

GLOBALPANDI

Circular for P&I Clubs

DATE: 17 APRIL 2020

Correspondents for:

Britannia, British Marine, Carina, Charterers P&I Club, China P&I Club, EF Marine, GARD, Hydor, ITIC, Korea P&I Club, Nordisk Defence Club (Through Sabatino Pizzolante), North of England P&I Club, MS Amlin, Shipowners P&I Club, Skuld, The Standard P&I Club, Steamship Mutual, The American Club, The London P&I Club, Thomas Miller Specialty, West of England and Through Transport Club (TTC)

COVID-19 and impact on Venezuelan port operations

As per Decree No. 4,186 published in the Official Gazette Extraordinary No. 6,528, the National Executive has extended the State of Alarm and so the quarantine nationwide for 30 days, i.e. up to 13 May, in order to contain and virus and implement the governmental measures in the context of COVID-19. According to latest official figures disclosed on national broadcast, the government announced that Venezuela has so far 227 cases, 113 recoveries and 9 deaths. Venezuelan authorities have barred movement between states, cities and nearby municipalities, with exceptions for transport, health and food delivery services, but the lockdown imposed combined with a sudden critical gasoline shortage nationwide, it is seriously affecting the mobility of people in general, even for the excepted cases. The scarce fuel supply is now exclusively for officials and emergency workers, with adversely impact on the population who has to queue for hours to take few gallons of fuel, the former significantly affecting even the transport of basic supplies as well as the moving of service providers.

Generally speaking, ports are open and working facing, however, logistic problems mainly related to the lack of gasoline and safe passages (salvoconductos) needed to move around, as a matter of fact the Decree on State of Alarm states in article 9 (8) that port activities are exempted from the suspension of activities. Therefore, public ports under control of Bolipuertos, S.A. (Puerto Cabello, La Guaira Maracaibo and Guanta, among others) are normally working as far as loading, unloading and reception of cargoes within port areas, difficulties may be found when taking cargoes out of ports due to logistic constrains.

Most relevant issues have registered at the Orinoco River, the main waterway for the country iron and other mining exports. The current conditions on the river can be best described as difficult due to several issues, namely the progressive reduction of the official allowed draught, combined with logistical restrictions arising from the strong fuel rationing and movement constrains due to the coronavirus crisis. Over the years it has been the normal thing for vessels to enter the river in a laden condition, discharge at Puerto Ordaz, load another full cargo and then make the return voyage downriver, all over a 200 Km stretch. The Orinoco River is now at the end of the dry season that goes from November through March or April, adding to that this year dredging problems have caused drastic draught restrictions affecting the upstream navigation. This situation has led authorities and local shippers to set up a different loading scheme at the river sector known as Mile 44, this is using barges for transporting the cargo from Puerto Ordaz terminals downstream to the vessels anchored at that spot of the river. This current setting has some important issues which members should be aware of, firstly concerning the conditions of the cargo, surveyors have noted the barges – about 18 to 20 per vessel - are not being covered all through their voyage from Copal-Puerto Ordaz a 100 plus miles trip downstream to mile 44, therefore the cargo could get wet by the rain or river water spray. Secondly, the additional costs due the transportation of surveyors to the place, an essential service for vessel safety matters. In addition to the former, situation has aggravated with tough restrictions imposed locally by authorities to cope with the coronavirus crisis, related to strict controls along the river enforced by the Coast Guard, where authorities are issuing and requiring special permits including surveyors as well as rationing of fuel for launches.

Members are, therefore, advised to keep close contacts with agents and P&I correspondents in order to update current situation for specific ports of call.

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 &

+507 6469 1784

Mr. Oswaldo Guerreiro / +58-412-4445715