for primary education. Including universities and smaller colleges, there are 14 institutions of higher education in Panama attended by 90,000 students.

### Literacy

Approx. 93% overall (urban 94%, rural 64%).

**Workforce:** 1,200,000. Made up of Government & community services 250,000, private sector 500,000, others 350,000.

### Unemployment (urban area) in 2016

5.5% (+0.4%)

### Major cities

Panama City: 1,500,000 (estimated with suburbs), Colón: 206,000, David: 142,000.

### Time zone

Panama is on Eastern Standard Time all year (GMT -5hrs).

### Electricity and telecommunications

The national power supply is 110v, 60hz. Panama has an excellent and modern telephone service with international direct-dial facilities. Country code is 507.

### Currency and local taxes

The US dollar has been legal tender in Panama since 1904. The Balboa, the Panamanian currency unit, trades at parity with the dollar although the Balboa only exists in forms of coins. Prices may be quoted as Balboas (B/.) or dollars (\$). All major credit cards are widely accepted. VAT on services and restaurants, is 7% and 10% as hotel taxes. There is a \$20 tax payable on departure from Panama City's Tocumen International Airport.

### Banking

Some 92 national and international banks have branches in Panama, 2 official banks, 48 with general licence, 29 with international licence and 13 with representation offices. Panama banking centre total assets at March 2017: \$120.14bn, up 2.1% on the same period a year before. Opening hours vary but most are: Mon to Fri from 9am to 1pm/3m. Most banks are also open on Saturday mornings.

### Colón Free Zone (CFZ)

Some 2,100 international and national companies and 20 foreign and national banks are established in the Colón duty free zone.

**Measures:** Metric system.

**Source:** Comptroller-General office, report 2016.

### Public holidays

January 1: New Year's Day  
January 9: Martyrs' Day  
May 1: Workers' Day  
November 3: Independence from Colombia Day  
November 10: First Cry of Independence Day  
November 28: Independence from Spain Day  
December 8: Mothers Day  
December 25: Christmas Day

### Moveable holidays

Carnival Tuesday, Easter Friday

# Shipping and tourism services

## Panama Maritime Authority (AMP)

Edificio PanCanal Albrook, P.O. Box 0843-0533, Balboa, Ancón  
Tel: +507 501-5100/5000

## Panama Canal Authority (ACP)

Balboa - Ancon, Panama  
Tel: +507 272-7602 Fax: +507 272-7693

### CARGO & OTHER SERVICES

#### Air Sea Worldwide Panama

P.O. Box 0815-00883, Rep. of Panama  
Tel: +507 269-8988  
Fax: +507 269-8061  
Email: info@asw-panamacity.com.pa  
www.airseaworldwide.com

#### AMT Cargo International

P.O. Box 0818-00286, Rep. of Panama  
Tel: +507 236-5843  
Fax: +507 236-9705  
Email: amtcargopma@cableonda.net  
www.amtcargop.com

#### Intertrade

P.O. Box 0819-10090, Rep. of Panama  
Tel: +507 232-8588  
Fax: +507 232-8078  
Email: interoper@cableonda.net  
www.intertrade.ptj.com

#### Naves Supply

P.O. Box 0832-1499, Rep. of Panama  
Tel: +507 232-5415  
Fax: +507 232-5469  
Email: navessupply@cwpanama.net  
www.navessupplypanama.com

#### Sea Cargo

P.O. Box 0816-00665, Rep. of Panama  
Tel: +507 210-9600  
Fax: +507 210-9635  
Email: seacargo@seabournmarinepanama.com  
www.seaboardmarine.com

#### Servicio Internacional de Carga

Tel: +507 260 17 47  
Fax: +507 260 6562

#### Supreme Overseas Corp.

P.O. Box 0834-01456 Panama  
P.O. Box 0302-00482 Colón, Rep. of Panama  
Tel: +507 430-3537 / 261-0044  
Fax: +507 430-0627 / 430-3705  
Email: supremepty@supremepty.com  
www.supremepty.com

