



Advisory To Shipping No. A-24-2023

June 9, 2023

TO : All Shipping Agents, Owners, and Operators
SUBJECT : Monthly Canal Operations Summary – May 2023

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	283
b. Pilots in Training	6
c. Tugs	46
d. Locomotives	100

2. Traffic Statistics:

	<u>Daily Average</u>	<u>High</u>	<u>Low</u>
Arrivals	32.23	41	22
Oceangoing Transits	32.58	36	28
Canal Waters Time (hours)	33.16	44.19	20.89
In-Transit Time (hours)	10.88	12.62	9.43

Oceangoing Transits:	<u>Total</u>	<u>Daily Average</u>	<u>Percentage</u>
Vessels of less than 91' beam	192	6.19	19.01
Vessels 91' beam to under 107' beam	546	17.61	54.06
Neopanamax Vessels (107' beam and over)	272	8.77	26.93
Total:	1,010	32.58	100.00

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Neopanamax Vessels (107' beam and Over)	217*	217* ¹	100.00
Large Vessels (91' beam to under 107' beam)	379*	355* ¹	93.67
Regular Vessels (less than 91' beam)	186*	152* ¹	81.72
Auctioned booking slots	162	103	63.58

* Does not include additional auctioned booking slots

¹ Includes booked transits only

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

4. This advisory will be canceled for record purposes on June 30, 2023.

ORIGINAL SIGNED

Boris Moreno Vásquez
Vice President for Operations

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SCHEDULE OF PANAMAX LOCKS MAINTENANCE OUTAGES							
Dates	Duration	Miraflores	Pedro Miguel	Gatun	Estimated Capacity [^]	Expected Booking Condition	Status
May 9 to 16, 2023	8 days		West**		19-21	2	Completed
May 18, 2023	4 hours		West*		30-32	1.a	Completed
May 29, 2023	6 hours		West*		28-30	1.a	Completed
May 31, 2023	5 hours			East*	29-31	1.a	Completed
June 6 and 7, 2023	5 hours/day		West*		29-31	1.a	Completed
June 8, 2023	5 hours		West*		29-31	1.a	Completed
June 9, 2023	6 hours		West*		28-30	1.a	Confirmed
June 12, 2023	8 hours		West*		26-28	1.a	Tentative
June 19, 2023	4 hours		West*		30-32	1.a	Tentative
June 20, 2023	6 hours			East*	28-30	1.a	Tentative
June 26, 2023	12 hours			East*	23-25	1.a	Tentative
June 27 to July 5, 2023	8 days			East***	22-24	1.a [^]	Tentative
July 3 and 5, 2023	4 hours/day		West*		30-32	1.a	Tentative
July 4 and 6, 2023	5 hours/day		West*		29-31	1.a	Tentative
July 5, 2023	12 hours			East*	23-25	1.a	Tentative
July 12, 2023	6 hours			East*	28-30	1.a	Tentative
July 13, 2023	4 hours		West*		30-32	1.a	Tentative
July 14, 2023	4 hours	East*			30-32	1.a	Tentative
July 17 and 18, 2023	8 hours/day			West*	26-28	1.a	Tentative
July 26 and August 2, 2023	4 hours/day	West*			30-32	1.a	Tentative
July 27 and August 3, 2023	5 hours/day	West*			29-31	1.a	Tentative

SCHEDULE OF NEOPANAMAX LOCKS MAINTENANCE OUTAGES						
Dates	Duration	Agua Clara	Cocolí	Estimated Capacity	Expected Booking Condition	Status
May 22, 2023	4 hours		*	9-11	1	Completed
May 23, 2023	5 hours		*	9-10	1	Completed
June 19, 2023	4 hours	*		9-11	1	Tentative
June 20, 2023	5 hours	*		9-10	1	Tentative
July 10, 2023	4 hours	*		9-11	1	Tentative
July 11, 2023	5 hours	*		9-10	1	Tentative

[^]The normal transit capacity of the Panamax locks is 34-36 vessels per day, and in the neopanamax locks 9-11 vessels per day, depending on vessel mix, transit restrictions, and other factors. The maximum sustainable capacity of the Panama Canal (panamax and neopanamax locks) is approximately 38-40 vessels per day. 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
 ^ May require an adjustment to the number of available booking slots

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Panama Canal prepares for the impact of climate events



The Panama Canal is closely monitoring the development of weather events affecting water availability in the canal watershed, which according to forecasts, could worsen with the arrival of the El Niño phenomenon.

In response, the canal will proceed with water saving measures during the rainy months to aid water recovery throughout the surrounding lakes and, thus, guarantee resources for human consumption without affecting transits. Unfortunately, current estimates indicate that the economic impact is unavoidable.

The climatic emergency decreed by the Panamanian National Government reinforces what the Panama Canal has been stating regarding the reality of a shortage of fresh water. “This is an issue that the Panama Canal has been warning and preparing for; however, we could not have predicted exactly when the water shortage would occur to the degree that we are experiencing now,” said Canal Administrator Ricaurte Vásquez Morales.

The last period of intense drought in the Canal took place in 2019-2020. These cycles, the administrator added, have historically happened once every five years. “Still, what we are experiencing now is that these events are being reduced to once every three years,” he cautioned.

The Panama Canal has implemented water-saving measures to maintain maximum capacity in our reservoirs during the May through December rainy season and to cover the projected water demand during the dry season, which typically begins in January and lasts until April. The current conditions, however, are creating an unprecedented drought, and thus far has produced the driest year on record since 1950. Consequently,

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climate is progressively lowering the canal's reservoir levels and forcing the Panama Canal to periodically manage water utilization in a sustainable manner to maintain acceptable and competitive draft levels.

What is the Canal doing?

Since January 3, the Canal has implemented a series of water-saving measures within its operations which will guarantee that ample water resources will be available to supply the population and offer a reliable and competitive service to customers throughout the dry season.

“We have implemented procedures such as cross-fillings, cross-spilling and short chamber lockages in the Panama locks and increased the use of water-saving basins in the Neopanamax locks. Additionally, we have minimized direction changes between northbound and southbound transits in Gatun locks, maximized tandem lockages and have suspended hydroelectric power generation among other controls,” explained Vásquez Morales.

Additionally, Panama Canal specialists with the United States Corps of Engineers have evaluated alternatives as part of a study for the Water Sustainability System, studying different scenarios and growth projects to find long-term solutions that will allow the Canal to guarantee this resource for the next 50 years.

Droughts are expected to affect water availability in Panama and globally. Hence, the Canal is implementing operational and planning procedures, innovative technologies, and long-term investments to mitigate its impact and safeguard its operation.

Impact

Due to the extended drought, in advance, the Panama Canal informed its customers that based on the current and projected levels of its water reservoirs, vessels transiting the Neopanamax locks are allowed maximum drafts of up to 44.5 feet.

A limited number of ships have had to lower their draft levels to comply; notwithstanding, LNG carriers transiting through the all-water route typically report drafts of up to 37 feet, hence these temporary adjustments have had little impact on them and zero impact on ships transiting through the Panamax locks.

It has also helped that the drought coincided with the Canal's low demand season, seemingly reducing impact on customers. Nevertheless, open communication channels with customers and permanent analyses are being conducted to validate if this decrease is due to seasonality, or if there are other causes for current market behavior.