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Panama

counting down to a
'whiter' future



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REG WHITE LIST

Looking to a whiter and brighter future



Maria Teresa Diaz,
Partner at Patton, Moreno & Asvat

If all things go according to plan, the Panama flag should be enjoying white list membership of the Paris MOU on Port State Control by this time next year. And according to the head of the Panama Maritime Authority, there is no intention of the flag ever returning to its black list days, even if there is a certain element of disquiet over the way the Paris MOU inspectors

compile their black list data.

"The reason we got into the black list was the percentage of our growth was so fast that it was quicker than the level to which we were growing our controls," said Alfonso Castellero, Director of Merchant Marine at the Panama Maritime Authority (AMP). An important step, he claimed, was to get a clear view from the port state control authorities of what vessel types were being detained, what

was the general cargo ship," said Mr Castellero.

The first move by the flag in response was to crack down on vessels 20 years and older and to weed out the underperformers. "Before this action, some 60% of the ships registered under the Panama flag each year were more than 20 years old but now it is the other way around with 65% of ships registered being less than five years old with

"From my perspective and I am an attorney dealing with these things, we are seeing a lot of interest in refinancing of orders, not new orders but existing orders and there has been a lot of originality in the way the refinancing has been done. I have also noticed a lot of newbuildings starting to come to the Panama flag"

Maria Teresa Diaz, Partner at Patton, Moreno & Asvat

age profiles and what type of tonnage was being targeted. "We found that this boiled down to vessels of 20 years old, less than 5,000 dwt and probably the most detained

the rest being between 15 and 20 years old. It now means that the owners who prefer to use the Panama flag have younger tonnage," said Mr Castellero.



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"I think it is a big achievement moving from Black list to White list in two years," added Wouter Sluis, Registry Consultant at Hubel Marine in Rotterdam, agents for the Panama flag. "But it came at a cost that they had to let go of many vessels and not only the ones underperforming."

They almost certainly lost some quality owners by the measures they implemented to improve their status. Of these measures the occasional inspection for vessels of 20 years and older entering the Paris Mou ports was the most disliked due to the cost and logistics involved. Add to this the effects of the economic crisis and it did not help the number of registered vessels," he said.

According to Alfonso Castellero, the flag has cancelled more than 300 ships over the last 18 months "and it is not only the cancellation process that is important, but the message you send", he stressed.

"The Panama Maritime Authority is being strict on all of its inspections," said Flor de María Torrijos, a consultant with the Inter maritime Group and a member of the influential Torrijos family.

"It has reviewed all of its authorised surveyors, trained or retrained them and the director in charge of technical issues has visited the ports where there are the main deficiencies. All of this information flowing back has helped, she said. ■



Alfonso Castellero,
Director General of Segumar

"I see potential difficulties in the way different port state control bodies and even their individual port state control officers will interpret the terms of the Maritime Labour Convention. Wording in the Convention like 'adequate working conditions' can bring a lot of problems to owners who may have different types of crew members onboard and who are used to living in what they regard as an adequate way but may not be seen as adequate by a strict Paris MOU port state control officer.

"There is so much unique wording that we need to look at the reality of how the terms of the Convention will be implemented at port state control level. What will be the guidelines of the different port state controls around the world?; what will they check for and what guidelines will they implement so we can tell our owners so they can be ahead of the curve? Every single port state control detention we may have is analysed by our technical people so we don't want any discrepancies between PSC areas."



Adolfo Linares, lawyer with Tapia
Linares Y Alfaro

"Panama is a country which has performed very well even during the economic crisis. Two years ago when the crash hit hard, we still managed to grow as a country mainly because of the diversity of our economy which is oriented in a variety of services – tourism, accounting, legal services, shipping and is very diversified even within the shipping industry with the registry, canal and the ports which are close to moving 6 million teus per year. And then we also have the banking sector and the free zone."

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