### DREDGE, LAUNCH, TUG & PILOT SERVICES

#### Boskalis Panama, S.A.

Tel: +507 3177000  
Fax: +507 3177099  
Email: panama@boskalis.com

#### Caribbean Pilots Corp.

Tel: +507 430 35 36  
Fax: +507 430 35 38  
Email: administration@caribbeanpilots.com

#### Cía. Marítima de Panama

P.O. Box 0843-02951, Rep. of Panama  
Tel: +507 211-1111

Fax: +507 211-3140  
www.boluda.com.pa

#### Coastal and Inland Marine Service

P.O. Box 0843-00538, Rep. of Panama  
Tel: +507 260-0088 / 260-0096  
Fax: +507 236-1776  
www.boskalis.com

#### Dredging International

P.O. Box 0833-00284 Rep. of Panama  
Tel: +507 340-3004  
Fax: +507 340-3005  
www.deme.be

#### Meyers Group

Tel: +507 282-3800  
Fax: +507 294-5064  
Email: info@meyersgrp.com  
www.meyersgrp.com

#### Panama Pilots Services Corp.

P.O. Box 0302-00435, Rep. of Panama  
Tel: +507 430-2127 / 3836  
Fax: +507 430-0496  
Email: info@panamapilot.com  
www.panamapilot.com

#### Panama Tugs Group Inc.

Tel: +507 398-0163  
Fax: +507 398-0166

#### Saam Smit Towage Panama Inc.

Tel: +507 831 5020  
Fax: +507 321 6629  
www.saam-smit.com

#### Svitzer Panama, Inc.

Tel: +507 65 90 58 35  
www.svitzer.com

#### Transiberica

P.O. Box 0831-01887, Rep. of Panama  
Tel: +507 314-1708  
Fax: +507 314-0936  
Email: cpedroza@pancaship.com

#### Van Oord Panama S.A.

Albrook Canal Plaza, Piso 2, Oficina H1  
Tel: +507 3976-992  
Fax: +507 397-6995  
Email: loc.pan@vanoord.com  
www.vanoord.com

### ECONOMIC DEVELOPMENT

#### Tourist Bureau (Autoridad del Turismo Panama)

P.O. Box 0816-00672, Rep. of Panama  
Tel: +507 526-7000  
Fax: +507 625-7121  
www.atp.gob.pa

#### Zona libre de Colón (Colón Free Zone)

P.O. Box 0302-00512, Rep. of Panama  
Tel: +507 475-9500

Fax: +507 475-9507

Email: zonalibre@zolicol.org  
www.zonalibredecolon.com.pa

### EDUCATION

#### International Maritime University of Panama

P.O. Box 0843-03561  
Tel: +507 501-5707/315-1372  
Fax: +507 501-5708/315-1380  
www.umip.ac.pa

### FUEL / BUNKERING

#### Atlantic Pacific SA (APSA)

P.O. Box 0843-00369, Rep. of Panama  
Tel: +507 223-0452  
Fax: +507 263-5535  
Email: apsager@cableonda.net

#### Boluda Corporation Maritima

P.O. Box 0843-03328, Rep. of Panama  
Tel: +507 211-1111  
Fax: +507 211-3120  
www.boluda.com.es

#### CEPSA Panama

P.O. Box 0831-02143, Rep. of Panama  
Tel: +507 214-9601  
Fax: +507 214-8300  
Email: bunker@cepsapanama.com  
www.cepsa.es

#### Chemoil Latin America Inc.

P.O. Box 0823-00992, Rep. of Panama  
Tel: +507 265-5070  
Fax: +507 265-5088  
www.chemoil.com

#### Clipper Oil

Tel: +1 619 692 9701  
Team: bunkers@clipperoil.com  
www.clipperoil.com

#### DECAL Panama

P.O. Box 0819-11975, Rep. of Panama  
Tel: +507 213-1013 / 1917  
Fax: +507 213- 9895  
Email: decal@decalpan.com

#### Eco-Klean

Planta Eco-Klean,  
Carretera Transistmica, Buena Vista, El Giral,  
Rep. of Panama  
Tel: +507 448 1771/1812/1581  
Email: info@eco-klean.com

