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## **Panama to award USD 5.25 billion expansion contract by July**

*Friday, 08 May, 2009*

The Panama Canal Authority expects to award the biggest contract for its USD 5.25 billion expansion project in June or July 2009. Mr Alberto Aleman president said that experts are reviewing the technical aspects of the bids of three consortia received in April before the bid prices are formally unsealed.

He added that "The bids are in a vault in a bank and we expect that some time in June or July when we are finished with all the technical analysis we will have a public opening of the bids. By the end of the year we should have around 96% of the contracts awarded and working. The expansion is proceeding very well, very much in the time that we intended."

Mr Aleman said that the canal expects shipping volumes to decline by 5% this year due to the global economic slowdown but an increase in transit fees imposed on May 1st 2009 should keep revenue flat at USD 2 billion as compared with 2008.

The Authority last week reached out to the troubled container shipment sector, charging ships carrying cargoes of 30 percent or less than their rated capacity as if they were empty, and relaxing reservation system penalties.

Mr Aleman said that grain traffic is up this year, thanks to more shipments from the Mississippi basin to Asian markets. Auto carrier and container traffic has fallen, forcing shippers to consolidate routes. Cruise ship traffic, which is a small percentage of canal revenue, is up slightly as cruise ships begin spending more time in Panama on a general trend of increased tourism.

(Sourced from Reuters)

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