



AMP Reports

June 2021
Monthly Edition



Informative

THE PANAMANIAN STATE RECEIVES 150 MILLION DOLLARS FROM THE PANAMA PORTS COMPANY AND PROJECTS TO RECEIVE MORE THAN 800 MILLION DURING THE FOLLOWING 25 YEARS

The Company commits to a minimum payment of 7 million dollars per year

The Board of Directors of the Panama Maritime Authority, declared itself in permanent session since May 27, 2021, with the purpose of analyzing compliance with Contract Law No. 5 of January 16, 1997, for the development, construction, operation, administration and management of container, ro-ro, passenger, bulk cargo, general cargo terminals with their respective infrastructures, facilities, and physical areas in the Ports of Balboa and Cristobal, between the State and the company Panama Ports Company, S.A.

After more than 20 days of permanent session, on June 23, 2021 and after the presentation of the compliance audit reports by the General Comptroller of the Republic of Panama and the General Directorate of Auxiliary Ports and Maritime Industries of the Panama Maritime Authority, in addition to the documentary review and analysis of the income projections to the State, the members of the Board of Directors unanimously acknowledge compliance with the basic conditions of the contract and therefore authorize the Administrator of the Panama Maritime Authority to certify the validity of the second period of the concession contract.

It is important to note that the Panama Ports Company S.A., has paid fees and charges in this first period of validity of USD 444,978,979.60 million dollars, has made an investment of USD 1,696,546,955 million dollars and has paid nine million dollars in dividends in previous administra-

tions, according to data from the General Comptroller of the Republic.

During the current presidential administration, in faithful monitoring of the fulfillment of this contract, it managed to have a payment made of 130 million dollars as dividends, 20 million dollars as social responsibility, plus USD 14,464,491.35 in fees from July 1, 2019, which totals an income of USD 164,464,491.35, the highest amount that has been managed in past administrations during the term of this contract.

In this second period of validity, the company must pay the State in dividends a minimum of 7 million dollars per year, which will be formalized through the signing of a shareholders agreement and the rates for container movement will be reviewed and updated for all container terminals in the Republic of Panama which will be effective as of 2022.

Based on the projections of income from tariffs (movement of containers, dockage) and dividends of the mentioned contract, income is estimated for the state, in more than 800 million dollars during the next 25 years, according to new negotiations.

The Republic of Panama is confirmed as a faithful guarantor of the Legal Security of the investments that are made in our country while continuing to focus on the ongoing search of the best benefits for the state and its citizens.

Summary

	Total Income	Periods (Years)	Annual Average
Movement of Containers and Dockage	\$604,688	25	\$24,188
Average Annual Growth		1.53%	
Minimum Dividends (7 million)	\$175,000	25	\$7,000
Potential Estimated Dividends	\$249,093	25	\$9,964
Average Annual Growth		8.89%	
Average dividend	\$212,047	25	\$8,482
Total Income at 25 years	\$816,735		

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THE PANAMANIAN SHIP REGISTRY GROWS 3.2 MILLION GRT (GROSS REGISTERED TONS) IN TIMES OF CRISIS

Despite the pandemic caused by Covid-19, the Panama Ship Registry continues to grow and only in the first four months of the year, 104 newly built ships have been attracted, which represents 3.2 million GRT (Gross Registered Tons) this means that the Panamanian Registry is still seen as a favorable option thanks to the country's legal security.



In regards to the inspections carried out by the Port State Control of the ships that arrive in Panama, in the first four months of 2021 there have been 218 inspections, significantly exceeding those carried out in recent years. This thanks to the efficient use of resources, coordination and the commitment of human talent, to fulfill their tasks and improve results.

In these first four months of the year, the Panamanian Registry has also reported a fleet of 8,652 ships, representing 236.5 million GRT, according to IHS Markit, obtaining a growth in relation to the end of 2020 of 1.6% with respect to the number of ships and 2.58% in regards to GRT.

AMP CARRIED OUT MITIGATION AND CLEAN-UP WORK ON THE ISLAND OF TABOGA AFTER THE SPILL OF AN OILY SUBSTANCE

Personnel from the Department of Pollution Prevention and Control of the Panama Maritime Authority carried out the corresponding investigations after registering an oily substance contamination on the island of Taboga.



For mitigation and cleanup work more than 3,000 feet of a containment barrier were deployed to enclose the product and proceed with the absorbent cloths and rolls.



AMP personnel carried out inspections of the vessels that were in the area.

