

## Advisory To Shipping No. A-35-2022

November 8, 2022

**TO :** All Shipping Agents, Owners, and Operators

**SUBJECT:** Monthly Canal Operations Summary – OCTOBER 2022

1. Panama Canal Statistical Summary:

a. Transit Pilot Force .....	268
b. Pilots in Training .....	22
c. Tugs .....	46
d. Locomotives .....	100

2. Traffic Statistics:

	<u>Daily Average</u>	<u>High</u>	<u>Low</u>
Arrivals	34.68	47	22
Oceangoing Transits	35.03	39	32
Canal Waters Time (hours)	38.49	68.98	23.41
In-Transit Time (hours)	11.04	17.04	8.50
Oceangoing Transits:	<u>Total</u>	<u>Daily Average</u>	<u>Percentage</u>
Vessels of less than 91' beam	194	6.26	17.86
Vessels 91' beam to under 107' beam	609	19.65	56.08
Neopanamax Vessels (107' beam and over)	283	9.13	26.06
Total:	1,086	35.03	100.00
Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Neopanamax (vessels of 107' beam and Over)	240*	226* <sup>1</sup>	94.17
Supers (vessels of 91' beam to under 107' beam)	403*	379* <sup>1</sup>	94.04
Regular Vessels (less than 91' beam)	186*	162* <sup>1</sup>	87.10
Auctioned booking slots	175	143	81.71

\* Does not include additional auctioned booking slots

<sup>1</sup> Includes booked transits only

3. The following page provides the scheduled locks maintenance work and other items of interest to the shipping community.

4. This advisory will be canceled for record purposes on November 30, 2022.

**ORIGINAL SIGNED**

**Ilya R. Espino de Marotta**  
**Deputy Administrator and Vice President**  
**for Operations**

OP, November 8, 2022  
Subject: Monthly Canal Operations Summary – OCTOBER 2022

SCHEDULE OF PANAMAX LOCKS MAINTENANCE OUTAGES							
Dates	Duration	Miraflores	Pedro Miguel	Gatun	Estimated Capacity <sup>^</sup>	Expected Booking Condition	Status
October 6, 2022	8 hours			West*	28-30	1.a	Completed
October 10, 2022	5 hours			West*	30-32	1.a	Completed
October 13, 2022	8 hours			West*	28-30	1.a	Completed
October 19, 2022	6 hours		West*		29-31	1.a	Completed
October 28, 2022	6 hours			West*	29-31	1.a	Completed
November 24, 2022	5 hours		West*		30-32	1.a	Tentative

SCHEDULE OF NEOPANAMAX LOCKS MAINTENANCE OUTAGES						
Dates	Duration	Agua Clara	Cocolí	Estimated Capacity	Expected Booking Condition	Status
October 11, 2022	6 hours	*				Completed
November 22, 2022	4 hours		*	9-11	1	Tentative
December 13, 2022	4 hours		*	9-11	1	Tentative

The normal transit capacity of the Panamax locks is 34-36 vessels per day, depending on vessel mix, neopanamax transits, and other factors. This capacity is reduced during locks maintenance work, as indicated in the above table. Consequently, vessels may experience delays in transiting. When the Panama Canal's capacity is expected to be reduced, a corresponding reduction in the number of available reserved transit slots may be ordered by the Canal Authority. Whenever a set of locks requires a major outage of one of its two lanes for dry chamber inspection, miter gate repairs, tow track work or other major maintenance/improvement projects, advantage may be taken to perform simultaneous single lane outages at other locks.

- \* In order to perform scheduled maintenance works
- \*\* In order to perform scheduled dry chamber works
- \*\*\* Culvert outage
- ^ Panamax locks

## Panama Canal Readies to Accommodate

### Peak Season Fluctuations

*The waterway will harness updates to its reservation system to improve transit reliability for customers.*

October typically marks the start of peak season at the Panama Canal, as the global shipping industry and supply chains prepare for increased demand. Each fall, the waterway stands ready for waves of vessels to arrive, many loaded with holidays gifts or petroleum products to heat homes during the cold winter months.

Yet this year, numerous world events continue to drive volatility in market conditions and trade flows including the ongoing Ukraine-Russia War, remnants of pandemic-related backlogs, and inflation-driven shifts in consumer spending. Some container carriers, for instance, have [canceled](#) a series of sailings from Asia to the U.S. and Europe ahead of peak season.

