

PANAMA

Maritime Review 2011/2012



Infrastructural challenges Structural solutions

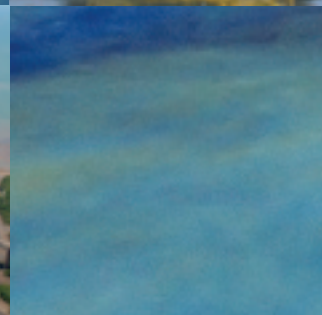
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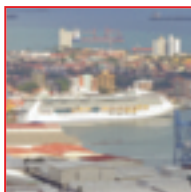
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Panama Canal Map

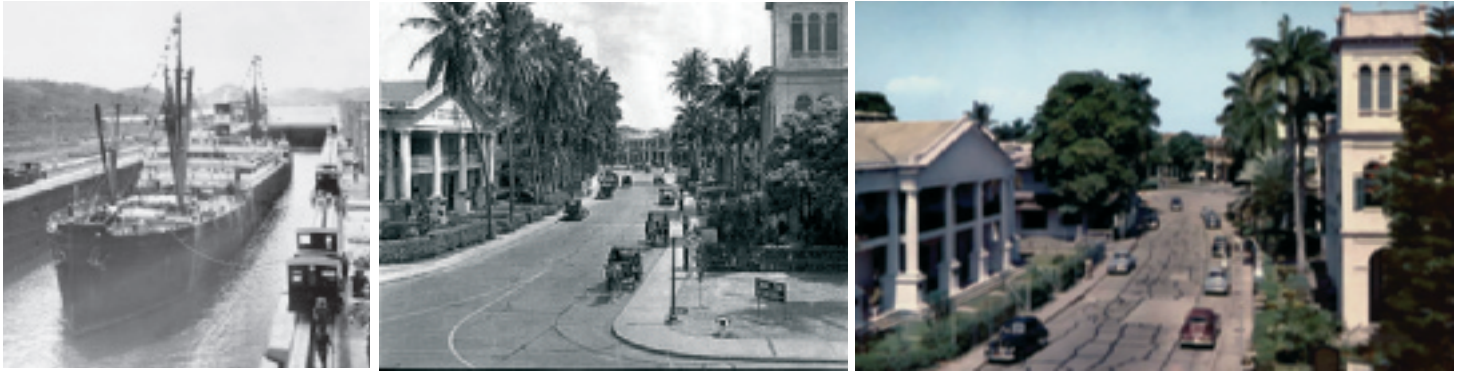
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The President's palace

Increasing foreign investment

During the first two years of my administration, we have achieved some milestones that I am honoured to share with the maritime community and the readers of the Panama Maritime Review.

Thanks to forceful economic and fiscal policies, the country received our first investment grade ratings from the three major rating institutions leading us to attract \$2.36bn in foreign direct investment in 2010 – above the average \$2bn per year since 2006.

These figures not only show foreign investors' confidence in our economic performance but they represent the equivalent of 8.8% of Panama's \$26.8bn economy and, if not full employment, the creation of numerous new jobs for our young population.

Panama is expected to remain one of the fastest-growing countries of the Americas this year and the next, as the economy expanded by 7% in 2010 and will continue to grow rapidly and even surpass this figure in 2011.

Also, tourism has seen a dramatic increase, with two million foreign visitors expected to visit our country in 2011, which has generated revenues to pay for improvements and the expansion of Panama City's Tocumen international airport.

As we promised the Panamanian people, we have begun to improve the infrastructure by upgrading and expanding roads and highways and started the construction of a \$1.4bn

metro that has helped in reducing unemployment to 4.7%.

The expansion of the waterway which represents 8% of our GDP – as you will see through the pages of this publication – is on time and on budget.

The project is 25% complete, with its major component, the design and construction of the third set of locks which is 12% complete.

Such endeavour has drawn a number of foreign companies which are investing in logistics, bunkering operations and ports to support the flourishing maritime activity, making of Panama the indisputable transshipment hub of the Americas. Our ports moved 5.6m teu in 2010, rank as the leaders of Latin America and reflect growing value to shipping trade links.

It is with pride that I invite you to discover, through the pages of the Panama Maritime Review, published by Seatrade, the multiple sectors and companies that have contributed to establish our position as a maritime country; the numerous opportunities represented by the Panama Canal; the improvements to the Panama Maritime Authority as well as to our Ship Registry which maintains its leadership as the world's largest open registry.

I can assure you that we will continue to strengthen the maritime sector in the years to come.

Ricardo Martinelli
President of Panama

Panama is expected to remain one of the fastest-growing countries of the Americas this year and the next.



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Expansion programme advancing

It brings me great pleasure to report that the Panama Canal's expansion is steadily moving forward, following the pouring of permanent concrete in both the Pacific and Atlantic side locks in July 2011, marking one of the important stages of the locks construction. The works are going well and once the GUPC Consortium in charge of the construction of the future locks began to place concrete, the production is a repetitive effort, which makes us confident that the expansion programme will be concluded on time and within budget.

We feel that the expansion programme is advancing satisfactorily on many fronts: dredging, final dry excavations for the access channel, the construction of the locks and the fabrication of the gates that began in Italy and should be ready by end -2012.

The construction of a third lane with a set of larger and wider locks allowing the passage of post-Panamax vessels will be a game changer for the global maritime industry and global trade. The expansion of the waterway will bring benefits to our customers by opening new routes and untapped market segments, while it will double the capacity of the Panama Canal.

We are indeed poised for growth. Over

The expansion of the waterway will bring benefits to our customers by opening new routes and untapped market segments, while it will double the capacity of the Panama Canal.

the last 12 months, we have established and renewed partnerships with ports along the US eastern seaboard with the signing of Memorandum of Understanding with ports.

Our country is not an island in the world. We are part of a world transportation system which has made Panama the transshipment hub for the Americas with ports on both oceans transshipping cargo up and down the east and west coasts of North and South America as well as the Caribbean.

The waterway expansion has been and will continue to be a driver for the

establishment of foreign and domestic companies that have seen an opportunity to invest in the many auxiliary sectors of the maritime industry and a proof of this is the development of Panama's terminals and logistics areas.

The Panama Canal Authority (ACP) has been recognised by the Ethisphere Institute as one of the 2011 World's Most Ethical Companies and we are truly honoured by this award in recognition of our workforce and the guiding principles to which we are committed.

At the very core of these principles is our commitment to transparency, honesty, responsibility to the Panamanian people, our customers and the environment. These principles are our core values and reinforce our will and passion to serve our customers and provide a safe, reliable and efficient service to the shipping and maritime industry.

As always, we appreciate our partnership with Seatrade and the opportunity to keep readers informed, through the pages of the Panama Maritime Review, of the development of the Panama Canal expansion programme as it moves closer to completion.

Alberto Aleman Zubieta
Administrator/CEO
The Panama Canal Authority

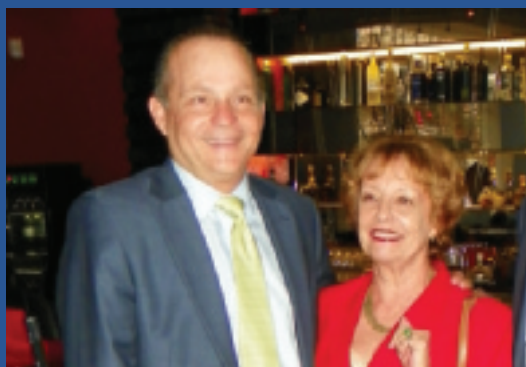
Seatrade celebrates 10 years of publishing Panama Maritime Review

Seatrade global sales director, Andrew Callaghan and editorial consultant, Michele Labrut, hosted a cocktail party for the Panama Maritime community to celebrate 10 years of publishing Panama Maritime Review.

Held at the vibrant Luna Restaurant in Marbella, more than 40 guests partied well into the night in true Panamanian style.



Flor Torrijos, Santiago Torrijos (Intermaritime Group) and Andrew Callaghan



ACP administrator Alberto Aleman Zubieta and Michele Labrut

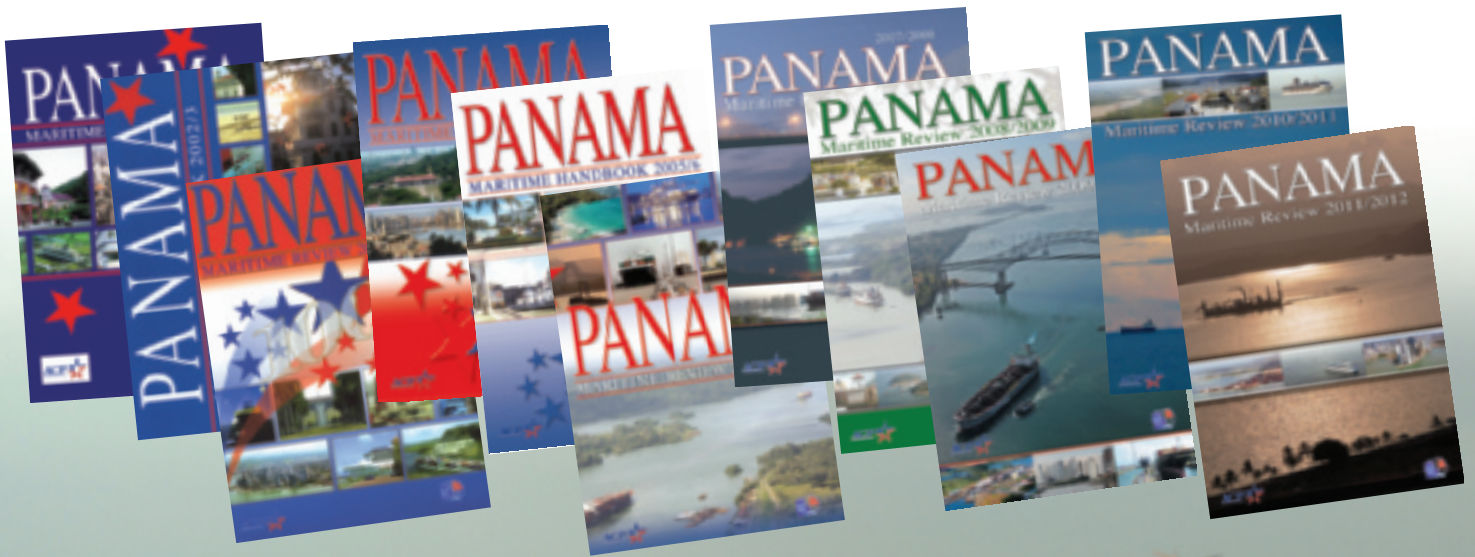


Rommel Troetsch (PPC) and

Juan Felipe Pitty (Pitty Law), Carlos Valdes (Gloabl Bank), Antonio Fotis Taquis and Michele Labrut

Jorge Quijano (ACP), Bernard Bezemer (Boskalis) and Andrew Callaghan





Hugo Torrijos Dajer (ISS)

L-R: Rodolfo Sabomge, Ricaurte Vasquez (GE) and Patricia Pettersen

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Sunny days ahead for ACP

The Panama Canal's 'expansion is steadily moving forward, following the pouring of permanent concrete in both the Pacific and Atlantic locks in July 2011 marking one of the important stages of their construction. The works are going well and once the GUPC Consortium [in charge of the construction of the future locks] began to place concrete, 'the production is a repetitive effort, which makes us confident that the expansion programme will be concluded on time and budget,' says Panama Canal Authority (ACP) administrator, Alberto Aleman Zubieta.

'We feel that the expansion programme is advancing satisfactorily on many fronts: dredging, final dry

excavations for the access channel, the construction of the locks and the fabrication of the gates that began in Italy and should be ready by end-2012,' he adds.

The Panama Canal has performed as forecast during Fiscal Year (FY) 2010 (October 2009–September 2010), registering a slight decline in total transits to 14,230 vessels, down by 0.78% from 14,342 transits a year ago. During the first three quarters of FY 2011 (October 2010–September 2012), transits reached 11,416.

Cargo volume increased slightly by 0.56% to 300.8m in Panama Canal/Universal Measurement System (PC/UMS) tonnes, up from 299.1m

PC/UMS tonnes the previous year. During the three first quarters of FY 2011 (Q1–Q3) cargo volume totalled 246.8m PC/UMS tonnes, foreseeing an increase of tonnage in FY 2011.

Canal Water Time (CWT), that measures the time a vessel spends in Canal waters, dropped by 8.45% to 21.11 hours in FY 2010, down from 23.06 hours the year before. However, during the first three quarters of FY 2011, Canal Water Time raised slightly to 27.24 hours, mostly due to the works for the Panama Canal expansion.

Over the last 12 months, the ACP has renewed partnerships with ports along the US eastern seaboard with the signing of Memoranda of Understanding with ports



Murals at the ACP Administration building



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The millionth transit

The Hong Kong-flagged 57,000dwt bulk carrier Fortune Plum (pictured), owned by Korea-based Cido Shipping and chartered to STX Panocean, began the historic millionth transit of the Panama Canal by entering the Miraflores locks, at 4:35 am, on September 4, 2010.

The Panamax-size vessel, built in China's Taizhou Sanfu Ship Engineering shipyard, was carrying 40,000 tonnes of Chinese steel products bound for unloading at Cristobal terminal, on the Atlantic side.

Jian Ji, Captain of the millionth vessel to pass through the Panama Canal was presented with a

commemorative plaque on October 13, 2010 as he was returning from the US on his way back to China and Korea.

The first ship that officially passed through the waterway linking two oceans was the steamer SS Ancon on



August 15, 1914. Ancon and her sister ship Cristobal played a crucial role during the construction of the canal, bringing workers and supplies from New York to Panama.

On August 15, 1914 Ancon made the first official transit of the canal as part of the opening ceremonies which were overshadowed by the start of WW I. Her sister ship Cristobal had made the first unofficial transit on August 3, 1914, delivering a load of cement, while an old French crane boat Alexandre La Valley had crossed the canal from the Atlantic in stages during construction, finally reaching the Pacific on January 7.

including the parties of Philadelphia, New Orleans; the Georgia Ports Authority that owns and operates the port of Savannah, Tampa; the South Carolina Ports Authority which owns and operates the port of Charleston; and for the first time with North Carolina State Ports Authority.

The ACP also signed an historic agreement with the Port of Long Beach. 'The ACP looks forward to entering into this partnership with the Port of Long Beach,' says Aleman. 'This MoU is the first of its kind between the ACP and a US West Coast port and will allow both entities to strengthen trade flows throughout the region. We, at the ACP, continuously seek new and innovative ways to serve the ever-changing needs of global trade. This agreement will allow the Panama Canal to further enforce its role as a regional logistics leader.'

Another milestone was an MoU with European port, Antwerp Port Authority, the first of its kind, which will increase cooperation through joint marketing and coordination on modernisation and expansion projects, and help boost trade between the Antwerp and the West Coast of South America via the Panama Canal.

Early in 2011, ACP was recognised by the Ethisphere Institute as one of the 2011 World's Most Ethical Companies.

According to the institute, the ACP secured a spot on the list from a record number of nominations by 'going the extra mile and implementing upright business practices and initiatives that are instrumental to the company's success, benefit the community, and raise the bar for ethical standards within the industry.' The 2011 list of World's Most Ethical Companies features companies in 38 industries, ranging from retail, energy and utilities, and transportation and logistics.

Ethisphere reviewed thousands of companies through in-depth research and multi-step analysis, and identified 110 companies that surpassed their industry peers as this year's World's Most Ethical Companies. 'At the Canal, we have a set of guiding principles. At the very core of these principles is our commitment to transparency, honesty, responsibility to the Panamanian people, our customers and the environment,' says ACP's Aleman. 'These principles reinforce our willingness and passion to serve our customers and provide a safe, reliable and efficient

service to the shipping and maritime industry,' he adds.

Aleman announced that the ACP will host its first-ever best practices Engineering and Infrastructure Congress April 18-20, 2012, in Panama City, to share detailed, practical, hands-on experiences relating to managing a significant infrastructure project. The congress will bring together world-renowned experts in the fields of geotechnical, electrical, structural and civil engineering; and showcase infrastructure projects from around the world, updating attendees on the progress of the Canal expansion programme.

The modernisation programme and dredging activity is being performed simultaneously with the expansion, and should be completed during 2012. Meanwhile, widening work continues at Gaillard Cut, the narrowest part of the waterway, which is mostly carried out by the ACP as it is most experienced to safely work around transiting vessels. In addition to the dredging work in Gatun Lake, ACP owned Dredging Division will carry out the remaining works of the modernisation programme, which is in its





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Dredging International Samson dredger

last phase and should lower the navigation channel and Gatun Lake to 10.36mtr PLD elevation from 11.3mtr PLD elevation, says ACP vp of engineering and programme management, Jorge Quijano.

The Gaillard Cut/Gatun Lake expansion dredging project, which will widen the navigation channels to a minimum width of 218mtr, and deepen to 9.14mtr elevation in Gatun Lake and Gaillard Cut, is expected to conclude by the end of 2013. As part of the expansion programme Gatun Lake level will be raised by 0.45mtr to 27.1mtr (PLD) a year later.

In May 2011, the ACP took delivery of a new cutter suction dredger Quibian 1, that will replace the 11,700hp Mindi built in 1943. Mindi, constructed by US-based Ellicott Machine Co. still works 24/7 with a normal watch of 17 people on the expansion programme. Mindi had originally been commissioned by the US Army Corps of Engineers to work on the first expansion project in 1940, which was abandoned after WWII.

The launching ceremony for the \$59.9m 11,787kW stationary cutter suction dredger Quibian 1, built at IHC Merwede shipyard in the Netherlands, took place on September 6th, 2011 and was performed by Ana Matilde Aleman, wife of ACP administrator, Alberto Aleman Zubieta. In addition to the Quibian 1, the biggest in the fleet, the ACP Dredging Division consists of two other dredgers – Mindi and Rialto M. Christensen – and two drill barges, Baru and Thor.

The ACP awarded a \$43m contract in

April 2011, to Dutch company IHC Engineering Business – a part of IHC Merwede Group, for the design and construction of a new backhoe dredger. The addition of this new dredger to the existing ACP fleet in December 2012 will increase the ACP ability to effectively dredge as part of the expansion programme and future maintenance projects.

The Gaillard Cut/ Gatun Lake expansion dredging project is expected to conclude by end of 2013.

IHC Engineering Business Ltd will be responsible for the design, construction, tests and delivery of the hydraulic backhoe dredger. The dredger, powered by diesel engines, will have the capacity to dredge to a depth of 18mtr underwater with a bucket of at least 11cu mtr. The dredger will be built with state-of-the-art equipment, enhancing its performance and increasing efficiency.

The Chinese infrastructure giant, the China Communication Construction Company (CCCC), was awarded a contract in June 2011 to design a third bridge over the Panama Canal. The Chinese company presented the lowest estimate worth \$4.66m and won the bid

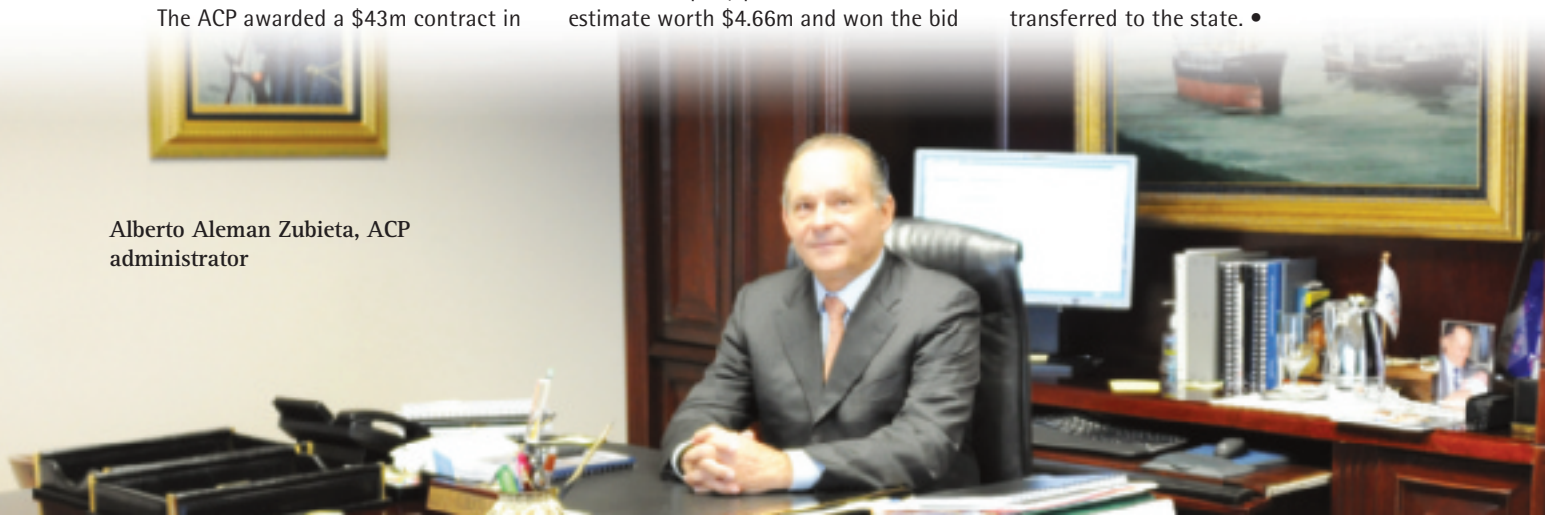
over five other competing companies. The bid was presented in partnership with US-based engineering consultancy firm Louis Berger Group.

The new bridge must be braced with ties, built at 75mtr above sea level with a full length of five kilometers including access roads to the bridge. Currently, the Bridge of the Americas and the Centennial Bridge – both on the Pacific side – provide the only routes for vehicles to cross the Canal. This new bridge, the first-ever on the Atlantic side of the waterway, will double trans-canal traffic capacity once completed in 2014.

And the ACP will also be in charge of the design for the construction of a fourth bridge over the waterway, for which a budget of \$20m has been included in the Canal Authority FY 2012 budget. The ACP will call an international bid to advance the design and location of the future bridge. Aleman says that the design of bridges over the canal is an issue 'important' for the Canal Authority because 'we are talking about a very complex area. It is a matter of safety, both for citizens and for the operations in the Canal area.'

Since the Panama Canal was transferred to Panamanian authorities 11 years ago, the ACP's contributions to the state's coffers totalled around \$6.4bn. These have been earmarked for social investments such as constructions of schools and health care. The ACP FY 2012 budget forecasts revenues of \$2.39bn of which \$950m will be transferred to the state. •

Alberto Aleman Zubieta, ACP administrator





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All eyes on Canal expansion

The shipping industry is watching the Panama Canal expansion project as the completion date in October 2014 gets closer. 'The [expansion] programme is advancing well on many fronts and we feel confident it will be completed on time and budget,' says Panama Canal Authority (ACP) administrator, Alberto Aleman Zubieta.

Grupo Unidos Por el Canal (GUPC), the consortium led by the Madrid-based construction company Sacyr Vallehermoso, with Italy's Impregilo S.p.A, Belgium-based Jan de Nul (JDN) n.v. and the Panamanian Constructora Urbana, S.A. (CUSA) is working around the clock since it received on August 25, 2009, the notice to commence works for the \$3.23bn construction of the third set of larger and wider locks.

Antonio Zaffaroni, who has been at the helm of GUPC since the bid was won, was replaced in May 2011 by Bernardo González, a Spanish engineer who previously oversaw construction of the locks on the Atlantic side of the canal. Zaffaroni has done 'first-class work,' says Aleman who credits the Italian engineer for having done 'the first and most important stage of the project, including the construction of the south cofferdam on the Pacific lock site.'

The change in GUPC's top management was imperceptible. 'I am convinced we will conclude on time and on budget. We are committed to delivering a quality project,' says Gonzalez, a week after assuming his new duties. There was no time to waste since the expansion project was entering a crucial period of getting ACP's

acceptance of the design of the concrete that had been delayed by a series of unforeseeable circumstances. But a month later Gonzalez presented the ACP with 'all the information so that we could accept the concrete design for GUPC to start concrete placement in the upper level chamber area,' explains ACP vp of engineering and programme management, Jorge Quijano.

The special concrete to be placed in the locks chambers must meet ACP requirements, verified through a series of tests that will prove its durability [to 100 years], low permeability to salt water and compressive strength and shrinkage. About 4.8m cu mtr of concrete will be necessary to build both lock's complexes. Although the design

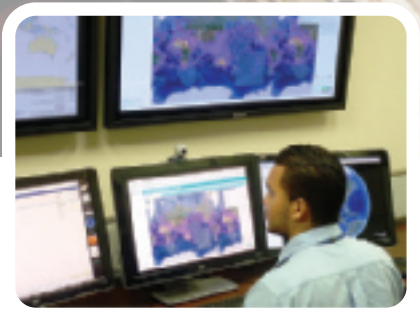
of the concrete mix took longer than expected, the structural marine concrete design was accepted by the ACP after having completed the American Standard of Testing Material (ASTM C 1202) used to determine the level of permeability.

On July 1, 2011, GUPC [that had started in March 2011 to pour lean concrete at both lock sites to level the surface in preparation for the permanent concrete work] achieved a milestone with the casting of concrete over previously prepared industrial formworks at the bottom of the upper chamber of the future larger and wider locks on the Atlantic side.

The concrete was poured into specialised industrial formwork that



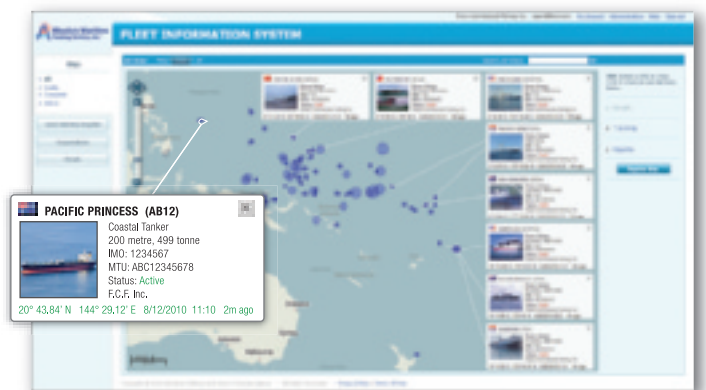
Jan de Nul dredgers



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Concrete pouring

included a significant amount of rebar (steel bars or rods used to reinforce concrete), to ultimately shape the 100cu mtr blocks that make up the lock floor – one of the most important stages of the project. 'I don't know of any other major public work that has this type of rebar concrete,' says Gonzalez. 'We have a long way to go with hard work ahead of us, but we are sure this project will proceed just as we planned it,' Quijano says.

At the same time on the Pacific side, placing concrete also began with the construction of the pit for the first of three lock crossunders or tunnels. Through these crossunders, trays and pipes will carry communication, control and electric wires, potable water pipelines and other components needed to operate the lock complex. Each set of locks will have three crossunders. Each of the pits is built by stacking 16 blocks made of structural concrete and rebar. Twelve trucks, with capacity to carry 8cu mtr of concrete, are required to pour each of the blocks. The pits, at a height comparable to that of a 10-story building, will include stairs and an elevator that will enable access to the crossunder. Once completed, the crossunders will allow personnel to conduct their maintenance tasks in a safe environment.

The two \$230m Atlantic and Pacific crushing plants had to be modified because the quality of basalt extracted during the excavations produced 30% sand – twice the 15% expected from the geological tests performed. The plants produce the different aggregates required for mixing

The gates to be used in the Atlantic locks will weigh 2,700 tonnes each, while those on the Pacific side will weigh 1,000 tonnes more because of more robust seismic requirements and higher tides.

the concrete. A monthly average of 100,000 to 110,000cu mtr will be poured in each site from 20,000cu mtr to 100,000cu mtr to reach the 'peak period' starting February 2012 that will last for 14 months, explains Gonzalez.

The basic cement is bought in Panama. Nonetheless, klinker is imported from Colombia by one of the local cement plants, which is then processed to produce the cement in Panama. GUPC also obtains pozzolan locally, which is mixed together with the cement, aggregates and additives to produce the concrete in accordance with the design accepted by the ACP. The concrete for the lower chamber requires the use of silica fume 'to provide greater impermeability and avoid sodium chloride (CLNA) to penetration and damage to the lower chamber walls that are in contact with salt water, he says.

'I feel confident that, except for the locks, all of the main expansion programme projects – will be completed by the fourth quarter of 2013,' says Quijano.

Along with the members of the consortium, the designers include the US' Montgomery Watson Harza (MWH) as leader which ranks amongst the top international design firms listed by Engineering News Record (ENR) and the first in the design of water structures according to ENR; the IV Groep from Holland, and the consulting and engineering firm Tetra Tech. GUPC has awarded the fabrication of the gates – designed by IV Groep under the direction of Montgomery Watson Harza – to Italian shipyard and bridge builder Cimolai that began the fabrication of the gates in October 2011.

The 16 gates will take two years to be fabricated using 49,000 tonnes of steel, with dimensions of up to 57.6mtr x 10mtr x 33mtr and weighing up to 3,700 tonnes each. The gate design varies between the Pacific and Atlantic locks. The gates to be used in the Atlantic locks will weigh 2,700 tonnes each, while those on the Pacific side will weigh 1,000 tonnes more because of more robust seismic requirements and higher tides. The lock gates will be shipped via submersible heavy-lift





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Widening and deepening of the Pacific entrance and South approach channel of the Panama Canal.



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vessels such as those of Dockwise or a similar operator. Their installation will take place once the construction of the chamber is concluded by end 2013–early 2014. 'We have approved the design for the first gates since each gate type is reviewed prior to acceptance [by the ACP],' explains Quijano. The fabrication of the first gate should be finished by summer 2012.

As of end August 2011, the Panama Canal expansion project is 30% complete. Its major component, the design and construction of the third set of locks, is 14% complete. Dredging of the Atlantic side runs at 4% while the dredging of Gatun Lake and Gaillard Cut (the narrowest part of the channel, undertaken by the Panama Canal

Authority Dredging Division, Jan de Nul and Dredging International) has reached 60% of its execution.

Another critical part of the locks system is the construction of the valves since they control the flow of water through the culverts and conduits. 'They will be fabricated at the Hyundai Samho shipyard in Gwangju, South Korea. A first prototype of a valve body will be fabricated in October 2011 and we expect to have the production of 152 valves in 18 months,' he explains.

When the expansion is completed in 2014, the navigational channels will allow transit of what are presently described as post-Panamax containerships; Suezmax liquid-bulk tankers; Capesize drybulk carriers; larger

sizes of LNG carriers up to 160,000cu mtr; passenger ships and other vessel types, within the established locks and channel dimensional limits. Each of the new lock complexes will have three chambers. The chamber dimensions of the new locks will be 427mtr long, 55mtr wide and 18.3mtr deep.

The corresponding maximum dimensions for vessels that will transit these locks are 366mtr LOA [length overall], 49mtr in beam and 15.2mtr draught in tropical freshwater. The third set of locks will double the capacity of the waterway currently capped at 330m–340m tonnes PC/UMS to around 600m tonnes but it will also reduce water consumption, improve safety efficiency and profitability growth.

Consortium Grupo Unidos por el Canal (GUPC)

Grupo Unidos por el Canal (GUPC), led by Madrid-based construction company Sacyr Vallehermoso, with Italy's Impregilo S.p.A, Belgium-based Jan de Nul n.v. and the Panamanian Constructora Urbana, S.A. CUSA [the developer of the expanded Panama Canal], has a new man in charge of the world's largest construction project. On May 22, 2011, Bernardo Gonzalez, a Spanish engineer who previously oversaw construction of the locks on the Atlantic side of the Canal, has replaced Antonio Zaffaroni, who had been at the helm of GUPC since the bid for the third set of largest locks was won.

GUPC reached the all-important stage of placing structural concrete in July 2011. In January 2011, GUPC started pouring lean concrete at both lock sites to level the surface in preparation for the permanent concrete work. 'I am convinced we will conclude on time and on budget. We are committed to delivering a quality project,' says Gonzalez.

Some 5m cu mtr of structural concrete will be necessary to build both locks complexes. This particular concrete must meet ACP requirements, verified through a series of tests that will prove its durability to 100 years, low permeability to salt water and high compressive strength.

The mix design for the structural marine concrete took longer than expected since it is based on specific qualifications but 'we are comfortable because we have the client's approval for the concrete for the upper and middle chambers, in both the Atlantic and Pacific locks. The concrete for the lower chamber will be ready by September 2011,' explains Gonzalez.

The concrete is poured into specialised industrial formwork by a

system of conveyors belts with a high delivery capacity of 80cu mtr/hr, it also includes a significant amount of rebar [steel bars or rods used to reinforce concrete], to ultimately shape the blocks that make up the lock floor and chambers walls. 'I don't know of any other major public work that has this type of rebar concrete,' he says.



