

## Multisector collaboration paving way for economic development around Port of the Americas

Port development on target to handle 250,000 TEUs of cargo and post-panamax vessels by year end; 500 acres available for Free Trade Zone development around port

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A multisector collaboration effort between the private sector, academia and government is gaining momentum and paving the way for sustainable economic development in and around the Port of the Americas (PofA) transshipment port in Ponce. By year end, phase two of a four-phase project will be complete at the PofA which will have an initial capacity of 250,000, 20-foot equivalent units (TEUs) and ready to receive the first post-panamax vessels in Puerto Rico. Phase four is expected to be complete by 2014.

Law firms Cancio, Nadal, Rivera & Díaz (CNRD) and Bufete Emmanueli C.S.P. (BE) have recently jumped on board to help promote the region and are working closely with the Port of Ponce, Codezor—the Southern Free Trade Zone—Disur, a nonprofit socioeconomic development organization, and the PofA.

“We would like to stress the holistic approach that the region is taking with regard to the Port of the Americas. It is not only the physical development that we are talking about, but also promoting incentives through Codezor’s free trade zone, for example, that will be servicing the Port of the Americas as well as other clientele. We also want

to put into perspective what the region is doing in regard to the general development of the southern region and the 15 municipalities that make up the zone. Having the private sector involved is producing results at this stage with regard to the Port of the Americas,” said Ramón Torres, executive director of the Port of the Americas.

“The incentives offered by the FTZ program will help users reduce their operational costs. It provides a venue in which value added and finishing work can be done to products that ultimately can be labeled ‘made in the USA.’ This could represent a savings of at least 20% to 25% on taxes. Right now within the area of the Port of Ponce, we have over 500 acres available for the FTZ program,” said Johnny Fernández, executive director of Codezor, which has been operating Foreign Trade Zone (FTZ) 163 in the Port of Ponce for the last 12 years and currently serves more than 20 clients.

“We think this is an important project (PofA) that needs help from other sectors; the private sector, academia as well as ongoing government help. Right now, the port is in a state in which the infrastructure will be finished in December. We are going to be promoters of the port to our clients and to the community in general. The goal is to try to establish distribution centers, factories and value-

added businesses. We as law firms are starting to collaborate with this alliance so that we can help to ensure that the port is ready to operate by the beginning of 2009,” said Rolando Emmanuelli, partner of the law firm Cancio, Nadal, Rivera & Díaz.

Disur, a nonprofit organization that represents 15 municipalities in the southern region of the island, seeks to maximize competitiveness, socioeconomic development and quality of life in the region. They have been actively recruiting members into the organization. “Right now we have 25 members in our multisector alliance from government, academia and private companies. We’re currently concentrating our efforts on a regional plan, which should be ready by September to help take advantage of our regional assets and ensure the effectiveness and efficiency of the port. One of those projects is a simulator for cranes, which should be ready by July that will focus on training port employees on efficiency. The good things that I have been hearing from the southern part of Puerto Rico is that we’re moving toward an integrated perspective, working together with all the sectors to promote the social and economic development of this area and the island,” said Vivian Puig, executive director of Disur.