#### Esso Marine Supply Company

P.O. Box 0843-03064, Rep. of Panama  
Tel: +507 211-0800  
Fax: +507 211-0843

#### FAMM Antilles Ltd (Fuel and Marine Marketing)

P.O. Box 0843-00358, Rep. of Panama  
Tel: +507 314-1500

Fax: +507 314-1497  
www.chevrontexaco.com

**Interoceanic Supply Services Corp. (ISSC)**

P.O. Box 0831-01849, Paitila  
Panama, Rep. of Panama  
Tel: +507 232-5744/6670  
Fax: +507 232-8751  
Email: info@isspanama.com

**Isthmian Petroleum**

P.O. Box 0843-03042, Rep. of Panama  
Tel: +507 263-6568  
Fax: +507 269-4917  
Email: bunkers@isthmianpetroleum.com

**Kamca Trading**

Tel: +507 209-9991  
Email: info@kamcapetrol.com  
www.kamcatrading.com

**Maxum Oil Services de Panama**

P.O. Box 0843-03119, Rep. of Panama  
Tel: +507 282-5600  
Fax: +507 314-1605  
Email: rsmith@maxumoil.com

**Petro Inspect Panama, S.A.**

Tel: +507 6881 7046  
Email: ops@petro-inspect.com  
www.petro-inspect.com

**Melones Oil Terminal**

Tel: +507 395-6311  
Fax: +507 395-6316  
Email: info@melonesterminal.com  
www.melonesterminal.com

**Monjasa S.A.**

Tel: +507 202-5231  
E-mail: americas@monjasa.com

**Oil Tanking Panama**

Tel: +507 430-7330 / 7327  
Email: panama@oiltanking.com

**Panama Central Terminal INCZ**

Tel: +507 232 6915  
Fax: +507 271 41 61  
www.pct.com.pa

**PetroAmerica Terminal (PATSA)**

P.O. Box 0823-01460, Panama, Rep. of Panama  
Tel: +507 316 40 00  
Fax: +507 316 41 00

**Petróleos Delta**

P.O. Box 0819-07409 Rep. of Panama  
Tel: +507 279-3000  
Fax: +507 279-3025  
www.petrodelta.com

**Petróleos Independientes de Panama S.A./ PIPSA**

Tel: +507 830-5909  
Fax: +507 830-5913  
www.pipsa.com

**Petroterminal de Panama**

P.O. Box 0832-0920, Rep. of Panama  
Tel: +507 263-7777

Fax: +507 263-9949  
www.petroterminal.com  
Email: info@petroterminal.com

**Refinería Panama**

P.O. Box 0816-01491, Rep. of Panama  
Tel: +507 433-8100  
Fax: +507 433-8182  
Email: refpan@texaco.com

**Rio Energy Panama**

P.O. Box 0819-11300, Rep. of Panama  
Tel: +507 360-2009  
Fax: +507 360-2011  
Email: rioenergy@cwpanama.net

**Sea Energy Company**

Tel: +507 215 1314 / 215 1315  
Email: info@seaenergycompany.com  
www.seaenergycompany.com

**Shell Marine Products**

P.O. Box 0833-0124, Rep. of Panama  
Tel: +507 210-7770 / 210-7862  
Fax: +507 210-7799  
www.shell.com

**Star Tankers Bunkering**

Tel: +507 262-6982 / 396-6807  
Email: info@maritimetankers.com  
www.maritimetankers.com

**Total Americas**

Tel: +507 306 8537  
Email: Gabriel.landaeta@total.com  
www.totallubmarine.com

**Trader Tanker/Bunker Vessel Management**

Tel: +507 271-4466  
Email: tradertankers@cwpanama.net

**Universal Oil**

P.O. Box 0843-02951, Rep. of Panama  
Tel: +507 211-3130  
Fax: +507 6617-3810  
Email: bunkers@universal-oil.com

**Vital Energy Bunkering**

Tel: +507 203-1682  
Email: bunkers@vitalenergybunkering.com  
www.vitalenergybunkering.com

