Argus Consulting

Commercial and Market Report for Panama Infrastructure



Challenge faced

A private investor group was interested in understanding the fundamentals to support a potential infrastructure investment in Panama to serve as an alternative option to the Panama Canal.

The Panama Canal is getting more expensive and complex to plan around, as droughts result in transit delays and partially loaded ships due to draft restrictions. In addition, delays occur more frequently due to congestion that is being driven by growing trade between the US and Asia, as well as West Coast Latin America. These issues at the Panama Canal are driving more interest in land-transit alternatives for commodities in which feasibility and scale exists.

Solution provided by Argus Consulting

Argus Consulting provided detailed analysis to assess which petrochemical commodities would be most viable for a land-transit alternative, as well as assessments of local market opportunities for selected commodities.

Analysis performed

- Supply and demand forecasts for refined products, LPGs, and select petrochemicals for the US Gulf Coast, US West Coast, West Coast of Latin America, and Asia-Pacific regions
- Historic and forecasted volumes transiting through the Panama Canal for refined products, LPGs, and select petrochemicals, with identification of most significant origin-destination pairs for each commodity
- Assess the feasibility and market opportunity for supply LNG, bunkers, gasoline and diesel into Panama and the neighboring Central American region.

Outcome

This study provided insight into which petrochemical commodities would be prioritized to establish the basis for building infrastructure to serve as a land-alternative to the Panama Canal. Based on historic volume transiting through the Panama Canal and forecasted supply and demand balances, two commodity groups were recommended to be the focal points for future infrastructure to be built. In addition, recommendations were provided on the feasibility of local market opportunities for bunkers, refined products, and LNG, taking into account transportation, market competition, and size of addressable market.

More information

To learn more about Argus Consulting, visit https://view.argusmedia.com/biofuel-consulting.html

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