

Pictured is the Hovensa deep water port. According to Virgin Islands Economic Development Authority reports, the port has the ability to accommodate post-Panama Canal expansion ships. Hovensa spokesperson Alex Moorhead has declined to officially comment on the port's capabilities, however.

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Local gov't begins planning for Panama Canal expansion

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ST. CROIX — While Virgin Islands officials are beginning to plan to develop the territory's marine assets, other Caribbean countries have already begun to maximize on the increased freight traffic the Panama Canal expansion is expected to generate in a little over a year.

The VI Economic Development Authority, the VI Port Authority and the St. Croix Renaissance Group have signed a memorandum of understanding to collaborate to develop an international transshipment port and enhance other marine assets on St. Croix, according to an EDA release.

With the expansion of the Panama Canal slated to be complete by 2015, more ships and larger ships will be able to pass through the channel, and reports have indicated that the impact on global shipping will be great.

The expansion, according to EDA Assistant Chief Executive Officer Jennifer Nugent-Hill, will "increase the need for regional transshipment facilities" within the Caribbean. St. Croix, she explained, has the potential to become a "player in being a hub" with its existing assets that could make the island a major transshipment site for ships en route from the canal.

However, there are other major players within the Caribbean that can and will compete with the territory for the increased economic activity that will follow canal expansion. According to an article from Caribbean Maritime, a journal of the Caribbean Shipping Association, major competing hubs within the Caribbean are Kingston, Jamaica; Freeport, Bahamas; Port of Spain, Trinidad and Tobago; Caucedo, Dominican Republic; Panama; and Colombia.

Communist Cuba, for one, is in the latter stages of constructing a giant free-trade zone and container port, according to a CNN report.

The \$900-million development project will not just give the island, a strategic 120 miles from Florida, a fighting chance to benefit as a transshipment hub for the post-expansion ships. According to reports from the Cuba Standard, a digital news service for Cuban business and economic news, the project also aims to attract foreign companies by allowing them to "import and re-export goods with little red tape and duty-free." The recent CNN report called the offer a "low-tax, low-regulation environment in which to manufacture goods" for foreign investors.

Cuba will reportedly be com-

peting with other Caribbean and South American countries like Panama, the Dominican Republic and Jamaica with their already established free trade zones.

"What are we (the territory) going to substitute for that?" questioned business owner and St. Croix native Robert Schuster in reference to the competition that Cuba presents for the territory.

According to Schuster, territorial leaders are way behind in their preparation for the inevitable, global change and economic opportunities that will follow the expansion. According to Schuster, if the government were to be more transparent, practice long-term economic planning, privatize sectors like the Port Authority, and foster the environment for a more skilled workforce, the territory would be able to attract investments and become economically stable.

"This is like locking the door after the horse is gone," he said of the recent plans to prepare for the canal expansion.

Nevertheless, plans are in the works and the government seems to be moving toward providing the territory with competitive advantages in the global preparation race.

EDA officials recently met with an executive of one of the largest

container ports in Panama during a trip where they attended a Caribbean Shipping Association Conference in Panama.

"They think we have an incredible potential to become a regional player," Hill told The Avis.

According to Hill and recent EDA statements, Hovensa contains a deep-water port with a 50-foot draft, which would meet the requirements for the extremely large, post-expansion ships to be able to pass through.

Senate President Shawn-Michael Malone also told The Avis the reason he pushed for the recent Fourth Amendment Agreement was because it allowed for government use of the Hovensa port.

Hovensa spokesperson Alex Moorhead declined to comment on the port's capabilities on the record.

Hill also mentioned a deep-water container port facility located at the St. Croix Renaissance Park. The port does not meet the requirements to facilitate post-expansion ships, but with government assistance, it could, according to Hill.

She emphasized, however, that St. Croix could become a hub for transshipment and not necessarily a facilitator for the large ships. If the territory is successful in this feat, she said, it could

mean a more diversified job market since transshipment operations would require truckers, logistic operators, warehouse workers and other skilled workers.

In a prepared statement, Gov. John de Jongh Jr. announced his support for the development plan.

"We are fortunate to have a range of port facilities that, to date, have been under-utilized but with changing market conditions and our focus economic diversification are well positioned to take advantage of regional opportunities," he said. "Additionally, this strength is exhibited in the partnership of St. Croix Renaissance, EDA and VIPA to go implement a coordinated plan."

If the territory is going to be able to maximize on St. Croix's marine assets and compete with other islands, however, Caribbean Maritime reports that ports must have the following characteristics:

- Be located at the crossroads of principal maritime trade routes
- Produce stevedoring operations
- Guarantee berths
- Have competitive tariffs
- Have control of operations
- Provide safety and security
- Have dedicated feeder services