**Vopak - Terminal Bahia Las Minas**

P.O. Box 0834-0101  
Tel: +507 478-0050  
www.vopak.com

**VT Shipping**

Tel: +507 225-9271  
Fax: +507 225-3476  
Email: jdigeronimo@vtshipping.com

**GALLERIES**

**Weil Art**

P.O. Box 0832-2233, Rep. of Panama  
Tel: +507 264-9697  
Fax: +507 264-6673  
Email: weilart@cableonda.net  
www.weilartgallery.com

**LEGAL SERVICES**

**ABA Legal Bureau**

Tel: +507 263 44 55  
Fax: +507 263 57 73

P.O. Box 0832-2692, Rep of Panama  
E-mail: abalegal@abalegal.net  
www.abalegal.net

**Alemán, Cordero, Galindo & Lee**

P.O. Box 0819-09132, Rep. of Panama  
Tel: +507 269-2620  
Fax: +507 263-5895  
Email: agalindo@alcogal.com.pa  
www.alcogal.com

**Alfaro, Ferrer & Ramirez**

P.O. Box 0816-06904, Rep. of Panama  
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Fax: +507 263-7214  
Email: lopezalfaro@afra.com  
www.afra.com

**Almengor, Caballero & Asociados**

P.O. Box 0832-01425, Rep. of Panama  
Tel: +507 213-0064 / 213-1127  
Email: info@almengorlaw.com  
www.almengorlaw.com

**Arias B & Associates**

P.O. Box 0816-01110, Rep. of Panama  
Tel: +507 265-8303  
Fax: +507 265-4402  
www.abalaw.net

**Arias, Fabrega & Fabrega**

P.O. Box 0816-01098, Rep. of Panama  
Tel: +507 205-7000  
Fax: +507 264-5962  
Email: pma@arifa.com  
www.arifa.com

**Arosemena, Noriega & Contreras**

P.O. Box 0832-01091  
Tel: +507 366 8400  
Fax: + 507 366 8457  
Email: anc@anorco.com.pa  
www.anorco.com

**Avila & Co**

Tel: +507 399 87 13  
Fax: + 507 399 87 31  
P.O. Box 0843-0220, Panama, Rep of Panama  
www.avilaco.com

**Benedetti & Benedetti**

P.O. Box 0816-01071, Rep. of Panama  
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Fax: +507 264-5962  
Email: Benedetti@benedetti.com.pa  
www.benedetti.com.pa

**Buffete Candanedo**

P.O. Box 0834-01843, Rep. of Panama  
Tel: +507 213-0033 / 0047  
Fax: +507 264-2498  
Email: info@bufetecandanedo.com  
www.bufetecandanedo.com

**Bufete Illueca**

P.O. Box 0819-06816, Rep. of Panama  
Tel: +507 269-1333  
Fax: +507 269-4698  
Email: illueca@cableonda.net  
www.illueca.com



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Fax: +507 264-0516  
Email: c-b@pty.com

**De Castro & Robles**

P.O. Box 0834-02262, Rep. of Panama  
Tel: +507 263-6622  
Fax: +507 263-6594  
Email: mail@decastro-robles.com  
www.decastro-robles.com

**Durling & Durling**

P.O. Box 0816-06805, Rep. of Panama  
Tel: +507 263-8244  
Fax: +507 263-8234  
Email: adm@durlinglaw.com  
www.durlinglaw.com

**Fabrega, Molino & Mulino**

P.O. Box 0816-00744, Rep. of Panama  
Tel: +507 263-5333  
Fax: +507 264-0181  
Email: jrmulino@fmm.com.pa  
www.fabamm.com

**Franco & Franco**

P.O. Box 0816-02033, Rep. of Panama  
Fax: +507 263-8051  
Email: franco@sinfo.net  
www.francoyfranco.com

**Galindo, Arias & Lopez**

P.O. Box 0816-03356, Rep. of Panama  
Tel: +507 303-0303  
Fax: +507 303-0434 / 264-4049  
Email: gala@gala.com.pa  
www.gala.com.pa

**Gerli & Co**

P.O. Box 0831-2484, Rep. of Panama  
Tel: +507 340-3770 / 3670  
Fax: +507 340-3671  
Email: info@gerlico.com  
www.gerlico.com

**Icaza, González-Ruiz & Alemán**

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Tel: +507 205-6000  
Fax: +507 269-4891  
Email: igranet@icazalaw.com  
www.icazalaw.com

