



For Immediate Release

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PANAMA CANAL TOLL RISES ARE UNACCEPTABLE, SAY SHIPOWNERS

Plans to increase toll charges for the Panama Canal are 'rushed, excessive and likely to cause further problems for shipping companies' given the fragile state of economic recovery, say shipowners.

The International Chamber of Shipping has sent a strongly worded letter to the Panama Canal Authority (ACP) describing plans to increase tolls by up to 15% as 'simply unacceptable'.

ICS calls for the plans to be withdrawn and for future increases to be given with at least six months' notice to enable shipping companies to plan properly and fully assess the impact of the proposed changes.

The International Chamber of Shipping (ICS) is the principal international trade association for shipowners, with member national associations from 36 countries representing all sectors and trades and over 80% of the world merchant fleet.

The ACP published plans to increase its tolls last month, despite assuring industry clients in January there would only be one small adjustment to tolls before completion of the expansion project in 2014. Toll increases could come into effect as early as 1 July if agreed at a public hearing at the end of this month.

ICS Secretary General, Peter Hinchliffe, said there was 'no pressing need' for the increases given that 'canal revenues are currently very healthy'.

Mr Hinchliffe pointed out that while the Panama Canal is an important national asset to Panama, it also remains an essential part of international public infrastructure crucial to the smooth operation of the global supply chain and should 'take this important public role into account when setting tolls'.

"While the ACP proposal analyses the impact of the toll rises on the competitiveness of commodity trades, no account is taken of the impact on shipping companies themselves.....many of whom are still forced to run ships at a loss in order to remain in the market," he said.

"We therefore request that the ACP rescind the current plans for increases in the next two years and concentrate on developing a toll structure that can be to the benefit of all parties to be introduced in late 2014."

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Notes To Editors:

- The full text of the letter is attached

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