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REPUBLIC OF PANAMA
— NATIONAL GOVERNMENT —

PANAMA
MARITIME
AUTHORITY



BICENTENNIAL
Independence of
Panama from Spain
1921 - 2021



Sometimes the poorest man
leaves the richest inheritance
to his children ... love.
Ruth E. Renkel

Ruth E. Renkel

   @amp_panama

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AMP STARTED AN INVESTIGATION TO FIND THOSE RESPONSIBLE FOR POLLUTION IN TABOGA

The containment works, after the spill of a substance on the coast of Taboga, were mitigated by the technical team of the Department of Pollution Prevention and Control of the AMP.

The Administrator of the Panama Maritime Authority (AMP) Noriel Arauz, traveled to the island and pointed out that once the event was known, the contingency plan was activated to respond immediately in order to protect the more sensitive areas.



He also said that they are in the collection of evidence since various samples of the product have been taken, to be analyzed and compared with the boats that are anchored in the area, and thus find those responsible and fine them for this environmental contamination.

AMP INSPECTS 5 VESSELS AFTER CONTAMINATION ON THE TABOGA ISLAND BEACH

The General Director of Ports and Maritime Industries of the Panama Maritime Authority (AMP), Flor Pitty pointed out that 5 vessels that were anchored in the area have been inspected from which samples were taken to later be compared with the product that was spilled.



The sanctions for this type of pollution are based on Law 21 of July 9, 1980 "which prohibits the discharge of hydrocarbons and other polluting substances into navigable waters and the territorial sea of the Republic of Panama."



The AMP can sanction those responsible for this type of spill with fines ranging from \$ 100 to \$200 thousand. The penalties are based on the magnitude of the damage that has been caused.

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AMP WILL ESTABLISH A NO ANCHORAGE ZONE ON THE ISLAND OF TABOGA

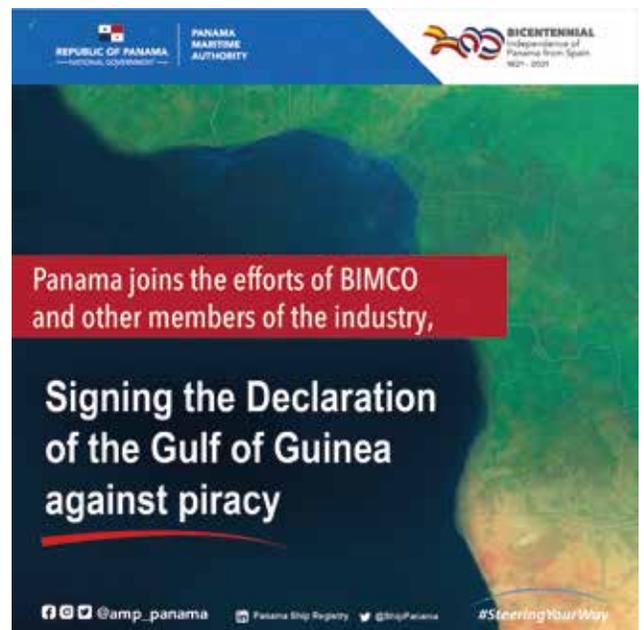
The Panama Maritime Authority (AMP) began updating the paper and electronic nautical charts, within which a no-anchor zone will be established around the Island of Taboga. Likewise, new alternate anchoring areas will be established to carry out fuel supply operations and ship-to-ship transfer operations (STS).

It is important to mention that the volume of vessel traffic, as well as their dimensions, have increased in recent years, which is why the existing areas have been limited in space, so alternative sites will be established for carrying out these operations, and strengthening maritime services in our waters, always safeguarding the marine environment and in compliance with national and international regulations such as the Marpol Convention.



PANAMA UNITES AGAINST PIRACY IN THE GULF OF GUINEA

Panama signed the Gulf of Guinea Declaration, a document calling for further action, through a wide range of collective efforts, to urgently end piracy in the Gulf of Guinea and thus provide security for our seafarers.



The Declaration was drafted in response to growing concerns about attacks in the region and has been signed by maritime industry organizations, including flag state administrations, shipowners, charterers and shipping associations.

The issue of piracy in the Gulf of Guinea has been a significant problem for the last decade, therefore, the signatories of this statement believe that the number of pirate attacks and attempts to kidnap seafarers can be reduced by at least 80% by the end of 2023.