“The simulator will be an excellent tool not only

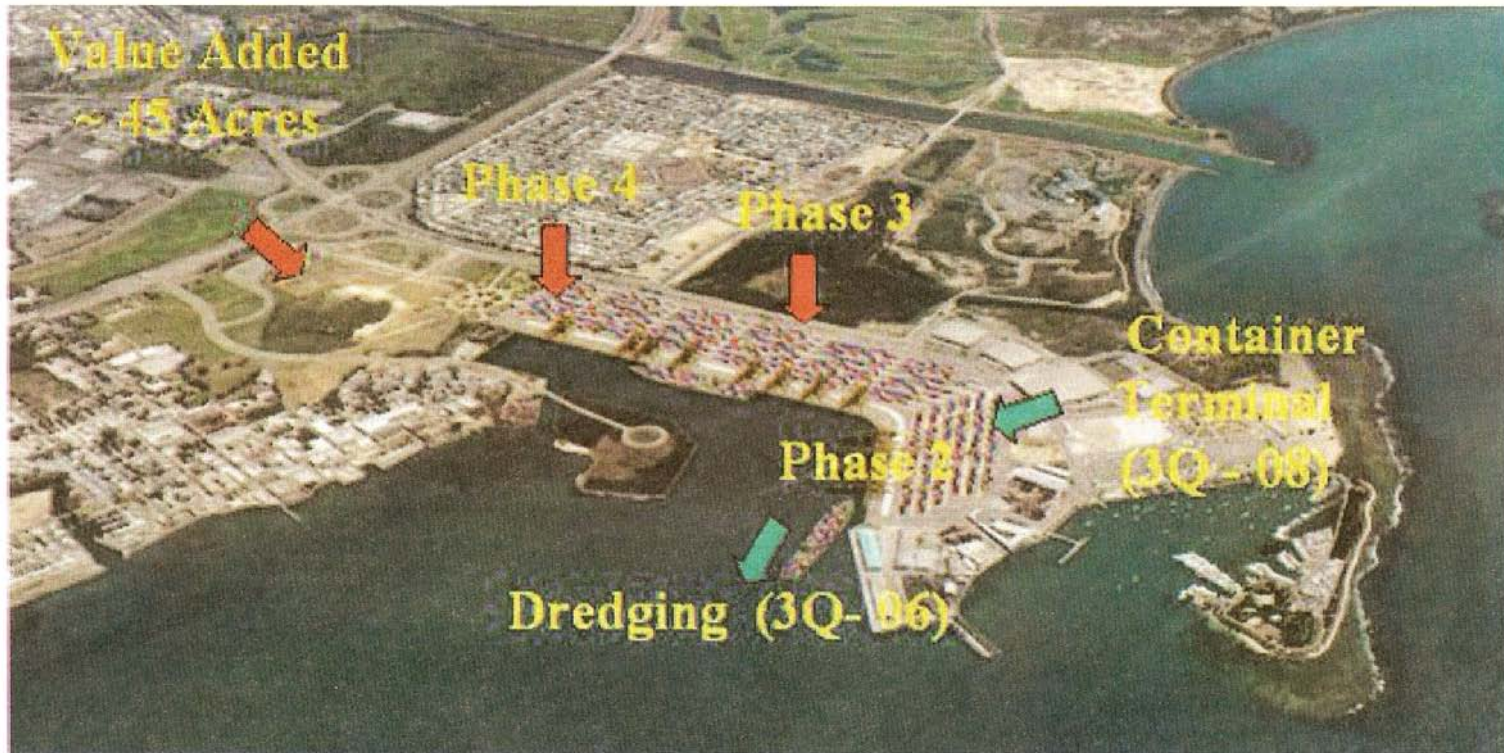
for the Port of the Americas but also for Puerto Rico and the entire Caribbean to train personnel in managing and handling port equipment," added Torres.

The Port of Ponce is mainly a general cargo port that receives close to 500,000 tons of cargo per year; mainly coal, gypsum, scrap metal, chemicals and lumber. The port has already seen a significant increase in volume due to the development of the PofA and the global exposure it has received in trade journals. "As of the first trimester of this year, cargo volumes have increased by a whopping 37% which is due to a number of factors but mainly to the additional interest the port has generated in new business venues. We recently received two vessels that have never come into the port before, one with materials for the new Prepa gas pipeline, and the other one will be transshipping luxury yachts around the world using the water depth (50 feet) the Port of the Americas now has," said Jorge Hernández Lázaro, executive director of the Port of Ponce.

"We are currently working on phase two of a four-phase project. The physical target for 2009 will be 250,000 TEUs, a capacity that will be increased to 1,000,000 TEUs by the completion of phase four which will definitely catapult us into becoming one of the big players in the Caribbean," concluded Torres. ■



*Unloading the pipes that are going to be used at the Gaseoducto project by Prepa, Codezor, the Free Trade Zone, is offering storage facilities to Skanska, the construction company for the pipeline.*



*Aerial view of the Port of the Americas transshipment port development project. The four-phase project, which should be complete by 2014, will involve a total investment of \$750 million.*