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Circular for P&I Clubs

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Correspondents for:

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Militarization of Venezuela merchant fleet

Alleged militarization of the Venezuelan fleet seems to be associated to the struggling of PDVSA (State-owned oil company) to pay the hires and crews affecting both chartered and its own few ships, something that the oil industry is trying to attribute to the US sanctions, although it might be also the result of mis-management resulting in PDVSA's serious financial problems. Recent developments within the PDVSA's tankers fleet, started with Bernhard Schulte's (BSM) disclosing in March of their decision to deliver the fleet operated by the company due to lack of payment and cash flow for paying pending salaries and staff on board.

As previously said, the first information in connection with militaries on board said fleet came through a message sent out via twitter by ex Major General Hebert Garcia Plaza, former ministry of President Maduro's regime, currently in clear opposition to the government and out of the country for corruption scandals during his term. It should be borne in mind that as usual for Venezuela's issues nowadays the information is highly fragmented and unofficial, sometimes even contradictory, therefore almost impossible to verify.

Weeks ago the National Assembly, under control of the opposition, banned the oil exports to Cuba that in connection with the recent US sanctions have created an unrest environment for the crews on board. By way of illustration, as widely reported by the social media news, on 1 May 2019, the master of the PDVSA tanker "Manuela Saenz" was removed allegedly due his refusal to deliver a cargo to Cuba, being a new master appointed with the presence of officials of SEBIN (political police) during the voyage.

Later on, a public complaint by a former transport minister warned on a full take-over operation of at least 15 tankers aligned with the PDV Marina foresaid order.

Nevertheless, it has now been learned following the disclosure of an internal PDVSA's e-mail message dated 15 May 2019, that the militarization of PDVSA's vessels has some grounds. Full text, translated into English as follows: "Good afternoon / Dear Masters, I hereby inform you that as from Thursday 16 May, personnel currently on work of our Bolivarian National Armed Forces (FANB) will be embarked on all our vessels in order to carry out training and custody work of our vessel, and for this reason we should be grateful if you received said personnel with the greatest professionalism and collaboration. / They will be integrated into all departments and must be evaluated according to our SGSC. / Please confirm receipt. / Regards, Ramon Sosa / Tanker ship fleet manager / PDV Marina, S.A."

Nonetheless notwithstanding the above facts and rumours on such militarization the order has not been fully carried out, according to our local sources there haven't been significant movements of military personnel coming on board the tanker vessels to be deemed as a real taking over of the fleet.

This matter, obviously, it is of great concern for the shipping business and so, advisable to periodically monitor developments through agents and local Correspondents.

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

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