

PETROLEUM IN PANAMA 2002

1. PANAMA ENDS CHEVRON-TEXACO CONTRACT; REFINERY TO CLOSE

Panama's government has formally agreed to end a contract with Chevron-Texaco (CVX), paving the way for the closure of the country's only oil refinery, Refinería Panama. Late Monday, government officials approved an agreement to end a contract that dated back to 1992. The refinery has offered a total of \$27.5 million in compensation for the hundreds of workers who will lose their jobs when the plant closes later this year. But workers went on a three-day strike last week to demand more money.

Officials at the refinery, operated by San Francisco-based Chevron-Texaco, say they are losing money. Part of the agreement with Panama's government allows the company to convert the refinery near Colon, on the Atlantic side of the country, into a fuel storage centre.

Source: RESISTANCE OILWATCH NETWORK BULLETIN Number 30 – July 2002