



Panama calls for market consultation before the international tender for the operation of Balboa Shipyard

The Minister of Maritime Affairs, Arq. Noriel Araúz announced that Panama is seeking companies or corporations, joint ventures or associations which would be interested in applying to the "Market Consultation for the Rehabilitation, Development, Administration and Operation of Balboa Shipyard". The interested parties' contributions would be included in the requirements specifications [for the future tender]. Balboa Shipyard, located near Balboa Port at the Pacific entrance of the Panama Canal, is the only facility on the Pacific Coast that has a dry dock with the capacity to serve Panamax vessels. It is considered an important asset for the auxiliary maritime industry as well as for the ship repair sector.

The Market Consultation is a figure which is found in "Article 40 of the Executive Decree No. 40 of April 10, 2018 which regulates Law 22, which regulates Public Procurements", said Minister Arauz. Article 40 indicates the following:

"The bidding entities, prior to the celebration of the contractor selection procedure, may carry out consultations or meetings with suppliers, by means of public

and open calls through e-mails, invitation notes, publications in printed media or other mechanisms deemed relevant, in order to obtain information about prices, associated costs, characteristics of the goods, services or works required, time for the preparation of the proposals or any other information required for the preparation of the bidding documents".

The scope of this project is based on obtaining information about the business model for the shipyard's facilities and being able to survey the current aspects of the market. Once these important data are available, they will be evaluated by the Panama Maritime Authority (AMP) for their incorporation in the bidding documents.

Among the details of the consultation, the AMP looks for: Technical opinions regarding the development of current and future operations (breakdown of activities in 20 years); and services that can be provided in the shipyard's facilities.

For further information on this Market Consultation, the AMP has enabled a link on the institution's website <https://amp.gov.pa/consulta/>

The shipyard's facilities consist in three dry docks: Dock No. 1 which is a replica of the Panama Canal first two sets of locks, has the capacity to receive Panamax vessels with a dimension of 318 meters long and 39 meters wide, with a maximum draft of 7.9 meters.

The other two docks have been used to repair smaller vessels such as tuna boats, fuel barges, tugs and other vessels providing auxiliary maritime services and they have the following dimensions:

- Dock 2: 130 meters long by 30.5 meters wide with a draft of 6.4 meters.
- Dock 3: 70 meters long by 17 meters wide with a maximum draft of 4.3 meters.

In addition, the facilities have an administrative building, pump room, 6 work and storage hangars.

"The National Government, through the AMP, will be watching over the best interests of the State for the use of its resources, in order to generate employment and at the same time provide our clients with a quality service and specialized labor; all this with total transparency and responsibility," added the Minister of Maritime Affairs Noriel Arauz.

A large number of new builds have been registered in Panama in 2020



284 newbuildings
12.3 million Gross Tons
17.7% of the global gross tonnage
have entered the world merchant fleet

January 1, 2020 to October 13, 2020
Source: Panama Maritime Authority Internal Data Base

Shipyards have seen their production and deliveries globally affected by the Covid-19 outbreak during the first half of 2020, according to information published by The World Shipyard Monitor. They have also been impacted by restrictions of mobilization, equipment shortages and sometimes shipowners' financial troubles.

The Panama Ship Registry, nevertheless, has continued to grow and has maintained positive numbers. During the first half of 2020, Panama has registered 284

newbuilds that have contributed 12.3M gross tons (GT) to its fleet which totals 227M GT.

In the same period, Panama Ship Registry has registered 30% of the new constructions in terms of ships and 17.7% of the gross tonnage that have entered the world merchant fleet.

At the end of August, the Panama Register reported a growth of 2.1% for 2020 and a cumulative of 5.5% since the new Panama

Maritime Authority (AMP) administration took office in July 2019, according to The World Fleet Monitor Report, published monthly by Clarksons Research Company.

The General Directorate of Merchant Marine of the AMP (DGMM) has remained 100% operational throughout the months of the global pandemic, and has duplicated efforts to speed up processes and continue providing its users with the necessary support in the shortest possible time.

The Panama Maritime Authority leads Seafarers' repatriations

The Panama Maritime Authority (AMP)'s General Directorate of Merchant Marine (DGMM), has maintained its certification of the ISO 9001:2015 (international standard of certifiable character that regulates the Systems of Management of Quality), given by the certifying organisation Lloyd's Register.

To maintain the certification, the actions taken have allowed the management in charge of the DGMM's quality system, to establish methods of performance evaluation and productivity indicators, in areas such as: Customer satisfaction, risk analysis and internal audits and review by senior management have been reinforced. At the end of the first semester of 2020, the DGMM has received the external follow-up audit No. 5, by the certifying agency Lloyd's

Register which carried out the audit from June 30 to July 2 of this year. This 2020 audit created a precedent to the usual way of "in situ" visits, since the audit process was carried out completely remotely, a fact that sets a pattern being the Panamanian Ship Registry, innovative and pioneer in this regard; by maintaining its standardized and certified scheme, even in times of the pandemic caused by the Covid-19 and ensuring that the operation of the Register, and its 13 international offices were not affected.

