

### **Lagos ports in Nigeria hit by congestion again, 28 ships await berth**

Port Congestion has gradually returned to Lagos ports again. Only two months ago the Federal Government evacuated hundreds of overtime containers to Ikorodu Lighter Terminal in Lagos and the Onne Port at Port Harcourt. Sources reveal that other than 14 oil tanker vessels waiting to discharge at various jetties in Lagos, 28 ships are being delayed from bringing in their consignments due to the congestion at the ports. In the next three weeks 80 ships are expected to arrive with cargo ranging from vehicles, bulk cement, bulk sugar, containers, general cargo, bulk wheat and fishes. Other consignments expected at the ports are bulk salt, steel products, diesel, petrol, kerosene, low pour fuel oil and base oil, even as 22 vessels are already at anchorage, discharging their goods.

According to the, the general manager of ENL Consortium Limited, Mark Walsh, the key reason for the congestion was the Nigeria Customs Service (NCS) 100 percent cargo examination. This led to delay in the quick movement of goods out of the terminal. A general manager of Maersk Line Nigeria has commented that the only solution to this problem would be to reduce the cargo dwell time. Cargo Dwell time is the term referred to the time cargo remains in a terminal's in-transit storage area while awaiting shipment by clearance transportation.

### **Strong earthquake in Honduras results in temporary closure of the nation's key port**

A 7.1 magnitude-earthquake centered off the Caribbean coast of Honduras leveled homes, resulted in a bridge collapse and left 2 children dead and almost 40 people injured. The quake struck just before 2:30 am on May 28 .Its impact was felt throughout much of Central America, in southern Mexico and on some Caribbean islands, and damage was also reported in neighboring Belize. It also caused the closing the nation's largest port. Puerto Cortes on the Caribbean coast will be closed at least until May 30. There is no damage to the nations coffee estates and other export industries.

Tremors were felt in neighboring countries, including Guatemala. The quake was the largest along an unnamed fault line off the coast of Honduras since a 6.0-magnitude temblor in 2002.

### **Sudbury Nickel Mine labor contract deadline extended**

Vale Inco and the union representing workers at its Sudbury, nickel operations in Ontario has reached an agreement to extend their current labor contract by more than a month to July 12,2009 thus giving the two sides more time to hammer out a new deal .

Cory McGhee, a spokesman for Vale's Inco division, revealed that the company agreed to the extension since Vale already plans to shut down its Sudbury operations for most of June and July 2009 due to weak nickel demand. Vale Inco has 3,500 unionized workers at its Sudbury mines and mills. Union members voted last week to strike if labor negotiations fail. Vale Inco has 3,500 unionized workers at its Sudbury mines and mills, represented by the United Steelworkers. Vale's Sudbury operations produced 85,300 tons of contained nickel last year.

### **Kenya Port Authority workers oppose port expansion**

Employees of the Kenya Ports Authority (KPA) have rejected the construction of the proposed second container terminal to bring down congestion at the port of Mombasa. Expressing their stand through the more than 7000 strong Dock Workers Union, wants a feasibility study carried out on the viability of the project. According to union the proposed

expansion, of the port will double its current 21 million tons cargo capacity to 42 million tons. The union warns that there was the risk of trade failing to increase.

There are also fears that as the size of the ships increase, there was the risk of port of Mombasa being unable to handle such large cargo. The workers are also opposing the establishment of another port at Lamu saying the facility will cause unnecessary competition to the Mombasa Port. The Lamu port plan is a part of government's Vision 2030, where they intend to construct a new port in order to increase infrastructural capacity into the Sudan and Ethiopia. The expansion had already received clearance from the National Environment Management Authority (NEMA) in May 2008 following the passing of an environmental impact assessment.

### **Samancor May Shut Restarted Ferrochrome Operations**

Samancor Chrome Ltd, which is the world's second-biggest ferrochrome producer, is likely to shut some of the South African operations it restarted earlier in 2009. The reason cited for the shutting down of operations rise in expenses combined with an expected hikes in electricity tariffs. The company restarted about three quarters of its capacity after suspending entire operations in December 2008 wing to weak demand.

Eskom Holdings Ltd., which supplies about 95% of power in South Africa, has asked regulators to permit a 34% increase in tariffs in 2009. In 2008's there was an increase in tariff of 27.5% . Ferrochrome producers pay about 20% above regular tariffs during winter, when power demand is higher. The company is to reconsider its level of production in June. Gains by the South African rand, trading at about 8.24 per dollar now compared with 10.1949 at the end of January. Xstrata Plc, International Ferro Metals Ltd. and other ferrochrome producers suspended output as prices fell because of lower stainless-steel demand.

