State-owned Petrotrin is planning to expand its bunkering operations outside of T&T while also shifting production toward low-sulfur fuels, The Trinidad Guardian has reported. According to a report in Business Executive magazine, Hemraj Ramdath, the company’s vice president of strategy and business development, said the company is in discussions with companies based in Panama over establishing facilities there to take advantage of the Panama Canal expansion.

“We do about 25 per cent of the bunker of all the ships passing through Trinidad but we believe we could do far better,” Ramdath said. “We are limited right now because we have just the one vessel so we are looking at acquiring another tanker or a larger vessel to do some bunkering outside of Trinidad.”

Ramdath said establishing a bunkering business in Panama would give the company a base to expand into other areas in the large market, including gasoline and aviation fuel. He said the company is also moving to improve its refining ability to produce higher-value products as it is now supplying an unsustainable amount of fuel oil, about 50,000 barrels per day (bpd), resulting in a price that is sometimes less than the crude price.

“We are now also looking at a bottom-of-the-barrel solution—the heavy end if you like—to see how we can better utilise that fuel oil and convert it into higher value product,” Ramdath said. “This will mean further investment of up to $2 billion over five to six years but once we have finished that the entire plant will be a world class facility and tailor made to meet our goals.” Petrotrin is already upgrading its refinery to improve its “top-of-the-barrel” products, emphasising production of low-sulfur diesel.

“Our ultra low sulphur diesel (ULSD) plant, will come on stream at the end of this year, and it will give us nice clean low sulphur diesel that meets the stringent new diesel quality specifications covering sulphur and aromatics content,” Ramdath said. The company currently produces 45,000 bpd of crude oil and 180 million cubic feet of gas, and its refinery processes around 170,000 bpd.

Source: The Guardian
Panama Canal Over 60% Complete

The Panama Canal Authority (ACP) has recently announced that the multi-billion dollar Panama Canal Expansion, set to double the waterway’s capacity, is now over 60 percent complete.

According to the ACP, both entrances of the Canal are ready for bigger ships with the deepening and widening of the Atlantic and Pacific access channels now completed. Meanwhile, the dredging of Gatun Lake is expected to be completed by the end of this year, according to Port Technology Online. The Pacific Access Channel has reached the design depth and the dam that will divide the new channel from Miraflores Lake is under construction.

“The Panama Canal Expansion will enhance the value of the Panama route,” said Panama Canal Administrator, Jorge L. Quijano. “We are focused on the Third Set of Locks project, which is one of the key projects of the Expansion Program.”

The Third Set of Locks project registers a 50 percent progress. The new lock complex located at both the Pacific and Atlantic sides will feature three chambers, three water-saving basins per chamber, a lateral filling and emptying system and rolling gates.

The first four new lock gates will be arriving in the country later this month, which the ACP is calling an “important milestone for the Third Set of Locks project”. Currently six months behind its eight-year project schedule, the ACP expects commercial transits to begin in mid-2015.

Source: Port Technology Online
China Harbour Engineering Company (CHEC) has been awarded a US$66 million contract to develop Panama’s Colon Container Terminal (CCT), owned by Taiwan’s Evergreen Group.

The expansion project, which began on July 1st, involves the build of a new 347-metre quay, with a draught of 16 metres, and 8.5-hectare container storage yard to increase CCT’s capacity to 1.5 million TEU, according to SeaTrade Global.

CHEC, who opened an office in Panama as far back as 2002, expect the project, representing the company’s first Panamanian contract for a decade, to be completed by July 2015.

In addition to CCT, CHEC are currently working on a number of port related projects in Latin America, which includes, on behalf of Manila-based terminal operator International Container Terminal Services Inc. (ICTSI), the $220 million expansion of Mexico’s Manzanillo Port.

Jianlin Liu, CHEC’s Panama general manager, said that the company is making “a comeback in the region in better conditions and with greater understanding of the market, with more experienced engineers”.

“There are lots of opportunities in the region and we want and are ready to participate in all the tenders that are on-coming.”

Source: Port Technology Online
PANAMA: MARITIME CLUSTER HAS DISMAL PERFORMANCE

Panama’s maritime and logistics conglomerate grouping the Canal, ports and the Colon Free Zone has had a dismal performance in the first months of this year and experts predict that 2013 will close with negative numbers, according to The Bulletin Panama.

The Panama Canal is facing a slowdown in transits that has led to a record fall to the order of 4% in this fiscal year, 2013. The administrator of the waterway, Jorge Quijano acknowledged that the economy of Europe and the United States will not improve significantly to increase tonnages. For now, the entity shows a 4% decrease in relation to last year which was a record.

Recently a Journal of Commerce statistics report indicated that 249 container ships passed through the waterway in June, 26 fewer than in June 2012. It was the second lowest month of the year for container vessel transits after February when only 234 ships transited, a normal trade decreases following the Chinese New Year.

But another key part of the conglomerate, the transshipment center, is also facing difficult times from both external and internal problems, showing a decline in container volumes until last May, according to the latest official data available. Official figures indicate that the decline until May 2013 was to the order of – 7.7%. In the first three months of the year, the port activity declined in double digits and only managed to recover somewhat in the following two months (April and May) with 1% and 4%, respectively, but experts say it will improve in the peak months to fall back again and close in the red.

On the other hand, the Colon Free Zone, the trade motor of the economy, faces big challenges in 2013. Its main trading partner, Venezuela, is facing a severe economic and political crisis that has affected the wholesale shopping zone, coupled with a policy change that has caused delays in payments to suppliers. On top of that, Customs restrictions on certain products re-exported from the Free Zone to Colombia has compounded the plight of the zone, something that is not seen as having a prompt improvement in the remainder of the year.

It seems that the situation of the Panamanian maritime and logistics cluster will show these effects later this year in the National Treasury.

Source: The Bulletin Panama
DID YOU KNOW?: ASYCUDA Notice

In September of this year, as advised by Trinidad & Tobago’s Comptroller of Customs, live transactions of the ASYCUDA system will begin, using an electronic system to allow Ship agents more efficient receipt goods from customs on behalf of their customers, eliminating the need for the “OK-TO-DELIVER” stamp that is currently in use. Tests are set to be run in a few weeks with importers, ensuring that the system is clear for operation.

This new initiative will significantly speed up the process with which NVOCCs and agents can clear goods with their Bill of Lading. Agents will no longer be required to carry their bill of lading through various steps before delivery can be carried out at the ports.