Last June, three internal audits were carried out remotely at the international offices of Segumar Seoul, Miami and Singapore. In these offices, the agreed plan was



successfully completed and innovating with the use of digital and electronic platforms that facilitated compliance with the commitment of maintaining the quality management system and due compliance, in accordance with national and international standards.

Panama anticipates the implementation of the Hong Kong International Agreement

The Panama Maritime Authority (AMP), through the General Directorate of Merchant Marine (DGMM), has recently issued a circular number 386, to report on the early implementation of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, in particular on the Inventory of potentially hazardous materials (regulation 5), in ships that stop or anchor at ports of member countries of the European Union, as of January 1, 2021. The circular 386 reports on the issuance of the statement of compliance of the inventory of hazardous materials and the first part of this inventory.

This international convention was adopted in the city of Hong Kong, on May 2009, during a diplomatic conference, and includes the contributions from the Member States of the International Maritime Organization (IMO), non-governmental organizations, in cooperation with the International Labor Organization (ILO) and the areas of The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal. All the participants agreed to address the industry concerns on ship recycling.

The Hong Kong Convention on ship recycling [as it is called] details the substances that are dangerous for the environment which can be found on board ships and could affect the seafarers' health and safety and the different workers

involved in the ship recycling process. These are: asbestos, heavy metals, fuels and substances that might damage the ozone layer and others.

The Republic of Panama ratified the Hong Kong Convention, 2009, through Law No. 28 of July 1, 2016; however, it is not yet in force at the international level. As a result of the implementation of Regulation (EU) No. 1257/2013, on ship recycling that aims to facilitate the endorsement of the Hong Kong Convention, 2009, by the members

of the European Union, vessels registered in Panama, stopping or anchoring at ports in the European Union, will need to have a Statement of Compliance to show compliance with an inventory of hazardous materials, in accordance with regulation 5 of the Hong Kong Convention, 2009 related to the inventory of hazardous materials.

<https://panamashipregistry.com/circulars/inventory-of-hazardous-materials-ihm-for-ships-calling-at-eu-ports/>



MMC-386 Merchant Marine Circular

NEW

Inventory of Hazardous Materials (IHM) for ships calling at EU ports

The Ship Registry participated in Intertanko's Latin American Panel Board

The AMP's General Director of Merchant Marine, Eng. Rafael Cigarruista participated in the third Latin American Panel Board hosted by Intertanko on "Update on Panama flag tankers: security aspects and comments on Covid-19 management".

The head of the Panama Ship Registry explained the Register's new approach to business and the benefits of working with the Panama flag, highlighting "that the registry has more than 100 years of experience providing solutions to the international maritime trade and the market needs its know-how".

The meeting was an opportunity for sharing with Intertanko members the Registry's competitiveness and advantages; for example, the trust and confidence international banks have in the registry; Panama's participation in the Council of the International Maritime Organization (IMO) as Category 'A' member and being on the White Lists of the Paris MoU and Tokyo MoU for the last ten years. Panama is also a member of the Tokyo Memorandum of Understanding (MoU).

"The re-engineering of the Registry was necessary to provide a better and excellent

service to our users. During the process, we have identified 4 important aspects: customer service, technology, international compliance that has taken us to the next level, and the expansion of our technical offices worldwide," said the head of the Registry Eng. Cigarruista.

In addition, he explained the actions taken for the Covid-19 pandemic and gave the latest figures on incidents and accidents and highlighted the register's electronic platform and paper saving. Digital licenses and certificates can be verified by a QR code in real time.

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The AMP establishes standards for the protection of whales in Gulf of Panama

Every year, the Gulf of Panama receives the visit of hundreds of humpback whales that stop on their migrant journey, to take advantage of the warm Panamanian Pacific waters for a few months, where they mate, give birth and raise their whale calves.

For this reason, the Panama Maritime Authority (AMP) has adopted the measures established by the Maritime Safety Committee of the International Maritime Organization (IMO) on traffic separation devices, in order to reduce the risk of collisions with cetaceans which could result in the death of sea mammals.

The SN.1 circular / Circ.326, of the aforementioned committee, recommends that "as far as it is safe and practical, ships must proceed at a speed not to exceed 10 knots, from August 1 to November 30 of each year." The AMP applies the traffic separation device in the Gulf of Panama on both circulation routes, from latitude 08°00', 00'N to northbound.



