

Paria defends 'very lucrative' partnership

OVER the past week, State-owned Paria Fuel Trading Co Ltd has issued two media releases in defence of its US\$90 million deal with Jamaica's sole petroleum refinery, Petrojam.

News of Jamaica exporting 'fuel oil' to Trinidad and Tobago spread on social media last weekend, prompting Paria Fuel Trading to issue its first release yesterday.

'Paria has identified that expanding its bunkering services, considering the significant assets available to it, can become a very lucrative foreign exchange-earning business. In furtherance of this, Paria has been exploring with relevant parties in the petroleum industry the need for the bunkering of petroleum products,' it stated.

Paria said it has a number of international suppliers for refined products, which does not currently include Petrojam.

'However, an opportunity was identified for Petrojam to be a partner for the bunkering of marine fuels. It is important to note that this marine fuel is not designated for the Trinidad and Tobago market, it is exclusively for bunkering operations, with sales to international marine operators including cruise and container ships, and other international marine vessels,' it stated.

Paria said these bunkering operations are a net contributor to foreign exchange earnings, and detailed the agreement with Petrojam, with respect to Very Low Sulphur Fuel oil.

Paria said the preliminary arrangement with Petrojam encompasses a six-month contract for Very Low Sulphur Fuel Oil (VLSFO) with a maximum total volume of 540,000 barrels at an approximate cost of US\$50.2 million, determined by prevailing international pricing.

The company received its inaugural shipment from Petrojam on February 1, 2025, amounting to approximately 50,000 barrels.

Paria said part of the arrangement with Petrojam is to secure a market for its fuel oil, while providing Paria with an opportunity to supply clean fuel to the Jamaican market.

'Additionally, this endeavour aims to promote Caricom trade, though it represents a relatively modest portion in comparison to Paria's total sales volume of approximately 17.1 million barrels per annum,' it stated.

'With respect to any reference to the closure of the Pointe-a-Pierre refinery, citizens are reminded that unfortunately, the refinery was operating at a significant loss, and had become unsustainable. This is what led to the restructuring of Petrotrin, and the creation of Heritage Petroleum Company Ltd and Paria, both of which now operate profitably, and are continuously seeking ways to grow their respective business.

Confidential negotiations are ongoing with Petrojam, and Paria will continue to seek opportunities for not only its own continued profitability, but for the benefit of the citizens of Trinidad and Tobago, and the region,' Paria added.

On Tuesday, energy expert Tony Paul raised his concerns about the deal during a Facebook Live event hosted by Movement for Social Justice (MSJ).

'What worries me and, I guess, worries others is why and how; why did this happen this way? Why, for instance, aren't we looking at getting more use of the facilities in Paria? One question that worries me is Paria like any other company falls under the remit or the procurement regulations, was this process of procurement undertaken under that remit, or in other words, did it follow the guidelines of the procurement regulations or is it exempt?' Paul said.

He stressed that it is a major procurement that he speculated could be between \$50 and \$60 million.

'It's not that I don't trust the people but as a citizen, I want to be able to validate what they are doing in my best interest,' said Paul.

On Thursday, Paria issued a media release on the deal following Paul's criticism of the deal.

In that release Paria said it strongly condemned the 'misleading statements' made by Paul.

'In the news report, Mr Paul admitted, 'the last numbers I have...' His assertions contained inaccuracies and misrepresentations regarding the operations and contractual arrangements of both Paria and Petrojam,' Paria stated.

It stated that the general manager of Petrojam, Telroy Morgan, confirmed that 'Petrojam's plan for 2025 is to maintain nominal production capacity of 28,000 to 30,000 barrels per day with approximately 50% of our crude throughput converted into Fuel Oil.'

'He (Morgan) also emphasised that 'Petrojam does not typically import fuel oil and have not imported fuel oil since May 2024,' it stated, Paria 'unequivocally' affirmed that no third party is involved in the contractual arrangement between Paria and Petrojam.

'As detailed in our recent release dated February 2, 2025, Paria sources marine fuel exclusively and directly from Petrojam. This fuel is subsequently bunkered and sold by Paria to international customers,' it stated.

'We take this opportunity to reiterate the importance of this agreement with Petrojam i.e. it not only secures a market for its fuel oil but also presents Paria with the opportunity to supply clean fuel to the Jamaican market. Paria remains committed to exploring opportunities that ensure continued profitability for the company, while contributing to the broader economic interests of Trinidad and Tobago and the Caribbean region,' Paria stated.

On Monday, Energy Minister Stuart Young also hit back at 'naysayers' and 'mischief makers,' as he defended Paria's partnership with Petrojam Ltd. Young stated that the bunkering of marine fuels had been discussed over the past two years and would continue to strengthen the Trinidad and Tobago Government's relationship with Jamaica.