Although the Panama Canal prepares for traffic to fluctuate during the peak season, each year brings its own challenges that require remaining adaptable and collaborative. This year, the waterway will harness a series of offerings and recent modifications to its reservation system to manage transit demand, minimize waiting times, and remain a reliable and valued partner for the industry.

### **Canal Reservation System Improves Customer Reliability**

At its core, the Panama Canal's transit reservation system offers customers the ability to reserve their transits on a specific date for an additional fee. It also offers auctioned slots, allowing customers to bid on openings that become available shortly before their desired transit date.

While optional, this service is highly encouraged, as it guarantees timely transits and allows the Canal team to plan transits more efficiently in advance. Reserving a transit in advance not only provides certainty, but also allows customers to bypass the queue of vessels that arrive without reservations and experience fluctuating waiting times.

“Every daily schedule of vessels transiting the Canal is unique, which means that it can be difficult to predict how much time a vessel will have to wait to transit,” said Abraham Saied, Integrated Operations Control Center Manager at the Panama Canal. “Unlike an airplane, where passenger capacity is fixed and every passenger takes one seat, our vessel scheduling is dependent on what types of vessels are transiting, their cargo, draft, transit direction, navigation restrictions, and even time of year. A larger ship, for instance, will require more time and resources, thus the number of vessels that can transit that day will be fewer,” he added.

### **Waiting Times May Change Overnight**

A diverse range of factors impact waiting times at the Canal—some of which can be planned for while others are more unpredictable. Increased use of the reservation system, for instance, improves transit reliability, thus improving the Canal's ability to manage capacity and waiting times.

One of the biggest challenges for estimating waiting times, however, can change overnight: the weather. During Panama's dry season, which lasts from December to May, the Canal often faces water

quantity challenges. This requires the application of water conservation measures, which can reduce the capacity of the Canal to transit ships with greater frequency and deeper drafts. During the rest of the year, Panama's rainy season can bring on fog that limits the visibility of vessels and can disrupt the transit operations.

Scheduled maintenance and the variability of certain markets can also impact transit schedules. Liners, including containerships, vehicle carriers, and passenger vessels, have fixed itineraries and plan their transits well in advance. Other segments, like Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG), may trade on the spot market, which means that they often do not have a fixed schedule or port of call ahead of time.

### **Adapting to Growing Transit Demand**

The combination of these factors may cause waiting times to fluctuate during the waterway's peak transit season, which runs from November to March. Therefore, the Panama Canal has made a series of adjustments to its reservation system in recent years to better handle the demand for booking slots and obtain certainty of transits from customers.

For example, the world's global economic recovery in January 2021 took off amid a record cold winter in Asia, causing a historic rise in demand for LNG. These circumstances triggered a sudden surge of vessels arriving at the waterway with the expectations of delivering U.S. LNG to Asia. As a result, the Canal team adjusted its reservation system to give LNG vessels more opportunity to reserve a transit slot days before an expected transit.

A month later, the Canal also began to auction slots that became available for Neopanamax vessels, including LNGs, two to three days before their designated transit date due to cancellations, change in date, early transit of a booked vessel, or for other reasons. Similarly, in November 2021, the Canal increased the auction slots available for Neopanamax vessels every Tuesday, allowing customers with lower customer rankings a greater opportunity to obtain a reservation on a weekly basis. A second auction slot was granted for Neopanamax vessels every Wednesday for transit dates beginning in October 2022.

### **Preparing for This Peak Season and Next**

The modifications made in recent years have already helped to significantly increase the number of transits scheduled in advance. In the past year alone, transits booked in advance, either by reservation or auction, represented roughly 70 percent of total Panama Canal transits, up from 55 percent three years before.

Nevertheless, as its peak season approaches, the Panama Canal team is monitoring for new methods for improving transit conditions and will consider factors such as the vessel mix and other operational conditions.

“Our entire Canal workforce, from operations to the marine transit team, is continuously introducing advanced systems to accommodate the ever-increasing demand of transiting vessels,” said Deputy Administrator Ilya Espino de Marotta. “As we adapt to fluctuating market conditions, our focus and priority is, and has always been, the safety of our employees. Additionally, the safe and secure passing of transiting vessels, the maintenance and improvement of Canal infrastructure, and full commitment to the facilitation of global trade remains an integral part of our organization's mission,” added Marotta.

In the meantime, the Canal will continue to provide customers with estimated waiting times for vessels without reservation, published daily on its [website](#). The Canal’s operations office updates customers and local shipping agents about waiting times and transit projections, as information can change by the minute.