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Tel: +507 263-9111  
Fax: +507 263-7908  
Email: info@illaso.com  
www.illaso.com

**Garrido & Garrido**

P.O. Box 0819-02750, Rep. of Panama  
Tel: +507 269-4416  
Fax: +507 223-9415  
Email: info@garridoygarrido.com  
www.garridoygarrido.com

**Jacome & Jacome**

P.O. Box 0816-02334, Rep. of Panama  
Tel: +507 223-8886  
Fax: +507 223-9891  
Email: jjacome@cableonda.net  
www.jacomeyjacome.com

**Kosmas & Kosmas**

P.O. Box 0823-03972, Rep. of Panama  
Tel: +507 223-2783  
Fax: +507 213-8312  
Email: info@kosmasykosmas.com  
www.kosmasykosmas.com

**Legal Marine Tek**

Tel: +507 297-4686  
Fax: +507 297-4686  
Email: lmt@intertekgroup.org  
www.intertekgroup.org

**Lopez, Lopez & Associates**

P.O. Box 0832-0610, Rep. of Panama  
Tel: +507 263-7670  
Fax: +507 264-5052  
Email: lopezlaw@sinfo.net  
www.lopezlex.com

**Mata & Pitti**

P.O. Box 0823-01310, Rep. of Panama  
Tel: +507 264-5570  
Fax: +507 264-6127  
Email: fmata@mattapitti.com  
www.matapitti.com

**Mauad & Mauad**

P.O. Box 0823-05791, Rep. of Panama  
Tel: +507 269-3555  
Fax: +507 263-8804  
Email: mym@mauad.com.pa  
www.mauad.com.pa

**Mendoza, Arias, Valle & Castillo**

P.O. Box 0816-01376, Rep. of Panama  
Tel: +507 270-7840  
Fax: +507 270-7848  
Email: mavc@mavclex.com  
www.mavclex.com

**Morgan & Morgan**

P.O. Box 0832-00232, Rep. of Panama  
Tel: +507 265-7777  
Fax: +507 265-7700  
Email: customerservice@morimor.com  
www.morimor.com

**Mulino & Mulino**

P.O. Box: 0830-01661, Panama  
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mulinojr@mmlaw.com.pa

**Panama Maritime Lawyers**

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Tel: +507 315-0215, (UK): +44 203 036 0536  
Email: flor@pml.com.pa  
www.pml.com.pa

**Patton, Moreno & Asvat**

P.O. Box 0819-05911, Rep. of Panama  
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Fax: +507 263-7887  
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www.pmlawyers.com

**Pitty Legal Bureau**

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Email: jfpitty@pittylaw.com  
www.pittylaw.com

**Quijano & Associates**

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Tel: +507 269-2641  
Fax: +507 263-8079  
Email: quijano@quijano.com  
www.quijano.com

**Rivera, Bolívar, Castanedas**

P.O. Box 0819-08632, Rep. of Panama  
Tel: +507 269-1127 / 433-2264  
Fax: +507 269-5622  
www.riveboca.com

**Robles & Robles**

P.O. Box 0816-04912, Rep. of Panama  
Tel: +507 269-0233  
Fax: +507 269-2731  
Email: robleslaw@robleslaw.com  
www.robleslaw.com

**Rosas & Rosas**

P.O. Box 0823-05658, Rep. of Panama  
Tel: +507 264-9177  
Fax: +507 264-0269  
Email: info@rosaslaw.com  
www.rosaslaw.com

**Ruben J. Levy & Co**

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Tel: +507 223-1649/264-4897/57  
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Email: rjlevy@pa.inter.net

**Rubio, Álvarez, Solís & Abrego**

P.O. Box 0819-00257, Rep. of Panama  
Tel: +507 269-0777  
Fax: +507 223-5686  
Email: info@rasalaw.com

**Shirley & Associates**

P.O. Box 0816-01557, Rep. of Panama  
Tel: +507 269-2255  
Fax: +507 269-1552  
Email: info@shirleylaw.com  
www.shirleylaw.com

