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U.S. firms keen to expand Portugal's Sines port for LNG trade: energy secretary

Sergio Goncalves

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SINES, Portugal (Reuters) - American companies have a strong interest in expanding Portugal's deepwater port of Sines due to its strategic position for liquefied natural gas (LNG) exports to Europe, U.S. Energy Secretary Dan Brouillette said on Wednesday.

U.S. Secretary of Energy Dan Brouillette and Portugal's Infrastructure Minister Pedro Nuno Santos visit the Terminal XXI at the port of Sines, Portugal February 12, 2020. REUTERS/Rafael Marchante

Portugal launched an international tender in October for a contract to build and operate a new container terminal in Sines, continental Europe's closest port to the Panama Canal. It expects to pick the winner in the last quarter of this year.

Simultaneously, Singapore's PSA, which operates the only existing container terminal in the port, is also in the process of increasing its capacity.

The planned overall expansion will be crucial to also increase the port's capacity to receive larger ships and more LNG cargoes from abroad for further shipments to Europe.

"It is a very unique and strategic point for us and a very good part of the economics of natural gas," Brouillette said during a visit to Sines. "We are excited to see the development here ... and we look forward to working with Portugal and the industry here for this upcoming tender offer.

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“I think you’ll see much U.S. interest in this port. We’ll wait and see, as the tender closes, to see which companies may be on this. The fact they are here today looking at this, I think it indicates a very strong American interest in this port.”

Portuguese Infrastructure Minister Pedro Nuno Santos said the U.S. interest and potential investment was “an opportunity we must seize”.

In the tender, U.S. companies may still face competition from Chinese rivals such as state-owned Cosco or Shanghai International Port Group, which have expressed interest in expanding the port, according to Portuguese newspaper Publico.

Brouillette made no reference to Chinese plans in Portugal, but in the past Washington has expressed concerns about heavy Chinese investment in Portugal’s energy sector including large stakes in grid operator REN and power utility EDP-Energias de Portugal.

EDP has a significant wind power operation in the United States. REN, in its turn, owns the Sines LNG terminal.

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