Bernardo Gonzalez

The consortium faced two unforeseeable difficulties: the composition of the basalt that delayed the design of the concrete mix and led to changes in the crushing plants, and a larger than expected geological fault located under the upper chamber of the Pacific lock, but 'every large project has its unforeseeable events. What may change is the size of such difficulties,' says Gonzalez.

The two Atlantic and Pacific crushing plants, worth \$230m, had to be modified at an increased cost of 30%, because the quality of basalt extracted during the excavations produced 30% sand – twice the 10% expected from the geological tests performed.

The different aggregates required for mixing the concrete are produced at the enormous batching plants, which can deliver up to 540cu mtr/hour, said Gonzalez. A monthly average of 100,000cu mtr to 110,000cu mtr will be poured in each site increasing from 20,000cu mtr to 100,000cu mtr to reach the 'peak period' starting February 2011 that will last for 19 months, he explains.

The cement is bought in Panama from the two major suppliers, who import the klinker mainly from Colombia; GUPC puts together the final concrete mix including pozzolan, silica fume and aggregates. The design of the concrete mix for the lower chambers requires more silica fume as it is 'the perfect sand to provide greater impermeability and avoid that sodium chloride (CLNA) penetrating and damaging the lower chamber walls that are in contact with salt water,' he says.

'We have two important targets on the horizon: the concrete and the fabrication of the gates since the dry excavations are already something of the past,' says Gonzalez.

GUPC has awarded the fabrication of the gates – designed by Netherlands-based IV Groep under the direction of Montgomery Watson Harza – to Italian shipyard and bridge builder Cimolai.

Construction will take two years for the 16 gates, to be fabricated using 49,000 tonnes of steel, with dimensions of up to 57.6mtr x 10mtr x 33mtr and weighing up to 3,700 tonnes each. The gate design varies between the Pacific and Atlantic locks. The gates to be used in the Atlantic locks will weigh 2,700 tonnes each, while those on the Pacific side will weigh 1,000 tonnes more because of more robust seismic requirements and higher tides.

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According to the terms of the fixed-price contract, the consortium has 1,883 days (269 weeks) to deliver the project from the commencement date, August 25, 2009. If GUPC delivers the project ahead of time, the ACP is committed to pay the consortium a bonus of \$215,000 per day, up to \$50m. On the other hand, the ACP will deduct \$300,000 per day up to \$54m (roughly six months) if GUPC incurs any delays. If the project runs late, which is neither in the ACP's nor in the consortium's plans, the contractor will lose the opportunity to make this money [\$50m].

On both the Atlantic and Pacific side, the lock construction sites are changing by the day with trucks roaming and huge cranes sitting at the bottom of the future locks' chambers. The gigantic cranes at peak season [mid 2012] will multiply to 27 cranes on each site with the task of being the conductors for placing concrete at the same time in the three chambers.

In October 2010, a team comprising ACP and GUPC representatives travelled to Lyon, France, to visit the Compagnie Nationale du Rhône, which has built and tested a model of the locks' hydraulic systems. 'The results were excellent and the designer has incorporated the improvements in the lock design,' says Aleman.

The expansion programme still has a few minor contracts to call to tender in the coming months to complete its suit of contracts.

That includes calling a tender for new submersible hydraulic cylinders for Gatun Locks upper level gates and Pedro Miguel Lock gates. These will replace the present cylinders, which were not built for submerged operation

A 1.8km long backfilled cellular cofferdam water barrier will create the farthest part of the access channel's eastern bank and separate Miraflores Lake from the new channel.

and will be subject to this condition when the level of Gatun Lake is raised by 45cm. 'There will be other small contracts to be tendered, but that of the hydraulic cylinders' is the most important to come,' says Quijano.

To support the raising of the level of Gatun Lake there is other work that needs to be accomplished in the present locks, such as the sealing of the upper hinging mechanism and the gates upper skirt that supports the walkways. Two taller maintenance caissons for the Gatun spillway were fabricated in Canada to accommodate the higher lake operating level.

These are required to perform maintenance in the dry to the taller gate bodies once they are all modified to operate at 45cm higher Gatun Lake. The extension of the spillway gates will be done mostly in-house, by the ACP's industrial facility, explains Quijano. Because of the new elevation of Gatun Lake, the spillway will operate 45cm

above its present level of 26.7mtr. Gatun Lake will be at fullest level of 27.1mtr by the end of 2014.

GUPC is required to excavate around 40m cu mtr for the construction of the Atlantic and Pacific locks, almost as much as the total dry excavations of nearly 47m cu mtr needed for the Pacific access channel. The ACP has awarded four dry excavations contracts totalling \$371m to dig the approach to the future Pacific lock complex. The first three were awarded to Constructora Urbana, CUSA (PAC 1), the Mexican-Panamanian Cilsa Minera (PAC 2) and Costa Rica's Meco (PAC 3). The first three of four dry excavations contracts have been completed.

The final and largest dry excavation contract (PAC 4), was awarded to the Mexican, Spanish and Costa Rican joint venture ICA- FCC-MECO. The \$267m PAC 4 is the second-largest and most complex project after the new locks – representing a key portion of the expansion's new access channel linking the new Pacific locks with Gaillard Cut, the narrowest stretch of the Panama Canal. This contract calls for the installation of a 1.8km long backfilled cellular cofferdam water barrier, which along with the 2.3km Borinquen dam, will create the farthest part of the access channel's eastern bank and separate Miraflores Lake from the new channel.

PAC 4 had been slow in starting, thus falling slightly behind the base programme, but has made tremendous progress and is now at 44% of its execution, achieving record excavation production and completing the cofferdam,' says Quijano. The consortium in charge of PAC 4 has already excavated 10m cu mtr and [its] companies had been very efficient,



Cofferdam water barrier



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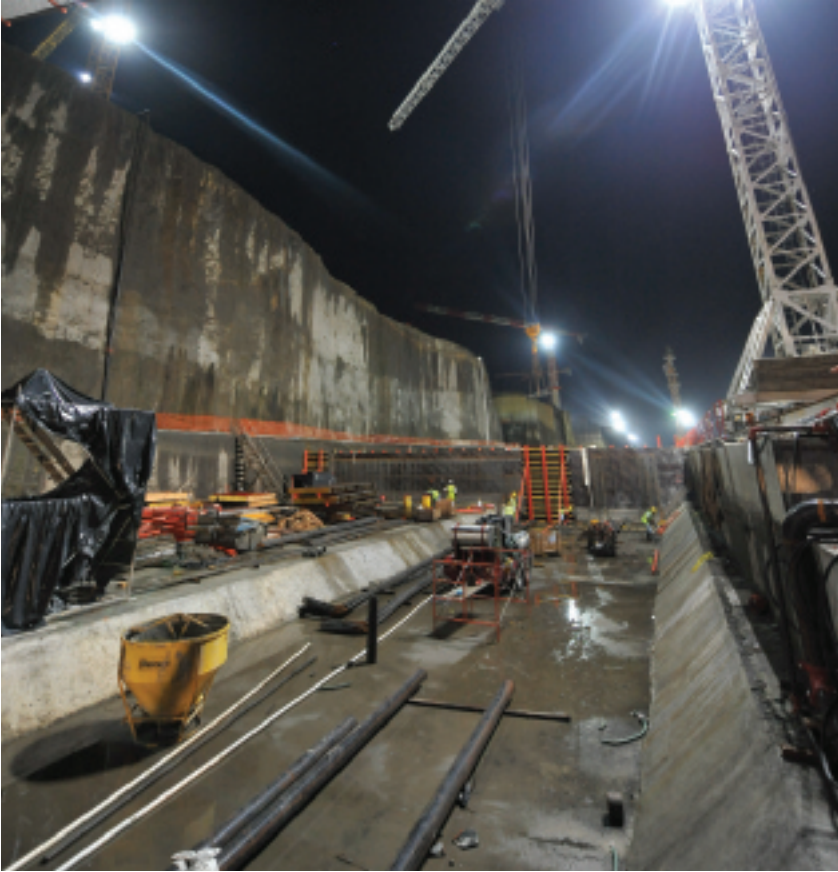


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The construction is of a high standard

comments Aleman. Having completed the cofferdam, it has begun the construction of the Borinquen dam, which is very complex, and going 'very well,' he says.

On the Pacific side, where works progress is more difficult to visualise, the consortium needs to excavate an additional 14m cu mtr, but first, it must fill the excavations made by the US Corps of Engineers in 1939, so that the water saving basins can be constructed over this space. The material on the Atlantic side is Gatun formation (a type of sandstone), much softer than the basalt on the Pacific side. Consequently there is no need to drill and blast prior to excavating. 'By the end of August 2011, excavations on the Atlantic locks area had reached close to 11m cu mtr out of a total of 15.6m cu mtr,' Quijano says.

Jan de Nul was awarded the Atlantic entrance channel dredging with a bid of \$89.6m to remove about 14.8m cu mtr, plus dry excavations of 800,000cu mtr. The area extends 13.8km and the Belgium Company will have to deepen the existing entrance to 15.5mtr and widen it to a minimum of 225mtr from the present 198mtr width. The north approach channel to the future new locks will also be widened to a minimum of 218mtr. JDN has been awarded an option to dredge another 2.3m cu mtr that will 'increase the depth from 15.5mtr to 16.1mtr,' says Quijano. The execution of such contract had reached 85% at end-August 2011.

Belgium's Dredging International was awarded the dredging of the Pacific

entrance in April 2008. DI bid \$177.5m to widen the Canal's approximate 14km navigation channel to a minimum of

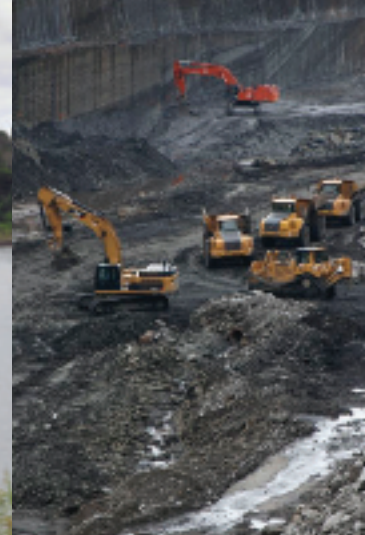
225mtr and deepen it to a maximum level of 15.5mtr Mean Low Water Springs (MLWS).

The modernisation programme dredging activity is being performed simultaneously with expansion dredging and should be completed in 2012. Meanwhile, work continues on widening Gaillard Cut, the narrowest part of the waterway, which is mostly done by the ACP as it is most experienced to safely work around transiting vessels. In addition to the dredging work in Gatun Lake, ACP's own Dredging Division will carry out the remaining works of the modernisation programme, which is in its last phase and should lower the navigation channel and Gatun Lake to 10.36mtr PLD elevation from 11.3mtr PLD elevation, says Quijano.

The Gaillard Cut/Gatun Lake expansion and dredging project, will widen the navigation channels and deepen to 9.14mtr elevation to a minimum width of 218mtr. It is expected to be completed by the end of 2013. As part of the expansion programme Gatun Lake level will be raised by 0.45mtr to 27.1mtr (PLD) a year later. •



Pacific access channel



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Game-changer for world trade

When completed in 2014, the \$5.25bn Panama Canal expansion will be 'a game-changer for world trade,' says Panama Canal Authority (ACP) administrator Alberto Aleman Zubieta. Nobody in the maritime industry questions this assessment since the new phase of operations will double the waterway capacity, allowing the passage of post-Panamax vessels, which are now unable to transit because of their size.

'It will definitely secure the importance of transpacific trade,' says an international port operator. 'This [expanded Canal] could open new options for transshipment of Asian goods to Latin American markets, among others. The Canal is a crossing point that offers opportunities for transshipment to the Caribbean, US East coast, South America East coast and West coast,' he notes. East coast and Gulf ports see the expansion of the Panama Canal as an opportunity to increase cargo volumes and gather a greater share of the transpacific trade, which was the dominant growth factor in containerised transportation.

'The expansion will affect both ends, origin and destination, because the economies of scale of using larger ships will benefit the whole supply chain,' explains ACP vp for research and market analysis Rodolfo Sabonge. 'Liner services most likely will decrease through the Canal as the larger vessels will be able to carry more than twice containers onboard the existing Panamax vessels [that transit at the moment].'

The Panama Canal expansion will bring novelties and benefits to some Asian countries such as Japan and China, which 'will most likely see some

segments, like bulk, benefiting from it,' he says. 'And if Shale gas develops in the US we will most likely see LNG vessels transiting to Asia through the canal.' The expansion will also open new routes to and particularly from Asia- South America East coast, mostly Brazil where minerals and other exports shipped on post-Panamax vessels, cannot transit the waterway and have to go through the Cape of Good Hope and the Suez Canal.

When the expansion works are concluded, the navigational channels will allow transit of what are presently described as post-Panamax containerships; Suezmax liquid-bulk tankers; Capesize drybulk carriers;

'Liner services will most likely decrease through the Canal as the larger vessels will be able to carry more than twice that of the existing Panamax vessels that transit at the moment.'

Rodolfo Sabonge, ACP

larger sizes of LNG carriers; passenger ships and other vessel types, within the established locks and channels dimensional limits. The third set of locks will double the capacity of the waterway currently capped at 300m-320m tonnes PC/UMS to around 600m

tonnes and will also reduce water consumption, improve safety efficiency and profitability growth.

Ports in the US are shifting towards building infrastructure and deepening harbours to accommodate the new generation of larger vessels. Major shippers are re-examining their logistics and facilities to take advantage of new supply-chain strategies. However, 'Asia is likely to continue to lead the trend of producing more exports and receiving more imports generated, by commodities it requires, says an Asian shipping line operator.

One sector in which new routes are definitely predicted is LNG transport. LNG vessels do not currently transit the Canal. New routes that may be opened by the expanded Canal include West Coast South America (WCSA)-Caribbean, WCSA-US Gulf, WCSA-US East Coast, and US Gulf-Asia. The ACP is optimistic about the potential of the expanded Canal to boost new shipping activity. 'We are looking at all segments,' he said. 'We know there will not be an immediate surge of cargo, but liner companies will look for economies of scale,' adds Sabonge.

The routes between the United States and Asia continue to be the most important for the Canal, with the US East Coast-Asia seeing the most cargo transported: 52.75m long tonnes during Fiscal Year (FY) 2010 (October 2009-September 2010), followed by Asia-US East Coast with 25.34m long tonnes; and South America West Coast to Europe with 11.37m long tonnes. The South America West Coast-US East Coast accounted for 10.14m long tonnes.

The US East Coast to South America West Coast saw 14.83m long tonnes during the same period. As for the first 10 months of FY 2011 (October 2010-July 2011), the traditional routes remain in the same order.

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China Ocean Shipping Company (COSCO)

China Ocean Shipping Company (COSCO) is amongst the Panama Canal's top 10 users and also one of the largest customers of the Panama Ship Registry. The Beijing-headquartered group owns and controls over 800 modern merchant vessels with a total tonnage of 56m dwt and an annual carrying capacity of 400m tonnes. In 2010, there were 176 vessels of 7,246,111gt under the flag of Panama. COSCO made approximately 356 vessel transits in 2010 with total costs paid to Panama Canal Authority reaching nearly \$40m.

China, which uses the Canal extensively, has maintained strong economic growth but many ship owners and liners executives warn prudence. COSCO's Group Chairman Capt Wei Jiafu cautions that, 'We've had general recovery, but are still struggling,' he said [in July 2011]. 'Over the next three to four years we will see volatility in the recovery. I believe it is better for the industry to first find a balance to supply and demand and then act more aggressively. Cosco is a responsible company,' he maintained.

In Panama, shipping operations, during the first months of 2011 have followed a trend similar to 2010, says COSCO-Panama general manager Capt



Capt Zhang Fucun

Zhang Fucun. In addition to the existing services, COSCO has opened a new weekly service for South America SWA since May 2011 beginning in the Far East and calling Chile, Peru, Colombia and Mexico in co-operation with Hanjin, Yang Ming and Wan Hai.

The Chinese company has maintained its AWE 2 service calling weekly Panama's Colon Container Terminal (CCT), which also receives all the feeder services operated by COSCO. So far, COSCO has a feeder line operating with one 900teu owned and managed vessel now out of CCT that links Barranquilla, Colombia,

Puerto Cabello, Venezuela, and Puerto Limon in Costa Rica and Kingston, Jamaica since 2009.

'The weekly service is successful and sails every 10 days with vessels chartered from CCT,' explained Capt Zhang. COSCO-Panama also services vessels in the region

COSCO-Panama was transferred in 2003 to COSCON formerly COSCO Americas. It 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 ships as well. All branches account to COSCO-Panama, which acts as an internal financial centre for group operations in the region.

'We are always looking at opening new services, eventually with a new feeder for the South America Pacific West Coast as cargo volumes coming from SAWC are on the rise,' adds Capt Zhang.

COSCO Panama's goals are to expand in the region, create a logistics centre in Central America that will serve its customers in the future and prepare for more traffic and business after the 2014 inauguration of the enlarged Panama Canal. 'It would give our customers extra value,' he says.

During this 10-month period, some 187.34m long tonnes transited the Panama Canal. The US is the main customer of the waterway with 135.26m long tonnes [in FY 2010] of the total canal cargo having a US port origin/destination, followed by China, Chile, Japan, and South Korea.

The Panama Canal has performed as forecast during FY 2010 (October 2009-September 2010) registering a slight decline in total transits to 14,230 vessels, down by 0.78% from 14,342 transits a year ago. During Q1-Q3 of FY 2011 (October 2010-September 2011), transits reached 11,416.

Cargo volume increased slightly by 0.56% to 300.8m in Panama Canal/Universal Measurement System (PC/UMS) tonnes, up from 299.1m PC/UMS tonnes the previous year. During the three first quarters of FY 2011 (Q1-Q3) cargo volume totalled 246.8m PC/UMS tonnes, foreseeing an increase of tonnage in FY 2011.

Container cargo increased to 45.17m long tonnes during the first 10 months (October 2010-July 2011) of FY 2011, up from 41.56m long tonnes compared to FY 2010; as well as grains, up to 35.11m long tonnes, from 35.44m long tonnes in FY 2010. Other commodities also saw a rise to 33.86m long tonnes compared to 27.79m long tonnes a year ago and overall rose to 187.35m long tonnes compared to

172.08m long tonnes during the same period the year before.

The ACP forecast cargo volume at 322.3m tonnes for FY 2011, Sabonge told the American Association of Port Authorities meeting in Lima in June 2011. 'This figure will break our record of cargo transiting through the waterway which was in 2007,' he says. 'It will be our best year ever.' The main drivers of growth for the canal this year will be dry bulk, especially grains, Sabonge told delegates. The Canal expansion will impact shipping companies since the new locks will allow for the passage of vessels up to 14,000teu, thereby increasing lines' capacity, he adds.

The ACP took a series of temporary

measures to reduce traffic costs and lend a hand to shipowners hard-hit by the recession, from June 1, 2009 through September 30, 2009. Those measures were extended to June 30, 2010 and have expired since then and the ACP 'is not planning to renew them,' says Sabonge.

The ACP's new toll structure entered force January 1, 2011, after opting not to raise tolls this year due to 'the current world economic situation.' However, reefer vessels were given a respite since increases were delayed from 1 January until 1 April 2011, at the end of the reefer season. 'We have talked with industry representatives, shipping lines, including government representatives from

PANAMA CANAL MAIN CARGO ROUTES FY2010 (long tonnes)

Origin Cargo Route	Destination Cargo Route	FY 2010 (total FY)	FY 2011 (oct-jul)
East Coast of the US	Asia	52,271,906	48,488,773
Asia	East Coast of the US	24,928,753	22,052,945
West Coast of South America	Europe	11,376,482	10,170,860
West Coast of South America	East Coast of the US	9,842,823	8,734,014
East Coast of the US	West Coast of South America	14,388,835	13,000,532
East Coast of the US	West Coast of Central America	8,421,557	7,254,978
East Coast of South America	West Coast of South America	6,723,097	7,100,810
Europe	West Coast of US	3,730,436	2,770,462
West Coast of US	Europe	2,728,109	2,232,459
East Coast of South America	Asia	3,796,146	6,152,725
Others		66,646,000	59,387,987
Total		204,854,145	187,346,548

Maersk Line

Maersk Line, the Canal's largest customer, and shipping line with the most Panama bound cargo, made 384 canal transits in 2010 and 1,282 calls at the ports of Balboa (PPC), on the Pacific side, and Manzanillo (MIT) on the Atlantic side. Maersk Line continues to be the biggest customer for both MIT with 571 calls in 2010 and PPC/Balboa with 711 calls during the same year.

The liner remains the biggest customer of the Panama Canal Railway, having transported close to 250,000 full and empty containers between the hubs of Manzanillo and Balboa and vice versa in 2010.

Maersk Line has several regular services from Asia with 8,800teu-post-Panamax vessels calling Balboa every week, and also transports transshipment cargo into the Caribbean and the Pacific South American coast.

Danish shipping giant, A.P. Moller-Maersk downgraded its container-shipment outlook for 2011 amid what it says are increased pressures on freight rates, while still managing to post a first-half net profit of \$2.8bn, beating the \$2.69bn average forecast by analysts.

It expects global demand for seaborne containers to grow by 6-8% in 2011. The global supply of new tonnage is expected to grow more than the freight volumes especially on the Asia to Europe trade. The Group expects freight rates to remain under pressure, and high bunker and time charter costs are expected to continue to impact margins negatively, the Group said in a statement commenting on results for



the first half of 2011.

'We have recently added a second service from Asia into the Region, including direct mainline calls at TCBUEN in Buenaventura, underlining our commitments to the Asia - Latin America trade, where we want to remain the largest and most reliable carrier. Currently we have two weekly services operating in this trade, giving us a great geographical and market coverage,' says Maersk Line Caribbean Sea Cluster president, Dean Rodin who arrived in Panama in April 2011 from Abidjan where he was responsible for Maersk Cote d'Ivoire Cluster, overseeing Burkina Faso, Guinea, Sierra Leone, Liberia and the Ivory Coast.

Maersk continues to expand its business in Panama with new services and products in the Central America-Caribbean region as the leading ocean carrier, explains Dean Rodin.

'In addition to the AC3, the service from Asia to Central America and

Colombia, we will soon start a new service into the Mediterranean, called ECUMED, offering sailings from Panama which is used as a transshipment hub for other countries, directly into Black Sea area, including Turkey, Ukraine and Russia,' he says. ECUMED will offer new opportunities to the regional exporters, especially for fruits.

A number of other initiatives and capacity upgrades are also ongoing, 'across a number of services that we operate today; we have also recently added a call to Costa Rica to our weekly Spondylus service, offering extremely competitive connections between Costa Rica and the US markets,' Rodin comments.

The APM-Maersk group of companies in Panama, which is headquartered in Costa del Este, covers Maersk Line Caribbean Sea Cluster, APM Terminals and Damco Latin America, as well as the Latin America liner operations centre located in Balboa.

countries that benefit from the Panama Canal. We have listened to their feedback and have made adjustments to our pricing structure accordingly. For instance, we selected the toll implementation date of January 2011 to respond to industry requests of a moratorium on increases in 2010,' says Aleman.

The increases vary by sector, containers, dry bulk, liquid bulk, vehicles, reefers, passengers, general cargo and other sectors, and were estimated at between 12% and 16%. Containers vessels were levied under an entirely different formula than other sectors, cutting costs for empties-laden backhauls. The charge for a ship's rated capacity rose by \$2/teu to \$74/teu, in addition to an \$8/teu charge for loaded containers.

The new pricing structure for box ships was 'the result of a series of consultations with the industry,' said Aleman, noting that the additional loaded-box charge can be more easily passed along to shippers. Also, the new container-fee structure has required special reporting of loaded

containers. Since July 2010, the ACP is requiring each transiting vessel to provide information on its cargo and the number of loaded containers and empties.

The initial implementation of this novel system was not easy, says Sabonge. However, the ACP rapidly switched to taking the vessel information from the BAPLIE [Bay Plan Stowage Plan of Occupied and Empty Spaces]. Vessel operators fill out a BAPLIE form at the point of origin. 'To simplify the system we have just asked to be given a copy of BAPLIE and [this] has proved to work just fine,' he explains.

'Since the beginning, we have been committed to an open and transparent process with regard to the Canal's pricing structure. We are focused on providing the safest, most reliable and efficient service for our customers, and the new pricing structure approved by the Cabinet Council reflects this commitment,' adds Aleman.

The Canal top ranking customers include Nippon Yusen Kaisa (NYK Lines),

Maersk Line, Evergreen Marine, Mitsui O.S.K. Lines (MOL), CSAV-Compania Sud Americana de Vapores, HapagLloyd, Mediterranean Shipping Co (MSC), COSCO, Hamburg Sud, CMA CGM, Hanjin Shipping Co, Zim American Integrated Shipping Services, Seatrade Reefer Chartering NV, SONAP, Wallenius Wilhelmsen, Kawasaki Kisen (K Line), STX Pan Ocean Co, Dampskibsselskabet Norden AS, Yang Ming Marine and also Cargill International.

Most of the Canal top customers have established offices in Panama. The A.P. Moller - Maersk Group, which is the parent company of Maersk Line - one of the Canal's largest customers, is headquartered in Costa del Este which houses Maersk Line Caribbean Sea Cluster, Damco and Maersk Logistics Latin America, employs more than 400 staff. ECS Panama, which specialises in repairing containers has recently moved into a new state of the art facility inside the port of Balboa offering improved capacity and capabilities to handle any type of repair and equipment.

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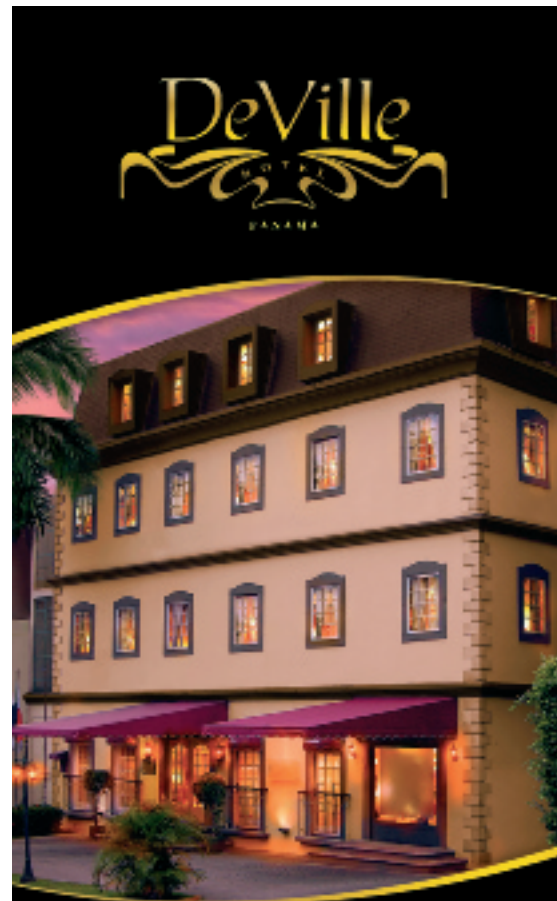

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MAIN COMMODITIES (thousand long tonnes) OCT TO JULY		
	FY 2010	FY 2011
Crude Petroleum	4,790,182	4,685,841
Petroleum/related products	24,215,068	24,583,907
Grains:	35,704,818	36,178,246
Barley	135,393	98,528
Corn	11,894,945	11,961,840
Grain, Misc	1,400,796	1,602,419
Rice	787,470	878,707
Sorghum	5,982,391	3,766,783
Soybeans	14,612,084	16,488,929
Wheat	891,737	1,381,040
Coal and Coke (excl. Petroleum Coke)	8,996,425	11,285,652
Container Cargo	42,122,026	46,026,509
Autos, trucks, accessories/parts	2,515,642	2,900,042
Canned and refrigerated foods	3,406,913	3,157,276
Nitrates, phosphates and potash	5,206,192	5,439,539
Lumber and products	2,557,392	2,584,204
Manufactures of iron and steel	4,262,327	5,724,371
Chemicals/Petroleum chemicals	10,514,513	10,917,593
Total	144,291,498	153,483,180
Others	27,796,840	33,863,368
Total	172,088,338	187,346,548

Maersk Logistics, now a separate unit from the line, caters to other shipping lines as well as Maersk Line, which can focus on its shipping activities. Maersk Logistics Latin America and the technical support unit for vessel operations are now based in Panama.

APL, 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 a pioneering coastal steamship service in 1848 between Panama and California for passengers and freight. 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 MIT. Since beginning 2005, APL has initiated operations from the port of Balboa for transshipment and connections to its own network of vessels.

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) company. The company's Far East-North America service operates 13 vessels (totalling 120,000teu) out of the company's 98 container vessels and also cooperates with CMA, ZIM, and P&O lines on a service between US East Coast and Asia.

CMA-CGM started operations in Panama on January 1, 2006 under a joint venture named CMA CGM Panama, Inc. The French

company (the world's third largest container shipping company) was represented in Panama by French Shipping Agency until December 2005.

China Ocean Shipping Company (COSCO) opened offices in Panama in the late 1990s and is among the Panama Canal's top 10 customers. COSCO-Panama that was transferred in 2003 to COSCON (formerly COSCO Americas), has 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.

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.

MOL is one of the Panama Canal's oldest customers and opened its own commercial office in the country in 2003 as part of a re-organisation. It also relocated its Vessel Operation Centre from Concord, Ca to centralise vessel movement planning and cargo stowage in North, Central and South America; Canada and the Caribbean. •

Mitsui O.S.K. Lines (MOL)

MOL (Mitsui O.S.K. Lines) is one of the Panama Canal oldest clients. The shipping line that ranks amongst the top five Canal customers has a fleet of 871 vessels totalling 61,354m dwt tonnes and include box ships, car carriers, oil and gas tankers, coal carriers and the world's largest fleet of LNG and dry bulk vessels. MOL also ranks as the world's 11th largest container ship operator.

In the region, MOL's liner division operates 10 containerised services calling Panama on a weekly basis: ACW, Americas Coasts, CNY, Asia-Panama-USEC, APX, Atlantic-Pacific Express, CX1, Amazon Express, CX3, Venezuela Express, ECX, Ecuador Express, ESX, East Coast-

South Cina Express, GEX, Gulf Express, NCA, North Caribbean and NYX, New York Express. Weekly Eastbound calls at Balboa and Manzanillo International Terminal (MIT) and a weekly westbound call at Balboa have been added to the ESX service in 2009 says MOL (Panama) president, Julio De La Lastra.

In July 2011, MOL upgraded its CX1 feeder service between Panama and Manaus and the beginning of independent operation on the route. The move will provide additional space on this rapidly growing trade with four 1,700teu ships and stabilise the schedule to boost service quality, the liner said in a statement. The expanded feeder

capacity will enable MOL to accommodate additional peak season demand. 'Assuming total space and operating control, MOL will be able to enhance its already exceptional service to Manaus with even more reliable relay connections and strong on-time delivery,' said MOL liner ceo, T.K. Konishi, in the statement. The service has four 1,700teu containerships.

The Japanese carrier made an average of 27 vessels transits per month in the waterway in 2010. 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 and the Caribbean.

MOL is the largest single user of the Panama Registry having 190 vessels under the Panamanian flag. Every year, the liner recruits a few selected Panamanian cadets to perform their 12-month rotation at sea to become fully licenced engine or deck officers, says de La Lastra.



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Enhanced technology

The Panama Maritime Authority (AMP) administrator, Roberto Linares has concentrated on enhancing technology for both the AMP and the Ship Registry by upgrading broadband facilities to have more capacity with more equipment.

The relocation of the AMP to the former Albrook base has permitted the digitising of its internal systems, creating an electronic network that connects AMP offices with its bureaus in London, New York and Manila, as well as Panama's 80 Consulates around the world while having all the Authority's directorates and sections united under the same roof. 'We have gone a step further by improving processes,' says Linares.

The digitalised seafarers IDs, the 'seafarer passport' is now implemented with the digitising of all the documents related to the vessels registered under the Panama flag (over 9,000 vessels' files) giving ship owners and ship managers access online for viewing and processing requests for licences, modifications, patents, certifications, exemptions and others.

The Maritime Law 57 on Merchant Marine, Law 55 on the Code of Maritime Trade and the General Law 56 on Ports, came into force at the beginning of February 2009. The Merchant Marine Law, in its Chapter XIV, article 174 stipulates that the Administrator of the Panama Maritime Authority shall be considered as Minister without portfolio for the purposes of its participation and appearance at the Cabinet Council. Since the implementation of Law 57,

'The new system still remains a complicated process that we must adjust to create a more friendly business environment.'



Roberto Linares, AMP administrator

the Administrator also receives the title of Minister of Maritime Affairs.

