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Shipper forges ties with South America

An area shipping company focusing on the petroleum trade has added another continent to its list of office locations.

Heidenreich Marine Inc. in Darien has formed a Venezuelan subsidiary and opened a branch office in Caracas Venezuela, which joins London and Singapore as places where the company serves oil producers. The London office opened in 1991, and the Singapore office opened in 1997.

Heidenreich Marine controls a fleet of 48 tankers operated as two revenue-sharing pools with partners in Finland, Greece, Singapore and the United States.

In addition to assisting with marketing and chartering of vessels in Heidmar's Star and Dorado tanker pools, Heidenreich Marine Caracas will help develop business in Central and South America.

The company, which has about 50 employees, operates a fleet of 29,000- to 89,000-ton tankers, which deliver crude oil and refined products on a worldwide basis to refineries, distributors, bunker suppliers and power stations.

Coinciding with the opening of the office, the company is negotiating a shipping contract with PDVSA, the national oil company of Venezuela, formalizing a relationship that the 17-year-old business has had with the Central American nation for many years.

Contract talks are being handled by the three-person Caracas office staff.

"We've done a lot of business with them over the years, but we never had a contract," said Per Heidenreich, chairman and chief executive officer. "Until now, we've done a lot of spot cargoes."

A preliminary pact calls for the company to provide three months of service, and if the sides agree, a long-term agreement will follow.

Because Heidmar controls nearly 50 ships, it can provide the Venezuelans with flexibility in service, Heidenreich said, noting that the company has similar contracts with ExxonMobil, BP and Pemex, the Mexican national oil company.

Having an office in Caracas also should help spur more business in other Latin American and Caribbean nations, where the company has been represented by individuals who also represent other shipping firms, he said.

"We do quite a lot of business in Brazil, Colombia, Ecuador and Peru," Heidenreich said, "and Venezuela is one of the largest exporters of oil in the world. Having a local presence in Venezuela will enable us to better serve our pool partners and customers and will also enhance our ability to form strategic alliances with companies in South America."

The business will now be represented in those nations by staff from the Caracas office. "It's important to have people who can understand the culture and the business. At all of our offices, we get local people. They're people they can easily relate to," Heidenreich said.

Having Pemex and PDVSA under contract would be a major accomplishment for Heidenreich Marine, said Urs Dur, editor of Stamford-based Marine Money, a publication focusing on the shipping industry.

A contract would provide the company with a dependable, steady income. "You don't get the highs of the spot market, but you avoid the lows," Dur said.

Establishing a solid connection with PDVSA and Pemex will be important, Dur said, as the United States continues to cut its reliance on Mideast petroleum.