

GLOBALPANDI

Circular for P&I Clubs

DATE: 24th JANUARY 2018

Correspondents for:

Britannia, British Marine, Carina, Charterers P&I Club, China P&I Club, GARD, ITIC, Korea P&I Club, Navigators, Nordisk Defence Club (Through Sabatino Pizzolante), Lodestar Marine, North of England P&I Club, Raets Club, Shipowners P&I Club, Skuld, The Standard P&I Club, Steamship Mutual, The American Club, The London P&I Club, West of England and Through Transport Club (TTC)

Traffic ban to Aruba, Bonaire and Curaçao

A maritime and air traffic ban to the ABC Islands was verbally ordered by President Maduro on a public speech on 5th January 2018, and simply followed by a Notice to Mariners No. 04/18 of same day issued by the Venezuelan maritime authority, known as the INEA. The prohibition that applies to outbound traffic supposed to last for 72 hours. Nevertheless, thereafter the INEA issued a new Notice to Mariners No. 06/18 dated 9th January 2018 ratifying prohibition of traffic for ships with perishable cargo or not, from Venezuela to Aruba, Curaçao and Bonaire until further notice. Prohibition applies to traffic of cargo and passengers by sea and plane alike.

Unfortunately, due to the way in which the Executive enacted this measure there have been a lot of uncertainty and speculation. At first it was thought to have been aimed to tackle smuggling of mainly essential goods such as food and medicine, among others; however, later it became clear that it also applied to other cargoes such as oil related products. When the Vice-President of the Republic, Mr. Tareck El Aissami, announced that the traffic ban would be extended, he said that it would be so until discussing with the authorities of the islands the matter reaching joint measures to tackle smuggling.

According to local sources traffic to the ABC Islands for all types of cargo, including oil related products is restricted pursuant to the ban order, this representing a problem for PDVSA itself. It is important to point out that in operational terms, the traffic ban directly affects the crude oil and product transshipment scheme developed for a long time by PDVSA in the terminals and refineries of Aruba, Curaçao and Bonaire, which has allowed to overcome the limitations of Lake Maracaibo in which they can only operate

ships of up to 400,000 barrels, working shipments of more than 800,000 barrels from those islands, which on the other hand are also the operational base for the storage and distribution of crude oil and products of the Petro Caribe agreement, which is also affected by this ban measure.

So far the only official document on the matter is the aforementioned INEA's Notices to Mariners, therefore the traffic ban is being applied to oil business due to its general terms and to some extent the way in which it was enacted; nevertheless, PDVSA might have some room for discretion to nominate and authorize some shipments, of course, in coordination with the customs and maritime authorities, as a matter of fact shipments to the ABC Islands are said to have been resumed as from 19th January onwards, although there is no a written and official statement from the oil company, in which case an updated Notice to Mariners should be eventually published by the National Institute of Aquatic Spaces (INEA) hopefully shortly.

Therefore, and in the absence of a formal lifting of the traffic ban referred to, it would be advisable for the Members to request from PDVSA formal authorization for any specific voyage to the ABC Islands, despite of the current traffic ban imposed by the Executive branch and notified to the maritime community by the National Institute of Aquatic Spaces (INEA) according to Notices to Mariners No. 04/18 and 06/18, expressly relieving Members from any responsibility, at least until an updated Notice to Mariners is issued by the INEA.

Should you need any assistance or further information regarding the topic stated above, please feel free to contact:

GLOBALPANDI, S.A.

Phones & Fax: +58-242-3618159/3614453

+58-412-4210545/4210546

E-mail: mail@globalpandi.com

Webpage: www.globalpandi.com

AOH:

Mr. José Alfredo Sabatino Pizzolante / +58-412-4210036

Mr. Oswaldo Guerreiro / +58-412-4445715

Ms. Geraldine Orozco / +58-412-4300480