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AMP REQUESTS AUDIT FROM THE COMPTROLLER'S OFFICE THE CONSORTIUM THM CONSULTING, S.A PRESENTS IRREGULARITIES IN 3 PROJECTS THAT EXCEED 1.8 MILLION DOLLARS

The Panama Maritime Authority (AMP) as guarantor of the proper use of State resources after an exhaustive inspection and verification of the following projects: the dock of the port of the Island of Taboga, the dock of the Panama port and the construction of the Center of Child Orientation (COIF) of the Panama Maritime Authority, has asked the General Comptroller of the Republic that they be audited, since it is unacceptable that the established contracts are breached or the goods are delivered with obvious deficiencies, damaging the public treasury.

It is important to note that the total amount of these three projects exceeds the sum of 1 million 879 thousand 805 dollars, which were awarded in the previous administration to the consortium "THM CONSULTING, S.A.", made up of the companies THELMAR PANAMA, S.A. AND CONSULTING DESING DEVELOPMENT AND ENGINEERING, S.A. ", even collecting an advance.

As a result of the inspections carried out by the technical staff and the Internal Audit staff of the institution, various irregularities were detected, including

multiple construction defects, which is why it has not been possible to make use and enjoyment of what was paid.

From the first moment we became aware of the deficiencies, we issued the respective notes to the auditing entities, ratifying our responsibility by communicating the various findings and asking them to issue their criteria, to avoid possible damage to the State. The unfulfilled projects are the following:

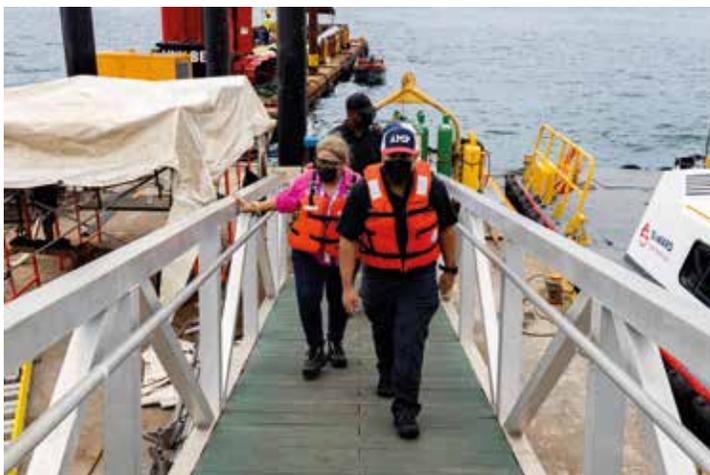
- 1- Panama port dock
- 2- Dock of the port of the Island of Taboga
- 3- Child Orientation Center of the Panama Maritime Authority



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THE ADMINISTRATOR OF THE AMP INSPECTS CLEANING WORK AT TABOGA BEACH WHILE THE INVESTIGATIONS CONTINUE

The technical team of the Pollution Prevention and Control Department of the Panama Maritime Authority (AMP) is making progress with cleaning the beach of the Taboga Island after the fuel spill.



In a visit to verify these works, the Administrator of the Panama Maritime Authority, Noriel Arauz said that "our institution is the most interested in finding those responsible for this contamination and that is why all the pertinent investigations are carried out" and emphasized that "no one can be accused without having the necessary proofs and evidences."

During his visit to the island, the Administrator spoke with the fishermen of the area who indicated that they have been affected by this spill and assure that the stain originated in Uraba, so they will focus the investigations in this area.

As part of the investigations, personnel from the AMP's Merchant Marine Directorate inspected the Panamanian-flagged ship Sea Lion, which has been anchored off Taboga for 3 years and is inoperative and without product since its license was revoked for being accountable in a spill near the Panama Canal 12 months ago.

At the momento, we are waiting for the results of the tests carried out on 1 platform and 5 vessels, including the Sea Lion, which were anchored in the area, and compared them with the product (Sentina) that was spilled.

NEW TAX DOCK WILL BE A REALITY FOR ARMUELLES PORT

The administrator of the Panama Maritime Authority, Noriel Arauz, announced during a visit to Armuelles Port that "on August 2, we will be receiving proposals from the different companies that want to participate in the construction of this dock and we estimate that by the end of this year or the beginning of the next, the work can begin".



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The administrator said he was pleased to announce this great news to the population of Baru, since this important project will stimulate the economy and reactivate tourism not only in the area but throughout western Chiriqui, which will allow them to have the same prosperity of previous years.

During the visit to the province of Chiriqui, the adjustments made in the port of Pedregal in Chiriqui, which are part of the remodeling and modernization plan of the country's port platforms, were also inspected.