In January 2008, the AMP approved new internal rules that terminate the old system of concessions. These concessions have been replaced by a registration and licence given by the AMP and opened to every company wanting to enter the maritime business. 'The new system, with clear rules that guarantee the private sector investment, still remains a complicated process that we must adjust to create a more friendly business environment,' says Linares.

'But the law gives the AMP ability to grant concessions directly to what is called 'port area' without the necessity to go to tender,' he explains, noting that the formula of international bid remains in force. 'We are preparing the specifications of an international bid for Braswell Shipyards since its concession ends in October 2011,' he says. More than ten international and domestic companies have shown interest in participating.

The AMP administrator has given full support to the improvement of the Registry with the opening in mid-2010 of several technical offices round the world, a measure that has pleased ship owners and law firms dedicated to maritime affairs. The creation of Registrar's offices in China and in Europe, and the launching of two Segumar technical offices in Tokyo and Piraeus have been well received and applauded by customers.

Segumar new offices and Japan and Greece provide ship owners with a quick response as they can process all

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documents in 24 hours. Segumar New York had been reopened under the supervision of Segumar Panama that 'will strengthen our technical presence for our customers,' says Linares.

Since January 2009, the Bunker 2001 Convention entered force following Panama's ratification of the Bunker 2001 Convention. All ships registered under the Panama flag will be covered and must present an insurance policy for any environmental contamination caused by accidental fuel leakage or hydrocarbon discharge. They will therefore require additional insurance to cover fuel contamination. In addition to the ship owner, the company or person that charters the vessel, ship manager and the registered owner will have to pay compensation in case of accident or negligence on their part for damages to the environment caused by lubricants and fuel.

In addition, Panama has extended until December 2012, the limit date for all tankers operating with a single hull and navigating Panamanian waters, according to the International Convention for the Prevention of Marine Pollution (MARPOL) Regulations 20 & 21. After that date, all

tankers navigating Panamanian waters will be required to have a double hull. It is a primacy of Panama to decide when to extend the operations of single hull tankers and the AMP's decision will give bunker vessel operators sufficient time to adapt to the new rules, and some respite to bunker barge owners as the conversion to double hull from single hull requires lots of investments. However, under the pressure of some clients and specially the Oil Majors, most companies started to buy double hulls or convert their vessels into double hull. This has made a dramatic change on the age of the fleet.

The expansion of the Panama Canal will add a third set of larger and wider locks that will double capacity allowing the passage of post-Panamax vessels. It will have a positive effect on Panama's bunker sector as more ships will be able to take bunkers in Panama after 2014 when the inauguration of the future locks will take place. Such encouraging forecast has attracted many new players in the market, conservatively

estimated at around 4m metric tonnes to date. One attraction of taking bunkers in Panama is that vessels transiting the waterway have an average 8-10-hour-waiting time before coming into the channel and the locks

A significant number of international companies want to establish bunkering facilities in Panama.



during which they will bunker on both entrances of the Canal.

'We have received a significant number of international companies wanting to establish bunkering facilities in Panama, and we are examining all the requests,' says Linares. 'The future of bunkering activities in Panama is very promising,' he adds.

Decal that operates bunker tanks in Taboguilla Island, at the Pacific entrance of the waterway, received approval to double its capacity to 2.4m barrels and other bunker projects are under construction. Puerto Armuelles on the northwestern Pacific coast, near the existing Petroterminal pipeline linking Charco Azul on the Pacific coast to Chiriqui Grande on the Atlantic coast, is attracting European businessmen and the construction of Melones Oil Terminal, a \$80m Panamanian venture with the latest-spec tank farm being built on a 38,700sq mtr island located at the Panama Canal Pacific entrance, should be operating by mid-2012.

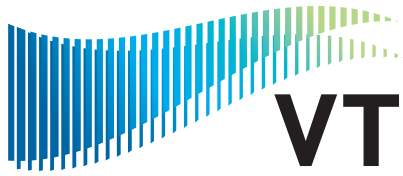
Panama bunker market is composed of eight companies that operate 23 vessels, 20 terminals and fuel and marine diesel suppliers. Meanwhile, several new players have come to Panama recently: OW Bunker, Aegean Marine Petroleum Network and Oiltanking. Although bunker storage capacity is 7.2m bbl, investments in the existing terminals and those being built should reach 10.6m bbl capacity in 2012.

At the end of 2008, Panama's Register passed the IMO voluntary audit with flying colours, receiving a seal of approval that the Register had no breaches of international conventions and codes. The

auditors reviewed the procedures and steps that the Authority uses to register and inspect ships, as well as the codes that are used in the country's ports. In late 2005, the IMO adopted a voluntary plan to audit member countries with the aim of verifying the degree of compliance with the agency's regulations regarding safety, environment and labour. In total, the auditors verified Panama's compliance with 12 international conventions, 15 codes and 135 mandatory resolutions of the IMO.

Panama, the largest flag State in the world, with 22% of the world's merchant fleet flying its flag, was the fourth major shipping country in the world to ratify the Convention, adopted by the 94th International Labour Conference (Maritime) in Geneva in February 2006. It means that seafarers working on more than 40% of the world's merchant fleet will be covered by the decent work requirements of the Maritime Labour Convention, 2006 when it enters into force.

Panama has established the tripartite Maritime Labour Commission formed by the State (AMP), employers (Panama Chamber of Shipping) and employees (represented by the ITF) of the maritime sector. Rules and regulations have been approved by the tripartite commission. The AMP through its departments of merchant marine and seafarers has delegated the implementation of the MLC2006 to the Class Societies and Recognised Organisations (ROs). Both Class Societies and ROs are training local technicians for the voluntary certification and guidance to the ship owners before the issuance of certifications required by the Convention. •



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Panama's Ship Registry, which is under the Panama Maritime Authority's department of merchant marine, represents 21% of the world's total merchant fleet and is the world's largest open registry. A series of reforms and incentives has boosted registration in general and particularly of new buildings reducing the fleet average age at June 2011 to 16 years down from 17 years the year before.

As of June 2011 the Panama Registry has maintained its leadership with 8,123 vessels exceeding 500 dwt totalling 208.1m gt up from 7,983 vessels and 201.3m gt at December 2010, according to Lloyd's Register.

Although the number of ships increased slightly, the Register has captured additional tonnage in particular new buildings which have been instrumental 'in reducing the age of the fleet to 16 years down from 17 years,' says the head of the Panama registry and AMP's director of merchant marine, Alfonso Castillero. The Registry has also 'implemented the necessary arrangements to delete substandard vessels without affecting our growth rate. Our marketing strategy has been the attraction of newly constructed vessels with high tonnage resulting in a more controlled quality in the process of registration,' he adds.

Panama's merchant fleet represents 21% of the world's total fleet. Japan is the largest customer of Panama's Ship Registry followed by Korea, Greece, Hong Kong and others including China and Europe.

The Ship Registry has opened new offices in countries where Panama 'does not have consulates, but does have competitors,' says AMP administrator, Roberto Linares. Several of such offices were opened in China 'and more will come in Asia and in Europe,' he adds. Also the registry launched two Segumar technical offices in Tokyo and Piraeus, and re-opened Segumar New York, which have been well received and applauded

by customers. Segumar new offices in Japan and Greece provide ship owners with a quick response as they can process all documents in 24 hours.

The procedure for the registration of vessels encompasses all types of vessels whether they are of cargo, passengers or dredges, barges or any other type. The law does not require that the owner of the vessel be a national of Panama or an entity established in the Republic of Panama and offers fiscal incentives such

The Registry has implemented the necessary arrangements to delete substandard vessels without affecting our growth rate.



Alfonso Castillero

as tax exemptions on earnings.

There are no minimum tonnage requirements for the registration and ship owners are allowed to hire crews of any nationality. Applications for the registration of a vessel may be filed, through an attorney, in any of the Panama Consulates around the world or at the AMP's merchant marine offices in Panama and in the new Registrar's offices and Segumar offices in Tokyo, Piraeus and New York that offer technical support on a 24/7 basis.

Reforms to the Merchant Marine legislation were passed in 2008 and entered force February 2009. The new shipping law (Law 57 of August 6, 2008) eases administrative and legal procedures. The legislation also grants incentives for registering new buildings and to users that register fleets, depending on gross tonnage, type of ships and non detention for consecutive 24 months in PSC inspection.

In addition, the Directorate of Merchant Marine issued a new Regulation dated February 9, 2009 that increases the discounts given in Law 57 to newly constructed vessels, loyalty to the Register and transfer of fleets. It is a modern law which fosters competitiveness and since the implementation of Law 57 'we have seen an immediate reduction of the age of the fleet,' says Castillero.

The General Law of Merchant Marine provides incentives to vessels not detained in any MoU during a period of two years and 'that [provision] has proved to be very successful,' says Castillero. 'It has not only given customers an additional benefit but has improved the quality of the Register [by reducing detentions],' he adds. Law 57 also gives incentives for innovations in reducing CO2 emissions and these incentives were highlighted in the promotion of the new law. In addition, the Panama Flag has received ISO 9001:



Panama's ship registry has seen a reduction in fleet age

2008 certification given by Lloyd's Register Quality Assurance.

On May 2011, the Paris MoU moved Panama to its White List due to constant efforts by the Panama Registry and a number of measures taken to reduce the number of detentions in Paris MoU. It is the first time in history that the Panama Flag had made the White List.

In August 2008, after being blacklisted by the Paris MoU, the Panama Maritime Authority's Merchant Marine Directorate issued a resolution requiring vessels more than 20 years old to submit to a check by an inspection from a Recognised Organisation (RO) before docking at a port within the Paris MoU. Failure to do could result in 'being deleted from the registry or subject to a fine,' the authority warned at the time. In addition, any vessel of that age that has been detained twice in six months will be cancelled from the register. Because of this measure, the

register deleted a number of vessels and others have left the Registry for other flags, explains Castillero noting that 'all the vessels were over 20 years old and with bad records.'

'Even if the measures [taken by Panama] were strongly criticised at the time, we feel that they were adequate and the results [entering in the White List for the first time] are here to prove it,' says Castillero.

Panama's Registry requires that the vessel sailing the country's flag comply with the requirements established by the International Maritime Organisation (IMO), the rules of the International Maritime Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Marine Pollution from ships (MARPOL), regulations from the ISM Code and ISPS Code.

Moreover, it is required that vessels comply with the International Convention on Standards of Training Certification

and Watch keeping for Seafarers, 1978, as amended in 1995 (STCW). Governments have to provide relevant information to IMO's Maritime Safety Committee which will judge if the country meets or not the requirements of the conventions. The Panama Maritime Authority is taking actions to be prepared for the implementation of the Manila amended to the STCW Convention and its associated Code that will enter into force January 1, 2012.

Furthermore, the AMP is implementing the SOLAS and Load Line Protocol 88 and the Convention on Facilitation of International Maritime Traffic (FAL) 1965 all approved and ratified in 2008 by Panama's National Assembly.

The Convention should ultimately render a 'unique document,' familiar to every Contracting Government of FAL-65, for arriving vessels. In particular, the Convention reduces to just eight the number of declarations that may be



The Panama Registry is currently on the Paris MoU White List

required from each vessel. The implementation of FAL-65 is to simplify documents and controls, thereby avoiding public authorities coming to port requiring the same information. The procedures facilitate the movement of ships and may reduce the stay of ships in port by several hours or by days.

The IMO held a Latin-American Regional Seminar for the maritime Administrations and the maritime training centres, in April 2011, for familiarisation with the adoption of the Manila Amendments to the STCW Convention and Code. The seminar was attended by 20 countries from the region. The Manila Amendments were adopted in June 2010 during an IMO Diplomatic Conference, agreeing by consensus, a series of new provisions which will apply from 1 January 2012.

The most important new provisions are to improve measures to prevent fraudulent practices associated with certificates of competency and strengthen the evaluation process (monitoring of Parties' compliance with the Convention); labour requirements; new requirements relating to training in modern technology such as electronic charts display and information systems (ECDIS); new requirements for marine environment awareness training and training in leadership and teamwork; and new training for different type of vessels amongst others.

In July 2011, Panama joined Globallast as Lead Partnering Country proving its commitment to the marine

The AMP has installed a new electronic Ship Register to ease vessel registry procedures, as well as issuance of a new digital seafarer identity document.

pollution prevention.

With this action Panama recognises the project to be a timely and much needed initiative to assist the countries in preparing for the implementation of the IMO Ballast Water Management Convention, 2004 and also emphasises the support given to the GEF-UNDP-IMO GloBallast Partnership Project, currently being implemented by IMO, as a Lead Partnering Country (LPC). The country is committed to the global efforts in managing the issue of harmful organisms and pathogens transferred by ship's ballast water (BWS) and sediments.

The AMP is fully aware that the LPCs are expected to take a fast track approach to reach the milestones of the project, namely, undertaking a national BW status assessment, developing a national strategy and drafting national legislation, all of which would assist with

the process of ratification. Also the Administration is aware that project would provide some resources and technical guidance to facilitate the national process. Panama would be committed to give the 'in-kind' support necessary to undertake these national level activities.

Panama is also a member of the Permanent Commission for the South Pacific (CPPS) and thus provides a beneficial link between the Caribbean and South East Pacific Regions.

Today, around 13 countries, from six high priority regions, are part of this programme. One of its main objectives will be to assist the participating countries to put in place the necessary legal, policy and institutional frameworks to deal with the ratification process and implementation of the Convention. Panama has been actively involved in the regional level discussions on this issue, hosted one of the regional activities within the project (although not a Lead Partnering Country at the time).

The AMP has installed a new electronic Ship Register to ease vessel registry procedures, as well as issuance of a new digital seafarer identity document issued by the Directorate of Seafarers. The new system will save 80% of AMP clients' time by accessing AMP's data centre, to be interconnected worldwide via the Internet. Authorised users of the Registry, consuls and lawyers bearing public key infrastructure (PKI) with their respective user identities, are granted further access

AMTS provides free tracking for Panama ship owners

Absolute Maritime Tracking Systems (AMTS) is one of the world's leading LRIT operator with over 8,000 vessels under management. Additionally, AMTS is a major service provider with systems designed to improve maritime security, anti-piracy countermeasures and environmental protection with VMS systems. The company has a truly global footprint with customers in more than 90 countries around the world, agents in most major shipping centres, and around the clock service to its customers through its monitoring center located in the City of Knowledge, Fort Clayton, manned 24 hours and 365 days.

AMTS is a joint venture enterprise between Absolute Software Inc. (www.absolutesw.com) and PSC Holdings Group (www.panama-psa.com) with offices in Panama, Boston, Brisbane, and Bangkok. Headquartered in Panama, AMTS employs a diverse, talented and innovative workforce whose passion for excellence has enabled the company to

become one of the leading maritime Security Service Providers in the world.



John Ramsauer of AMTS

AMTS is organised in two business units: the first based in Panama, where all the day-to-day maritime safety, security and fleet management operations are administered by a seasoned team of competent professionals. The second being the Research and Development operations in Cambridge, Massachusetts, arguably one of the prime high technology, and sciences clusters in the world.

The company offers a wide range of software maritime solutions such as the recently introduced Fleet Information System (first in its class) that allows ship owners to access real time fleet management, reporting and tracking data through a single web application. The Panama Maritime Authority has authorised AMTS to offer owners of Panama-flagged vessels, free tracking of their fleets through FIS.

Some renowned ship owners and managers are already benefitting from the real time tracking services that AMTS provides.

AMTS's VMS system allows environmental and fisheries regulatory organisations to monitor the position, course and speed of fishing vessels in real time as well as providing geo-space analysis of historic data. These are capabilities that are key to the monitoring control and surveillance programmes at national and international levels.

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The AMP has installed a new electronic Ship Register

onto an electronic page (www.panamaregistry.com) for required document inputs and consultation.

In addition, the Ship Registry has implemented the Electronic Inspection System designed to improve the quality of inspections and shorten the time to make a decision in the case of an eventual problem. Surveyors will use a Smartphone (App) to fill the inspection form electronically. This report will be sent immediately to the offices of the Registry, at the AMP's merchant marine directorate, giving the staff time enough to proceed with the analysis of the situation in real time, allowing an immediate decision if necessary. The inspection report will then be printed on a thermal printer and delivered to the Captain of ship being inspected. The

Register will begin training all its ASI inspectors in October 2011 in cities in China, Greece, in Florida, USA, Japan and Singapore.

The three major open registries – Panama, Liberia and Marshall Islands – signed a joint statement in Washington in August 2011 condemning the violence of piracy against seafarers in the Gulf of Aden and the coast of Somalia. The agreement also seeks to give the International Maritime Bureau, a non-profit organisation, the facilities to receive all information about the human cost of piracy. The AMP's Administrator Roberto Linares, who signed the agreement on behalf of the Panama Flag, said that in 2011 four Panama-flagged vessels were attacked by Somali pirates and one was seized. 'Panama is actively involved this

international initiative against piracy and because we must find, together, an effective solution to ensure the integrity of seafarers,' explained Linares.

Panama has established the tripartite Maritime Labour Commission formed by the State (AMP), employers (Panama Chamber of Shipping) and employees (represented by the ITF) of the maritime sector and rules and regulations have been approved by the tripartite commission. The AMP through its departments of merchant marine and seafarers has delegated the implementation of the MLC2006 to the Class Societies and Recognised Organisations (ROs). Both Class Societies and ROs are training local technicians for the voluntary certification and guidance to the ship owners before the issuance of certifications required by the Convention. •

Panama is actively involved in the international initiative against piracy



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Expansion drives growth in Panamanian ports



The whole Latin American region is doing well, with steady growth in 2010 that continued in the first half of 2011 funneling strong growth out in cargo moved by the ports of Panama. Port activity grew by 31.8% in 2010 up to 5.59m teu and this positive pace endured in the first half of 2011 when volumes increased by 26.4% to 1.86m teu according to the Panama Maritime Authority (AMP).

With global trade increasing at an annual rate of 9%, the Latin American port community 'is living its best hour,' Carlos Urriola, svp of Seattle-based Carrix and gm of Manzanillo International Terminal (MIT) told the audience of the American Association of Port Authorities (AAPA) Congress held in June 2011 in Lima, Peru. According to Ricardo Sanchez of the UN Economic Commission for Latin

America and the Caribbean (ECLAC), the Panama Canal [expansion] will clearly be a game-changer for the US East Coast, but does not guarantee that a 'rising tide' will lift all Latin American ports. 'The expansion, by allowing post-Panamaxes to transit, will give an advantage to other countries in the Americas that are also going to see a greater possibility of connection through Panama,' he explained, predicting that 'the likely winners outside Panama will be Latin America's Peru, Chile and Ecuador.'

The Panama Canal expansion has been one of the main drivers of growth in Panamanian ports and to further grow throughput Panama's main terminals, which already have capacity for over 8m teu per year, are gearing up to expand their facilities.

The beginning of the Canal expansion

works on August 25, 2009, by the consortium Grupo Unidos por el Canal (GUPC) that won the contract for the construction of the third set of locks, has brought important project cargo particularly to the Atlantic ports in 2009 and 2010. The escalating boom in project cargo started when the Panama Canal Authority (ACP) began calling in bids for dry-excitation contracts to pave the way for construction of the third set of locks. Dredgers, heavy trucks and all kinds of heavy equipment were the first to arrive for the contractors, giving Panamanian terminals the benefit of their locations adjacent to the construction sites: Cristobal and MIT on the Atlantic side and Balboa on the waterway's Pacific entrance.

The new PSA Panama International Terminal that is positioned next to the site where the GUPC consortium is building



Panama Ports Company

the future Pacific post-Panamax lock, received its first vessel on December 23, 2010, the 12,777dwt Beluga Festival carrying 10,000 tonnes of steel bars for the GUPC consortium, although full container operations will begin following the commissioning of the 16 quay cranes and RTGs that arrived in July 2011.

Heavy-lift and project cargo tied to expansion will have two peaks. The first will extend over the next six months for the initial project cargo, with a more constant and stable period thereafter. The second will come immediately after construction, when the heavy equipment must be sent back. This includes batching plants, rock crushers and other heavy equipment already shipped in general cargo or projects vessels. Lock gates will

be shipped via submersible heavy-lift vessels such as those of Dockwise or a similar operator.

In addition to the Canal business, the economy has fostered other project cargoes, according to MIT port manager Jose Iribarren – particularly, 'the construction of electric plants, public works and the subway in Panama City.' Optimism is also high at PPC, which administers the terminals of Balboa and Cristobal. Both ports handle project cargo regularly as part of their business base, says PPC marketing director Rommel Troetsch who estimates project cargo now represents about 10% of their ports' general cargo.

In a presentation to the American Association of Port Authorities (AAPA) Congress held in June 2011 in Lima, Peru,

ACP vp of marketing and research Rodolfo Sabonge estimated that Panamanian ports could move 8.4m teu in 2015. 'That figure is certainly achievable in the next few years, and plans to add sufficient capacity are being developed by both the existing terminals and new projects,' says David Taylor Latin America gm of Moffatt & Nichol, a leading US-based global infrastructure advisor specialising in planning and design of ports round the world.

Panama's government recently announced that it will promote the construction of two new ports on the Pacific side: one container terminal on the eastern shore of the Panama Canal at Corozal, next to Balboa; and a cruise terminal in the Fort Amador area.

Manzanillo International Terminal (MIT)

Breaking the million teu [620,758 moves] mark so early in the year, in July 2011, was a milestone for Manzanillo International (MIT), says Jose Iribarren, port manager. 'It is the first time in MIT history.' The terminal, which moved 1.59m teu in 2010, an increase of 12% compared to the previous year, had previously reached the million teu in August 2010 and in years before, more often in September or October.

'At the pace we are going, we might have a record year,' he explains. Cargo volume increased by 18.2% during first half of 2011, followed by a robust month of July with 178,000teu [104,108 moves], up 27% compared to July 2010. August is looking like another month of over 100,000 moves and we have never had back-to-back months with these kind of volumes,' says Iribarren.

Since its inauguration on April 16,

1995 and through a number of expansion programmes, MIT, a successful joint venture between Seattle-based SSA Marine, the largest marine terminal operator in the United States and largest privately-owned international port administrator, and a group of Panamanian investors, has 14 cranes of which nine are post-Panamax cranes and three are Super post-Panamax able to work 22 containers across, with a total of 24 RTGs and a total quay length of 1,600mtr plus a 350mtr berth dedicated for ro-ro operations.

It has also built a 16ha distribution centre next to the terminal of which 13.7ha are already in use for cargo consolidation and logistics activity, with customised warehouses offering value added services.

Another activity that has registered

significant growth was ro-ro that grew by 21% in July 2011 compared to July 2010, and also 21% for the period January-July 2010 to 84,175 units compared to same period 2010.

The reason behind the increase registered in 2010 is the healthy economic growth being experienced by many countries in Latin America and the region says Iribarren.

Since March 2010, the terminal 'has seen sustained and monthly average growth rate of 19%,' comments Juan Carlos Croston, vp of marketing. 'We have noticed that when we see growth in Asia it is reflected six months later for MIT, although we may see by year-end and in 2012 some growth deceleration,' he adds.

The problem for all ports operators is that nobody can say exactly 'how much and when we will grow,' says John Bressi, vp of operations. 'We had planned a moderate growth rate [in 2011] but this [strong activity] brought a pleasant surprise.'

'My immediate mission at MIT is to evaluate processes and integrate MIT's collective experience to improve the connectivity of our customer's transshipment services by improving productivity,' says Bressi who arrived in August 2011 after being SSA representative in Chile for the last 12 years. 'Local cargo is growing with the economic boom in Panama and gate processes reflect around 18% of our total cargo handled. Our performance at the gate is our local face that we show to Panama so we must be the best at serving our customers especially with the face paced cargo entering and leaving the Colon Free Zone. They need our assistance.'



Jose Iribarren, MIT port manager

Although no timetable has been set, the AMP has commissioned feasibility studies for a new 500,000teu/year container terminal in Corozal, next to Balboa but tenders are not expected until 2012 but 'we are definitely interested in participating in the bid because we're keen to have a terminal on the Pacific side,' says Carlos Urriola, MIT gm. 'SSA finds this opportunity interesting and worth exploring as long as we could connect competitively the cargo between both terminals,' he adds.

'The government seems serious about the cruise terminal, possibly in tandem with a new convention centre, so it seems likely to happen. The chances of the development at Corozal succeeding are less straightforward due to the waterside access and potential conflicts with Canal traffic,' comments David Taylor.

On the Atlantic side, MIT has approved 'an additional \$200m-\$300m investment to prepare for the inauguration of the third set of locks in 2014 and plans to build new piers and purchase equipment for the future post-Panamax vessels,' says gm Carlos Urriola. The draught of the access channel to the bay of Manzanillo, where MIT and Colon Container Terminal (CIT) are located, must be increased to 16.5m from 14m, Urriola adds.

And at Panama Ports co (PPC) that administers both Balboa, on the Pacific and Cristobal on the Atlantic side, the scenery at Balboa is constantly changing. Panama Ports began three years ago a \$1bn expansion programme for the two terminals, Balboa and Cristobal, allowing \$200m to the Atlantic port to double its capacity and whose cargo volume growth has been in the double digits ever since. 'Balboa and Cristobal expansion is carefully planned to match supply and demand of port facilities in the region, but above all our first consideration is our customers plans to grow in the coming years so we can ensure sufficient port facilities for their additional business in short and long term,' says Luca Versari, the new PPC gm who replaces Alejandro Kurouklis who moved to Barcelona.

Panamanian terminals saw their container volumes increased by 31.8% in 2010 up to 5.59m teu. Balboa remained the star, posting growth of 37.1% with 2,758,506teu in 2010. It has seen increasing business from MSC, while 'Maersk continues to be tremendously important for us,' says Versari. Cristobal container volumes reflected the ongoing expansion registering a 94.1% growth to a total of 689,058teu becoming the second most important terminal on the Atlantic side.

Evergreen's Colon Container Terminal (CCT) returned to the black by posting

Panama Ports Company (PPC)

Panama Ports Company (PPC), a subsidiary of Hong Kong-based Hutchison Ports Holdings (HPH) that administers the port of Balboa and Cristobal is gearing for another good year, considering that Balboa throughput rose 37.1% and Cristobal 94.1% in 2010 and both terminals posted growth of 28.2% and 52.9% respectively during the first half of 2011.

Although PPC gm Luca Versari (pictured) forecasts a slight increase of cargo volumes in 2011 compared to the previous year, he remains cautious about the future. 'We are planning to be conservative for [2012].' 'What is going to happen with the US economy, with several countries in crisis in Europe and a noted slow down in Asia, is the million dollar question nobody really knows how to answer,' comments Versari.

Balboa handled 2,758,506teu in 2010 and cargo volume increased to 912,387teu in the first half of 2011, compared to 711,478teu during the same period the year before, while some 689,058teu were handled at Cristobal in 2010 and 280,780teu during the first semester of 2011 compared to 183,648teu in the same period of 2010.

'Volumes increased in proportion similar to those seen two or three years ago, but the peak season seemed shorter [in 2010 and 2011] which will lead us to invest more carefully and be sure there is a market to sustain the investments,' explains Versari.

For a visitor coming regularly to Balboa, the scenery is constantly changing with an additional 450mtr of pier giving Balboa a total of 1,720mtr of quay and a total of 22 quay cranes that have transformed the Pacific terminal into the largest craneage of the Americas, in addition to 56 RTGs.

The container yard has grown to 45 hectares with the completion of Phase

growth of 16.1% to 519,750teu, thanks to COSCO new callings at the Taiwanese terminal and a rebound of feeder services.

MIT container volumes grew by 13.8% to 1,599,676teu. Transshipment represents around 85% of the cargo moved in Panama, with only around 15% representing domestic cargo. Of the domestic volumes, 85-90% is bound for the Canal Free Zone.

The same upside trend continued during the first half of 2011, when ports in Panama showed a growth of 26.4% up to 1,860,110teu. Balboa grew by 29.2% to 912,387teu while Cristobal registered an increase of 52.9% to

4 of Balboa's expansion that included reclaiming land on a large portion of the area called Diablo Heights under a concession contract signed in 1997.

Panama Ports began three years ago a \$1bn expansion programme for the two terminals, Balboa and Cristobal, allowing \$200m to the Atlantic port to double its capacity and whose cargo volume growth has been in the double digits ever since.



Luca Versari, PPC gm

Cristobal has a total of 11 quay cranes, one Panamax mobile harbour crane and four additional RTGs, totalling 34 RTG cranes for container yard operations with additional yard space for the terminal growth. A 360mtr pier, equipped with four new post-Panamax cranes will start soft operations by middle of September 2011 and will be fully operational by end 2011.

'Balboa and Cristobal expansion is carefully planned to match supply and demand of port facilities in the region, but above all our first consideration is our customers plans to grow in the coming years so we can ensure sufficient port facilities for their additional business in short and long term,' says Versari.

280,780teu. 'Volumes increased in proportions similar to those seen two or three years ago but the peak season seemed shorter [in 2010 and 2011] which will lead us to be more careful investment wise and be sure there is a market to sustain the investments,' explains PPC gm Versari.

On the Atlantic side, the crisis seemed to be forgotten as CCT throughput grew by 8.3% during the first half of 2011 and showed positive figures with cargo volumes of 143,851teu compared to 132,851teu during the same period the year before.

Breaking the million teu [620,758 moves] mark in July 2011, so early in the

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Dredging and Marine Contractors





year, was a milestone for MIT, says Jose Iribarren port manager. 'It is the first time in MIT history.' The terminal had previously reached the million teu in August 2010 and in years before, more often in September or October. 'At the

pace we are going, we might have a record year,' he explains. Cargo volume increased by 18.2% during first half of 2011, followed by a robust month of July with 178,000teu [104,108 moves], up 27% compared to July 2010. August is

looking like another month of over 100,000 moves and we have never had back-to-back months with these kind of volumes,' says Iribarren.

Panama is living its best moment with a booming economy, likely to reach 8.5%

Colon Container Terminal (CCT)

New customers resuming calls Colon Container Terminal (CCT) and an increase in cargo coming from Asia have boosted transshipment activity at the Evergreen terminal, located on the Atlantic side, at the entrance of the Panama Canal.

In August 2010, COSCO returned to the terminal calling with weekly service AWE2, and bringing COSCO feeders to the Caribbean region with two vessels per week.

The results have been excellent and the terminal saw a resurgence of activity in 2010 that continued in 2011. The crisis seemed to be forgotten as CCT throughput grew by 16.1% to 519,75teu while the first half of 2011 showed positive figures with throughput growing by 8.3% to

143,851teu compared to 132,851teu during the same period the year before.

The terminal currently has a total area of 37ha, and access channel of 15mtr draught, turning basin of 600mtr in radius and 982mtr of container berth with pier 1, 2 and 3. Both pier 1 and 2 have a draught of 14mtr and the newest pier 3, a depth of 15mtr. The terminal has 984 reefer plugs, five Mitsubishi Post-Panamax cranes, five Mitsubishi Panamax Cranes, in addition to 12 Mitsui RTGs, 18 units of ZPMC RTGS, nine Side Loader, five Reach Stackers, 12 Forklifts, 97 trucks and 89 Chassis, to service the piers.

An adjacent rail Intermodal connection, which is served by Panama Canal Railway Company permits transshipment on the Pacific side. CCT has also a maintenance and repair shop,

which provides services to customers of repair works to both dry and reefer containers 24/7.

Taking advantage of the worldwide economic slow down in 2009, CCT has begun the \$200m Stage One of phase III of its expansion programme. This involves dredging to 15.5mtr for the construction of berth number four – continuous to pier 3 for the future Post-Panamax vessels and the landfill of 18.5ha for another container yard, and expecting to complete all expansion construction in 2014, then the terminal will have a total area of 74ha.

This new expansion phase will increase the terminal capacity by 500,000teu, to 2m teu up from the present capacity of 1.5m teu, says CCT president Lin Che-Sheng, who became president in October 2009.





MIT now has 14 cranes

in 2011 and 5.5% in 2012 according to the Economist Intelligence Unit, which will make Panama the strongest performer in Central America and one of the strongest in the Latin American region.

Economic growth enjoyed a healthy 7.5% in 2010 positioning Panama among the highest growth rates of Latin America, reaching a gross domestic product (GDP) of \$20,862m. Production of goods and services in Panama saw an increase of 7.5% over the previous year. GDP at constant value of 1996 prices, according to the Comptroller-General's Office estimates, registered \$20,862.9m, showing an annual increase of \$1,448.8m.

In 2010, Panama received an investment grade status from the three main rating agencies Fitch, Moody's and Standard & Poor's. Although the upgrade was the result of past administrations' tightened policies, it was a victory for Martinelli's government and very welcome news, leading the country to attract \$2.36bn in foreign direct investment in 2010, the equivalent of 8.8% of Panama's \$26.8bn economy and above the average \$2bn per year since 2006. In addition to fiscal discipline and

major tax collection '[Panama's] policy has also been to strengthen our domestic market and diversify our debt ratio between external and internal debt and that is something that the ratings agencies have viewed positively,' said Panama's Deputy Minister of Finance, Frank de Lima.