### **Toxic deaths spark workers strike in Italy**

A series of fatal accidents at workplace have prompted workers at one of Europe's largest refineries in Italy to go on strike. The victims are thought to have inhaled poisonous gases after getting trapped in a de-sulfurization unit while carrying out repairs at the plant in the Sardinian port of Cagliari.

Angry workers blamed the deaths to tremendous work pressure perform faster. The workers said, "The plant should've been shut down for 3 or 4 months for this type of maintenance, but there are workers swarming about everywhere." The issue of security at work has become a matter of national concern. Italy has the worst record for deaths at workplace by European standards. Current figures suggest one person dies about every seven hours. This unit of Saras SpA, is Italy's second-largest independent refinery by capacity

### **Brazil's Vale Cuts Investment by 63.4 % amid Global Slowdown**

Brazilian mining giant Vale, which is the world's largest iron ore exporter, announced that it would be slashing investment by 63.4% in 2009 to \$9.04 billion due to the global economic slowdown. According to the company sources the key reasons for the slash in investment are the volatility of the currencies in which Vale does business, a downward revision of equipment costs, simplification of the plans surrounding some projects and different delays associated with the acquisition of environmental licenses.

Mining has been among the sectors hardest hit by the economic crisis in Brazil, with exports falling sharply - both in value and volume - due to the sudden slowdown in investment and construction spending worldwide. Vale's businesses also have been affected by the abrupt drop in international prices of minerals, which has forced the company to shut down several iron ore mines and either idle or lay off hundreds of employees. Vale, Brazil's largest private company, is the world's second-largest mining company and leading iron ore exporter, as well as a major seller of other minerals such as nickel, bauxite, aluminum and potassium. According to the terms of the new budget, \$2.07 billion is to be earmarked for the maintenance of existing operations and another \$6.96 billion to the company's organic

growth. The previous budget, approved on Oct. 16, 2008, called for investments worth \$14.24 billion.

### **Petroperu likely to increase Shutdowns as Land-Rights Protests Spread**

Indigenous protesters seizing facilities has forced Petroleos del Peru to shut down a 40,000 barrel-a-day crude oil pipeline last week. The company has said that may halt more operations as land-rights demonstrations spread. Protests have affected Petroperu's sales plants in the northern jungle towns of Yurimaguas and Tarapoto, and may force the closure of the 10,000 barrel-a-day Iquitos refinery, the Andean country's state oil company according to a statement posted on the company's website.

### **AtlanticCargo's plan to pull out of US East Coast affects Port of Charleston**

One of the key customers of Port of Charleston, Atlanticcargo is planning to pull out service in July 2009, as part of the company's plan to cease operations on the U.S. East Coast. Though small this niche company made about four dozen ship calls here per year and has been a South Carolina, State Ports Authority customer for about 25 yrs. The slow economy has brought down the cargo volume at Port of Charleston by almost 16%

Between July and March, the port handled 1.1 million 20-foot equivalent units, a drop of 13.6% compared with the same period last year. Mediterranean Shipping Co., the world's second-largest carrier, has inked a new agreement with the SPA extending its contract an additional five years, through 2017. The SPA (S.C. State Ports Authority) made that announcement earlier in May 2009.

### **Arizona Chemical Announces Permanent Closure of Port St. Joe Plant**

On May 21, Arizona Chemical's Jacksonville headquarters announced that the plant at Port St. Joe operation will permanently shut down in July 2009. The plant is Arizona Chemical's smallest refinery and has been around for 50 years and the forced shutdown comes as a result of decreased consumer orders.

The St. Joe plant's orders will be transferred to refineries in Panama City and Savannah. The closure will put about 77 employees on the unemployment line. The Port St. Joe plant was built in 1957 and acquired by Arizona Chemical in 1986. The plant produces rosins, rosin esters and fatty acids for the adhesives, oleochemicals and inks industries. Arizona Chemical, headquartered in Jacksonville, is the world's largest producer of naturally derived specialty resins and pine-based chemicals for the adhesives, inks and coatings, lubricants, fuel additives, mining and oleochemicals markets.

### **Temporary job loss at Iluka Mine**

Mining company major Iluka has stood down more than 35 workers at its mineral sands mine near Ouyen, in north-west Victoria. Iluka had earlier announced a six-week delay to the completion of the \$200 million Kulwin project due to delay in construction activities. The \$209 million mine at Kulwin, near Ouyen, was expected to create 380 jobs during its construction and 13 years of mine life. According to the company the delay is likely to continue until late July and would stand down 39 workers without pay from June 1. According to the company sources workers at its Hamilton separation plant might also need to take annual leave if a temporary shutdown is required there, an announcement is expected in the next few days. Kulwin is in North Western Victoria. The mining operations will include a mine and processing plant producing 2.4Mt of Heavy Mineral Concentrate which will be transported to Hamilton, Victoria, for further processing. Kulwin Project is part of Iluka's, Murray Basin Stage 2 mining project.