**Solís, Delgado & Guevara**

P.O. Box 0816-00828, Rep. of Panama  
Tel: +507 264-0011  
Fax: +507 269-1940  
Email: mail@solendeg.com  
www.solendeg.com

**Sucre, Arias & Reyes**

P.O. Box 0816-01832, Rep. of Panama  
Tel: +507 264-1355  
Fax: +507 264-1168  
Email: sucre@sucre.net  
www.sucre.net

**Tapia, Linares & Alfaro**

P.O. Box 0816-02984, Rep. of Panama  
Tel: +507 263-6066  
Fax: +507 263-5305  
Email: talial@talial.com  
www.talial.com

**Torrijos & Associates**

P.O. Box 0831-01849, Rep. of Panama  
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Fax: +507 226-5485  
Email: abogados@torrijos-asociados.com  
www.panamamaritime.com

**Vallarino Vallarino & García Maritano**

Tel: +507 212-5250  
Fax: +507 212-5270  
Email: info@vvgm.com  
www.vvgm.com

**Vives & Asociados**

P.O. Box 0816-01461, Rep. of Panama  
Tel: +507 269-5215  
Fax: +507 263-8401  
Email: legal@vivesyassociados.com  
www.vivesyassociados.com

**Wharton Law firm**

Tel: +507 390-9144  
Fax: +507 390-9145  
www.whartonattorney.com

**MARINE SUPPLIERS & CHANDLERS**

**Bas Marine**

Tel: +507 3140789/90  
Email: info@bas-marine.com  
www.bas-marine.com

**Blue Sea Ship Services**

Tel: +507 834-7766  
Email: info@blueseashipservices.com  
www.blueseashipservices.com

**Centralam Panama S.A.**

P.O. Box 0843-03116, Rep. of Panama  
Tel: +507 317-6200  
Fax: +507 317-6544  
Email: mail@centralam.net

**Electromar Services**

P.O. Box 0823-01459, Rep. of Panama  
Tel: +507 228-9983/84  
Fax: +507 228-9986  
Email: electmar@cwpanama.net  
www.electromar.com

**Hi-Tek Marine**

Tel: (+507) 261-6177  
Fax: (+507) 261-5780  
Email: service@hitekmarine.com  
www.hitekmarine.com

**Intermarine Supplies Inc.**

P.O. Box 0816-00387, Rep. of Panama  
Tel: +507 232-7824/25/33  
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**Islamorada Internacional, S.A.**

P.O. Box 0843-00246, Rep. of Panama  
Tel: +507 228-4947  
Fax: +507 211-0844  
Email: info@islamorada.com  
www.islamorada.com

**IST Accounting**

P.O. Box 0823 03939 Rep. of Panama  
Tel: +507 269-3517 / 264-0166  
Fax: +507 265-3510  
Email: info@shippingradio.com  
www.shippingradio.com

**MarineCare Panama Inc.**

P.O. Box 0819-03238, Rep. of Panama  
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Fax: +507 232-7823  
Email: info@marinecarepanama.com  
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**Marine Metal Coatings**

Ave. Omar Torrijos Herrera, Allbrook Field,  
Edificio BPA, Business Center, Oficina 208  
Tel: +507 317 6535 /34  
Email: hyuenjr@mmc.com.pa  
www.mmc.com.pa

**MEC Stores**

P.O. Box 0830-00196, Rep. of Panama  
Tel: +507 314-0179  
Fax: +507 314-0180  
www.mecstores.com

**Mercantile Shipstores (MERCANSA)**

P.O. Box 0301-02498 Rep. of Panama  
Tel: +507 380 1400/32  
Email: sales@mercansa.com  
www.mercansa.com

**MISHAL, S.A.**

P.O. Box 0302-00855, Rep. of Panama  
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Fax: +507 430-6016  
Email: mishal@sinfo.net

**Oceanco Safety & Supply (Panamax)**

Tel: +507 430-5233  
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Email: info@panamaxmarine.com  
www.panamaxmarine.com

**PPG Industries Panama, Inc.**

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Email: ppgpmcandean-ca@ppg.com  
www.ppg.com

**Protecsa**

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**Robert Bosch Panama S.A.**