And the US Congress appears to be moving closer to ratification of a free-trade agreement (FTA) with Panama signed in mid-2007 and although barriers to the deal still remain – including difficult timing, owing to the US election in November 2012 – the US is likely to ratify the FTA within the forecast period. This mainly reflects Panama's stronger commitment to the exchange of tax information with other jurisdictions, following Panama's withdrawal of the OECD black list of non-cooperative countries.

With port activity on the rise, port operators had been in 'expansion mood'. Balboa received an additional 450mtr of pier giving the terminal a total of 1,720mtr of quay and a total of 22 quay cranes that have transformed the Pacific terminal into the largest

craneage of the Americas, in addition to 56 RTGs. The container yard has grown to 45ha with the completion of Phase 4 of Balboa's expansion that included reclaiming land on a large portion of the area called Diablo Heights under the concession contract signed in 1997.

Cristobal's ongoing expansion provided the Atlantic terminal with a total of 11 quay cranes, one Panamax mobile harbour crane, four additional RTGs, totalling 34 RTG cranes for container yard operations with additional yard space for the terminal current growth. A 360mtr pier, equipped with four new post-Panamax cranes, will start soft operations by middle of September 2011 and will be fully operational by end 2011.

Since its inauguration April 16, 1995 and through a number of expansion programmes, MIT (a successful joint venture between Seattle-based SSA Marine, the largest marine terminal operator in the US and largest privately-owned international port administrator, and a group of Panamanian investors) now has 14 cranes of which nine are post-Panamax cranes and three are



Cristobal and entrance to Gatun Locks

Super post-Panamax able to work 22 containers across, with a total of 24 RTGs and a total quay length of 1,600mtr plus a 350mtr berth dedicated for ro-ro operations. The expanded terminal is now able to dock four Panamax vessels and one post-Panamax simultaneously. It has also built a 16ha distribution centre next to the terminal of which 13.7ha are already in use for cargo consolidation and logistics activity, with customised warehouses offering value added services.

The newcomer is PSA Panama that saw its first customer in December 2010 but really became operational following the addition of the three-16 rows across quay cranes and RTGs that arrived in July 2011. The 450,000teu facility is the first Panamanian terminal to begin operations in the last 15 years and will be the fifth major container terminal in the country.

Located at the former Rodman US Navy base, at the Panama Canal's Pacific entrance, PSA Panama is built on a 22.5ha site, with a 14ha container yard, a 330mtr long container and ro-ro berth with 14.5mtr water depth. 'It also has a nine hectare area available for development with logistics partners,' says PSA Panama International Terminal (PPIT) outgoing gm, Tan Toi Chia. 'PSA continues to believe in the strong growth of the West Coast Central America and West Coast South America markets and there are many shipping lines looking for the right opportunity to enter and grow the business here now that we are operational,' he says. Tan is returning to Singapore after having led the start up of the green field project, from obtaining government concessions, to construction, and finally being operationally ready. His successor Robert Ahern has been in the port business for the past 20 years and is enthusiastic about growing the terminal.

The terminal was PSA's first foray into Americas. It is situated next to the 30ha Cocoli area where GUPC has installed its industrial park and is in the process of excavating the future Pacific new locks; the terminal is thus well-positioned to support the supply logistics that are critical to the works.

Port operators are 'conservatively optimistic' in their forecast for 2011 and more reserved when asked about year 2012. PPC gm Luca Versari forecast a slight increase of cargo volume in 2011 compared to the previous year but remains cautious about the future. 'We are planning to be conservative for [2012]. What happens with the US economy, with several countries in crisis in Europe and a noted slow down in Asia, is the million dollar question

nobody knows the answer to,' comments Versari.

At MIT, officials are convinced that the reason behind the growth registered in 2010 is related to the healthy economic growth being experienced by many countries in Latin America and the region. Since March 2010, the terminal

'has seen sustained and monthly average grow rate of 19%,' comments Juan Carlos Croston, MIT vp of marketing. 'We have noticed that when we see growth in Asia it is reflected six months later for MIT, although we may see some growth deceleration by year-end and in 2012,' he adds. •

PSA Panama International Terminal



PPIT is the fifth major container terminal in Panama

On December 23, 2010, PSA Panama International Terminal (PPIT) received its first vessel, the 12,777dwt Beluga Festival carrying 10,000 tonnes of steel bars for the Grupo Unidos por el Canal (GUPC) consortium which is building the new locks for the Panama Canal expansion. Full container operations will begin following the commissioning of the 16 rows across quay cranes and RTGs that arrived in July 2011.

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Robert Ahern has been in the port business for the past 20 years and is enthusiastic about growing the terminal.

'We have been visiting customers and receiving queries from shipping agencies looking for available berths,' says Ahern. His focus is on providing customers with reliable service and operational excellence, drawing on his experience with terminals around the world. 'We will get to know our customers and provide them with what they need,' he adds.

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PSA International Pte Ltd is a leading global port operator handling 65.1m teu in 2010. The company's flagship operations are PSA Singapore Terminals and PSA Antwerp. In total, PSA participates in 29 port projects in 17 countries across Asia, Europe and the Americas. After announcing its entry into Panama, the group boosted its presence in the Latin American market by taking in 2008 a stake in Exolgan, the second largest terminal in Buenos Aires. PSA recently secured a management agreement for the port of Mariel, which will replace Havana as the main port of entry into Cuba when completed.



Best ever bunker sales predicted

The expansion of the Panama Canal will add a third set of larger and wider locks that will double capacity allowing the passage of post-Panamax vessels. It will have a positive effect on Panama's bunker sector as more ships will be able bunker in Panama after 2014, when the inauguration of the future locks will take place.

Such an encouraging forecast has attracted many new players in the market, conservatively estimated at around 4m metric tonnes to date.

About one-third of all ships transiting the waterway bunker on both entrances of the Panama Canal, with an average of between 4,200-4,500 vessels being served every year.

Bunker sales jumped to 3.9m tonnes in 2008, the best year ever. During the first half of 2011, sales rebounded 25.5% compared to the year before and reached 1.7m tonnes. With these, industry players predict total sales in 2011 will be over 3.5m tonnes, since consumption rises historically during the second half of the year.

Panama bunker market is composed of eight companies that operate 23 vessels and 20 terminals. Competition is fierce amongst the fuel and main diesel suppliers. A few firms engage in spot deliveries, says Panama Chamber of Shipping president and gm of VT Shipping, Jose Digeronimo.

Bunker prices [in Panama] are competitive, similar to Singapore and slightly above Houston, in the range of 1.5%. 'Panama has traditionally followed in Houston's steps,' he explains.

The instability or volatility of price 'always affects all the markets and not only Panama bunker market because people are afraid to keep large inventories on tanks and on vessels,' explains Andres Galavis, a bunker consultant and former PDVSA board member. 'We have been going through this type of situation many times in the past and it levels out, so I think it is nothing to worry about in the long term.'



Juan David Morgan Jr, Melones Oil Terminal director

Bunker players say that margins are 'very small' because of a rise in operational costs when prices have remained almost the same for the past four years, says Juan Carlos Heilbron, executive vice president of Trader Tanker that operates 10 vessels. Trader Tanker has barges with a capacity of 3,000 tonnes and one of 8,000 tonnes operating on long-term contracts for Chevron, Chemoil and Bominflot and three vessels for the spot market.

'The bunker market is getting more competitive since it is entering an over

capacity of barges,' comments Interoceanic Supply Services (ISS) director Hugo Torrijos Dajer. 'Panama does not escape feeling the strains which are aggravated by increasing competition and reduced margins. We are counting on the Panama Canal expansion and more top of the line oil storage facilities to increase demand for bunker barge services,' says Dajer who started ISS in December 2007. The company currently operates five barges.

The Panama Maritime Authority (AMP) that regulates the sector has extended the allowance for single-hull tankers to navigate Panamanian waters until December 2012 following MARPOL regulation that allows each country to decide about the vessels operating in an area of its own jurisdiction, giving some respite to bunker barge owners as the conversion to double hull from single hull requires lots of investment.

However, under the pressure of some clients and specially the oil majors, most companies started to buy double hulls or converting their vessel into double hull. This has made a dramatic change to the age of the fleet.

Meanwhile, several new players have come to Panama recently: OW Bunker, Aegean Marine Petroleum Network and Oiltanking.

One attraction of bunkering in Panama is that vessels transiting the waterway have an average 8-10-hour waiting time before coming into the channel and the locks, during which they can bunker on both entrances of the Canal.

Panama's location will continue to draw



Melones Oil Terminal under construction

ships owners to bunker in Panama providing that 'we stay very competitive in price,' comments Digeronimo.

OW Bunker came into the market in November 2010 with the M/T OW Otilia, one of the largest bunker barges operating in Panama with a capacity of 8,000 tonnes.

VT Shipping entered the market in October 2009 and operates two double-hull barges on long-term charters: the 4,198 tonne Venray and the 2,900 tonne Vaals (Clean MDO/Black HFO) in service with the company in Rotterdam. They have been brought to Panama together with superintendents to guarantee training of their local crews to achieve the highest international standards of safety, maneuverability and sustainable operation.

'These past two years showed a growth of 126% and we expect to continue growing at the same speed and be able to bring another one or two barges [to supply the market],' says Digeronimo.

Agean Marine Petroleum Network

took possession in August 2011 of a 20-year concession to administer the former installations of government-owned APSA comprising 65 tanks and supply bunkers on both entrances of the Panama Canal with total storage capacity of 2.5m bbl. According to Panamanian authorities, Aegean committed itself to invest \$7m to repair and upgrade the 50-year old tank farm and pipelines. The company brought two barges to move their own supplies.

The new investments in place and those forecast will increase volumes by at least 50%, says Digeronimo. 'We must face the challenge and start looking at alternative providers to compete and become cheaper than Houston.' And the key to success, he says, 'is to have more efficient terminals and barges.' Most of the bunkers traded in Panama come from Houston, Ecuador, sometimes Venezuela and the Caribbean.

Although bunker storage capacity is 7.2m bbl, investments in the existing terminals and those being built should reach 10.6m bbl capacity in 2012.

'Inefficient storage facilities and the lack of pier space discourage customers; time is money. Today tankers bringing fuel to Panama for sale can wait up to two weeks to get a berth to discharge cargo on the Atlantic side,' says a source in the industry. But that will change soon since foreign and domestic investors have focused on the construction of new terminals to provide increased capacity and modern installations. 'It is going to be a whole different game in Panama [thanks to the future terminals],' says Digeronimo.

Spain-based CEPSA gm Javier De La Rosa agrees: 'Future storage capacity could be used for the marine or domestic market as well as for re-exportation, which may reduce import costs causing a positive effect on the economics of the product and make Panama a more competitive bunker location.'

The construction of Melones Oil Terminal, a \$80m Panamanian venture with the latest-spec tank farm being built on a 38,700sq mtr island located 15km

CEPSA

Spain-based CEPSA is one of the leading world suppliers of bunker fuels with a track record in the bunker business dating back to 1929. CEPSA supplies directly to the main Spanish ports, ranks first in the Spanish mainland, the Strait of Gibraltar and the Canary Islands. The company has three refineries, strategically located in Algeciras, Huelva and Tenerife, and exploration ventures in Algeria, Egypt, Colombia and Peru.

CEPSA Panama S.A. was opened in 1998

when Panama's market opened to foreign companies. CEPSA Panama provides bunker fuel services to its customers on both sides of the Panama Canal through the Balboa and Cristobal ports. Supplies are made directly through pipelines, by trucks and above all, by barge service and the company is amongst the largest bunker suppliers of the Panama Canal area.

CEPSA Panama has storage facilities of 350,000bbl in the Pacific side and 150,000 bbl in the Atlantic side. Within

the last two years the company has revamped its fleet of chartered barges into double hull and increased capacity in order to improve service and comply with local double hull regulations which will be in force in 2012. CEPSA operates three exclusive double hull barges with capacities from 4,000dwt to 3,000dwt.

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from the Panama Canal Pacific entrance, with berthing facilities up to four barges to be loaded simultaneously, should be operating by mid-2012, says Juan David Morgan Jr, Melones Oil Terminal director.

'The tank storage farm consists of 16 tanks with total storage capacity of 2.1m barrels, designed according to API 650 and NFPA 30,' explains Morgan Jr. 'So far we have been in contact with several bunker suppliers that already are or want to come into the market and several international traders.'

'I am very optimistic that we will provide the fastest and more efficient service because our installations will pump faster than any other terminal in Panama, and because vessels will not have to share piers or wait to load/unload their products,' he explains.

'I firmly believe, at least for the Pacific side, that this new tank farm will create new business and will make the bunkering market in Panama more efficient,' comments Galavis, a consultant to the project.

Tank storage provider Royal Vopak NV has announced it plans to build and operate 655,000cu mtr of independent storage capacity for oil products in Bahia Las Minas, on Panama's Atlantic coast. The new facilities, that include the enhancement of two existing jetties, are to be commissioned in the first half of 2013.

On the Atlantic entrance of the Panama Canal, the \$52m Teffler Tanks, a joint venture between Interoceanic

Supply Services (ISS) and local investors, located next to Cristobal port's berth 16, is to begin construction in the next months. 'The tanks will be built in the US, the local contractor has been selected and we have secured the financing so we should begin construction as scheduled,' says project manager Steve Walling.

The construction of Melones Oil Terminal should be operating by mid-2012.

Teffler Tanks 'will have a capacity of 1.2m bbl with three 200,000bbl tanks, two 100,000bbl tanks, five 50,000bbl tanks, five 25,000bbl tanks and one of 5,000bbl, 'to provide the customer with more storage flexibility,' explains Walling.

The facility will include a 14mtr draught which will be increased to 16mtr. It will have its own dedicated pier with four positions able to serve post-Panamax vessels, truck loading racks for local market and the latest technology to blend products and assure high pumping rates that will prevent delays for barges and tankers.

In 2010, the independent Hamburg-based provider Oiltanking, acquired the companies Colon Oil and Services S.A. and Colon Port Terminal S.A. with 300,000bbl of tank storage capacity

with an exclusive 260mtr-pier for Panamax vessels. It is building an additional 450,000bbl of storage to serve new truck-loading facilities, which will be operational in 2012.

'We offer storage facilities and provide logistics to bunker barges,' says Oiltanking general manager Andres Bereilh. In Colon, 'we had had to upgrade the installations but in October 2011, the first phase of operations will begin,' he explains.

Also in the blueprints is development of a 40ha bunker terminal on Taboguilla Island, at the Pacific entrance of the Panama Canal. The terminal, which has received its environmental permit, will have a 1.5m bbl capacity with 12 tanks. 'We have requested the seabed concession that should be provided by the AMP. Once we obtained this last permit, we are able to begin the construction of the future terminal,' says Bereilh.

Some may believe that there will be too many facilities in Panama, 'but our expectation is to be a place to take bunkers, to get to bunkering location, to become a bunkering position. Achieving this is difficult, Panama has neither oil nor refineries, but it is located next to several refineries and has the traffic. Fujairah, the world's number three bunkering location, has the same configuration and has reached that position by having a very efficient operation and a lot of competition,' says Digeronimo. •

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Panama Pacifico

Maritime logistics hub

Panama Canal Authority (ACP) administrator, Alberto Aleman Zubieta, says 'the expansion has had a clustering effect in Panama where core services related to air, rail and sea are complemented by key financial, maritime, transportation, and legal business ventures and partnerships, among others.'

The Colon Free Trade Zone, located at the gateway to the Canal on the Atlantic-side, is already the second largest FTZ in the Western hemisphere and the convergence of all these sectors in Panama presents endless possibilities and yields a unique competitive advantage for the country which has registered economic growth of 7.2% in 2010 with forecast for 2011 between 8%-9% making Panama one of the best performers of the region.

Panama's renowned consulting firm INDESA considers that with adequate policies a genuine logistics industry could surge, supported by the maritime sector, and that both sectors could reach \$10bn to \$15bn [16% to 17% of Panama's GDP] in 2025. INDESA estimates that the combined sectors could provide some 40,000 jobs in 2020 and up to 72,000 jobs in 2025. 'Although these are rough figures, they give an idea of the opportunities generated by this new industry,' says INDESA president and former Minister of Economy Guillermo Chapman who is member of the Panama Canal Authority board of directors.

In addition to the Canal expansion, Panama's world-class transshipment terminals – that handled a total of 5.6m teu in 2010 and showed an increase of 26.4% during the first half of 2011 – have become essential for transforming the Isthmus into a transportation and logistics hub of the Americas. The ports of Manzanillo International Terminal (MIT), Colon Container Terminal (CCT) and Cristobal have shown significant growth, because of the favourable economy experienced by Panama and Latin America.

'We believe that Brazil will be our mini China over the next four years, added to that is the expansion of the Canal, which

makes us think that the situation will be good,' MIT gm Carlos Urriola says.

MIT has built a 16ha logistics park and distribution centre for cargo consolidation and logistics activities offering added value to its clients, says MIT vp of marketing Juan Carlos Croston. MIT has built the infrastructure, giving warehouse companies the liberty to design tailored solutions, while 5ha are reserved for heavy equipment redistribution and refurbishment.

The Colon Free Trade Zone is the second largest FTZ in the Western hemisphere.

'When the economy is good people buy more cars, more buildings and heavy vehicles,' explains Urriola, who believes in including value-added products that will generate new jobs.

Parallel to the growth of ports, which during the first half of 2011 was nearly 30%, the railway has also seen growth in the movement of containers from Balboa to Colon and vice versa.

'If Panama becomes a logistics hub for the Caribbean, Central and South America, it would attract more vessels [in addition to vessels taking on bunkers in Panama] that would use other ancillary services, such as the shipyards. This would make Panama, not only a transit area but a maritime logistics hub,' says global bunkering company CEPESA gm Javier De La Rosa.

Addressing the Council of Supply Chain Management Professionals (CSCMP) Annual Global Conference, the ACP vp of market research and analysis featured keynote speaker Rodolfo Sabonge, described how strategic planning of the global supply chain will need to change and how the post-Panamax vessels transiting the future expanded waterway will have entirely new routes available

thereby reducing commodity prices.

However, with the potential to be the next great hub for global supply chains and to compete with the likes of Singapore and the Netherlands, Panama will need to improve its logistics performance by investing in technology and people. As a result, well regarded universities are also setting up in Panama.

In 2010, the Supply Chain and Logistics Institute of Georgia Tech launched the Logistics Innovation and Research Centre in Panama City. The Massachusetts Institute of Technology and its Colombian affiliate, the Centre for Latin American Logistics Innovation, have also announced their intent to open an education centre in Panama.

Currently, in the country, more than 50 multinational companies from around the world are operating and have relocated their regional headquarters to Panama. The listing of multinationals that have established their regional headquarters in Panama reads like an international business directory.

The Panama-Pacific (Panama Pacifico) Special Economic Area (the former US Howard Air Force base) being developed by UK's London and Regional Properties Panama (L&R), has helped to boost investment and numerous foreign companies are taking advantage of the duty free facilities. Panama Pacifico has created synergies for the maritime and other sectors of the economy that have attracted logistics companies aiming to take advantage of the future canal expansion. Providing the transport network continues to be developed as planned, the vision of Panama as a logistics hub for the Americas has every chance of succeeding in its aims.

More than 30 international and local companies, including Wartsila, MEC Stores and Shipyard, a Colombian printing plant, and several shipping agencies are already on location or have re-located to Panama Pacifico because it offers a legislation granting companies favourable legal, tax, customs, labour and worker immigration regulations. •

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Transshipment and logistics hub

As Panama's economy is booming, port activity is on the rise and more than 50 multinational firms are establishing their headquarters in Panama, the circumstances could not be more favourable for the development of Panama as the key transshipment centre and logistics hub of the Americas.

The installation of maritime ancillary companies and the re-location of international firms benefit from a new legislation on multinationals establishing regional headquarters in Panama as well as the Colon Free Zone, situated on the Atlantic side that is the largest duty free zone after Hong Kong. This has created a special environment for transshipment thereby boosting logistics business from ship repairers, chandlers and service companies.

The \$5.25bn expansion of the Panama Canal is enhancing the country's strategic geographical position and laying the framework for increased economic activity. Outside of the waterway, Panama's cluster of offerings – from modern ports and container terminals to its business-friendly environment – helps make it an attractive logistics partner.

In addition to the Canal expansion, Panama's world-class transshipment terminals have become essential for transforming the Isthmus into a key transportation and logistics hub of the Americas. The terminals handled a total of 5.6m teu in 2010 and displayed a growth of 26.4% during the first half of 2011.

'The expansion had had a clustering effect in Panama where core services related to air, rail and sea are complemented by key financial, maritime, transportation, and legal business ventures and partnerships, among others,' says Panama Canal Authority (ACP) administrator Alberto Aleman Zubieta.



Jose Digeronimo, gm VT Shipping

The convergence of all these sectors in Panama presents endless possibilities and yields a unique competitive advantage for the country, which has registered economic growth of 7.2% in 2010. It is forecast to see growth between 8%–9% for 2011, making Panama one of the best performers of the region.

The Panama Chamber of Shipping (Camara Maritima de Panama, www.camaramaritime.org.pa) was created in 1979 as a non-profit organisation. It

groups together shipping lines and shipping agencies, marine supplies companies, ship repair, bunkering, port administrators, the railroad and almost every sector related to the maritime business.

Its membership, with more than 180 companies, is constantly growing as a number of new companies (foreign and national) have opened shop in Panama in recent years. The Chamber of Shipping includes companies all related to the maritime-port activity and encompasses the largest shipping lines in the world and main users of the Panama Canal, such as Maersk Line, COSCO, Evergreen, MOL, APL, China Shipping, Seaboard, CSAV, Crowley Liner Services, CMA-CGM among others. All of these shipping companies have offices in Panama from which they operate their fleets of Panamax vessels, tankers, reefers and bulk carriers. In 2009, the Panama Chamber of Shipping accepted two new members of great importance – the Ports of Houston and New Orleans.

Every year the Chamber of Shipping elects a new board of directors. The election in June 2011 saw a new board come in to power, headed by president Jose Digeronimo, gm of VT Shipping with over 20 years of experience in ship administration of car carriers, tankers and recently bunker barges. He is accompanied by lawyer Guillermo Marquez from the law firm Marquez & Associates as first vp; second vp Willys Delvalle, APL-Panama; treasurer Javier Ortiz from Decal Panama; and secretary

Flor Torrijos, Panama Maritime Lawyers. The Directors are: Alex Orillac, Isthmus Bureau of Shipping (IBS); Daniel Isaza, Interoceanic Cargo Carrier (Panama); Jocelyne Anchor, International Repair Services and Juan Carlos Croston, Manzanillo International Terminal.

The Chamber of Shipping is now an important player in the market, and is achieving worldwide recognition as a leader in the maritime sector. Its young new president, Jose Digeronimo, has made it his goal to finalise all legal matters for formal creation of the Ship Owners' chapter that will operate under the Chamber of Shipping. The Chamber has reformed its organisational chart to include an International Commission made up of ship owners and managers that flag their vessels in Panama. For their first assignment, the group is participating in a tripartite commission with the AMP and the OIT Maritime, to jointly implement the new labour regulations.

'The Ship Owners' chapter will operate as an association within the Chamber of Shipping and will serve as the ship owners' link with the government, in particular with the AMP and the Ship Registry,' says Digeronimo. 'We are currently drafting the by-laws for the

Chapter, including the establishment of an annual member fee per company which will require a modification of the Chamber of Shipping's statutes.'

The initiative has received full support from the AMP and its administrator Roberto Linares, says Digeronimo who also has been lecturing at different universities on chartering, maritime economy and bunkering operations since 1999. 'I like it because I can identify the future actors of the domestic maritime sector,' he explains.

'This year the Panama Chamber of Shipping is launching a massive international campaign to offer international companies and shipowners the opportunity to apply for membership,' he explains. The benefits are numerous and including receiving support on multiple business issues including representation, regulation affecting the industry and a vast number of other factors affecting national shipping.

Traditionally the Chamber of Shipping has been a national association serving the local maritime cluster, however the role has evolved to not only become a listening post and think-tank, but also a forum to ensure a correct legal, regulatory and procedural climate, so

that businesses may continue to develop and prosper.

Every two years, the Chamber of Shipping together with the Panama Maritime Law Association (PMLA), co-organises the popular Panama Maritime Conference. Panama Maritime X took place over February 13-16, 2011, at Hotel Riu, under the auspices of organising committee president Jose Digeronimo. It was a real success for both the conference and exhibition, which saw involvement by the largest number of companies in the maritime sector worldwide. For the next Panama Maritime XI, in 2013, the president of the organising committee is lawyer Tomas Avila – a former PMLA president.

Bunkering

Panama is preparing for the inauguration in 2014 of the Panama Canal expansion that will bring a third set of larger and longer locks, allowing the passage of post-Panamax vessels. Accordingly, the bunker centre is also expanding with the arrival of new players and will complement Panama's role as a transshipment leader in Latin America.

The country's ideal location and the fact that about 14,000 vessels transit the

Wärtsilä is a global leader in complete lifecycle power solutions for the marine and energy markets. By emphasising technological innovation and total efficiency, Wärtsilä maximises the environmental and economic performance of the vessels and power plants of its customers. In 2010, Wärtsilä's net sales totalled €4.6bn with more than 17,500 employees. The company has operations in 160 locations in 70 countries around the world.

Wärtsilä Panama, S.A. (WPA) is a fully-owned subsidiary of Wärtsilä Corporation, a Finnish engineering company focusing on the marine and energy markets with products, solutions and services. Located at the special industrial area of Panama Pacifico, in the former Howard Air Force base 'Wärtsilä Panama, from 2006 to this date, has seen a consistent growth represented by our 30 employees all specialised in their working areas,' says Wärtsilä Panama president and Central America service unit director, Kari Herala.

In line with Wärtsilä Corporate Business Strategy to increase its availability and maximise 'the efficiency of the services we provide to our customers; the principal offices and workshops located within the Central America Area have joined creating the Central America Service Unit, looking

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Kari Herala – Wärtsilä Panama president

forward to expand our technical expertise and coverage of customers everywhere in the region.'

'Each of the integrated network companies now brings in their specialties to the benefit of our customers in the whole Central America. Mexico has a long experience in the offshore industry, while Guatemala has build a strong expertise in the power plant market. We have been able to comply with our current main objective of working together and centralise our services through the creation of a Field Service Operation Centre. In the three networks, there will now be 60 well trained engineers. We are optimising our resources and offering efficient spare parts deliveries, competent people and

first class workshop facilities, both for our marine and power plant customers,' explains Herala.

In Panama, 'we have encountered an excellent location for us to manage our services offer for the Central America Region, due to many facts such as excellent location, hub terminal, business and financial Centre, among others to continue bidding for the many contracts tendered by the Panama Canal Authority. Also, the inauguration in 2014 of the third set of Panama Canal Locks allowing the waterway to double its capacity will increase the number of vessels transiting the Canal and Wärtsilä will be there, well prepared, also for this increased market demand,' ends Kari Herala.

canal per year has transformed the bunker cluster into a very active participant of the maritime sector. The Panama Canal expansion has attracted a series of new companies gearing up for future transits of vessels of up to 100,000dwt, and in the next five years the sector plans to build storage tanks for around 5m bbl. The market is growing at a previously unseen pace and is attracting foreign international investors committed to open representation in Panama.

Although bunker sales jumped to 3.9m tonnes of bunker fuel and to some 4,767 vessels serviced in 2008 (the best year ever so far), sales grew by 18% during the first half of 2011 as compared to 2010. However, these figures might be slightly off target as some new vessels were not taken into account in 2010.

Following the opening of the market in 2003, competition has become the rule of the game. The Panama bunker market comprises eight companies that operate 28 vessels and 20 terminals, and competition is fierce amongst marine diesel suppliers. A few firms engage in spot deliveries, says Digeronimo.

Bunker storage capacity is 7.2m bbl, but investments in the existing terminals and those being built should push it up to 10.6m bbl by 2012. New investments have been concentrated on building new facilities: Decal is constructing an additional storage capacity of 1.1m bbl at its facility in Taboguilla, while Oiltanking has purchased will boost capacity at its purchased facilities of 300,000bbl by a further 450,000bbl in 2012. Melones Oil Terminal is building a tank farm and terminal with 2.1m bbl capacity. Aegean Marine Petroleum has been granted a concession for the APSA tank farm and should invest some \$7m in the next years to upgrade the 50-year old facilities.

Tesoro Corporation executed a throughput agreement on December 16, 2008, for the transportation of crude oil in the Petroterminal de Panama (PTP) owned pipeline. PTP is planning to reverse the flow of its trans-Panamanian pipeline and this project is scheduled for start-up during 2012. Tesoro then plans to ship 107,000bpd of crude through the pipeline under a seven-year agreement. The agreement will allow Tesoro to deliver crude oil produced in Africa, the Atlantic region of South America and the North Sea to the company's five Pacific Rim waterborne refineries at an economical rate. In addition, PTP has agreed to build new, dedicated tanks for Tesoro on both sides of the Isthmus of Panama.

The market is dominated by major companies whose market share is around 30m-40m bbl, with over \$2bn in sales per year depending on international prices.

Chevron-Texaco, which owned the only refinery in Panama until end-2002, still operates a tax-free fuel zone like the other seven free zones existing in the country. **Exxon Mobile**, which co-operated the Alireza Mobile jv (AMSTA) tank farm and former Rodman Naval base bunkering supply, has kept a local presence through PetroAmerica (PATSA) that bought AMSTA in 2003. **Shell Marine Products**, that sold only marine gas oils until April 2003, has entered the bunkers market along with Singapore-listed **Chemoil Energy Limited**, and Canada-based **Triton**.

The market, estimated at over 3.5m-4m metric tonnes, has a number of companies already operating in the sector: Texaco and Chevron under the **Fuel and Marine Marketing (FAMM) jv**, in addition to **CEPSA**, **Rio Energy Petroleum** and

Transport Services amongst others. The inauguration at end-2002 of Italian-owned **DECAL's** fuel storage terminal at Taboguilla Island, on the Pacific entrance of the Canal, has doubled the supply of bunkers and helped bring price competition. The facility includes a T-shaped pier able to dock 70,000dwt ships on a 24-hour basis and has a capacity for 154,000cu mtr in 12 tanks. Decal is expanding its facilities and will be doubling its tank farm capacity.

Pemex International, owned by the Mexican government, entered the Panamanian market in 2007 by forging an alliance with local storage. The company stores 1.32m barrels of fuel oil at APSA (now Aegean) PATSA facilities on both sides of the Panama Canal, from which it will provide marine fuel to major distributors in the region such as BP,



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VT Shipping bunker vessel

CEPSA, Chemoil, Exxon and Shell.

Other companies with plans to build storage tanks include PetroBunker and Petroport, who entered the market in 2008.

Panama has extended the date for all tankers operating with a single hull and navigating in Panamanian waters to December 2012 as per International Convention for the Prevention of Marine Pollution (MARPOL) Regulations 20 & 21. After that date, all tankers navigating in Panamanian waters will be required to have a double hull.

OW Bunker came into the market in November 2010 with the M/T OW Otilia, one of the largest bunker barges operating in Panama with a capacity of 8,000 tonnes.

VT Shipping entered the market in October 2009 and operates two double-hull barges on long-term charters, the 4,198 tonnes Venray, and the 2,900 tonnes Vaals (Clean MDO/Black HFO).

Compañía Marítima de Panama S.A. (CMP) – www.cmpgb.com – has nearly 15 years of experience in the Panamanian bunkering market, having received the first operation permit issued by the AMP for this activity. The company is active in international oil trading as it deploys oil tankers to its customers in the Caribbean as well as Central and South America.

'Our work force of 300 people is our most valuable asset,' says Nicolas Vukelja, CMP commercial manager. 'Our Quality/ISM system ensures continuous improvement that is focused on our customer's requirements.'

In addition to the OHSAS:18001:2004 Certification, CMP vessels have \$1bn incident aggregated oil pollution liability coverage with reputed IGA member the Britannia Steam Ship Insurance for any one ship for any one incident as per Civil Liability Convention 1969. The Company underwriters are Vitalicio Seguros for H&M insurance, 'which brings peace of mind to our charterers as well as to the marine industry,' says Vukelja. As single hull tankers will be illegal by the end of 2012, the company has undertaken a programme of single hull replacement

since 2005, investing more than \$50m on conversions and new buildings.

All CMP vessels in the fleet are classed under IACS members, i.e. Lloyds Register, Germanischer Lloyds and Bureau Veritas, but aligned with the most stringent requirements in the petroleum industry. The vessels are enrolled under the SIRE-OCIMF programme that is currently being approved by the oil majors: Shell, Exxon Mobil and Chevron. Likewise, CMP is part of the TMSA-OCIMF programme as an appointed operator under the ISM Code /ISPS Code.

