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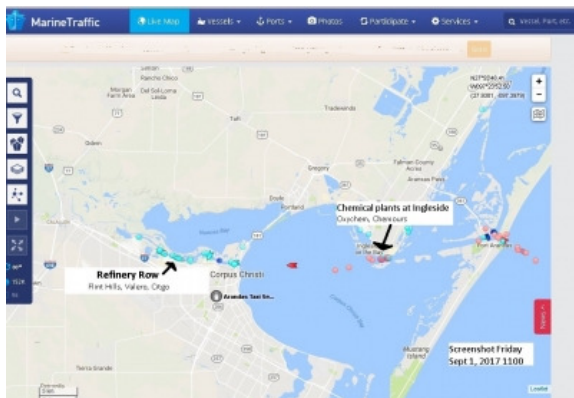
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Hurricane Harvey aftermath - 'several weeks' until back to normal



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Skies have cleared over Texas as what was Hurricane Harvey has now moved inland, but the damage, and the implications for shipping, are still unfolding.

The Port of Houston - general cargo and breakbulk - is now reopening; the port at Corpus Christi - further to the south - has also now reopened with daylight transits, and oil refineries operated by Citgo, Valero and Flint Hills Resources were also set to reopen.

On the tanker side, re-opening of individual facilities is more complicated, as refineries and processing plants may have been fully or partly shut down- mainly due to power outages, and cannot come back online instantly. AIS showed that tankers were now moving into Corpus Christi Bay, though none had docked yet at "Refinery Row," south of Nueces Bay, though it appeared that ATBs (tug/ barge combo's) were now moving through the navigation channel.

In Houston, there was limited tanker traffic beginning to move into Galveston Bay, and it appeared that vessels had now docked in Texas City - the site of multiple refineries. Nevertheless, analysts and commentators were talking in terms of "several weeks" before refineries around Houston, and farther to the northeast - in Beaumont/ Port Arthur, would be back online. These include the giant Motiva refinery, 600,000 barrels per day, at Port Arthur and a smaller Total refinery nearby, both of which were reportedly shut down due to power outages induced by the massive flooding in the area. In Texas and the southeastern US, shortages of gasoline were in evidence with lengthy queues at petrol stations shown on the evening news broadcasts. Farther



refineries in

Lake Charles, La and the lower Mississippi River, where heavy rains had fallen, but without the massive flooding, were open. Trans-Atlantic gasoline cargoes were expected to be coming into the US East Coast, with spot hires on international flag MR tankers surging to levels with time charter equivalents equating to around \$23,000 per day on the "TC2" run- for an MR tanker from Rotterdam into New York. This compares to torpid pre-Hurricane numbers of circa \$4,000 per day just before Hurricane Harvey made landfall a week ago.

The FFA market looks for these hires to calm down in the coming weeks, with September settle, reflecting an overall monthly time charter equivalent), pegged at around \$14,000 per day. October FFA's on this route have advanced to around \$9,000 per day time charter equivalent.

The humanitarian crisis in Beaumont/ Port Arthur area saw another maritime wrinkle - the US Maritime Administration (MARAD) had been making inquiries in the marketplace regarding vessels to provide temporary accommodation for displaced people. Additionally, MARAD was expressing interest in procuring vessels that could transport and store potable water, with Beaumont (population circa 110,000) having lost its municipal water supply.

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