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Email: noel.mueller@pa.bosch.com  
www.boschrexroth.com

**Tagaropulos International**

P.O. Box 0301-00124, Rep. of Panama  
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Fax: +507 441-4728/445-0171  
www.shipsupplies.com

**MARITIME INSPECTION & CONSULTANTS**

**American Bureau of Shipping**

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**Aquamercantile Ltd**

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**Asesoría, Inspecciones y Recobros S.A.**

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**Ferriby International Panama**

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**Global Marine Surveys**

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**Isthmus Bureau of Shipping**

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**Kam & Associates**

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**Lloyd's Register of Shipping**

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**National Shipping Adjusters/NASHA**

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**Panama Bureau of Shipping**

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**Universal Shipping Bureau Inc.**

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**Cosco Panama Maritime S.A.**

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**CSAV**

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**Diving Welding Services S.A.**

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**IIASA Panama S.A.**

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**Internacional Multiservicios**

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www.panamashipping.com

**Maersk**

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Fax: +507 206-2222  
Email: pansalgen@maersk.com  
www.maerskline.com

**Maritime Affairs Group**

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Email: captain@maritimeaffairsgroup.com

**Maxindustrias S.A.**

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Fax: +507 224-0055  
www.max-industrias.com

**MOL (Panama) Inc.**

P.O. Box 0818-00491, Rep. of Panama  
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Fax: +507 300-3212 / 430-5080  
www.molpower.com

**Compañía Maritime Company (PAMAR)**

P.O. Box 0843-02951, Rep. of Panama  
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www.cmpgb.com

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Email: commercial@2oceanmarine.com  
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**Panama Marine Survey**

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www.pmscf.net

**Panama Register Corp.**

P.O. Box 0843-03115  
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**SC Line Panama**

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www.setimsa.com

**Silkton Corp.**

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Email: commercial.panama@silkton.com  
www.silkton.com

**TESA Transporte y Equipo, S.A.**

Vía Rdo J Alfaro - Entrada Urb Dos Mares  
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**TSC Chartering**

Tel: +507 6010 9277  
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**Wallenius Wilhelmsen Logistics**

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## DIRECTORY

### PHOTOGRAPHIC SERVICES

#### Jim Malcolm

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www.jimalcolmphotography.com

### PORT OUTSOURCING / SERVICES

#### Action Forwarding

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Tel: +507 321-1504/445-0002  
Fax: +507 321-1506/445-0016  
Email: action@psi.net.pa

#### Air Sea Worldwide Panama

P.O. Box 0815-00883, Rep. of Panama  
Tel: +507 269-8988/431-0619  
Fax: +507 269-8061/430-2603  
Email: info@asw-panamacity.com.pa  
www.airseaworldwide.com

#### Dacotrans Aprile Panama S.A.

P.O. Box 0823-04406, Rep. of Panama  
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#### Ecu Line de Panama

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#### JCB

Suite 345, APDO 0832-2745  
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Tel: +507 263-6181  
Fax: +507 263-1083

#### Port Outsourcing Services S.A.

P.O. Box 0831-01849, Paitilla  
Panama, Rep. of Panama  
Tel: +507 232-7350/8641  
Fax: +507 232-7165  
Email: Info@portoutsourcing.com

#### Port & Cargo Services

P.O. Box 0830-00853, Rep. of Panama  
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#### Tecniport

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Email: rodriguez@portoutsourcing.com

#### TGD Consolidations

P.O. Box 0831-01298, Rep. of Panama  
Tel: +507 263-0033/430-1212  
Fax: +507 430-1821/263-0061  
Email: hub@gdworld.com  
www.tgd.com.pa

#### Unigreen Marine

Tel: +507 270 71 50  
800-UMSA (8672) P.O. Box 0834-02769,  
Panama, Rep. of Panama  
Email: umscss@unigreen.com

#### UPS Freight

P.O. Box 0831-01638, Rep. of Panama  
Tel: +507 261-9190/431-0495

Fax: +507 430-0317/301-9190  
www.ups.com

### PORTS & TERMINALS

#### APM Terminals

P.O. Box 0833-0207, Rep. of Panama  
Tel: +507 271-8700  
Fax: +507 271-8710  
Email: amrapmt@apmterminals.com  
www.apmterminals.com