'The market has become very competitive, although results for 2010 have been very good thanks to bunker suppliers.'

Hugo Torrijos Dajer
ISS director

'We have a proven and reliable chain of custody for our product that trusted by our customers, with no claims against quality and quantity,' states Vukelja. The company has received a 'Flawless Performance' award every year since 2004 from the oil majors, testifying that it is free of operational pollution and provides a safe working environment with zero serious incidents. 'In the unlikely case that we have to face those undesirable events, we have appropriate tested contingency response plans in place. Our barges fully comply with Marpol's latest regulations with Panama's international obligations,' he explains. CMP's eight barges ranging from 20,000bbl to 50,000bbl are strategically located at both major Panamanian ports 'with more being in process of acquisition since we see that the future lies in this important marine market,' says Vukelja.

Interoceanic Supply Services Corp (ISS) entered Panama's market in December 2007. The company has five barges, situated on each side of the waterway. The vessels are currently the fastest in the country, delivering 600/tonnes per hour as compared to the average bunkering speed of 300 tonnes per hour across the rest of Panama's fleet. 'The market offers good opportunities,' says Hugo Torrijos Dajer, director at ISS, which is one of the few players to operate on the spot market, offering bunkers for various suppliers.

The market has become very competitive, although the results for the period 2010 have been 'very good thanks to the entrance of bunker suppliers, which allowed us to get more customers,' says Dajer. The company is undertaking a conversion of its barge fleet from single hull to double hull to comply with the 2012 deadline for all tankers navigating in Panamanian waters by the AMP. 'Since we cannot sell single hull barges, it is more convenient to transform them,' he explains.

Chandlery

Panama's chandler market is very competitive, with reduced margins of profits as a number of chandlers have diversified in to ship repair supplies. Chandlery, like shipping agencies, dates back before the opening of the Panama Canal. When vessels arrived at the port of Colon in the late 1880's, the supply of provision and stores was performed by shipping agencies, which would provide fresh goods to ships before they continued their north or southbound routes. Today, only a few of the agencies still try to run a parallel chandlery service, but with the increasing demand, it has become a highly specialised business on its own.

The traditional ship chandler business of supplying and selling fresh provisions, bonded stores and deck plus engine stores to vessels in transit is increasingly being expanded to include the supply of materials to make small ship repairs on board – and the majority of the chandlers have adapted to the changes.

Cruise vessels have offered

opportunities for ship chandlers to increase their business, although it is a 'very competitive and demanding market' because cruise ships still buy most of their products in the United States. However, chandlers have been active in promoting their products where the 'customer-supplier is relationship forged over years of confidence, trust and specialisation,' they say.

Centralam Panama, S.A. is strategically and conveniently located inside the Processing Zone at Corozal West only five minutes from the gate to the Port of Balboa and three minutes from the toll-road connecting the Pacific side of the Isthmus with the Caribbean side. Additionally, Centralam also maintains a warehouse in the Colon Free Zone as a

front post to provide a short response time for the Atlantic side customers.

Centralam Panama is one of the oldest players in the market and amongst the more experienced and well consolidated, which had proved to be of great help during the recent crisis. 'We had a couple of very good years after we moved from our previous facility until the 2008 crisis started to hurt the entire shipping community. But with hard efforts from the entire team of employees, we managed to reef the sails in time to weather the storm,' says Centralam gm, Erik Moller Nielsen, a graduated Danish master mariner.

During the 2008-2009 crises, various initiatives were initiated and new business opportunities were discovered

and developed in the company's constant efforts to diversify their activities to become more than a 'simple' chandler. Their efforts were slowly rewarded in the results from the second quarter of 2010 and onward. 'The turn-over got back to the levels before the crisis, and though profits were still down, we were confident we could spot the glowing light through the dense fog experienced during the last couple of years,' continues Nielsen. The company closed 2010 with sales and turn-over above the previous year and during 2011, putting Centralam Panama, S.A. back at full steam ahead with increased activity levels and double digit increases in turn-over.

The company's management, however, is afraid the present pace may

Panama Maritime Documentation Services

Panama Maritime Group (PMG) headquartered in Panama, has over 188 representative offices around the world. Panama Maritime Group was created by Dr. Hugo Torrijos Richa, a pioneer in the promotion of Panama's maritime sector who passed away in November 2010.

His widow, Magali Torrijos is now at the helm of the group which includes the following companies: Panama Maritime Documentation Services Inc. (PMDS) that performs surveys and statutory certification under the scope of national laws and regulations and international conventions; the law firm Torrijos & Associates (T&A) for offshore incorporations, ships registration and legal consultancy; and Marine Training & Certification Centre (MTCC) that is providing training to seafarers and related services with custom-designed programs and technicians, both at customers' locations or PMG's. The Group also incorporates International Maritime Inspectors (IMI) and Panama Maritime Surveyors (PMS), both companies providing Annual Safety Inspections and Special Safety Inspections, following the Panama Maritime Authority (AMP)'s guidelines in order to obtain or renew required AMP's annual trading certificates, ship registration and radio license.

In 2010, PMDS received confirmation that it was approved by China's Maritime Safety Administration [MSA] as Recognised Organisation (RO) to operate in China. Chinese regulatory approval allows Panamanian ROs to conduct surveys at Chinese ports. Chinese regulations are very strict, notes PMDS' new gm Capt Jose Delgado, but since China is the fourth largest market for the Panama Registry

and various shipping lines it also mean a large market for conducting surveys at Chinese ports.

Since Dr. Hugo Torrijos passed away before being able to travel to China, Magali Torrijos accompanied by Capt Jose Delgado went to Beijing in April 2011 to have PMDS officially noticed as MSA's approved RO and allowed to open a subsidiary in China.

Both Magali Torrijos, a lawyer herself and now president of Panama Maritime Group, and Capt Jose Delgado took the opportunity to visit customers in Ukraine and Dubai and expand activities with the signature of several agreements with marine services agents and law firms in Eastern Europe, where PMDS has representations in St. Petersburg, Odessa, Constanza, Rumania, and Dubai.

The Panama Maritime Group has opened branches of its training centres worldwide to increase the participation of trainees and seafarers on Panama-

flagged vessels, by providing proper training and enlarging PMG's network of instructors around the world.

It has also renewed part of its technical staff formed by two sea captains and two naval architects and have refreshed and updated seminars and training courses to include MLC2006 and all conventions, for over 40 surveyors locally and abroad.

'As we represent the Panama Flag and other registries, including Belize Registry, we want to maintain our personnel and agents highly qualified and knowledgeable of all the latest regulations approved by the IMO,' says Capt Delgado.

'The key to the success of the Panama Maritime Group has been its excellence in services and expertise on maritime affairs, admiralty, company's management, mercantile, certificates and documents and we are committed to maintain this leadership,' says Magali Torrijos.



Magali Torrijos and Capt Jose Delgado with Yungyi Zgang, from MSA, in Beijing

not be continued and concerned that the relevant authorities still do not recognise the need to make drastic changes in the maritime sector's modus operandi to contribute to its development and take maximum advantage of the 14,000 plus vessels transiting the waterway.

The problems lie mostly in the inadequacy of the facilities when chandlers need to deliver orders being solicited by the ships on both sides of the Panama Canal. On the Caribbean side, 'we are not even able to perform deliveries 24/7-365 days a year. We have at various occasions been rejected access to load the launches in case a cruise vessel, for instance, is alongside at the present launch facility,' he says. 'It is difficult to make a captain and the ship owner understand they did not get their order of vital provisions and spare-parts delivered before the vessel left for an 18 day crossing from the Atlantic to West Africa [where supplies are limited], because the access to the launches was blocked, as the presence of our type of business may not be to the liking of cruise passengers,' comments Nielsen.

'A lot of things still need to be taken care of in order to continue to improve and stream-line the service industry.'

Erik Moller Nielsen
Centralam gm

Unfortunately, there is still a high number of 'coyotes', who misrepresent themselves as ships' chandlers, even though Panamanian Authorities have specific requirements and regulations requiring all chandlers to be officially approved with operating licenses, he continues.

'A lot of things still need to be taken care of in order to continue to improve and stream-line the maritime service industry, but had it not been for all the obstacles and headaches, it would probably have been too boring during the last 30 years,' concludes Nielsen, adding that without improvements to come in the future, it would also be too boring for the next 30 years.

MEC Stores is a subsidiary of the MEC Group, with the representation of CSMEC – the largest China-based material supply for the shipping industry and several other sectors. In 2010, the group moved to the former Howard Base Panama-Pacific, administered by London & Regional (L&R). The move united all its companies under the same roof, with the building hangars to carry HAZE certification, approved by the US' FDA for a safer and better storage of products.

For MEC Stores, which is the group's ship supply arm, 2010 was a year of challenges that showed the company that times were changing. This forced the organisation to re-invent itself – a process that brought great benefits since MEC Stores has a projected growth of 40% for 2011 thanks to a diversification of its markets and renewal of services to Latin America.

Marine service provider MERCANSA group encompasses Mercansa Panama (Mercantile ships stores Panama), Mercansa Dominicana (Mercantile ships stores Dominicana) and Ocean Safety. The group offers a wide range of standardised marine products and services to ship

The Inter-maritime Group

The Inter-maritime Group, founded by Eng. Santiago Torrijos, is composed of six companies dedicated to the maritime industry for the most important ship registries.

Inter-maritime Certification Services (ICS Class) giving class and statutory services to ships flying Panama, Belize, Honduras and Kiribati flags as Class Society, Recognised Organisation (RO) and Recognised Security Organisation (RSO) for the issuance of Class & Statutory Certificates. 'Our vast experience and large network within the industry has allowed us to maintain the highest quality standards and customer's satisfaction,' says Santiago Torrijos, president of Inter-maritime Group.

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 for classification purposes.

ICS Class was approved by Ecuador's Directorate of Aquatic Spaces of the Naval Forces to act as Class Society for ships under Ecuador Flag and is a company

certified by Bureau Veritas as per requirements of ISO 9001:2008 Standard

'Following our priority to guide our clients and surveyors timely in order to comply with all relevant International Conventions, our technical manager obtained an important title as Certified Training of Trainers by the International Labour Organisation (ILO) in the Maritime Labour Convention (MLC, 2006) and we have certified a team of specialists from ICS Group for the MLC, 2006,' says Torrijos. 'We are now offering two training packages of courses related with MLC, 2006 addressed to marine surveyors, auditors, flag state/port state surveyors, representatives of seafarers, lawyers, owners, operators, to be familiarised with the Convention requirements and obtain the qualification for the MLC, 2006 surveys and certifications,' he adds. It is expected that the Maritime Labour Convention will come into force in 2012, and 'we are well prepared to ensure our customers compliance and correct smooth implementation.'

Inter-maritime Group has also a training centre Panama Maritime Training Services (PMTS) with more than 15 years of experience since, certified by the Panama Maritime Authority and IMMARB (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 firm has great expertise in Maritime Law and Corporate Law, namely vessel registry, financing, fishing, and claims, offshore company formation, opening of bank accounts and relocating companies to operate from Panama.

As Deputy Registrars and Maritime Registrars, the Group represents the following Maritime Authorities: Panama, Belize, Bolivia, Honduras, Vanuatu and Sierra Leone.

The Inter-maritime Group has launched 4 years ago World Maritime Communication PG16, for billing, handling, and satellite communication as Radio Accounting Authority authorised by the Panama, Belize and Honduras Authorities. The company offers a wide range of services, Point of Service Activation for INMARSAT and agents for LRIT testing. 'Fast response times are a highly valued commodity in this business. Our customers have come to expect expedite service from us on a daily basis because we deliver consistently,' says Juan Jose Torrijos, manager of World Maritime Communication.



Colon Free Zone is home to much of the service industry companies

owners, operators and shipyards. Mercansa's range includes fresh and frozen provisions, bonded stores, deck and engine stores, cabin stores, ropes, marine chemicals, gases, safety products, electrical products and much more. It is a marine rope and hawser specialist in addition to thousands of different products from stock.

Mercansa Panama's strategic geographical position gives it a logistical advantage facilitating opportunities for continued growth, allowing it to expand its services to other countries, export its products across Latin America and the Caribbean and also to diversify services. The group is at the threshold of further expansion and is constantly exploring possibilities.

Ocean Safety, Mercansa's liferaft service station in Panama, is growing steadily as customers learn about its expanding range of life rafts, immersion suits, CO2 systems, fire extinguishers, escape sets, breathing apparatus inspections and other equipment. Ocean Safety stocks a wide range of approved safety equipment of the best quality.

Mercansa-Dominicana represents many of the leading marine brands

providing the same services as Mercansa in Panama: deck and engine stores, cabin stores, electrical, ropes, paints, marine chemicals and many more. Mercansa-Dominicana also has a life raft station with approvals for servicing many different brands and boasts a wide range of safety equipment. Mercansa services many of its Caribbean customers from this office and exporting goods to other countries is a normal activity for their staff on a daily basis.

Mercansa plans to expand its activities to other Latin American countries.

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. It represents brands such as Conseal, Devcon products, Scaling Machines Kanjl, MacGregor, Seck and Peck & Hale.

Provedora Tecnica S.A. (PROTECSA) was established in Panama 30 years ago and is one of the most experienced companies in the supply, installation and service of hydraulic systems, industrial hardware, marine electronics and marine systems. The company

specialises in installations and customer support for marine electronics as it is an authorised agent for Sperry Marine, Anristu, Koden, Leica, Magnavox, Newmar and a large number of other renowned international brand names. It can import and deliver spare parts locally and can export equipment to any part of the world on a duty free basis. Protecsa offers repair and service support for all its product lines. Its factory-trained technicians are available 24/7 with service support offered locally and internationally. It operates in facilities spread over 7,600sq ft offering hydraulic, hose assembly, marine electronics, machining, welding, wire rope rigging and sailboat rigging.

Tagaropulos International, was the first ship chandler to launch such a business in Panama and its creation dates to the opening of the waterway in 1914. From a small operation at that time, it has today become one of the largest ship suppliers with a 1,500sq mtr three-story building in the Colon Free Zone where this company operates on a 24-hour basis. In addition, the company offers some 1000sq mtr of dry, frozen and fresh storage capacity.

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Jason Critides of Islamorada International

Charts

Islamorada International S.A. (www.islamorada.com), the largest nautical bookstore in Latin America, is well known to the merchant marine community, yacht owners and sailors that can avail of a myriad of resources at the colonial-style building in Balboa near the Panama Canal. Islamorada International is now a landmark for nautical bookstores in Latin America. The company, created some 40 years ago by the present owner's father, is a treasure-trove, selling nautical charts, nautical books and publications, maritime software, and instruments.

It is also key spot for visitors from round the world looking for the indispensable maps that will make their journeys safe and free from unpleasant adventures. But these are not the only bookstore's customers. The experienced company is a part of a network of Admiralty chart agents around the world and so caters both to those who call Panama as well as clients using its services well outside the region. To save time and costly courier expenses, Islamorada 'is working closely with other appointed admiralty chart agents to supply their customers in our region in a more expedited fashion,' explains Jason Critides,

manager of Islamorada International.

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

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

Islamorada International, classified as an International Chart Agent (UK Hydrographic Office) and appointed distributors of US (NIMA and NOS) and New Zealand hydrographic products, has a skilled staff of fully bilingual people to service ships and companies not only in the Caribbean and Latin

American region, but worldwide.

Chart Folio Management Services are provided for Admiralty, NZ, and US hydrographic 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, Admiralty has launched the AVCS, allowing operators a very flexible and economical ENC service, which licences use for periods between three months up to 12 months.

The ENC coverage being offered by the AVCS continues to grow, as does interest in the service, since the International Maritime Organisation (IMO) has mandated compulsory carriage of ECDIS (Electronic Display and Information Systems) as of 2012. The implementation will be phased in sections: the first will apply only to newbuilds and then, year after year, other segments will require ECDIS systems onboard. 'We work closely with the UK Hydrographic Office and Original

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Equipment Manufacturers, to educate and assist owners in this process, with information on systems, which ENC's are legal, what equipment is legal, training requirements, and more.' says Critides.

The bookstore sells also 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

Dredging International (DEME Group) from Belgium has been involved in the Panama Canal expansion project for the past three years and will continue its work until 2012.

DI was awarded the dredging contract for the Pacific entrance of the Canal expansion project, in April 2008. DI bid \$177.6m to widen the Canal's approximate 14km navigation channel to a minimum of 225mtr and deepen it to a maximum level of 15.5mtr Mean Low Water Spring (MLWS). It was the company's first project in Panama, and is currently one of the largest projects in the Americas.

The scope of work includes dredging 9.1m cu mtr from 14.2km of the Canal (some of it hard rock) from its entrance at the Amador Causeway up to Miraflores and the new locks site, making DI's contribution a vital part of the \$5.25bn expansion programme. As agreed with the Panama Canal Authority (ACP), DI has split the project into eight sections, each of which will be dredged over two phases: removal of the relatively soft overburden and then removal of the rock. The contract is scheduled to last four years.

DI has deployed nine units in total and

has brought new vessels with the latest technology, including the drillship Yuan Dong 007, thereby providing a mix of very new and proven dredges specifically selected for the job. These include DI's cutter flagship, 28,200kW self-propelled heavy-duty vessel D'Artagnan that has 6,000kW cutter power, the 9,000cu mtr trailer Breydel and the backhoe Samson, a clamshell and a couple of self-propelled 2000cu 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 ACP dredging activity is being performed simultaneously with expansion dredging and should be completed in 2012.

the Panama Canal expansion project. Constructed at a cost of \$25m by Chinese blast company Yuan Dong, at Ningbo shipyard, the vessel has 10 integrated towers and the capacity to blast up to 60,000cu mtr of rock a week.

In addition to the ACP expansion, DI dredged the approach of the PSA Panama International Terminal as a subcontractor to Alvarado Et Durling and Vergel Et Castellanos that built the facilities. There was some land-based dredging as well as dredging 1m cu mtr of the channel to increase depth to 14.5mtr at MWLS. PSA Panama International Terminal began operations in mid-2011.

In June 2010, the ACP awarded DI its second Panama Canal contract to dredge Gatun Lake. The Belgium Company had offered the lowest price of \$ 39.98m to widen and deepen the existing navigational channel by dredging approximately 4.6m cu mtr in the northern most reaches of the lake. This contract is one component within the ACP Fresh Water Dredging and Excavation Project for the Canal expansion, which includes the dredging and/or excavation of about 30m cu mtr in the 425sq km-Gatun Lake and Gaillard Cut. The Gatun Lake dredging project is vital to ensure that larger, wider ships can reach the new Atlantic locks.

Belgium-based Jan de Nul n.v. (JDN) is one of the companies that form the consortium Grupo Unidos Por el Canal (GUPC) that won the contract for the construction of the third set of locks. JDN was awarded the Atlantic entrance channel dredging with a bid of \$89.6m to remove about 14.8m cu mtr, plus dry excavations of 800,000cu mtr. The area extends 13.8km and the Belgium Company will have to deepen the existing entrance to -15.5mtr and widen it to a minimum of 225mtr from the present 198mtr width. The north approach channel to the future new locks will also be widened to a minimum of 218mtr.

JDN has also been awarded an option to dredge a further 2.3m cu mtr that will increase the depth from -15.5mtr to -16.1mtr. At end-August 2011, the project was 85% complete.

The Panama Canal Authority (ACP) dredging activity for the modernisation programme is being performed simultaneously with expansion dredging and should be completed in 2012. Meanwhile, Gaillard Cut, the narrowest part of the waterway, continues to be



DI's dredger D'Artagnan with Frank Gehry museum being constructed in foreground

widened with the majority of the work done by the ACP as it is most experienced to safely work around transiting vessels.

In addition to the dredging work in Gatun Lake, the Gaillard Cut/Gatun Lake expansion and dredging project, is scheduled for completion by the end of 2013. It will see the navigation channels deepened to 9.14mtr and widened to a minimum width of 218mtr. As part of the programme, the level at Gatun Lake will be raised by 0.45mtr to 27.1mtr (PLD) a year later and will provide additional water storage capacity to make 1,000 additional lockages a year.

The ACP has restructured and added over 300 employees to its dredging division to perform the remaining dredging with the existing and new equipment. In house-works are aided by a backhoe excavator, Cornelius, which has been chartered from Boksalis for a year and also the new 11,787kW stationary cutter suction dredger Quibian 1, built at IHC Merwede shipyard in the Netherlands. Furthermore, in April 2011 the ACP awarded Dutch company IHC Engineering Business, a part of IHC Merwede Group, a contract for the design and construction of a new backhoe dredge. The addition of this new dredge to the ACP existing fleet in December 2012 will increase its ability to effectively dredge as part of the expansion programme and future maintenance projects.

Maritime Services

Panama provides a wide range of maritime services from the world's largest shipping companies that have established regional operations in the country, inspection and survey companies to port construction and consulting firms.


Maersk Line has centralised all Latin American operational functions in a operations centre at the port of Balboa.

The A.P. Moller-Maersk Group, which is the parent company of the Canal's largest customer, Maersk Line, is headquartered in Costa del Este which houses Maersk Line Caribbean Sea Cluster, APMTerminals, Damco and Maersk Logistics Latin America, employs more than 400 staff. ECS Panama which specialises in repairing containers has recently moved into a new state of the art facility inside the port of Balboa offering a larger repair capacity and capabilities to handle any type of repair and equipment.

Maersk Logistics, now a separate unit from the liner, caters to all shipping lines as well as Maersk Line, allowing the latter to focus on its shipping activities. Maersk Logistics Latin America and the technical support unit for vessels operations are now based in Panama.

Two years ago, A.P. Moller-Maersk reorganised the global container business company with Maersk Line Latin America being divided into six regions: Mexico, Middle America, Brazil, Argentina, Chile and Panama (covering Costa Rica, Panama, Colombia, Venezuela and the Caribbean Islands). Maersk Line has centralised all Latin American operational functions in a operations centre located at the port of Balboa. This has allowed the line to capture and benefit from expertise of vessel planners, capacity and equipment coordination as well as centralised procurement, bringing improvements to operational execution.


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




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Since the start of 2005, APL has initiated operations from the port of Balboa for transshipment and connections to its own network of vessels.

The **China Shipping Agency (Central America)** provides services from the Far East to the US and Panama with vessels fully owned or operated by China Shipping Container Lines, affiliated to the China Shipping (Group) company. The company's Far East-North America service operates 13 vessels (120,000teu in total) out of the company's 98 container ships and also cooperates with CMA, ZIM and P&O lines on a service between the US East Coast and Asia.

CMA-CGM, a global carrier, which operates on all the world's oceans, started operations in Panama on January 1, 2006 under a JV named CMA CGM Panama. Before that date, the French corporation, the world's third largest container shipping company, was represented in Panama by French Shipping Agency until December 2005.

China Ocean Shipping Company (COSCO) opened offices in Panama in the late 1990s and is among Panama Canal's top 10 customers. COSCO-Panama, which 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. It also operates as a general agent for COSCO vessels and as well as other lines. All branches account to COSCO-Panama, which acts as an internal financial centre for group operations in the region.

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.

MOL (Mitsui O.S.K. Lines), one of the first Panama Canal customers, opened its commercial office in Panama after a re-organisation in 2003. It relocated its

vessel operation centre from Concord, Ca, thereby centralising the planning of all vessel movements and cargo stowage in North America, Central America, South America, Canada and the Caribbean.

SC Line started operations in 2008 as the only domestic Panamanian shipping line. The lure of a growing regional shipping business convinced Spanish entrepreneur Jose Maria Sola Freixa that Panama was an ideal location to base a shipping company, leading to the start of the Panama-headquartered Silkton Corporation.

The company operates three vessels in tramp business, all flagged in Panama: the 6,100dwt Artic Clipper; the 6,324dwt Indian Clipper; and the 6,150dwt Pacific Clipper. They work mostly in the Caribbean, Central America and on the South America Pacific and Atlantic coasts, having signed several CoAs to carry regional commodities. It recently added to its fleet with the 6,078dwt Ro-Lo Panama-flagged Med Clipper.

Diesel Engines Services (Panama) S.A.

MEC Group

MEC Group is constituted by four companies and eight Divisions, all related to the maritime sector. The group comprises MEC Shipyards, for new building and shipyard repairs, MEC Heavy Industries, for all heavy steel fabrication, MEC Marine Contractors for Port & Channels Maintenance and Construction, MEC Repairs for Afloat Maintenance and Ship Damage Repairs, Mec Stores, for ship chandler and ship supplies and Underwater Services, a commercial diving company, that has just complete the impressive record of over 200 immersions on the Panama Canal Expansion, with no accidents.

During 2011, MEC Heavy Industries together with MEC Shipyards performed the first new building project in Panama, under ABS Class Approval, following ABS Offshore Construction Rules and with certified welders under ABS, LR and BV. 'This project as a milestone in Panama maritime industry is and a big step for Panama, as it permitted transfer of technology and engineering from the US to MEC, a process that will help the company to lead the efforts to take advantage of the Free Trade Agreement between Panama and US when the FTA is ratified by the US Congress,' says MEC Group president, Marvin Castillo.

For MEC Stores, the ship supply company of the group, 2010 was a year of challenges since it showed the company that times are changing. The result forced the organisation to re-invent itself, a process that brought great benefits since the company has

a projected growth for 2011 of 40% thanks to a diversification of its markets and re-exportation of services to Latin America.

MEC Marine Contractors, the new Division of the group, deployed its fleet in 2011 of marine construction equipment in August 2011, and showed the strength of the group, with the full re building of its 4,000 HP tug boat (MEC Salvage), a 280ft, 100 tonne crane construction barge (MEC Barge I), a 2,400 HP twin push tug boat (MEC Towing), and three working boats (MEC Repairs, MEC Fast and MEC Divers), making the group's entrance on the marine construction market, a success with \$20m of awarded contracts.

Underwater Services, the commercial diving company of the group, has got itself heavily involved on the Panama Canal expansion, as the contractor in charge of salvaging and recovery of the

old submerged rail road on the centre of the Canal expansion works. This operation required over 200 immersions, performed 24hrs a day, with over 12 certified divers, a record for any diving operation on the history of the Panama Canal. Underwater Services is approved by the Association of Divers Contractors International (ADCI) by the Panama Canal as a diving company and the only ABS ISO 9001:2000 certified, commercial diving company in the region.

Marvin Castillo's strategy of diversifying and expanding the companies forming MEC Group has turned the group into one of the leaders on the Panama maritime industry. 'We see the group growing in the next 5 years into the largest logistic marine group of the area, exporting its services to other markets and leading the incipient ship new building industry of Panama,' says Castillo.



MEC Stores owners – Jose Borrero and Marvin Castillo

(DES) (www.dieselenginespanama.com), is an authorised service centre for MAN PrimeServ, Woodward, and other well known brands in the marine and stationary industries. DES offers a complete package of services including: technical support, repair solutions, preventive maintenance, spare parts, exchange programmes and also an entire range of after sales features for marine and stationary units.

DES is strategically located in the

Panama Canal area, the shipping, transportation and services hub of the Americas. It operates 24 hours, seven days a week to offer a wide range of solutions, taking advantage of its position, with just a few minutes access by land to either the Atlantic or Pacific coasts of Panama.

It is estimated that at least 50% of the vessels trading in the region carry a MAN Diesel Engine and 90% of the electricity in Panama is power generated by the German engine maker MAN Diesel. DES

only carries original four-stroke engine parts, and MAN turbocharger spares in its workshop facilities. It takes pride in its representatives and works hard to train, coach and develop the DES team. Service engineers, technicians, mechanics, and staff continuously find new ways to ensure that customers around the world receive the quality of work expected from a MAN Authorised workshop.

Absolute Maritime Tracking Systems (AMTS) – www.panama-irit.com – is the

Royal Boskalis Westminster nv, one of the largest private-owned dredging companies in the world and has been present in the isthmus since 1989. Boskalis International bv came as a contractor to dredge the former US Rodman Navy base in 1989 and in 1992 the then local-established subsidiary company Coastal and Inland Marine Services, Inc. (CIMS) started the execution of dredging works for Panama's National Port Authority in the ports of Coco Solo, Balboa, Vacamonte and Cristobal. Since then the company has worked constantly in dredging and land reclamation works in Panama, amongst others for the cruise port Colon 2000, for the container terminals of Manzanillo International Terminal (MIT), Colon Container Terminal (CCT) and for Panama Ports Company (PPC).

CIMS has executed a large variety of contracts and works for the private port concessionaries and port operators in Panama during the last decades, but has also executed a couple of maintenance dredging works in the past for the Panama Canal Authority (ACP).

In July 2010, CIMS won the one-year ACP tender for chartering a mechanical dredger with the backhoe Cornelius fully equipped with crew, says CIMS regional manager Bernard Bezemer, who is to become Central America business development and special projects manager based in Panama, when Bart Roeleveld takes over in July 2011.

This equipment will be specifically be deployed in the Gaillard Cut and Gatun Lake for the Panama Canal expansion programme. While the ACP has contracted the dredging projects of the expansion in pieces, they have also rented equipment to be flexible, Bezemer says. 'It works as an additional dredger for additional work.'

By end-2010, Boskalis' CIMS concluded the works under contract since May 2007 by Panama Ports Company for the extension of the container port of Balboa, says Bezemer. The works included the construction of additional port area

Royal Boskalis Westminster



First artificial residential islands in the Americas under construction

by means of land reclamation, a retaining rock dike and a link structure to the existing berths 16 and 17, the removal of the Diablo outcrop and an additional extension to berth 17 of around 320mtr. The civil works – the rock dyke, the concrete link structure between the existing pier and the landfill and the new extension to berth 17 – were executed by Coastal's Panamanian partner Intercoastal Marine Inc.

Boskalis is also building the first artificial residential island in the Americas that began early this year, construction that is expected to conclude by mid 2012. 'Although the international tender took place in 2008, the project did not start until 2011,' says Bezemer. 'The \$70m contract consists in dredging of soft material and the placing of a surrounding retaining dike land fill for each of the islands projected. Boskalis' contract is for the first 10ha island with option to build an adjoining second island of nine hectares with marina,' explains Roeleveld, a civil engineer with 14 years of experience with Boskalis working in Singapore, Indonesia, Mexico and Norway.

The dike will be formed by 650,000cu mtr of rock and filled with 1.4m cu mtr of sand compacted by vibro compaction. 'We are working with material from existing submarine sand concessions,' says Bezemer. Next to the residential

area of Punta Pacifica, the most exclusive neighbourhood of Panama Bay, the first island will offer 72 lots and will be linked by a bridge to the coast. Trailing suction hopper dredger 2,303kw – Flevo as well as clamshell dredger Alex and a large trailer suction hopper dredger are currently working on the site of the reclamation project.

The company Boskalis has developed and implemented a quality system, holding the ISO 9001 certificate; in the area of health, safety and environment the company is certified with ISO 14001 and OHSAS 18001 and operates its vessels according to the International Safety Management code (ISM). More recently, in 2010, Boskalis launched the NINA safety programme. 'NINA – No Injuries, No Accidents – sets clear standards and explains what we expect from our people with regard to their safety behaviour,' Bezemer adds.

As a world wide operating company, Boskalis is also strongly active in the region: in Mexico and the US, and several countries in the Caribbean and in South America. For a company like Boskalis, the Panama Canal expansion means a potential amount of dredging works and in addition to that, prospects of opportunities for port expansion and infrastructural development projects.



world's leading LRIT operator with over 8,000 vessels under management. Additionally, AMTS is a major service provider with systems designed to improve maritime security, anti-piracy countermeasures and environmental protection with VMS systems. The company has a truly global footprint with customers in more than 90 countries around the world, agents in most major shipping centres and around the clock service to its customers through its monitoring centre located in the City of Knowledge, Fort Clayton, manned 24 hours and 365 days.

AMTS is a joint venture enterprise between Absolute Software Inc. (www.absolutesw.com) and PSC Holdings Group (www.panama-psa.com) with offices in Panama, Boston, Brisbane and Bangkok. Headquartered in Panama, AMTS employs a diverse, talented and innovative workforce whose passion for excellence has enabled the company to become one of the leading maritime security service providers in the world.

The company is organised into two business units: the first, based in Panama, where all the day-to-day maritime safety, security and fleet management operations are administered by a seasoned team of competent professionals. The second being the research and development operations in Cambridge, Massachusetts – arguably one of the prime technology and science institutions in the world.

It offers a wide range of software maritime solutions such as the recently introduced Fleet Information System (first in its class) that allows ship owners to

access real time fleet management, reporting and tracking data through a single web application. The Panama Maritime Authority has authorised AMTS to offer owners of Panama-flagged vessels, free tracking of their fleets through FIS. Some well-known ship owners and managers are already benefitting from the real time tracking services that AMTS provides.