The Panama Ship Registry, since 2016, is committed to reduce greenhouse gas emissions and promoting energy efficiency among its users. In addition, it implements corporate social responsibility programs and is focused on lowering the levels of pollution in the air and the sea, a result of maritime transport.

The Panama Maritime Authority continues to actively work for the protection and conservation of the marine wildlife and environment at national and international levels.

The Panama Maritime Law Association stands up for the Panama Ship Registry

The Panama Maritime Law Association (Apademar, PMLA in its English acronym), a guild of professionals dedicated to maritime affairs, has given its support to the Panama Ship Registry's management by clarifying to the media, some inaccuracies issued on the entity's standards managed by this entity. In their letter, they explain that the operation of every ship, regardless of its country of registry, is controlled by the owner of the ship. Therefore, the responsibility for attributable acts to the vessel, is of her owner and the companies that form the service chain, such as: operators, bareboat charterers or time charterers.

Given the speculation made on the use of the Panama Ship Registry to obtain tax exemptions, the Panama Maritime Law

Association clarifies that the Panama Maritime Authority (AMP) administrator of the Registry, has a system of registration rights, rates, fees and annual taxes that are applicable to all ships. It also states that the Merchant Marine General Law establishes measures for the optimization and maintenance of the fleet that include special rates for new construction vessels and to which economic groups they belong to, safeguarding the right of the AMP to refuse to flag any ship which registration would be harmful to national interests or to the maritime industry worldwide.

The Panama Maritime Law Association specifies in its letter that the international maritime industry is regulated by norms on the safety of navigation, the prevention of marine pollution and also on training,

certification and watchkeeping for seafarers, established by the International Maritime Organization (IMO). Panama is a member of the IMO Council and has been reelected in Category "A" in 2020. The shipowner, operator and charterer, regardless of the country of registration of the vessel, must abide by the same international standards issued by the IMO of which the Republic of Panama and most of the Member States of the United Nations Organization are signatory.

The Panama Ship Registry is grateful to receive the support of the Panama Maritime Law Association who represent their clients before the AMP, which shows the strength and respect for international laws and conventions on behalf of the Panama Ship Registry.



Panama implement measures to make it easier for seafarers to apply for Panamanian licenses and maritime training

The Panama Maritime Authority (AMP) has issued 'ADM Resolution No. 074-2020 of May 19, 2020' to offer support to seafarers on board of Panama-flagged vessels and to maritime sector in general. The new resolution replaces resolution ADM No. 056-2020 of April 16, 2020, through which important measures were implemented for the application of Panamanian licenses and maritime training.

The new measures are the following:

- Authorize the Maritime Training Centers (CFM) approved by the AMP, to renew the certificates of maritime training courses, considering their expiration date up to five (5) years prior to December 31, 2020, as long as the criteria established in the aforementioned resolution are met.
- Authorize the Maritime Training Centers approved by AMP, so that they can teach the participant for the first time, the training courses with a theoretical load entirety, through the use of tools, distance education and with the application of a final exam.

- Authorize the Maritime Training Centers recognized by the Panama Maritime Authority to offer the Prior Documentary Evaluation service (EDP), so that they can issue electronically a copy of the certificate corresponding to the participant, which will be valid until December 31 2020. In addition, they must keep the evidence in a digital format and submit their certificate reports daily.

- Authorize the Maritime Training Centers authorized by the Panama Maritime Authority, to teach courses for the first time with a theoretical and practical component, performing theoretical training through a distance education method and subsequently carrying out the demonstration of competence (practice) using the corresponding facilities and equipment that complement the training. CFMs who use this mode must demonstrate their teaching-learning process by implementing the procedures in their Quality Management System.

- The training centers that renew or give training courses in accordance with the resolution must keep documentation records and certificates issued, in accordance with the provisions of Resolution ADM No. 096-2019.

It is important that Maritime Training Centers send the evidence and documentation, as applicable for (renewal / first-time course / EDP), to the email of the Maritime Training Department: training.department@amp.gob.pa, within fifteen (15) calendar days following the course ending date. Each and every of the documents provided will be verified and reviewed by the Panama Maritime Authority's Maritime Training Department of the General Directorate of Seafarers.

The measures adopted are intended to enable seafarers, even ashore, to obtain valid documentation, helping them to be ready for job opportunities that will represent an economic boost for both seafarers and the country.

The Panama Ship Registry invited by YES FORUM in Greece

The Young Executives Shipping (YES) Forum is a platform for open dialogue within the maritime transport industry in Greece, where board members, executives, university students and young executives participate. The YES FORUM invited the Panama Ship Registry and Panama's Embassy in Greece to explain the different aspects of the maritime sector in Panama.

Hon. Mrs. Julie Lymberopulos Ambassador of Panama in Greece, gave the opening remarks for this event, highlighting the support her office offers to the Registry's customers in Greece.