#### Colon 2000 (cruise)

P.O. Box 0816-01678, Rep. of Panama  
Tel: +507 227-2000/443-1657  
Fax: +507 263-5195  
www.colon2000.com

#### Colon Container Terminal (CCT)

P.O. Box 0301-03467, Cristobal  
Rep. of Panama  
Tel: +507 430-9500/430-9517  
Fax: +507 430-9532  
Email: cctmgt@cct-pa.com

#### Colon Port Terminal (CPT)

P.O. Box 0302-00873, Rep. of Panama  
Tel: +507 430-7330/31  
Fax: +507 430-7335  
www.calpa.com

#### Fuerte Amador Puerto Cruceros, Panama (Cruise)

Tel: +507 314-1535  
Fax: +507 314-1162  
www.fuerteamador.com

#### Manzanillo International Terminal (MIT)

P.O. Box 0302-00239, Rep. of Panama  
Tel: +507 430-9800/430-9900/304-8200  
Fax: +507 430-9809/430-9899  
www.mitpan.com

#### Panama Colon Container Port

Tel/Fax: +507 215-4993

#### Panama Ports Company

P.O. Box 0843-00574, Rep. of Panama  
Tel: +507 232-6025/433-7900  
Fax: +507 232-5380  
www.hph.com.hk / www.ppc.com.pa

#### PSA-Panama International Terminal S.A.

P.O. Box 0832-1236, World Trade Center  
Tel: +507 378-3800  
Fax: +507 378-3801  
Email: panama@psa.com.pa

### SHIPPING AGENTS

#### Agencias Continental

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Fax: +507 300-1414/431-3335  
www.agenco.com

#### Anchor Group

P.O. Box 0843-03115,  
Rep. of Panama  
Tel: +507 320-1144/45/46  
Fax: +507 320-1461/62  
www.anchorpanama.com

#### Associated Steamship Agents

P.O. Box 0843-03057, Rep. of Panama  
Tel: +507 211-9400

Fax: +507 211-9450  
www.shipsagent.com

#### Barwill Agencies

P.O. Box 0843-01562, Rep. of Panama  
Tel: +507 263-7755/430-2455  
Fax: +507 223-0698/0736/430-2453  
www.barwil-panama.com

#### Boyd Steamship Corporation

P.O. Box 0816-07817, Rep. of Panama  
Tel: +507 263-6311/430-2884  
Fax: +507 269-9642/430-2853  
www.boydsteamship.com

#### C.B. Fenton & Co.

P.O. Box 0843-00307, Rep. of Panama  
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Fax: +507 441-5078  
www.cbffenton.com

#### C. Fernie & Company

P.O. Box 0843-00191, Rep. of Panama  
Tel: +507 447-1443/433-2494  
Fax: +507 441-7504/441-4168  
www.cfernie.com

#### Central American Line

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Fax: +507 236-1310  
Email: calpma@cwpanama.net

#### Cross Roads Agencies

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Fax: +507 264-7190  
Email: xroads@cwpanama.net

#### French Shipping Agency

P.O. Box 0823-03834, Rep. of Panama  
Tel: +507 300-1440  
Fax: +507 300 1434  
www.cma-cgm.com

#### Inchcape Shipping Services

P.O. Box 0823-05456, Rep. of Panama  
Tel: +507 279-4100/433-0934  
Fax: +507 236-7832/433-0938  
Email: panama@iss-shipping.com  
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#### Intercaribe Zona Libre

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#### JD Maritime Service S.A.

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#### Marportmad Shipping & Logistic Inc.

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Email: info@marportmad.com  
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#### Navieramar

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 Email: opsclayton@navieramar.com  
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**Norton Lilly International (Panama)**

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 447-2600  
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**2 Ocean Marine Services**

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 Email: commercial@2oceanmarine.com  
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**Pacific Agent Ship Panama**

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**Perez Panama**

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**Seaside Marine Agency**

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**Servinaves**

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**Unigreen Marine**

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 www.unigreenmarine.com

**Wilford & Mckay**

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**SHIPREPAIR**

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