AMTS's workforce has enabled the company to become one of the leading maritime security service providers in the world.

AMTS's VMS system allows environmental and fisheries' regulatory organisations to monitor position, course and speed of fishing vessels, in real time as well as providing geo-space analysis of historic data. These capabilities are key to the monitoring control and surveillance programmes at national and international levels.

Balboa Employment and Crewing agency (BECA) began servicing the seafarer's market in September 2001 and was the first agency (so far) in Panama to do so. It has extended recruiting to the cruise industry and has been successful in placing seafarers on ro-ro cargos,

bunkering barges and container vessels and personnel on cruise vessels. All seafarers are carefully screened.

International Marine Experts (IME) provides 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 that are graduates of the US Merchant Marine Academy. 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 International Maritime Organisation (IMO) for Panama-flagged vessels.

Intercoastal Marine Inc. (IMI) is the leading company in the regional marine construction industry. Business has grown 'tremendously over the last few years,' says its ceo James J. Wiese. The company projects have included the Panama Port Co (PPC) expansion of the port of Balboa, in conjunction with Boskalis Dredging, which includes working with enormous marine structures and a massive dredging and drilling effort.

Included in the expansion works are the recently completed design and construction of berths 14 and 15 for a total of \$35m and the huge phase IV – marine works I and II for the expansion which is estimated at a cost of \$230m.



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Intercoastal Marine Inc. has designed and built the new \$6m cruise ship berth at Colon 2000. This new facility is now a homeport for the Royal Caribbean Cruise Lines, offering cruises throughout the lower Caribbean.

IMI has also been expanding beyond Panama's borders, completing a \$2m demolition project for Dole Fruit in Guayaquil, Ecuador. Additionally, it has recently teamed up with Seattle-based Manson Construction on several large tenders in the region.

ClassIBS (Isthmus Bureau of Shipping) celebrated its 16th anniversary on May 2011.

The origins of ClassIBS date from its foundation in May 1995 in Panama as a classification society to promote the regulation and development of the shipping and shipbuilding industries.

The principal work of the society's expert technical staff is to undertake surveys to ensure that the rules applying to new construction and existing ships are followed, in order to ensure the safety of these vessels and prevent marine pollution.

ClassIBS has its head office at the crossroads of the world in Panama from which it directs and co-ordinates its network of representative offices and more than 75 surveyors around the world. In addition to its classification activities, the society 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.

Additionally, ClassIBS has technical cooperation agreements with other class societies, some members of IACS and also Non-IACS societies. These agreements are helping the society to work closely in developing a programme for research and development. In addition, the society has been accepted as an observer of the International Association of Technical Survey and Classification Institution (TSCI), which provides cooperation in certification and classification of inland and combined (river-sea) navigation ships. TSCCI is a non-profit organisation that consolidates national and international classification societies.

National Shipping Adjusters (NASHA) was founded in 1985, as one of the first Recognised Organisations (RO) and Classification Societies, duly authorised by the Panamanian Government to conduct statutory surveys, class and certification.

Its goal is to offer a reliable, flexible and cost effective service, without compromising its great dedication to ensuring the safety of life at sea and the prevention of pollution of the marine environment.

For the above mentioned, the company operates under ISO-9001-2008, in compliance with IMO standards, national and international regulations, thereby guaranteeing a quality service.

In addition, NASHA has established a network of qualified and experienced surveyors located in major ports of the world. It also provides certificates under

the following IMO Conventions: Panama and Belize Flags, SOLAS, MARPOL, ISM, ISPS, Class (hull and machinery), Non Convention, CICA – Certificate of Inspection of Crew Accommodation, Cargo Ship Safety Certificate (for vessels under 500gt.) cargo ship Safety Radiotelephony Certificate (for vessels under 300gt), Fishing Vessel Safety Certificate, minimum Safe Manning, exemptions, authorisations as well as ship registration, training courses –basic and advanced and licences.

Pilotage

Caribbean Pilots was created at end-2007 to provide pilotage services to the ports established in the bay of Manzanillo, Colon and also to shipowners and liners calling Colon Container Terminal (CCT), Manzanillo International Terminal (MIT) and Colon Port Terminal (CPT). The company has 11 staff, some of whom work as pilots at the Panama Canal Authority (ACP).

Panama Pilots Services Co (PPSC) is the oldest company providing pilotage services for all vessels that arrive to the bay of Manzanillo since it was set up in 1994. PPSC has 32 pilots, 11 of whom also work at the Panama Canal Authority (ACP).

Pollution control

Ocean Pollution Control S.A (OPC) is a Panamanian response company which is operating in Panama as mandated by a 20-year contract with the Panama Maritime Authority (AMP). The company has operating bases in Panama (Pacific side) and Colon (Caribbean side). OPC has grown to more than 100 permanent employees with two fully staffed response bases in Panama and boasts all required marine equipment and shore installations to respond to oil spills, recover



Pilotage service at the Panama Canal



Manzanillo International Terminal in foreground and cruise ship terminal Colon 2000

contaminants and provide final disposal of contaminants and material employed in any recovery.

In 2008, it opened new offices in Honduras and Guatemala and also added Costa Rica to its offshore business with a basic response centre in Puerto Limon. OPC had formed a partnership in Nicaragua in 2005 where it began operations providing environmental services to oil companies, including soil remediation and land farming just outside Managua, capital of Nicaragua. Its partner company, Environmental Protection & Control, is currently in negotiations with port users and the Port Authority to provide oil spill response and other services to the vessels that berth in Corinto and Puerto Sandino oil terminal on the Pacific side.

OPC has constant investment in newer equipment and developing other services such as oily water and slop removal from vessels calling Panama as required by the MARPOL agreement. Two small and a medium barges were recently acquired that operate in Balboa and Cristobal.

Port Services

The 2004 set up of Port & Cargo Co by the Panama Maritime Group, marked the introduction of outsourcing in the maritime industry in Panama when it started offering stevedoring and port workers to Evergreen's Colon Container Terminal (CCT) on the Atlantic coast. In December 2006, the group responded to increased demand and formed a separate company, Port Outsourcing Services (POS), to provide identical services to Panama Ports Co (PPC)'s port of Balboa on the Pacific side and Cristobal on the Atlantic entrance of the Panama Canal.

Today, Port & Cargo has grown to 270 workers, while Port Outsourcing Services has 750 employees. The benefits for the ports are substantial. Giving independent contractors the ability to manage their workforce has considerably reduced the

Outsourcing has reduced the cost of personnel and the pressure to find skilled staff to cope with the large turnover in stevedoring.

need for port personnel and increased productivity, says port outsourcing services gm, Hugo Torrijos Dajer. Outsourcing has reduced the cost of personnel and the pressure to find skilled staff to cope with the large turnover in stevedoring, say port operators.

Port operators can concentrate exclusively on moving containers – which is their business – and not on administration of the labour force. The ports of Balboa and Cristobal, and Colon Container Terminal, which have all experienced rapid growth in their facilities, are no longer involved in resolving labour disputes that are difficult to solve because the ports are administrated by foreign companies. Ports operators leave Port Cargo Corp and POS to deal with the problems, and in fact, POS has a warehouse and a 32-mechanic workshop working 24/7 at Balboa's Pier 13.

POS has teamed up with heavy

machinery companies Capacity Trucks and Cummins Engines in order 'to offer full-service contracts for equipment maintenance,' says Torrijos Dajer. Capacity Trucks, from Longview, Texas, has provided the majority of trucks operating in Panamanian ports and Cummins Engines is the leading provider of port engines. In addition to the outsourcing of services for containers, POS has created a subsidiary Techniport that now offers 'full outsourcing for trucks', he explains. Techniport is the first company of its kind providing a rate per container that encompasses everything related to moving a container from one point to another. The company has grown into managing trucks, truck drivers and dealership for trucks spare parts and 'the response has immediate and amazingly successful,' says Dajer.

The three companies may extend their scope of action with the addition of new terminals on Panama's port scene, which have shown interest in outsourcing the full truck system on their new installations.

Shipping Agencies

Associated Steamship Agents (www.shipagents.com), has been operating in the country for nearly 120 years and is considered the 'dean' of shipping agencies. 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 Interoceanique 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. Its operations departments work 24 hour a day and 7 days a week, 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.

The agency was the first to apply computer based solutions to its operations and the accounting and operations platforms more than compare to other world class organisations. Associated Steamship Services has formed a strategic alliance with Wilford & McKay, Fernie and Gateway Transit offering domestic experience and know how, allowing it to compete with shipping lines that have opened their own Panama offices over the past 10 years.

The Canal expansion has proved 'positive in every way for shipping agencies,' says Associated Steamship Agents president Charles Langman. Most of this business will come from aggregates for construction, dredging and from moving crews, spare part, bunkering and will benefit the local economy, he explains.

Rozo & Cia (Panama) S.A. (www.therozogroup.com) is part of the Rozo Group which is composed of Jaime Rozo Gomez & Cia Ltda, ship chandlers founded in 1961; Rozo & Cia Ltda, maritime agents (1989); Rozo y Cia (Panama) S. A., ship agents (1997); and Overseas Ship Suppliers Corp (OSS), general ship chandler at the Panama Canal. OSS has been in Panama since 2001 and offers shipping agency and supply services in Cristobal and Balboa, Manzanillo International Terminal, Chiriqui Grande, Almirante and Bahia Las Minas.

The Rozo Group offers a quality service where it goes the extra mile to ensure that the specific needs of its clients are fulfilled to the best of their interests. Expertise, availability of resources and supervision of personnel, allow Rozo & Cia (Panama) to deliver excellent service and easier handling of port operations from vessel's arrival to departure.

C.B. Fenton & Co (www.cbfenton.com) is one of the oldest shipping agencies established in Panama. The company was established in 1916 and has been owned by the same family since the retirement of the founder, Captain Charles B Fenton, in 1958, now in partnership with Adrian Holmes. It represents more than 150 shipowners throughout the world, with agents in Europe, the US and the major shipping capitals of the Far East. It also has four domestic offices, two at each terminal of the canal with the capability to provide full agency services at all ports within the Republic of Panama.

All cruise lines must now use the cruise terminal Colon 2000 on the Atlantic coast.

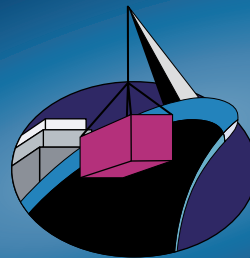
'We pride ourselves on the personal attention that has been rendered to owners and operators over the last 95 years, providing clients with an economically priced service without reducing the level of attention that is so important in the industry if delays and unacceptable costs are to be avoided,' says Adrian Holmes, vp C.B.Fenton & Co.

Since October 2010, C.B.Fenton & Co has moved its headquarters in Panama-Pacifico to the former Howard Air Force base, which has been transformed into an

economic development area.

Cruise clients flock to CB Fenton, whose customer list includes Seabourn, Saga, NCL, Star, Lindblad, Temptress, Island Cruises and Star Clipper Cruises and the National Geographic Sea Lion. The Sea Lion which will make six home port calls at Colon 2000 from November 2011 to January 2012 is the only cruise vessel making calls at the Smithsonian Research Centre in Barro Colorado, during the Canal passage.

Although there has been a slight increase in cruise lines at the Panama Canal, regrettably there have been some noticeable cancellations in the 2008-2009 and the 2009-2010 seasons as a result of the economic situation. However it is the smaller exploration cruise vessels that have been most affected as the costs of a canal passage have increased quite



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Braswell shipyard on the Pacific side near Balboa port

considerably. Due to their size, there is a premium to transit the canal during daylight hours – and of course this is a high priority for the canal passage.

The 2010-2011 season met the company's expectations given conditions in the overall cruise sector. 'We were able to maintain a healthy stake in that market and anticipate similar participation in the 2011-2012 season with two new vessels – the Seabourn Quest and the Saga Quest, making their initial transit,' he says.

The expansion of Cristobal port has meant that cruise operations on Pier 6 have been ceased, following a decision by Panama Ports Co that administers the port. All cruise lines must now use the cruise terminal Colon 2000 on the Atlantic coast, which is already home port for Royal Caribbean Cruise Line (RCCL). This change of port call has not reduced the numbers of calls, although 'there has been a reduction in the numbers of transits primarily because of the costs,' says Holmes. PSA terminal, on the Pacific side, which began operations last July, may provide a temporary alternative to cruise ships that cannot dock in Panama City since there is no cruise terminal. 'Much will depend on how the docking movements will be performed at the location,' says Holmes.

Inchcape (www.iss-shipping.com) is a leading provider of agency services in Panama and Central America where it represents several shipping lines and navies.

JD Maritime Services operates under the care of director Jurgen Dorfmeier, who has a long experience in the shipping business and was a former managing director of Boyd Steamship Corp. The shipping agency is the only one to have been created in Panama in decades and the company offers consultancy services in addition to the traditional attendance to shipping lines and services related to the shipping industry.

Other shipping agencies established in Panama include **Agencias Continental, Barwill Agencies, C. Fernie & Co, Cross Road Agencies, Norton Lilly International Panama, Pacific Agent Ship Panama, Panama Agency Co, PanCanal Shipping Agency, Sopisco, Wilford & Mc Kay, Unigreen Marine** and **Setimsa**.

Ship Repair

Several international ship repair companies are looking at Panama to set up shop and some firms are already on the lookout for land to build new facilities – a problem given space constraints. And beyond the existing players, there have also been high-profile newcomers attracted by canal expansion, such as **Wärtsilä** that opened shop in Panama in 2007. The company, which recently moved in to the former Howard US air force base, is servicing its main customers, which include the Panama Canal tugboats and other private companies.

Most of the international ship repair companies established in Panama also

face the problem of space, with few facilities available for expansion and very limited land at both entrances of the Panama Canal. In 2005, the most important ship repair firms representing and the Chamber of Shipping as co-signed the constitution and registration of the 'cluster of ship repair'. The main objective was to create new opportunities, promote competitiveness and develop initiatives for the existing ship repair companies established in Panama and present an alternative by offering its services on an international level. However the bottom line remains a dramatic lack of adequate facilities. There is an increasing demand for specialists and skilled workers in most of the fields of the maritime sector, which prompted the government to begin programmes targeting the formation of specialised workers for the Panama Canal expansion to supply this sector.

Braswell Shipyard International (www.braswellshipyard.com) on the Pacific side and next to Balboa port, was built by the former Panama Canal Company and remains the largest shipyard on the Pacific Coast between California and the Pacific South American countries. At the time the Panama Maritime Review 2011-2012 went to press, the future of Braswell Shipyard is very undefined. Its concession concludes in October 2011 and the Panama Maritime Authority (AMP) has said it would put the concession to international tender. However no date has been announced for

the bid, and there is no indication whether the present owners of the concession will apply for an extension as allowed in their contract or that they are in conversations with Panamanian Authorities on the future of the country's only dry dock.

The shipyard consists of three dry docks, with its largest dock having the same dimensions as the Canal locks chamber thus enabling it to accommodate Panamax-size vessels. The yard includes wharfage and workshops that comprise 12,000sq mtr and Braswell Shipyard is able to conduct drydockings, surveys and also emergency and damage repairs on both the Balboa (Pacific) and Cristobal (Atlantic) sides of the canal.

The yard, built and operated by the Panama Canal Co in the early 1900s, was transferred to Panama's government in 1979 after the Panama Canal Treaty was implemented. In 1991, Braswell International was awarded a 20-year concession to operate the ship repair facilities. In January 2006, the shipyard concession was sold to Spain-based group Fextun (Fabrica de Exquisiteces de Atun), which is involved in the tuna industry, tanker market and other marine sectors.

The owners have invested in new equipment and transformed the shipyard into a first class operation that services over 100 vessels a year. The company purchased three cranes, four forklifts, a high-pressure washing machine and hydro-blasting equipment. Space for the larger drydock at Braswell Shipyard is sold out all year long.

Only 2% of all vessels serviced at the shipyard were from Fextun's fleet, with international customers accounting for the remainder.

MEC Group is constituted by four companies and eight divisions that are all related to the maritime sector. The group comprises *MEC Shipyards* for new building and shipyard repairs; *MEC Heavy Industries* for all heavy steel fabrication; *MEC Marine Contractors* for port & channels maintenance and construction; *MEC Repairs* for afloat maintenance and ship damage repairs; *MEC Stores* for ship chandler and ship supplies; and *Underwater Services*, a commercial diving company, that has just achieved an impressive record of over 200 immersions on the Panama Canal Expansion with no accidents.

During 2011, MEC Heavy Industries together with MEC Shipyards performed the first new building project in Panama, under ABS Class Approval, following ABS offshore construction rules and with certified welders under ABS, LR and BV. 'This project is a milestone in Panama maritime industry and a big step for Panama as it permitted transfer of technology and engineering from the United States to MEC. This is a process that will help the company lead the efforts to take advantage of the Free Trade Agreement between Panama and the US when the FTA is ratified by the US Congress,' says MEC Group president Marvin Castillo.

In August 2011, MEC Marine

Contractors, the new division of the group, deployed its fleet of marine construction equipment, that consisted of its rebuilt 4,000 HP tug boat (MEC Salvage), a 280ft – 100tonne crane construction barge (MEC Barge I), a 2,400 HP twin push tug boat (MEC Towing), and three working boats (MEC Repairs, MEC Fast and MEC Divers). The group's entrance on the marine construction market was a success as it resulted in \$20m of awarded contracts.

The Panama Canal Authority 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, machinery and vehicles at its shipyard, and other industrial and marine repair facilities throughout the Canal's operating areas. The historical shipyard drydock, located at Mount Hope on the Atlantic side, was built by the French Compagnie Interoceanique du Canal de Panama in 1886, as testified to by an engraving on the walls. It was expanded in the 1930s by the US Panama Canal Company, which used it extensively.

The Shipyard has two docks: dock 14 that is 142mtr long and dock 15 that is 270mtr long. Both docks can handle vessels with a draught up to 10mtr. In addition, the division has a synchro-elevator with a lift capacity of 1,720 metric tonnes that lifts and transfers vessels and lock gates from the water into its eight repair areas



MEC Shipyards – new buildings and repairs



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for servicing. Furthermore, the dock and synchro-elevator space are rented to maximise the facility utilisation and support the emerging local commercial ship repair industry.

The Mount Hope shipyard, in addition to primarily providing repair and modification services, also gets involved in new construction. In 2004, it built a 16.2mtr, 24-person, aluminium launch to transport canal personnel; and in 2005, it completed the construction of the 51mtr long drill barge 'Baru', equipped with four drilling rigs that can bore 26mtr deep holes in a single pass. With the Canal expansion and construction of a third set of locks, the division's infrastructure (including the shipyard) may be expanded in the near future to continue providing the necessary support to the ongoing expansion project and long-term support to the expanded Canal.

Talleres Industriales International (TII) (www.talleresindustriales.com) was established in 1969, with its headquarters in Colon. TII supplies all kinds of repairs and maintenance services to vessels at the Panama Canal area on both sides of the waterway. The company reach has expanded much beyond Panama's borders, having created a customer base in most Latin American countries where Talleres Industriales has performed major ship repairs works – these include Ecuador, Peru, the Caribbean, and Central America.

TII, which has 50 permanent highly skilled employees and up to 150 part-time personnel offers, three fully equipped supply boats to go alongside vessels at any anchorage and also a workshop in Colon. It is the only ISO 9001 quality approved yard in the area and has also been approved by all the major class

societies. The shipyard can perform main engine repairs either dockside or at anchorage, auxiliary engine repairs and overhauls, overhauls pumps turbos, heat exchangers, condensers, rewinding of AC and DC motors, compressed air system overhauls, refrigeration system repairs and also deck and topside area steel works replacement. It also provides underwater services and permanent repairs with class approved cofferdams.

The facility had been extended to 11,000sq mtr from 7,000sq mtr and features the latest technology including a high-tech turbo charger division, underwater, welding and electrical divisions. TII has also opened a new facility at Balboa known as the Talleres Pacific Division.

The company represents several ship repair firms, such as Turboned Holland, Wesfalia, Germany amongst others and has 10 international agents to provide a close and friendly service to its customers around the world.

Astillero Bayano, (www.astilleroBayano.com) at the Port of Coquira, on the Bayano River, has facilities 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.

International Repair Services (INREPSA) (www.anchorpanama.com), located in the outskirts of Panama City, in Alcade Diaz, is a division of the Anchor Group whose companies represent the many faces of the shipping industry from chartering to sale and purchases. INREPSA, a ISO 9001 company, began operations in 1990 but moved to its present facilities early 2000.

These include over 600sq mtr of machine shop, 2,000sq mtr of covered welding and steel fabrication shop and an additional 2,000sq mtr of carpentry shop on a one-hectare premise. Three mobile container workshops bring flexibility to the highly professional team. INREPSA performs all types of welding work including deck, hull shell plating internal, steel structures and tanks, rewinding of any size for electric motors and generators, and also repairs to the main engines and auxiliary generators alongside at berth or anchorage.

Towage

Compañía Marítima de Panamá, (www.cmpgb.com) through its subsidiary **Tug Services Panama (TSP)** is the operator of a fleet of tug boats placed on both sides of the Panama Canal. It is able to render prompt assistance for the safe manoeuvring and operation of Compañía Marítima de Panamá's vessels, ensuring that bunkering and tug services are very reliable with little, if any, loss of time and minimising off hire or delay claims.

TSP operates throughout the Pacific and Atlantic coasts in Panama, in the Caribbean, up and down the Atlantic and Pacific coasts of South and Central America and in the West Indies. During its 10 years of operation, the company has performed salvage work, escort services, towage, docking/undocking and numerous other services where a tug is needed.

TSP has a fleet of 10 tug boats that include the VB Chagres, VB Michoacan, VB Gamboa, VB Coiba, VB Buccaneer, VB Atlantico, VB Campeador and VB Corsario in addition to other units that provide virtually immediate response time to attend any emergency, attendance and water rescues in local or international waters in the Pacific or Caribbean. •



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Law firms significant to Panama's growing economy

Panamanian law firms have become a significant element of the country's economy, contributing to the expansion of legal services and the maritime sector. Although they have been present since the early years of the opening of the Panama Canal, they have grown in respect, size and renown with the creation of the Panama Ship Registry in the 1920s [Law No. 8 of 1925 on Merchant Marine] and the enactment of Law 32 of 1927 that governs the organisation and management of corporations.

Since the 1970s, Panama's largest law firms have been present in the main capitals of Europe, Asia and the US, offering services from maritime to corporate business enhancing the position of Panama as an important regional transshipment centre and home to the largest open ship registry in the world. For these reasons, maritime lawyers form a strong law community renowned worldwide for the excellence and variety of its services.

The Panama Maritime Law Association (PMLA, Asociacion Panamena de Derecho Maritimo, (www.apdm.org) was created at the end of the 1970s by a group of lawyers who specialised in maritime law. The association was instrumental in the design and improvements of both the existing maritime legislation and the ship registry, beginning a partnership with government authorities that has proved extremely beneficial along the years. Maritime lawyers have largely contributed to the

development of Panama as a flag state through their participation in drafting some of the most important maritime legislations and through their contacts and travels abroad where they are recognised as experts of the trade.

The PMLA is a very pro-active organisation due to the growing number of members and by its participation in a wide range of activities both on the international and domestic scenes. Every two years, the PMLA alternates with Panama's Chamber of Shipping in organising the bi-annual conference-exhibition Panama Maritime World Conference & Exhibition. It will take the helm of the next Panama Maritime World

Conference and Exhibition that should take place in February 2013. Former PMLA president and lawyer Tomas Avila presides over the Organising Committee that is also considering other activities for 2014 related to the inauguration of the expanded Panama Canal.

Panama Maritime X- World Conference and Exhibition, held in February 2011, was an outstanding success with the largest ever participation of international companies, delegates attendance and top level conference speakers.

Every year, the PMLA renews its board of directors giving new lawyers the opportunity to participate actively in the organisation's decisions. For the period



Patton, Moreno & Asvat offices based in Costa del Este, Panama City

2011-2012, the Association's board is presided by Jazmina Rovi (Morgan & Morgan), vice president: lawyer Jorge Loaiza III (Arias, Fabrega & Fabrega), secretary lawyer Belisario Porras (Patton, Moreno & Asvat) and accompanied by lawyer Ana Lorena Morales (Fabrega, Molino & Mulino), lawyer Alexis V. Herrera (Icaza, Gonzalez-Ruiz & Aleman) and Gicela Kinkead.

The PMLA has been a leading participant in the discussions held between the private and the public sector on the reforms to four main maritime laws that were approved by the National Assembly in the third quarter of 2008. The reforms, which entered into force in August 2008 and February 2009, were: Replacement of Second Book of the 1917 Commercial Code of Panama with the Maritime Commercial Law [law 55 of August 6, 2008], a general port law [law 56 of August 6, 2009] on future

national and international port concessions, a new merchant marine Law [Law 57, of August 6, 2008] and reforms to the Code of Maritime Procedures [Law 12 of January 23, 2009].

Several issues remain on the PMLA priority list, says its President lawyer Jazmina Rovi, a partner in the firm Morgan & Morgan. The most important is the implementation of the Maritime Labour Convention of 2006, which was ratified by Panama last year. Panama has established the tripartite Maritime Labour Commission formed by the State (AMP), employers (Panama Chamber of Shipping) and employees (represented by the ITF) of the maritime sector and rules and regulations have been approved by the tripartite commission.

The AMP through its general directorates of merchant marine and seafarers has delegated part of the implementation of the MLC2006 to the

Class Societies and Recognised Organisations (ROs). Both Class Societies and ROs are training local technicians for the voluntary certification and guidance to the ship owners before the issuance of certifications required by the Convention. Following contacts with the PMLA, the AMP established a specialised team to handle queries on MLC2006 by contacting via: mlc@segumar.com.

Merchant Marine Circular No. 227 released on July 2011 informs Panama Registry users of the stage of adaptation of Panama local regulations to the requirements of MLC 2006 and provides guidelines on the application of the convention. The AMP stresses that shipowner and seafarer representatives have been present at all times during this adaptation process and that, accordingly, Panama will not be required to consult the Special Tripartite Committee once MLC 2006 comes into force as required by

Patton, Moreno & Asvat (PMA)

It has been 30 years since the establishment of Patton, Moreno & Asvat (PMA). 'We founded the firm in 1981 with two partners and a secretary, in a 50sq mtr office. But it grew rapidly because we offered an excellent service,' says Ebrahim Asvat. Today the firm Patton, Moreno & Asvat is characterised for being a firm that offers legal services of the highest quality and for truly committing to its clients around the world.

The firm has expanded rapidly since 1985 when the original partners, decided to incorporate 'new talents' and make them partners while at the same time, growing beyond borders. In 1986 Brett Patton opened the first office abroad in London, on Bond Street in the heart of the 'city'. There is an office in British Virgin Islands (since 1988); the Bahamas (1994); Uruguay (2002); Belize (2005); and Anguilla (2007) and the latest addition in Hong Kong (2009).

PMA became one of the first Panamanian firms to be present in the UK and straightaway 'this made a difference, brought us more clients because we knew the dual legal systems and delivered immediately in spite of the six-hour time difference,' says Brett Patton. 'That became our main trademark.'

In the early 1990s came another significant date for PMA with a trend of mergers, acquisitions and privatisations that created a new corporate business which has developed constantly ever since, leading the firm to engage an important staff of lawyers. To date the firm has nine partners, 12 lawyers and



Patton, Moreno & Asvat's nine partners

more than 80 employees in its Panama offices in Costa del Este, Panama City.

In addition to traditional legal services, in 1997 the firm acquired Assets Trusts and Corporate Services, the first fiduciary and trust company licenced in Panama. In 2008, ACE Fund Services Inc. was created in BVI, as well as HPA Lawyers, a local law firm in alliance with the PMA Group and diversified 'the products needed by our clients,' says Asvat.

A large part of the firm's business and expertise deals with financing ship ownership, international banking and aircraft. It has a strong Latin American focus, and given that many members of staff are trilingual, the practice forms a natural bridge between clients in Europe, Asia and the US. PMA strongly believes in the constant update and international projection of its lawyers and personnel, promoting their participation in local and international conferences and seminars.

Besides Brett Patton and Ebrahim

Asvat, the firm includes seven other partners: Maria de Lourdes Marengo, Maria Teresa Diaz, Enrique Jelenszky, Francisco Martinelli, Belisario Porras, Evans Gonzalez Moreno and Ivette Martinez.

The vision of the next generation is 'to be looking for specialised professionals in segments of major growth in Panama and the region as we want to expand in sectors where we are not and be more present in Asia and Latin America,' says Martinelli.

Many years have passed since the firm's first ship registration of the tuna vessel Sea Chase, in 1981, which began a long and successful venture into maritime and corporate law, litigations, offshore services, financing and counseling.

At the beginning of the 21st century, PMA is a thriving company, innovative and competitive, with a motivated human resource, identified and committed to the highest standards of quality and service, striving to provide security and maintain the loyalty of its customers.

Article VII of MLC, 2006 for countries that do not count with organisations representing shipowners and seafarers.

AMP expects to conclude the process of legal unification and adaptation by the end of 2011, after which owners and operators of Panama flag vessels will be able to apply for voluntary certification.

The Panama's Public Registry for ship and mortgage registrations has moved in to the AMP building and works around the clock since January 2011. The change has made it much easier to deal with Asian and European shipowners. Before the move into the AMP building, Panama Consulates would have to call in advance to request a Public Registry employee's availability in the middle of the night, during Asian or European business hours.

'It was a positive decision. The system is working well,' lawyers have said. The 1998 law creating the AMP contemplated incorporation of the Public Registry, but this didn't happen until January 2011. 'Having everything under the same roof has proved to be a fantastic improvement,' says lawyer Tomas Avila of Avila & Co. 'The Public Registry's efficiency also forces us [lawyers] to be more efficient,' he adds. However, there are still some adjustments needed to make the hardware and software of the Public Registry, the AMP's merchant marine department and maritime security compatible, he notes.

In 2006, Spain's INDRA Sistemas was awarded the contract to design and implement the digitisation of the AMP. This included fitting offices with fibre optics, allowing video calls between Panama's headquarters and regional merchant marine offices and consulates as well as creating a 24-hour call centre for AMP customers and producing the digitised 'seafarers passport'. As INDRA's contract ended in July 2011 and, with the installation complete, AMP will now have the opportunity to harmonise the electronic systems and create one model for hardware and software.

As a contribution to AMP's harmonisation goals, the PMLA plans to propose to the Public Registry unified forms of applications for preliminary registration of ownership titles and mortgages, using a format more suited to shipowners and consular officials. 'We also want to update the Panama standard form Bill of Sale,' explained PMLA president Jazmina Rovi, who took office in April 2011.

One of the most important PMLA goals is basically to put the Maritime Arbitration Centre (CECOMAP, Centro de Conciliacion, Mediacion y Arbitraje Maritimo de Panama) to work. This has been in the making for some years, with

all the side work completed, i.e. legal framework duly approved by supervising Government bodies and drafting of regulations and tariffs. CECOMAP rules for administration of maritime arbitration processes were approved by its Board of Directors on August 2011 with the strong support of both the PMLA and the Panama Chamber of Shipping. Several programmes are being put together, by local and foreign academic entities, to offer continued training on arbitration to those willing to be included in CECOMAP's list of arbitrators.

Law 8 of 1982 as further modified by Law 11 of 1986 and more recently by Law 12 of 2009, details the mechanisms of the Maritime Courts, the Maritime Courts of Appeal and the Arbitration Centre on maritime procedures and establishes the bases for modern and friendly procedures.

Although lawyers have been pressing the judiciary to establish the Court of Maritime Appeals, there is only one final step to make it a reality: getting the budget necessary to give life to the Court created by the last modification to the Maritime Code of Procedure in 2009, says leading maritime litigator Juan Felipe Pitty, who was a former PMLA president twice.

The Court of Maritime Appeals functions under a Magistrate, who among other requirements must be a lawyer with specialised studies in maritime law, be fluent in English and have no less than 10 years of professional practice in the field of maritime law as a practitioner, teacher or member of the Judiciary system. However, the Judge of the Maritime Court only requires five years of similar professional experience. The Court of Maritime Appeals is expected to strengthen the maritime judicial system and to expedite, solving maritime cases that have been lagging in the system.

'Maritime litigation in Panama results in one of the swiftest judicial procedures, with only two legal instances for any case,

first being tried at the Maritime Court, and now under the new law, going up on final appeal to the Tribunal of Maritime Appeals, which should result in final decisions within two years. By comparison competitive jurisdictions take three years or substantially more,' says Pitty.

Closer teamwork between the AMP and the PMLA is profitable for the industry say experts of the trade. The association has been keen to work harmoniously and closely with the AMP that oversees the sector.