The works in the port of Pedregal, consisted of 2 phases, the first was the repair of the structures of the floating dock pontoon and the second was the adaptation of the footbridge and the rest of the port facility.

The AMP is an institution committed to the development of the country, so it will continue to invest in the repair, remodeling and construction of minor ports and berths.

PUBLIC TENDER FOR THE CONSTRUCTION OF THE FISCAL DOCK IN ARMUELLES PORT IS ON THE PANAMA COMPRAS PORTAL

The Panama Maritime Authority (AMP), informst the public act number 2021-2-03-0- is already on the website of the Electronic System of Public Contracts, Panama Compras. (www.panama-compras.gob.pa) 04-LV-008417 corresponding to the Tender for the Study, Design, Development and Approval of Plans and Construction of the new Fiscal Dock of Armuelles Port, district of Baru in the province of Chiriqui.

This publication seeks to provide the opportunity to all interested national and foreign companies to participate, complying with the provisions of the tender documents, thus guaranteeing the processes of transparency and participation promoted by the National Government.

The project valued at approximately 20 million dollars, includes the development of studies, designs, development and approval of the plans and construction of the New Fiscal Dock of Armuelles Port, as well as the supply of furniture, tools, equipment and materials necessary for the perfect operation of the offices and the docks area.



AMP BEGINS CANCELLATION PROCESS FOR BREACH OF CONTRACT TO PANAMA COLON CONTAINER PORTS (PCCP)

The General Directorate of Ports and Auxiliary Maritime Industries of the AMP, indicates that after an audit carried out by the Comptroller to Contract A-2017-12 of May 17, 2013, signed between the State and Panama Colon Container Ports, (PCCP) it became clear that the company established in Margarita, province of Colon has breached the contract with the State, so the process of cancelling the concession has already begun.

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The comptroller and the Panama Maritime Authority, as the governing body of the country's maritime activities, are reviewing all port concessions to ensure that they comply with their obligations to the State.

The Control and Monitoring Section of the DGPIMA, through a report indicates that on September 8, 2017, the company requested an area modification to the concession contract, which was not completed because they did not comply with the delivery of the investment schedule, as required, since the one presented on February 20, 2019 was not correct, in addition to this, it was notified that the company Panama Colon Container Ports, Inc., had an outstanding balance with the institution in regards to the concession. However, on June 2, 2021, the company made a payment of Five Hundred Thousand Dollars with 00/100 (USD 500,000.00) which does not include the total amount owed.

In addition, through another note received by the company on May 21, 2021, the following information was requested, which was not provided in its entirety:

Investment schedule according to the attached format.

Updated work execution schedule.

Measurement plans and preliminary draft in DWG format (in WGS-84).

Updated bathymetry plan.

Initial and final construction plans approved by municipal engineering.

Worksheet of jobs generated in the construction stage.

Definition of the initial scope of the work and the final scope of the same with the modifications that are part of the project.

Documentation supporting the 3.5 million cubic meters of landfill executed. (Contractor work reports, subcontractor contracts, invoices) Support of machinery used.

Breakwater price.

The PCCP concessionaire promised to make an investment of \$ 563.9 million, of which \$ 300 million correspond to the construction of three docks and \$ 263 million to other port expansion works, but it has only invested \$ 104.2 million, which represents 16.6% of the total committed and means 83.4% of non-compliance.



Announcement



PANAMA MARITIME AUTHORITY



INTERNATIONAL DAY FOR THE FIGHT AGAINST THE ILLEGAL, UNREPORTED, AND UNREGULATED FISHING.



COMBINED IUU VESSEL LIST **TMT**

VESSEL NAME	IMO NO.	CALL SIGN
ABENHA PUTWEL		4SFXXXX
ABENHAUT 1		CPA 226
ABENHAUT 2		CPA202
ABENHAUT 3		CPA201
ABENHAUT 4		CPA221
ABENHAUT 5		CPA222
ABENHAUT 6	7379345	
ALBERTO WARRAQUE		
ALBERTO	7306370	
ALFA	7436533	4LPN
ALBERTO AL VESSEL 1		HSNS447
ALBERTO	7036345	
ALFA 222		
ANTONY	7296534	
ALCIBIA		
ARCOBAHAY		
ARCOBAHAY		
ATLANTIC GLORY	7322897	
ATLANTIC PRINCE	8919403	V3PB6
	8919415	V3PG6

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