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CMA CGM explains Cuba deal

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French shipping giant CMA CGM says the agreement it signed with Cuba is designed only to better serve the Cuban domestic market and is part of its strategy to develop its supply chain capabilities.

The company, which recently signed a concession agreement with Jamaica under which it will invest US\$600 million to upgrade and expand Kingston Container Terminal (KCT) and operate it for 30 years, as well as spend US\$130 million to dredge Kingston Harbour, was responding to concerns about the Cuba deal voiced by Mike Henry, the Opposition spokesman on transport and works.

Henry raised the matter after it was reported that CMA CGM signed a logistics hub deal with Cuba during French President Françoise Hollande's visit to the Spanish-speaking island last month.

"The platform of Mariel's is a first step in Cuba's land logistics development," CMA CGM Vice-President Mathieu Friedberg was reported as saying in a written statement.

Henry, in a statement to the Jamaica Observer, said that prior to the Jamaican Government signing the deal with Terminal Link CMA CGM he had made very clear the concerns that the Opposition had over the agreement and as such raised the issue with the Office of the Contractor General, especially as it relates to the full ownership of Terminal Link and the ability of that entity to fast-track Jamaica's port development and the dredging of the port.

"I raise this as a great part of my concern was that the development of KCT would be done at the economic discretion of Terminal Link/CMA who, by the terms of reference of the agreement, are allowed to develop at their ability to finance the development and ongoing operations," he added.

"My concern is now heightened by the recent signing of an agreement in Cuba by CMA CGM, with great fanfare and in the presence of French President Hollande and French Minister of Foreign Trade Matthias Felk, to develop the major Cuban port, as for me and others in the shipping industry it raises the question: How can you serve two

masters?" Henry said.

But yesterday, CMA CGM explained that the deal between it and its Cuban partner, AUSA, covers the operation of a logistics platform located in the Mariel Free Zone.

"The platform includes two warehouses and a cold store dedicated to the local Cuban market. The objective of the facility is only to better serve the Cuban domestic market, including warehousing/storage and distribution within the island," the French company's Press Department said in a statement.

"The Kingston agreement between the Jamaican Government and Terminal Link is of a different nature, as it concerns the creation of a terminal hub in the Caribbean, similar to other transshipment terminals used by CMA CGM around the world (Malta, Tangiers, Port Kelang)," CMA CGM said.

It added that the Kingston terminal is a major step for the CMA CGM Group in anticipation of the enlargement of the Panama Canal and will accommodate some of the largest ships of the CMA CGM fleet, trading from Asia, Europe or the Americas.

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