Most maritime lawyers feel that there are still issues to address, which have lingered because of the change of administration. One in particular is the activation of the AMP International Maritime Advisory Council, which was included in Decree Law 7 of 1998 that created the Maritime Authority, with professionals of the sector and which is designed to improve and develop Panama's merchant marine.

The maritime sector business has significantly grown in activities related to ports, cargo and bunkering as well as the demand for legal services and migration affairs, that have increased substantially. The Canal expansion, when concluded, will drive more shipping companies to Panama making the country the prime transshipment regional centre, with prospects for a strong growth in legal services. Juan Felipe Pitty has already expanded into this area with the creation in early 2011 of Easter Star Management Inc. dedicated to ship management and back office needs for international vessels from Panama.

'The future of Panama as a maritime centre is brighter than ever, and our ability to attract ship management services to complement our logistical platform following the Singapore model, as we are beginning to do, is a natural fit that can benefit the industry,' says Pitty. •





One of the strongest economies in South America

Panama is living its best moment with a booming economy, likely to reach 8.5% in 2011 and 5.5% in 2012 according to the Economist Intelligence Unit, which will make Panama the strongest performer in Central America and one of the strongest in the Latin American region.

Economic growth enjoyed a healthy 7.5% in 2010, positioning Panama among the highest growth rates of Latin America, reaching a gross domestic product (GDP) of \$26.8m (current prices). Production of goods and services in Panama saw an increase of 7.5% over the previous year. GDP at constant value of 1996 prices, according to the Comptroller-General's Office estimates, registered \$20.862m, showing an annual increase of \$1.448m.

In 2010, Panama received an investment grade status from the three main rating agencies Fitch, Moody's and Standard & Poor's. Although the upgrade was the result of past administrations' tightened policies, it was a victory for Martinelli's government and very welcome news, leading the country to attract \$2.36bn in foreign direct investment in 2010, the equivalent of 8.8% of Panama's \$26.8bn economy and above the average \$2bn per year since 2006. In addition to fiscal discipline and major tax collection '[Panama] policy has also been to strengthen our domestic market and diversify our debt ratio between external and internal debt and that is something that the ratings agencies have viewed positively,' says Panama's deputy minister of economy, Frank de Lima.

The US Congress appears to be moving closer to ratification of a free-trade agreement (FTA) with Panama signed in mid-2007 and although barriers to the deal still remain – including difficult timing, owing to the US election in November 2012 – the US is likely to ratify the FTA within the forecast period. This mainly reflects Panama's stronger commitment to the exchange of tax information with other jurisdictions, following Panama's

withdrawal of the OECD black list of non-cooperative countries.

The main focus of Panama's economic policy has been to develop the country into a regional logistical hub, capitalising on its geographical advantage and the Panama Canal to provide a centre for commerce and services. Port activity had been on the rise with ports moving 5.6m teu in 2010, ranking as the leaders of Latin America and reflecting the growing value to shipping trade links. The \$5.25bn expansion of the waterway whose revenues represent 8% of Panama's GDP is on time and on budget, Panama Canal Authority officials say with the project being 28% complete [at end August 2011], with its major component, the design and construction of the third set of major locks which is 14% complete.

An ambitious programme of infrastructure improvements by upgrading and expanding roads and highways and the beginning of the construction of a \$1.4bn metro has helped in reducing unemployment. The recent surge in public investment contributed to GDP growth of 9.7% in January–March 2011, the most rapid pace since mid-2008. Improved trade and transport flows, a resurgent construction sector, and healthy commerce and financial sector performances all bolstered growth. 'Positive economic growth should be sustainable although it seems unlikely that it will continue at current levels beyond the completion of the major infrastructure projects currently in progress,' says gm for Moffatt & Nichol in Panama, David Taylor.

While transport and communications, accounting for almost one-quarter of GDP, remained the main driving force behind economic growth during the first quarter of 2011, responsible for close to 40% of the expansion in GDP, the sector's rate of growth was almost matched by that of the construction sector. Construction, which accounts for around 7% of GDP, was responsible for around 11% of the increase

in GDP in that period. Civil construction growth is being driven by public investment in major projects such as the Canal expansion, the initial phase of the metro in the capital, Panama City, Panama Bay sanitation, new highways and existing road renovation, and expansion of Panama's international airport, Tocumen. Private-sector investment has been boosted by investment in port expansion, as ports prepare for a wider Canal and investment in new hotels to meet growing demand.

Mining was the third-fastest growing sector in January–March 2011 and reflected rising demand for building aggregates for the Canal expansion and civil engineering works. However, given that mining comprises less than 2% of GDP, it had a limited impact on overall GDP growth.

'It is good to see Panama attracting attention for positive reasons. Apart from the normal factors influencing confidence from investors – political stability, market friendly policies, etc – the main obstacles for sustained growth are probably the need to develop the skills and expertise of the local workforce, and institutional strengthening that can handle the increased sophistication and size of the economy,' comments Taylor.

Foreign Direct Investment (FDI) in Panama grew by 33% in 2010 compared to year 2009. According to a report by the Comptroller-General's Office, the country received \$2.362m in foreign investment during 2010. Panama's Minister of Trade and Industry Roberto Henriquez attributed the growth to real estate, hotels and investments at both the Colon Free Zone and the Special Economic Area Panama Pacifico.

The Panama-Pacific (Panama Pacifico) Special Economic Area (the former US Howard Air Force base) being developed by UK's London and Regional Properties Panama (L&R), has helped to boost investment and numerous foreign companies are taking advantage of the duty free facilities. 'Panama Pacifico is an

interesting development, and with the backing of London & Regional, plus the long term nature of their concession agreement, the project is clearly progressing well. The infrastructure being constructed to international levels and standards. Providing the transport network continues to be developed as planned, then it stands every chance of succeeding in its aims,' explains a foreign consultant.

L&R is building some 20,000 houses, offices and a business international park, which will consist of 26 buildings, two expandable warehouses and 14 other buildings of multiple purposes. More than 30 international and local companies, including Wartsila, MEC Stores and Shipyard, a Colombian printing plant, and several shipping agencies are already on location or have re-located to Panama Pacifico because it offers a legislation granting companies favourable legal, tax, customs, labour and worker immigration regulations.

Since Law 41 of 2007 – that creates a special regime for the establishment of the multinational companies in the country – was passed, Panama has become a magnet for multinational companies due to its dual platform for business. 'The number of companies registered under Law 41 as a regional headquarters, recently passed 50, and given the advantages with respect to work

visas and taxation, more companies will incorporate under this Law,' says Taylor.

Currently in the country, more than 50 multinational companies from round the world, are operating and have relocated their regional headquarters in Panama. The listing of multinationals that have established their regional headquarters in Panama reads like an international business directory.

The most recent to come were Unilever Regional Services and US 'Dayton Superior which supplies chemicals and special concrete parts for the construction of large buildings. Other multinationals that have chosen to Panama are the Swedish Alfa Laval SA, Latin America Sourcing VF, Smartmatic Luxembourg SARL amongst others. Other multinationals already installed are: Latin America Sanofi Aventis SA of France and Ericsson of Sweden and Otis Elevator Company, SA Panama branch, US-based Hewlett Packard, LG Electronics, Caterpillar, Burmeister & Wain Scandinavian Contractor (BWSC Panama, SA), from Denmark, and several other international companies.

However, the level of education remains a concern for many foreign companies that find difficult to hire local medium executives, since Panama's education system cannot produce enough skilled labour to fill new jobs although the government is creating ad hoc

training programmes and allowing more foreign workers in as needed.

Panama's financial sector is a mainstay of its economy. It includes banks, the stock exchange, insurance and re-insurance companies and is one of the most solid pillars of the services sector that accounts for almost 80% of Panama's GDP.

The international banking centre, created in 1970, has thrived for more than four decades. With 93 banks established in Panama (two government-owned), 45 general licence, 31 international licence and 15 representative. Total consolidated assets at June 2011 had reached \$75.75bn, up 15.13% compared to June 2010. Deposits were also on the rise with \$54.44bn, up 11.1%. Credit to the private sector totalled \$25.92bn, with 28.6% dedicated to commerce, 27.7% to housing mortgages, and 21% to personal consuming.

The banking centre showed liquidity of 63.65%, above the 30% required by law.

In 2010, nine new banks entered the banking sector in Panama. Of these, four are local private banks, three have international licenses and two are foreign banking entities.

The new operations launched are: Banco Lafise Panama, Bank of Nova Scotia (Panama) SA, Prival Bank, Balboa Bank & Trust Corp, Banco La Hipotecaria, Uni Bank & Trust Inc., Andbanc, Banca Privada D'Andorra and International Bank of Peru. •

A businessman's view

Panama's past and present administrations have, throughout the years, followed a common path independently of political party and ideology in promoting and developing state policies for three important sectors that have strongly contributed to Panama's economic growth: Tourism, maritime and financial sectors, says Antonio Fotis Taquis, former Ambassador in Greece and other Eastern European countries and also former general manager of Banco Trasatlantico in Panama for 15 years.

The promotion of the trademark 'Panama' has boosted, particularly in the past 20 years, the number of tourists and foreign investments in the hostelry sector. 'We are home port to important cruise lines and also hub to our national airline, COPA Airlines,' explains Taquis.

Through the years, Panama's economy has grown substantially within a globalised economy where several important developed countries' economies have been extremely fragile

but Panama has managed to escape from those crises. On 2010, the rating agencies Fitch Moody's and Standard & Poor's all awarded Panama investment grade status 'as the result of policies, contributions and sustained efforts made by previous administrations,' he adds.



Antonio Fotis Taquis

'We, as Panamanians are proud of what has been achieved in the maritime sector, in particular with the Panama Canal and we are excited by its expansion and potential to attract a series of new auxiliary services that will complement the existing companies already in place.'

Panama has made significant efforts to improve the quality, service and marketing of the Ship Registry, the world's largest in number of vessels and tonnage, by installing the necessary controls that led the Flag to enter, for the first time, the Paris MoU's White List as a recognition of its quality, says Taquis,

'It is the [right] moment to foster the establishment of two new components: Ship management and ship financing

which will complete our vocation of maritime services.'

He believes that Panama's international banking centre should enter the ship and mortgages finances market by designing a special legislation to promote and control this type of activity.

'Ship owners and international banks specialised in this type of financing have praised Panama's registration of mortgages and with the offering of these new services, Panama could offer a thorough marketing strategy that would include financing, service and ship registration,' says Taquis.

'And the presentation of our country as a ship management hub, with a special legislation, will definitely encourage these efforts even further.'

Panama's banking centre is the result of appropriate legislation enacted since the 1970s, political and economic stability and satisfactory controls, which have enhanced growth and confidence from the international and domestic communities. The centre has 93 banks of which 31 have an international licence and 15 are representative offices with total consolidated assets of \$75.75bn for the first half of 2011.



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Golf tourism rapidly growing

Tourism is growing as hotels mushroom in the Capital City, on the Pacific coast and in every corner of the country. From Donald Trump and his hotel Ocean Trump Tower, that was inaugurated in Panama's Punta Pacifica in July 2011, to the US chain Marriott which signed an agreement to build a beach resort at Casamar, on the Pacific coast, every worldwide renowned hotel chain now has a foot in Panama and in its trendy Pacific

coast. Tourism has become one of the pillars of Panama's economy with the number of visitors increasing every year and projected to rise to nearly 2m in 2011. Internal tourism, in the provinces, is also on the rise.

The Chiriqui province, near the border of Costa Rica, attracts tourists during the dry season – January to April – where deep sea fishing is all year round and where white-sand beaches stretch to infinity with resorts on luxury deserted

island destinations, such as Cala Mia Resort, that offers comfort and all the amenities, pools, spa and even a French-trained chef.

Visiting the Chiriqui highlands is like travelling to 'a little place in Europe', with its cool temperatures during the day and chill in the evening. Swiss styled-chalets with bright flowers and hoardes of horses galloping in green-manicured pastures are the constant sceneries of the province, particularly in

A boutique hotel in the business district

The beautiful, quiet and cosy boutique Hotel DeVille (www.devillehotel.com.pa) is strategically located in the centre of the banking district of Panama. Most of the law firms, banks, insurance and investment companies' headquarters can be found within walking distance from the hotel.

Its French architecture and classic comfort give the DeVille Hotel a charming ambiance, enhanced by a refined decoration with French colonial furniture and old prints and paintings that chronicle the early days of the Panama Canal construction.

The guests will find the emblematic boutique hotel concept of 'personalised service' taken to such new heights that you can even get your own private gym equipment installed in the spacious oversized rooms, or use the private meetings rooms free of charge and of course enjoy all those other amenities that make business visitors' stays as comfortable as possible.

The hotel has recently celebrated its 10th anniversary, being the pioneer of



boutique hotels in Panama, with a well established clientele of returning customers during those years because of its environment of maximum comfort, service and advanced technology.

All rooms have sleeping, sitting and working areas, with user friendly Wi-Fi Internet connections in all areas. The larger suites even having a separate office space, for working in private,

meetings or interviews.

For those who want to interrupt, or maybe even continue, their business while savouring a delicious meal and excellent wine, the DeVille's restaurant Alkimia offers Mediterranean fusion cuisine, and 'tapas' for the cocktail hour, in the same informal atmosphere that makes this hotel a true 'home away from home' in every aspect.

Swiss style chalets



the highest region of Volcan, Bambito and Cerro Punta where the International Friendship Park (Parque Internacional de la Amistad, PILA) is home to the Resplendent Quetzal.

This corner of the province, as well as the famed Boquete's valley and mountains, have been a refuge for leisure seekers who, whether from Panama City or nearby David – the capital of the

province, have built beautiful haciendas and holiday-homes.

Before Panama City-dwellers rushed to the Pacific beaches, Chiriqui was the 'must visit' destination for Panamanian

The Panama Canal visitors' centres

As the works on the Panama Canal expansion are taking shape, the Panama Canal Authority has planned for two new visitors' centres to be built, one at each end of the waterway, to allow tourists and Panamanians to experience the construction and expansion of the Panama Canal first-hand.

Although the idea had been conceived during the early days of the project planning process, the Panama Canal Authority (ACP) has kept it on hold until the construction began in full force. The Pacific centre will be located in Cocoli and will have a tower that will overlook the construction of the locks but its construction won't begin before 2012.

The centre on the Atlantic side, on the East side, is expected to be ready in 2012 since its construction is going at a good pace. That centre will also have a cafeteria, exhibitions and ecological trails.

Meanwhile, the present Visitors' Centre, on the east side of the Miraflores Locks, continues to offer the best view of ships transiting the waterway that can be found along the Panama Canal. The Centre was inaugurated on December 18, 2003 and receives a daily average of 1,000 visitors from all parts of the world. It is open seven days a week from 9am to 5pm.



Miraflores Visitor Centre

Visitors can see anywhere from one to three vessels, perhaps more, make the transit simultaneously. From the minute the vessel enters the locks, it takes approximately 40 minutes for the process to be completed.

The Centre has exhibition halls organised by themes over four floors. The permanent exhibitions include historical objects of canal operations, interactive modules, video presentations, and models of the Panama Canal. The first exhibit hall presents the Canal history since the French attempt to build a waterway in the 1880s, and portrays the background, technological innovation and sanitary initiatives that went hand in hand with the construction of the canal. The second exhibit hall is dedicated to the source of life: water, conservation of the environment, protection of the canal watershed, and the diversity of fauna and flora. The third hall shows how the Canal operates, bringing the

unforgettable experience of being inside a navigation simulator and one of the lock culverts. This exhibition showcases Canal improvement, modernisation and maintenance projects while the last exhibition describes the Canal expansion with an explanation on the construction of

the future third lane with larger locks that will allow the transit of post-Panamax vessels.

The Centre has also three observation areas located on the ground, first and fourth floors. Photos can be taken of the locks from their respective balconies. On the second floor, a restaurant is open to the public from noon until midnight and offers a splendid view of the vessels transiting the locks which is a stunning sight at night.

In addition, there is a 182-seat auditorium with full capacity for multimedia presentations.

General admission fee is US\$8 for adults and US\$5 for students and children under the age of 17. National and resident adults are charged US\$3, retirees, US\$1.5 and children under the age of 17, pay US\$2. Open Monday to Sunday including holidays: Tel: (507) 276 8617. Ticket Office: 9:00am - 4:30pm. Exhibition halls: 9:00am - 5:00pm.

Looking for a home in Chiriqui?

As foreigners are moving to Panama looking for a safe retirement, more pensioners are charmed by the tranquility and security of the Chiriqui province and particularly Boquete which, because of its altitude, provides year-round spring-like weather and temperatures between 16 and 20 degrees.

Valle Escondido–Hidden Valley – only a 10-minute walk from the town of Boquete – is a gated community of Spanish colonial styled houses, cabins and mansions. The complex is self sufficient with shops, a health centre and its own nine-hole golf course with hazards created by a river running through the property.

At Hacienda Los Molinos, another residential development in Boquete, the scenery of mountains slopes and a deep canyon gorge, conquers the eyes immediately. Whether the future



Chiriqui offers both tranquility and security

residents want to build their homes or have them ready when they arrive is just a matter of choice but the complex will feature all the amenities

for those who want to remain amongst neighbours and enjoy the views of the peak of Baru Volcano and even of the Pacific Ocean.

holidays. Although the new highway has shortened driving time from the capital, a good driver will make it to the mountains in some seven hours and a little more if he stops to buy some colourful Ngwabe–Bugle women's dresses or chaquiras (a wide necklace woven with strings of fine beads), which are sold on the Pan-American highway, near Tole.

The dormant Baru Volcano, Panama's highest elevation at 3,475mtr, hosts on its slopes the main attractions and resort areas of the province: Boquete on the east slope and Volcan, Cerro Punta, Guadalupe on the west.

Boquete, settled by Americans and Europeans in the early 20th century who came to grow coffee, flowers and

oranges, is a cozy little provincial town that has recently seen a vague of retirees who enjoy its nice climate. Accordingly there has been a surge in small hotels, restaurants and gated communities. But its main attraction remains the coffee plantations that grow the famed 'geisha' quality and are world wide winners of 'specialty coffees'. Coffee is harvested from September to April but the plantations can be visited year-round. One of the most famous is the Lerida coffee farm that offers one-day-tours with guides and lunches.

Not to be missed is the Flower and Coffee Fair held every year during the month of January, on the banks of the Caldera River, or the Orchid Fair in April.

A visit to the Dracula farm figures predominantly on the to-do-list of visits. Here, hundreds of varieties of orchids can be appreciated as can the Hotel Panamonte, owned by the same family for several generations and celebrated for its spectacular and refined cuisine and the elegant country-style decorations of the rooms.

Taking to the hills on the other side of Baru Volcano, the tortuous road from Concepcion to Volcan winds into a succession of thoroughbred ranches and dairy farms populated by Holstein and Charolais cattle. The road from Volcan to the border post San Benito twists and turns over ridges and depressions offering splendid views of coffee plantations.

The town of Cerro Punta, called the granary of Panama, is up the hills of a fertile valley where the sight encompasses volcanic fields devoted to growing vegetables, exotic fruits, strawberries and flowers. Here European settlers' influence is everywhere– a look at the telephone directory will prove it easily– in architecture, farming and to the benefit of the visitor, the food.

The area is also a favourite with bird watchers that flock to Guadalupe, driving the loop road, which passes Cerro Punta – a delightful drive. This is where the Friendship Park (PILA) begins.

The 207,000ha park is the second largest in Panama and home to 100 species of mammals, five species of cats, 91 species of amphibians, 61 species of reptiles and 400 species of birds, more than any other park in Panama. A real paradise for birdwatchers! The Resplendent Quetzal is often seen during the dry season. •

Facts and figures

- During the cruise season (October 2010–June 2011), the Panama Canal recorded 214 transits by cruise ships, thus slightly decreasing from 222 transits the year before. It was the third year in a row that the number of cruise ship transits has declined.
- Panama Canal toll earnings by cruise ships during the high months of the cruise season (October 1, 2010– July 6, 2011) grew by 12.2% to \$44.99m, compared to \$40.02m, a year ago with toll average of \$205,446 per vessel, up from \$180,283 per vessel during the previous cruise season. The increase was mostly due to a rise in tolls at beginning of 2011.
- The number of visitors to Panama grew by 10.9% and 122,113 to nearly 1.8m in 2010. Tourist spending grew by 13% in the same year to \$1.67m. During the first four months of 2011, registered tourists entries were up 11% to 716,863 of which some 190,691 were cruise passengers who disembarked in Panama, up 12.9% representing 27% of the entries during this period. The number of visitors from the US increased by 4.8%, from Canada 10.7% and from Germany 10.2% from January to April 2011.
- Some 331,209 cruise passenger disembarked in 2010, up from 310,764 during the previous year.
- Hotel room occupation was at 69.2% during the months of January to April 2011, up 4.4% compared to the same period a year ago.



Transcanal cruising maintains high interest for passengers

Cruise tourism and the massive arrival of passengers is becoming a trademark of Panama, translating into higher incomes for a large number of businesses, from restaurants to bars and to vendors of crafts and souvenirs. Cruise lines, such as Royal Caribbean Cruise Lines (RCCL) and Celebrity Cruises have made of Panama one of their main destinations, calling on the Atlantic and Pacific entrances of the Panama Canal.

The 2010-2011 season saw a record number of passengers, with 340,000 visitors disembarking in Panama, and in spite of a sluggish global economy the cruise industry is doing well. RCCL began calling Colon 2000, the cruise terminal on the Atlantic side, its home port in November 2008 and again in the following cruise season 2009-2010, with the 90,000dwt 2,500-passenger Enchantment of the Seas. Carnival Cruise Lines also made regular calls to the Atlantic side every 28 days, say Colon 2000 officials.

Panama is a favourite amongst tourists since it presents a good opportunity to go shopping in the many commercial malls, take a ride on the trans-isthmian railroad

that runs from Colon to Panama City, or visit the beautiful beaches of Panama.

For the October 2011-July 2012 season, some 150 cruise vessels had confirmed their visits by end of August, less than the 158 cruise vessels confirmed a year before, says Augusto Terracina, gm of Colon 2000 cruise terminal and parent company Aventuras 2000. Tourism operators, such as Aventuras 2000, forecast that 325,000 passengers will disembark during the next season, attributing the slight decrease to the economic crisis in the US but 'Panama is a stable market and it is not unusual that the market presents

Cruising the Panama Canal remains one of the most popular and sought after destinations in Central America and the Caribbean.

some variations,' he says.

RCCL has already announced that some of cruises will not call Panama during the season 2011-2012. The cruise line's absence will be compensated by an increase of calls by Celebrity Cruises.

However, for the third year in a row RCCL's Grandeur of the Seas, with a capacity for 2,446 passengers, and Horizon from the Spanish line Pullmantur, will call Colon 2000 their homeport in the 2011-2012 season, says Terracina.

Pullmantur Line will shorten its calls to five months from nine months since the liner will use vessels with greater capacity.

Cruising the Panama Canal remains one of the most popular and sought after destinations in Central America and the Caribbean, with stops at Panama's ports included. The Panama Canal recorded 214 transits by cruise ships with a total of 260,760 passengers, during the cruise season (October 2010-June 2011), thus slightly decreasing by 3.6% from 222 transits during the same period a year ago. Panama Canal toll earnings by cruise ships during the peak months of the cruise season (October 1, 2010-July 6, 2011) grew by 10.2% to \$44.99m, compared to \$40.02m, a year ago with toll average of \$205,446.51 per vessel.

'Despite the not so upbeat state of the cruise industry for some operators, the canal transit still maintains high interest for passengers and there will always be demand for transcanal cruising. Making the transit of the canal on board such a vessel gives the passenger a glimpse of Panama's attractions and provides excellent publicity to promote a future visit, while taking advantage of one of the many newly established accommodation and facilities around the country,' says CB Fenton & Co. vp, Adrian Holmes.

CB Fenton has a large cruise clientele



including Seabourn, Saga, NCL, Star, Lindblad, Tempress, Island Cruises and Star Clipper Cruises and the National Geographic Sea Lion. The Sea Lion which will make six home port calls at Colon 2000 from November 2011 to January 2012 and is the only cruise vessel making calls at the Smithsonian Research Centre in Barro Colorado, during the Canal passage.

'The Panama brand is largely appreciated worldwide and the possibility to build a homeport on the Pacific side would be welcomed by all cruise lines,' says Panama Canal administrator Alberto Aleman. 'The country offers the advantage of two terminals, on the Atlantic and the Pacific Oceans and should be the departure centre for new cruises to the Galapagos, Easter Island or Panama's Pearl islands,' he explains. 'Moreover, the Canal expansion will be an additional attraction during the time of its construction,' he adds. Nevertheless, all shipping agents explain that cruise terminal facilities must be expanded with the construction of new terminals either on the Atlantic side or the Pacific side to respond to an increasing demand from the industry, including the mega cruise vessels.

Colon 2000, which serves as homeport for Royal Caribbean, invested \$12m in



Cruise ship at Miraflores lock

2009 to build a dedicated 200mtr berth, in addition to its existing 100mtr pier. 'This decision leaves us as the only cruise terminal on the Atlantic side and will bring an important increase of calls from lines such as Princess Cruises, Holland America, P&O Cruises and MSC, amongst others,' says Colon 2000's Terracina.

In 2010, Panama Ports Co, that administers the port of Cristobal where cruise lines used to dock at Pier 6, stated that it would no longer accept cruise lines since the terminal was expanding its

cargo operations. Since then, all cruise lines calling Pier 6 have rebooked their arrivals at Colon 2000, some of them even looking at changing routes to call Colon 2000 when there is space available to avoid interfering with RCCL and Pullmantur that both call Colon 2000 their homeport, explains Terracina. Some cruise vessels, though, like Cunard's Queen Mary cannot call Colon 2000 where draught is below the liner's needs.

Colon 2000 provides a 100mtr pier with 11mtr draught, a passenger terminal and a

C.B. Fenton & Co

C.B. Fenton & Co (www.cbfenton.com) is one of the oldest shipping agencies established in Panama. It represents more than 150 shipowning companies throughout the world, with agents in Europe, the United States 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.

Since October 2010, C.B.Fenton & Co has moved its headquarters in Panama-Pacífico, the former Howard Air Force base transformed into an economic development area.

The Company was established in 1916 and has been owned by the same family since the retirement of the founder, Captain Charles B Fenton, in 1958, now in partnership with Adrian Holmes.

'We pride ourselves on the personal attention that has been rendered to owners and operators over the last 95 years, providing clients with an economically priced service but without reducing the level of attention that is so important in the industry if delays and unacceptable costs are to be avoided,' says Adrian Holmes, vice

president of C.B.Fenton & Co.

CB Fenton has a large clientele of cruise lines amongst which Seabourn, Saga, NCL, Star, Lindblad, Tempress, Island Cruises and Star Clipper Cruises and the National Geographic Sea Lion. The Sea Lion which will make six home port calls at Colon 2000 from November 2011 to January 2012 is the only cruise vessel making calls at the Smithsonian Research Centre in Barro Colorado, during the Canal passage.

Whilst the cruise lines have seen a slight increase in the Panama Canal, regrettably there have been some noticeable cancellations in the season 2008-2009 and during the season 2009-2010 as a result of the economic situation, although those most affected have been the smaller exploration cruise vessels whose costs of a canal passage have increased quite considerably. Due to their size there is a premium to transit the canal during daylight hours, and of course this is a high priority for the canal passage.

The season 2010-2011 was up to

expectations considering the overall cruise market. 'We were able to maintain a healthy stake in that market and anticipate similar participation in the season 2011-2012 with two new vessels, the Seabourn Quest and the Saga Quest, making their initial transit.

With the expansion of Cristobal port, the decision by Panama Ports Co that administers the port of Cristobal, to

cease cruise operations on Pier 6 has forced all cruise lines to use the cruise terminal Colon 2,000 on the Atlantic coast, which is already home port for Royal Caribbean Cruise Line. This change of port call has not reduced the numbers of calls, although 'there has been a reduction in the numbers of transits primarily because of the

costs,' says Holmes. PSA terminal, on the Pacific side, that began operations last July, may provide a momentary alternative to cruise ships that cannot dock in Panama since there is no cruise terminal. 'Much will depend on how the docking movements will be performed at the location,' says Holmes.



Adrian Holmes

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Cruising the Panama Canal

The Panama Canal cruise remains one of the most popular cruises and one of the most sought destinations in Central America and the Caribbean with stops featured at Panama's ports. However, most tourists visiting Panama want to have the experience of a short cruise in the waterway, even a partial or full transit that will only take a few hours or maximum a day.

Several travel agencies offer these kinds of transits on small ships, ferries or yachts. This is the most enjoyable approach to see the operations of the locks, navigate the waters of Gatun Lake and witness first hand the works for the expansion of the Panama Canal.

Tours begin generally early morning, at 7am for a full day transit or 9am for partial transit, starting from Panama City's Flamenco Island at Amador causeway or from Colon, or from Gamboa in the Canal area, for the short trips.

Most of the times, a full transit will originate in Colon and take the visitor along the 80km-waterway, transiting the three locks from the Atlantic side to the Pacific side while the partial transit will begin on the Pacific side, transiting the Pedro Miguel locks and Miraflores

locks and return to the embankment, in a four-hour trip.

Transportation by bus is provided by the travel agencies to Colon, on the Atlantic side, from where the full transit will begin at Gatun three-level-locks to later enter Gatun Lake. The crossing of the lake will take at least two or three hours, sailing along container vessels and large Panamax.

While cruising the lake where isolated 100-year-old trees emerge from the waters, last witnesses of the construction of the Canal, the ship will pass nearby Barro Colorado Island, a Smithsonian research station where troops of monkeys can often be watched, and slowly enters the 13.7km-long Gaillard Cut which is the narrowest part of the channel carved into the continental Divide. The Cut is being dredged constantly to keep the navigational channel clear.



Before reaching the Pedro Miguel Locks at the southern end of the Cut, the new Centennial Bridge crosses over the Canal and then comes Pedro Miguel Locks, one of the two sets of locks on the Pacific side, where the vessel is lowered nine metres in one step ahead of the Miraflores Lake, a small artificial body of fresh water that separates Pedro Miguel from Miraflores Locks, where the ship is lowered 18mtr in two distinct steps, and the transit completed. The ship then, passes under the Bridge of the Americas to finish its full transit of the Panama Canal at Amador Causeway embankment.

duty free commercial mall, attracting several other cruise lines transiting the Panama Canal. The Panamanian-owned Colon 2000 has built an exclusive 200mtr pier for RCCL that has capacity to dock vessels of up to 160,000dwt and since December 2008 has become 'the first homeport in Latin America for large vessels,' says gm Augusto Terracina.

On the Pacific side, Fort Amador Resort and Marina (FARM), also receives cruise vessels calls with jetty service. The marina is also home to privately owned yachts which are now part of scenery offered to tourists and vacationers coming to enjoy the variety of

restaurants at Fort Amador.

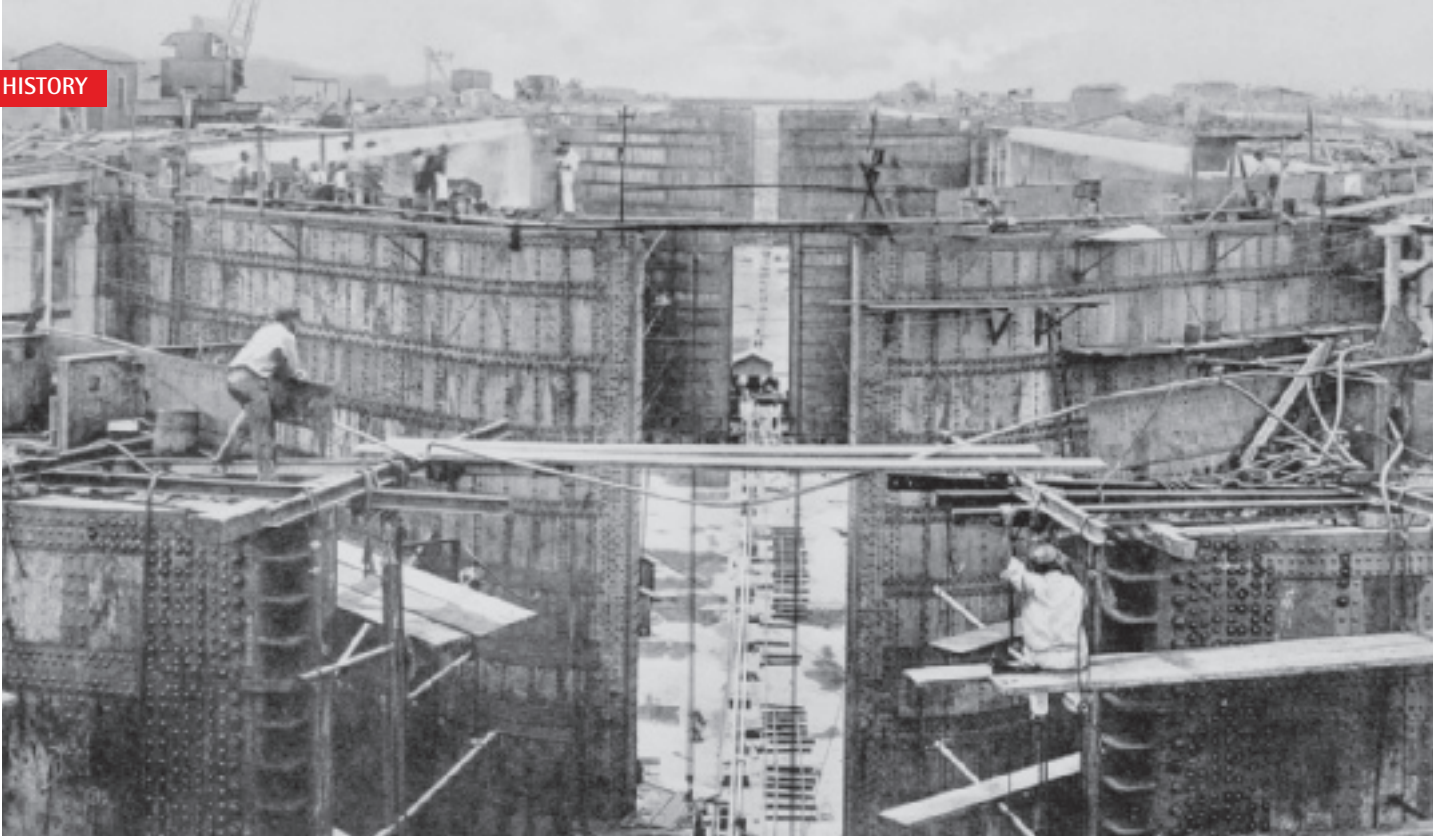
Panama's government recently announced that it will promote the construction of a cruise terminal in the Fort Amador area.

