
Panama bringing down the cost of shipping

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Panama Canal Authority has announced a temporary plan that will provide short term cost reduction and greater flexibility to its Reservation System. The temporary measures, designed to help mitigate the impact of the economic crisis on the Canal's clients, were approved by the ACP Board of Directors earlier in the week. The result of informal consultations with clients, the temporary measures will take effect June 1st 2009 and continue through September 30th 2009.

Mr Alberto Aleman Zubieta administrator & CEO of ACP said that "Our economic advisors are studying trends pointing to a rebound in shipping. Our findings suggest a recovery at the end of 2009 or early 2010."

Carriers will now have 30 days before the date of a vessel's transit to request slot substitutions without additional costs. Previously, carriers could make such requests without an additional charge if that request was made at least 60 days prior to the date of transit. This temporary measure grants shipping lines more flexibility for slot substitutions, allowing them to replace one vessel for another with similar dimensions.

The ACP will also modify the definition of ballast for full container vessels, allowing a ship that carries 30% or less of its capacity to be charged the ballast rate of USD 57.60 per TEU, USD 14.40 less than the USD 72 laden ships with cargo rate.

Meanwhile, the base reservation price is being reduced depending on the vessel size for all segments that use the ACP's Reservation System. For example, the base reservation price for a super vessel, with a beam greater than or equal to 100 feet and a length greater than or equal to 900 feet, is reduced by USD 5,000 per transit.

(Sourced from Farming UK)

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