Eng. José Racine from the Segumar Technical Assistance Office; Lena Despotopoulou from the Department of Maritime and Corporate Transport; Sofia Tassopoulou from the Seafarers Operations Department; Miguel Angel Jaen from the Regional Office for Seafarers Documentation; and Anna Tsioutsia, executive assistant to the ambassador, were present at the YES Forum meeting.

Eng. Rafael Cigarruista, General Director of Merchant Marine, made a presentation on the Registry, pointing out that the registry gives a 24/7/365 service to its users and has



cut the registration request processing by 50%. His participation permitted to clear any doubts as he shared experiences on the use of light fuels, scrubbers' installation, incidents and accidents, repatriations of seafarers, Panama's measures during this pandemic and the aid provided to the industry in general. Panama as a service platform and a transport hub, is the leading country, in the region, with more than 5,000 repatriations. This has been possible by working together with airlines to help the maritime industry.

Greece is one of the main clients of the Panama Ship Registry and this type of event is important for the Ship Registry and Panama's authorities as it brings the opportunity to meet with professionals of the maritime sector.



Panama-flagged vessel rescue migrants in the Aegean Sea

On September 14, the Panama-flagged vessel "GALA A", from Arel Shipping Company, was contacted by the Greek Coast Guard requesting her support with the rescue of 33 migrants who shipwrecked near the Island of Crete in the Aegean Sea.

The same day, the ship Olympia Radio communicated at 3:50pm- local time with the Panama-flagged vessel, ordering to proceed with the request and locate the position on the coast of the Island of Crete. Once the information was received, the search and rescue mission was immediately carried out under the coordination of the Greek Coast Guard and escorted by a Greek Navy ship.

The first 33 people were rescued at 18:10, ending the operation 1 hour and 20 minutes later. Following instruction of the Greek authorities, the ship and her crew proceeded with the delivery of the rescued migrants, evacuating them in the port of Lavrio, in Greece, on September 16.

There were 57 survivors in total, of which 33 were rescued and brought safely to port by the Panama-flagged vessel Gala A. Thanks to the joint operation of the Gala A crew and the Greek authorities, the search and rescue operation was successful and everyone was finally safe and on land.

Follow-up meetings



The Panama Maritime Authority has hold a series of follow-up meetings with different unions which it shared with the Panama Chamber of Shipping and its new Board of Directors.

Panamanian delegation investigates in situ the Wakashio accident



The Panama Maritime Authority (AMP) has reported on the progress of the safety investigation of the accident in the Mauritius Island, of the vessel "Wakashio".

A delegation of experts in maritime accidents arrived in Mauritius to gather information through face-to-face interviews with members of the ship's crew.

The delegation was able so far, to evidence and confirm that, on July 25, 2020, while the vessel Wakashio, owned by the Japanese company Nagashiki Shipping Co. Ltd. (Nagashiki Kisen KK) was sailing on route to Brazil, its crew, in the afternoon, celebrated the birthday of one of the crew members; furthermore, the ship deviated from its approved navigation plan at the time of sailing from Singapore on the route approved by the captain and his deck officers, which would have taken them to their destination in a safe manner.

As far as the evidence shows, it has been possible to know, thanks to statements made by the crew members themselves, that this change of course was the result of orders issued by the captain of the ship, who commanded passing about 5 miles off the coast of Mauritius, to look for a telephone and internet signal in order for the crew members to communicate with their families.

It should be noted that the captain of the ship, the chief engineer and the first officer were on the navigation bridge when the situation of approaching land occurred; however, no action was implemented to correct the course and avoid a dangerous situation; in fact, the last position taken in



the ECDIS (integrated system of nautical charts and navigation equipment) was at 1802 LT, and the grounding of the ship was recorded at 1925 LT.

With an appropriate assessment safeguard and with good seamanship practices, that should have generated an analysis which would have allowed to carry out the pertinent actions to correct this situation.

On the navigation bridge there were people with sufficient experience of such a problem. It was also possible to evidence an erroneous appreciation, with respect to the use of the Electronic Nautical Chart since it seems that the vessel did not have the appropriate chart onboard, actually wrong chart was used and with the wrong scale as well. Therefore, the OOW did not

allow to verify assess properly the approach to the coast and the less deep waters.

The lack of supervision and monitoring of the navigation equipment, the distraction generated by the officer of watch, who lost the course of navigation completely, and the excess of confidence during the watch, could be some of the reasons that caused the ship running aground in the beaches of Mauritius.

The AMP has continued with the investigations. The delegation was expected to interview the captain, the first officer, and have access to the VDR (voyage data recorder) and essential documents for the investigation, which are in the custody of the Police of the Republic of Mauritius.