Although no timetable has been set, the AMP has commissioned feasibility studies for the cruise terminal, a decision that has been applauded by shipping agents and tour operators since there are no terminal facilities on the Pacific side. 'The government seems serious about the cruise terminal, possibly in tandem with a new convention centre, so it seems likely to happen,' comments David Taylor Latin

America gm of Moffatt & Nichol, a leading US-based global infrastructure advisor specialising in planning and design of ports round the world.

Meanwhile, the new PSA Panama International Terminal that is positioned at the Pacific entrance of the Panama Canal channel on the western bank, has now begun operations and could be an alternative for cruise vessels calling Panama City. Port officials say having received several shipping agents' queries for available berthing during the cruise season. 'Much will depend on how the docking movements will be performed at the location,' says Holmes. •

Waiting to enter the Canal



Remarkable engineering

As enormous excavators are once again cutting the earth on the Atlantic and Pacific entrances of the Panama Canal to build a third set of locks and expand the waterway, engineers and workers are rewriting the modern version of this remarkable feat of engineering that began several centuries ago. A dream that goes back to the Spanish colonisation when King Charles V of Spain in 1534 ordered a survey for the construction of a passage – a trans-isthmian canal – across the Isthmus of Panama that could join the Atlantic Ocean and the Pacific Ocean.

The idea was to create a shortcut connecting Europe, the American continent and Asia and that would quicken the transport of his recently discovered Peruvian riches to Spain. Although the crossing seems only a few horse-days long, the obstacles of such an endeavour – cutting a passage in thick animal-infested jungle – seemed unlikely.

It was not until the early 19th century, that 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. Several multinational and US expeditions were launched to determine whether a canal should be built in Panama or in Nicaragua.

With the opening of the Suez Canal, built by Ferdinand de Lesseps in 1869, competition between US and European builders to begin work on a canal in Panama was raging. In 1878, the French naval engineer, Lt. Lucien Napoleon Bonaparte Wyse obtained a concession from Colombia to dig a canal in 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 Interoceanique, under the direction of Frenchman Ferdinand de Lesseps began operations in 1881 but the project was finally abandoned years later, defeated by diseases and an enormous financial scandal.

Digging a canal was becoming a military imperative for the United States,

particularly as it took 60-days to complete the journey from the Pacific to the Atlantic via Cape Horn.

Finally, in 1902, the US Congress authorised construction of an Inter-oceanic canal in Panama. A treaty was negotiated with Colombian officials who granted the US a 99-year concession with an option for renewal. The treaty was rejected by the Colombian legislature on the grounds that it infringed Colombia's sovereignty and provided insufficient remuneration.

In 1903, after the Colombian legislature rejected the treaty signed with the US, Panama declared its independence from Colombia and was immediately recognised by the US government. The new Panamanian government signed a treaty with the US granting the rights to undertake the construction of a waterway. The following year, the US bought the rights and properties of the French Company for \$40m, gave \$10m compensation to Panama's government and began excavating.

The US undertook a major sanitary



effort under Col. William C. Gorgas, wiping out the diseases that defeated the French. The monumental construction was completed in 10 years at a cost of about \$387m. Its triumphant culmination was due principally to the arduous labour of about 30,000 manual workers, most of them from the Caribbean, and 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 gates bigger than everyone had ever imagined and solve environmental problems of enormous proportions.

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

No other construction in the modern world has such a long history of personal defeats and victories, of heroism and great engineering than the building of the Panama Canal.



More than a million ships have transited the waterway since it was opened to the world shipping fleet.

Since 2007, the Panama Canal Authority has begun the construction of a third lane with larger locks allowing the passage of huge post-Panamax, following the approval by the Panamanians of a referendum on the Canal expansion that

will bring the canal well into the 21st century. The \$5.25bn works, including the construction of the third set of locks which was awarded to the multinational consortium Grupo Unidos Por el Canal (GUPC), should be completed in 2014 and will likely be inaugurated officially to commemorate the 100th anniversary of this remarkable feat of engineering. •

The Panama Canal Museum

The Panama Canal Museum is one of the most visited features of the Capital City colonial area because it is located in an historic and charming 19th century building of traditional French architecture, in the Casco Viejo (Old Compound) neighborhood.

It was inaugurated in 1997, during the Canal Universal Congress that celebrated the 20th anniversary of the Panama Canal treaty signature that would transfer the waterway to full Panamanian ownership on December 31, 1999.

Built in 1875 by French entrepreneur George Lowe to house the Grand Hotel, the most fashionable hostelry of its time in Central America, the building has remained a landmark of Panama for decades.

When the French Compagnie Universelle du Canal Interoceanique began operations in Panama, Ferdinand de Lesseps, who had stayed at the hotel in 1880, bought the premises in October 1881 to establish his offices and the company's administration. The building changed owners when the United States bought the French remaining installations in 1904, installing the headquarters of the Isthmian Canal Commission until 1909. The US sold the edifice to the Panama government in 1910 which located the Mall and Telegraph Office where it remains well into the 1990s.

With help from the European Union, Panama restored the building,



with its typical French Mansard-styled windows and red tiles, today the best example of the French architecture influence in Panama.

The Museum periodically presents special exhibits in addition to its permanent collection, that tell the history of the Panama Canal and has a remarkable acquisition of documents from the first studies in the 1800s to the monumental efforts the US government and its Army Corps of Engineers displayed during the construction of the Canal. These provide a walking journey through the history of the waterway and the nation's.

There is a Treaties' room that shows the original Hay-Bunau Varilla's treaty signed in 1903 that gave the US' perpetual jurisdiction over the Canal Zone and the treaty signed by late

Gen. Omar Torrijos and former President Jimmy Carter in 1977 that returned to the Panamanians the so-called colonial enclave.

The Museum is administered by a board of trustees that include Panama Canal Authority officials.

Local collectors and the Panama Canal Authority have donated most of the objects and Canal memorabilia permanently exhibited. The Museum's rich collection is available to students and researchers who contribute with their works to enhance the collective memory of the Museum.

The Museum (Tel: +507-211 16 49/ 16 50) is open from Tuesday to Sunday, closed on Monday, from 9:30am to 5:30pm. Admittance is US\$2 for adults, US\$0.75 for children.

Progress so far



Panama & the Panama Canal





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Panama International Terminal (PSA)

COLON CONTAINER TERMINAL (CCT)



PHASE I: Pier No.1 and 2 with 612mtr length and 14mtr draft.

PHASE II: Pier No. 3 with 370 metres length and 15 metres draft.

Future expansion: **PHASE III:** Pier No.4 and 5 with 320 metres length each one and 16 metres draft.

Terminal Equipment

- 5 Mitsubishi Post Panamax Gantry Cranes, capacity 50 tons
- 5 Mitsubishi Panamax Gantry Cranes, capacity 50 tons
- 12 units of RTG (6+1) Mitsui
- 18 units of RTG (6+1) ZPMC
- 12 units of Side Loader
- 5 units of Reach Stacker (3 Fantuzzi and 9 Kalmar)
- 12 units of Forklifts (2 x 10 ton and 10 x 3 ton)
- Current yard capacity: Laden: 22,000teu, 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 damage containers, dry boxes and reefer containers, steam cleaning and reefer pre-trip jobs.

Security System comprehends:

- CCTV System: 103 cameras in the terminal
- K-9 Dogs: 11 units
- Security Guards: 80 units
- 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.

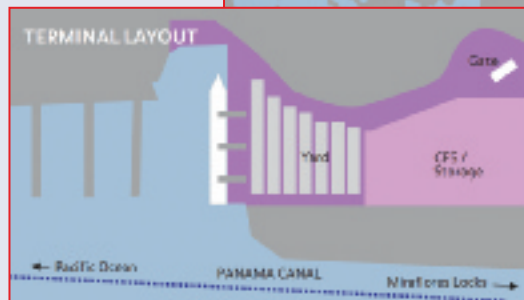
PPC – PORT OF CRISTOBAL

FACILITIES	DETAILS
Total area	143 hectares
PIER 6 cruiseships	2 berths
Pier length	677mtr
Can handle 2 megaships simultaneously. Terminal has variety of shops. Covered zone for tour dispatches. Panama City 77km. Atlantic terminal for transit of Panama Canal. Transport connections on dock rail connection.	
Container berths	2
Length	648.4mtr
Depth	13.8mtr
Multipurpose berths	3
Length	846.66mtr
Depth	12mtr minimum
Roro berths	1
Length	314mtr
Depth	10.97mtr
General cargo berths	3
Length	846.66mtr
Depth	12mtr minimum
Break bulk berths	2
Length	792mtr
Depth	8.97mtr
Quay cranes (panamax)	6
Harbour cranes	1
Rubber tyred gantry cranes	22
Reachstackers	9
Container toplifters	4
Side lifters	2
Empty handlers	9
Forklift	25
CFS	6,110sq mtr
Warehouse	27,809sq mtr



PANAMA INTERNATIONAL TERMINAL (PSA)

FACILITIES	DETAILS
Container berths	1
Quay length (mtr)	330
Area (ha)	22.5
Max depth at chart datum (mtr)	14.5
Quay cranes	3
Designed capacity ('000 teu)	450



PPC – PORT OF BALBOA



FACILITIES	DETAILS
Total area	182 hectares
Pacific terminal for transit of Panama Canal	
Transport connections	International airport, Panama City, rail connection
Planned expansion	150mtr of berth expansion, additional container yard
Container berths	
Length	2,120mtr
Depth	16mtr
General cargo berths	
Length	548.57mtr
Depth	8.10mtr
Quay cranes:	Super Post panamax 14 Panamax 8
Rubber tyred gantry cranes	51
Reachstackers	4
Container toplifters	0
Empty handlers	21
Forklift	21

COLON 2000



FACILITIES	DETAILS
Length	100mtr
Depth	11mtr

Passenger terminal. Also offers shore excursions and retail shopping centre. Plans underway for a second pier and possibly a theme park.

MANZANILLO INTERNATIONAL TERMINAL (MIT)

FACILITIES	DETAILS
Navigation, berthing, pilotage/tugs	
Container berths	
Length	1,640mtr
Depth	14mtr
Additional 300mtr berth for Ro Ro vessels. Depth 12.5mtr	
All berths +2.5mtr above MSL. Tide variance is 30cm.	
Ship to shore container gantries	14
Yard infrastructure/equipment	
Total area	80 hectares
Storage	46,000teu
1,145 plug capacity for refrigerated containers	
Yard gantries	
Toppicks	20
Sidepicks	21
Yard trucks	102
Bombcarts	115
Forklifts	33
Gates	5 inbound, 5 outbound lanes with weight scales
2 additional inbound/outbound lanes with direct access to the Colon Free Trade Zone	
Container equipment and refrigeration repair facilities: Inspections, preventive maintenance, and damage repair to container equip. 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	8 person emergency response team on call 24-hrs
ISO 9001 Certified	
Container freight station	
Total area	16,275sq mtr
Customs/Quarantine	
Offices on terminal	
Rail link	
Operated and serviced by Panama Canal Railway Company	



USEFUL INFORMATION

Official name

República de Panamá.

Population

3.45m -29.2% under 15 years old.

Ethnic groups

Mestizo (mixed Indian and European ancestry) 70%, West Indian 14%, Caucasian 10%, Indian 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 2010

\$26.77bn (current prices)
\$20.86bn (constant prices)

Inflation 2010 3.5% Q1, 11: 4.8%

Annual growth rate 2010

7.5%

Natural resources

Timber, seafood, tourism.

Foreign trade (excludes Colón Free Zone) 2010

Exports of goods (FOB): \$725.1m (-11.7% vs 2009) fish products and agricultural products, clothing.
Imports (CIF): \$8.27bn (+16.8% vs 2009) consumer goods: \$4.04bn; intermediary goods: \$2.22bn; capital goods: \$1.99bn.

Colon Free Zone trade

Turn over: \$21.62bn
Imports: \$10.23bn (+23.8% vs 2009) China (+21.9%), Singapore (+21.8%), Taiwan (+10.1), Hong Kong (+10%), US (+8.1%)
Re-exports: \$11.39bn - Colombia (+35%)

Panama Register

8,029 vessels exceeding 500gt, totaling 202.1m gt and an average fleet age of 16

years as of December 2010, according to Lloyd's Register.

Services

78% of GDP: Trade, finance, insurance, maritime services including the Panama Canal, ports and related services.

Agriculture and industry

Primary sector (8.7% of GDP): includes agriculture 4.7%, fishing 3% and mining 1%. Products: bananas and other fruits, corn, sugar, ice, coffee, shrimp, timber, vegetables and cattle. Secondary sector industry: food and drink processing 8.4% and infrastructure 32.6% of GDP of which; real estate 16.5% and Colon Free Zone 7.4%, financing 8.4%. Government services 16.2% of GDP.

Land

Agricultural 24%, exploitable forest 20%, other 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. Ricardo Martinelli, from the Cambio Democrático (Democratic Change, CD) party was elected May 3, 2009 and was sworn in for a five-year term at a ceremony July 1, 2009.

Government branches

Executive: President (head of state), two Vice Presidents.

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
Subdivisions: Nine provinces and four (Indian) territories or Comarcas.

Religions

Roman Catholic 85%, Protestant 15%.

Languages

Spanish (official); various indigenous native languages.

Education

Compulsory over 6 years of age. 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: Government & community services 250,000, private sector 500,000, others 350,000.

GDP per capita 2010 \$5,953 (constant prices) +5.8%/2009

Unemployment

6.2% (2010) - 5.2% (Q1, 2011)

Major cities

Panama City: 1,500,000 (estimated),
Colón: 160,000, David: 130,000.

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 10% as well as hotel taxes. There is a US\$20 tax payable on departure from Panama City's Tocumen International Airport.

Banking

Some 93 national and international banks have branches in Panama, 44 of them with general licence. Opening hours vary but most are: Mon to Fri from 8am to 1pm/3pm. Most banks are also open on Saturday morning.

Colón Free Zone

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's office: Annual report '10.

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 dates

Carnival Tuesday, Easter Friday



Shipping and tourism services

Panama Maritime Authority (AMP)
Albrook, Pan Canal Plaza, P.O. Box 0843-0533, Balboa, Ancón
Tel: +507 501 5000 Fax: +507 501 514

Panama Canal Authority (ACP)
Balboa - Ancón, Panama
Tel: +507 272 7602 Fax: +507 272 7693

BANKING

Banco de Bogota
P.O. Box 0816-02029, Panama, RP
Tel: +507 208 11 00
Fac: +507 263 80 37
www.bancodebogotainternational.com

Banco General
P.O. Box 0816-00843, Rep. of Panamá
Tel: +507 303-5001
Fax: +507 303-5101
www.bgeneral.com

Banco Nacional de Panamá
P.O. Box 0816-05220, Rep. of Panamá
Tel: +507 505-2000
Fax: +507 505-0211
www.banconal.com.pa

Banesco
P.O. Box 0823-05790, Panama, RP
Tel: +507 282 20 00
Fax: +507 282 22 57

Bank Leumi Le-Israel
P.O. Box 0819-05593, Panama, RP
Tel: +507 263 93 77
Fax: +507 269 26 74

**BBVA Banco Bilbao Vizcaya
Argentina (Panamá)**
P.O. Box 0816-03396, Rep. of Panamá
Tel: +507 207-2600
Fax: +507 207-2200
www.bbvapanamá.com

BICSA (Banco Internacional de Costa Rica)
P.O. Box 0816-07810, Rep. of Panamá
Tel: +507 208-9500
Fax: +507 208-9581
www.bicsa.com

**BLADEX (Banco Latinoamericano de
Exportaciones)**
P.O. Box 0819-08730, Rep. of Panamá
Tel: +507 210-8500
Fax: +507 269-6333
www.blx.com

Bank of China
P.O. Box 0823-01030, Rep. of Panamá
Tel: +507 263-5522 / 5330 / 6383
Fax: +507 223-9960 / 269-1079
www.bank-of-china.com

Citibank
P.O. Box 0834-0555, Rep. of Panamá
Tel: +507 210-5900
Fax: +507 210-5901
www.citibank.com.pa

Credicorp Bank
P.O. Box 0833-0125, Rep. of Panamá
Tel: +507 210-1111
Fax: +507 210-0100
www.credicorpbank.com

Global Bank Corp
P.O. Box 0831-01843, Rep. of Panamá
Tel: +507 206-2000 / 269-9292
Fax: +507 264-4089 / 264-3723
www.globalbank.com.pa

HSBC Bank USA
P.O. Box 0834-00076, Rep. of Panamá
Tel: +507 263-5855
Fax: +507 263-6009
www.pa.hsbc.com

Korea Exchange Bank
P.O. Box 0823-05773, Rep. of Panamá
Tel: +507 269-9966
Fax: +507 264-4224
Email: koexpa@cwpanama.net.pa

Mega ICBC
P.O. Box 0832-01598, Rep. of Panamá
Tel: +507 263-8108 / 263-8217
Fax: +507 263-8392
www.megabank.com.tw/abroad/panama/panama01.asp

The Bank of Nova Scotia
P.O. Box 0816-01999, Rep. of Panamá
Tel: +507 263-6255
Fax: +507 208-7702
Email: bnc.panama@scotiabank.com
www.scotiabank.com

Tower Bank International
P.O. Box 0819-06769, Panama, RP
Tel: +507 269 69 00
Fax: +507 269 68 00
www.towerbank.com

CARGO & OTHER SERVICES

Air Sea Worldwide Panamá
P.O. Box 0815-00883, Rep. of Panamá
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 Panamá
Tel: +507 236-5843
Fax: +507 236-9705
Email: amtcargopma@cableonda.net
www.amtcargop.com

Intertrade
P.O. Box 0819-10090, Rep. of Panamá
Tel: +507 232-8588
Fax: +507 232-8078
Email: interoper@cableonda.net
www.intertrade.pt.com

Naves Supply
P.O. Box 0832-1499, Rep. of Panamá
Tel: +507 232-5415
Fax: +507 232-5469
Email: navessupply@cwpanama.net
www.navessupplypanama.com

Sea Cargo
P.O. Box 0816-00665, Rep. of Panamá
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 Panamá,
Rep. of Panamá
P.O. Box 0302-00482 Colón, Rep. of Panamá
Tel: +507 430-3537 / 261-0044
Fax: +507 430-0627 / 430-3705
Email: supremepty@supremepty.com
www.supremepty.com

CREWING AGENTS

**BECA Inc. Balboa Employment &
Crewing Agency**
P.O. Box 0830-01489, Rep. of Panamá
Tel: +507 260-2316
Fax: +507 260-8049
After hours: Tel: +507 6617-4557
Email: managers@becainc.net
www.becainc.net

DREDGE, LAUNCH, TUG, PILOT SERVICES

Caribbean Pilots Corp.
Tel: +507 430 35 36
Fax: +507 430 35 38
Email: administration@caribbeanpilots.com

Cía. Marítima de Panamá
P.O. Box 0843-02951, Rep. of Panamá
Tel: +507 211-1111
Fax: +507 211-3140
www.cmpgb.com

Coastal and Inland Marine Service
P.O. Box 0843-00538, Rep. of Panamá
Tel: +507 260-0088 / 260-0096
Fax: +507 236-1776
www.boskalis.com

Dredging International
P.O. Box 0833-00284 Rep. of Panamá
Tel: +507 340-3004
Fax: +507 340-3005
www.deme.be

Panama Pilots Services Corp.
P.O. Box 0302-00435, Rep. of Panamá
Tel: +507 430-2127
Fax: +507 430-0496
Email: panamapilot@cwpanama.net
www.panamapilot.com

Practicaje Marítimo
Tel: +507 214 46 84
Fax: +507 214 46 83

Transiberica
P.O. Box 0831-01887, Rep. of Panamá

Shipping and tourism services

Tel: +507 314-1708
 Fax: +507 314-0936
 Email: cpedroza@pancaship.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 Panamá
 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 Panamá
 Tel: +507 223-0452
 Fax: +507 263-5535
 Email: apsager@cableonda.net

Boluda Corporation Maritima

P.O. Box 0843-03328, Rep. of Panamá
 Tel: +507 211-1111
 Fax: +507 211-3120
 Email: cmpgb@boluda.com.pa
 www.cmpgb.com

CEPSA Panamá

P.O. Box 0831-02143, Rep. of Panamá
 Tel: +507 214-9615 / 214-9601
 Fax: +507 214-8300
 Email: marian@antivirus.cableonda.net
 www.cepsa.es

Chemoil Latin America Inc.

P.O. Box 0823-00992, Rep. of Panamá
 Tel: +507 265-5070
 Fax: +507 265-5088
 www.chemoil.com

DECAL Panamá

P.O. Box 0819-11975, Rep. of Panamá
 Tel: +507 213-1013 / 1917
 Fax: +507 213- 9895
 Email: decal@decalpan.com

Eco-Klean

P.O. Box 0834-01866, Rep. of Panamá
 Tel: +507 268-7303 / 448-1771
 Fax: +507 268-2289
 Email: Ecoklean@gmail.com

Esso Marine Supply Company

P.O. Box 0843-03064, Rep. of Panamá
 Tel: +507 211-0800
 Fax: +507 211-0843

FAMM Antilles Ltd (Fuel and Marine Marketing)

P.O. Box 0843-00358, Rep. of Panamá
 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 Panamá
 Tel: +507 232 57 44/6670
 Fax: +507 232 8751
 Email: info@isspanama.com

Isthmian Petroleum

P.O. Box 0843- 03042, Rep. of Panamá
 Tel: +507 263-6568
 Fax: +507 269-4917
 Email: bunkers@isthmianpetroleum.com

Melones Oil Terminal

Tel: +507 395 63 11

Oil Tanking Panama

Tel: +507 214 13 52/214 13 96
 www.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 Panamá
 Tel: +507 316 40 00
 Fax: +507 316 41 00

Petróleos Delta

P.O. Box 0819-07409 Rep. of Panamá
 Tel: +507 279-3000
 Fax: +507 279-3025
 www.petrodelta.com

Petroterminal de Panamá

P.O. Box 0832-0920, Rep. of Panamá
 Tel: +507 263-7777
 Fax: +507 263-9949
 www.petroterminal.com
 Email: info@petroterminal.com

Refinería Panamá

P.O. Box 0816-01491, Rep. of Panamá
 Tel: +507 433-8100
 Fax: +507 433-8182
 Email: refpan@texaco.com

Rio Energy Panamá

P.O. Box 0819-11300, Rep. of Panamá
 Tel: +507 360-2009
 Fax: +507 360-2011
 Email: rioenergy@cwpanama.net

Shell Marine Products

P.O. Box 0833-0124, Rep. of Panamá
 Tel: +507 210-7770 / 210-7862
 Fax: +507 210-7799
 www.shell.com

Trader Tanker/Bunker Vessel Management

Tel: +507 271 44 66
 Email: tradertankers@cwpanama.net

Universal Oil

P.O. Box 0843-02951, Rep. of Panamá
 Tel: +507 211-3130
 Fax: +507 6617-3810
 Email: bunkers@universal-oil.com

VT Shipping

Tel: +507 225 92 71
 Fax: +507 225 34 76
 Email: jdgigeronimo@vtshipping.com

GALLERIES

Weil Art

P.O. Box 0832-2233, Rep. of Panamá
 Tel: +507 264-9697
 Fax: +507 264-6673
 Email: weilart@cableonda.net
 www.weilartgallery.com

HOTELS

Bristol

P.O. Box 0835-00257, Rep. of Panamá
 Tel: +507 265-7844
 Fax: +507 265-8620
 Email: Bristol@thebristol.com
 www.thebristol.com

Sheraton Panamá

P.O. Box 0819-05896, Rep. of Panamá
 Tel: +507 305-5100
 Reservations: +507 305-6960
 Email: info@sheratonpanama.com.pa
 www.sheratonpanama.com.pa

Continental

P.O. Box 8475, Panamá 7, Rep. of Panamá
 Tel: +507 263-9999
 Fax: +507 263-5143
 Email: reservas@hotelesriande.com
 www.hotelesriande.com

Country Inn & Suites

P.O. Box 8001, Panamá 7, Rep. of Panamá
 Tel: +507 236-6444
 Fax: +507 236-9320
 Reservations: 001 800 507 1067
 Email: country.pma@unesa.com
 www.countryinns.com

Courtyard Marriott

P.O. Box 0832-1236, Rep. of Panamá
 Tel: +507 301-0101
 Fax: +507 301-0102
 Email: panama@courtyard.com
 www.courtyard.com

Crowne Plaza

P.O. Box 0832-1423, Rep. of Panamá
 Tel: +507 206-5555
 Fax: +507 206-5557
 Reservations: +507 206-8880
 www.cppanama.com

Decameron Resort-Beach

P.O. Box 0838-0293, Rep. of Panamá
 Tel: +507 214-3535 / 993-2255
 Fax: +507 214-8059
 Email: reserves@decameronpty.com
 www.decameron.com

Shipping and tourism services

Decapolis

P.O. Box 0816-03419, Rep. of Panamá
Tel: +507 215-5700
Fax: +507 215-5786 / 84
www.radisson.com

DeVille

P.O. Box 0832-0172, Rep. of Panamá
Tel: +507 206-3100
Fax: +507 263-6313
www.devillehotel.com.pa

Executive (Ejecutivo)

P.O. Box 0816-01609, Rep. of Panamá
Tel: +507 265-8011
Fax: +507 269-1944
Reservations: +507 264-3989
Email: reservip@theexecutivehotel.com
www.elejecutivo.com

El Panamá

P.O. Box 0816-06754, Rep. of Panamá
Tel: +507 215-9000
Fax: +507 223-6080
Reservations: +507 215-9182
Email: reservas@elpanama.com
www.elpanama.com

Gamboa Rainforest Resort

P.O. Box 0816- 02009, Rep. of Panamá
Tel: +507 206-5566 / 314-9000
Fax: +507 214-1002
Reservations: 206-8880
Email: reservations@gamboaresort.com
www.gamboaresort.com

Hotel Contadora Resort

P.O. Box 0831-00309, Rep. of Panamá
Tel: +507 214-3719 / 3720
Fax: +507 264-1178 / 214-3721
In Contadora: +507 250-4033
Fax: +507 250-4049
www.hotelcontadora.com

Marriott

P.O. Box 0832-0498, Rep. of Panamá
Tel: +507 210-9100
Reservations: +507 210-9333
Email: marriott-hotels.com/ptypa
www.marriott.com

Miramar Inter-Continental

P.O. Box 0816-2007, Rep. of Panamá
Tel: +507 206-8888
Fax: +507 214-1002
Reservations: +507 206-8880
Email: panama@interconti.com
www.intercontinental.com

Plaza Paitilla Inn

P.O. Box 0816-06579, Rep. of Panamá
Tel: +507 208-0600
Reservations: +507 208-0616
Fax: +507 208-0619
www.plazapaitillainn.com

Playa Blanca Resort

P.O. Box 8437 Zona 7, Rep. of Panamá
Tel: +507 264-6444 / 993-2929
Fax: +507 264-6773
Reservations: 1-888-790-5264

Email:

reservaciones@playablancaresort.com
www.playablancaresort.com

Sheraton- Four Points

P.O. Box 8-320239, WTC, Rep. of Panamá
Tel: +507 265-3636
Fax: +507 265-3550
Reservations: 800 333 3333
www.fourpoints.com/panamacity

Sol Melia – Panamá Canal

P.O. Box 0301-02227, Rep. of Panamá
Tel: +507 470-1100
Fax: +507 470-1200
Email: melia.panama.canal@solmelia.com
www.solmelia.com

Veneto Hotel & Casino

P.O. Box 0831-00181, Rep. of Panamá
Tel: +507 340-8888
Fax: +507 340-8889
Email: reservas@venetocasino.com
www.venetocasino.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 Panamá
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 Panamá
Tel: +507 263-9355
Fax: +507 263-7214
Email: lopezalfaro@afra.com
www.afra.com

Arias B & Associates

P.O. Box 0816-01110, Rep. of Panamá
Tel: +507 265-8303
Fax: +507 265-4402
www.abalaw.net

Arias, Fabrega & Fabrega

P.O. Box 0816-01098, Rep. of Panamá
Tel: +507 205-7000
Fax: +507 264-5962
Email: pma@arifa.com
www.arifa.com

Arosemena, Noriega & Contreras

P.O. Box 0816-01560, Rep. of Panamá
Tel: +507 265-3411 / 2130330
Fax: +507 264-4569
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 Panamá
www.avilaco.com

Benedetti & Benedetti

P.O. Box 0816-01071, Rep. of Panamá
Tel: +507 263-4444
Fax: +507 264-5962
Email: Benedetti@benedetti.com.pa
www.benedetti.com.pa

Buffete Candanedo

P.O. Box 0834-01843, Rep. of Panamá
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 Panamá
Tel: +507 269-1333
Fax: +507 269-4698
Email: illueca@cableonda.net
www.illueca.com

Carreira-Pitti C.

P.O. Box 0819-00068, Rep. of Panamá
Tel: +507 269-2444
Fax: +507 263-8290
Email: oficina@carreirapitti.com

Castro & Berguido

P.O. Box 0816-00598, Rep. of Panamá
Tel: +507 263-0015
Fax: +507 264-0516
Email: c-b@pty.com

De Castro & Robles

P.O. Box 0834-02262, Rep. of Panamá
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 Panamá
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 Panamá
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 Panamá
Fax: +507 263-8051
Email: franco@sinfo.net
www.francoyfranco.com

Galindo, Arias & Lopez

P.O. Box 0816-03356, Rep. of Panamá
Tel: +507 303-0303
Fax: +507 303-0434 / 264-4049

Shipping and tourism services

Email: gala@gala.com.pa
www.gala.com.pa

Gerli & Co

P.O. Box 0831-2484, Rep. of Panamá
Tel: +507 340-3770 / 3670
Fax: +507 340-3671
Email: info@gerlico.com
www.gerlico.com

Icaza, Gonzáles-Ruiz & Alemán

P.O. Box 0823-02435, Rep. of Panamá
Tel: +507 205-6000
Fax: +507 269-4891
Email: igranet@icazalaw.com
www.icazalaw.com

Illueca y Associates

P.O. Box 0832-01321, Rep. of Panamá
Tel: +507 263-9111
Fax: +507 263-7908
Email: info@illaso.com
www.illaso.com

Garrido & Garrido

P.O. Box 0819-02750, Rep. of Panamá
Tel: +507 269-4416
Fax: +507 223-9415
Email: info@garridoygarrido.com
www.garridoygarrido.com

Jacome & Jacome

P.O. Box 0816-02334, Rep. of Panamá
Tel: +507 223-8886
Fax: +507 223-9891
Email: jjacome@cableonda.net
www.jacomeyjacome.com

Kosmas & Kosmas

P.O. Box 0823-03972, Rep. of Panamá
Tel: +507 223-2783
Fax: +507 213-8312
Email: info@kosmasykosmas.com
www.kosmasykosmas.com

Lopez, Lopez & Associates

P.O. Box 0832-0610, Rep. of Panamá
Tel: +507 263-7670
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