

December 6, 2004

MR'S ADVISORY TO SHIPPING No. A-57-2004

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – NOVEMBER 2004

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	278
b. Pilots in Training	0
c. Tugs	24
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	33.87	47	22
Oceangoing Transits	34.03	41	23
Canal Waters Time (hours)	20.44	25.84	14.02
In-Transit Time (hours)	10.04	12.51	8.03

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 80' Beam	341	11.36	33.40
Vessels 80' Beam and Over	<u>680</u>	<u>22.67</u>	66.60
Total of Oceangoing Transits:	1021	34.03	
Vessels 100' Beam and Over	482	16.06	47.21
Vessels 900' Length and Over	103	3.43	10.09

Note: For the purpose of this report, the term "oceangoing transits" is equivalent to the number of locomotive transits.

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Large Vessels (beam 91' and over)	360	337	93.61
Regular vessels (beam < 91')	270	161	59.63

3. See next page for scheduled locks maintenance work and items of interest to the shipping community.
4. This advisory will be canceled for record purposes on December 31, 2004.

ORIGINAL SIGNED

Enrique B. Marquez
Acting Maritime Operations Director



Scheduled Locks Maintenance Work:

SCHEDULE OF LOCKS OUTAGES – CALENDAR YEAR 2005						
Dates	Outage Days	Miraflores	Pedro Miguel	Gatun	Transit Capacity	Status
July 2005	4	Lane Outage (4 days)		Lane Outage (4 days) Lane with restrictions (8 days)	26 – 28 (4d) 36 (8d)	Tentative
August 2005	5	Lane Outage (5 days)		Lane Outage (5 days) Lane with restrictions (7 days)	26 – 28 (5d) 36 (7d)	Tentative
September 2005	8			Lane Outage (8 days) Lane with restrictions (4 days)	26 – 28 (8d) 36 (4d)	Tentative

Transit Capacity: The normal capacity of the Panama Canal is 38 transits per day. This capacity is reduced during locks outages, as indicated in the above table. Consequently, vessels may experience delays in transiting. Normally, during these periods, the Panama Canal Transit Reservation System slots are fully utilized. 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 of this requirement to perform simultaneous single lane outages for additional maintenance at other locks. Two-day lane outages have no significant impact on Canal vessel backlog, therefore are not normally included in this chart.

PANAMA CANAL AUTHORITY ANNOUNCES FISCAL YEAR 2004 METRICS

SAFETY RECORD SET; TONNAGE UP; PANAMAX VESSEL TRANSITS INCREASE

The Canal is operating better than ever in its 90-year history. Announcing 2004 fiscal year operational metrics today, Panama Canal Authority (ACP) year-end statistics reveal an increase in tonnage flow and a rise in Panamax vessel transits. Furthermore, the Canal set a safety record with a significant decline in accidents. The ACP’s fiscal year runs from October to September.

The Panama Canal celebrated its 90th anniversary in August. Since the first transit of the “SS Ancon” crossing the Isthmus of Panama in 1914, great progress has been made to enhance the waterway’s safety, efficiency and reliability. This year, the ACP recorded the lowest number of accidents in the last 81 years 10 official accidents and accomplished this while accommodating more Panamax ships and more cargo. The last time such a low-level of accidents was achieved was in 1923, when only 3,967 ships transited the Canal, and all during daylight. The official accident rate dropped 22 percent – to 0.71 accidents per 1,000 transits in 2004, from 0.91 accidents per 1,000 transits in 2003. An official accident is one in which a formal investigation is requested and conducted.

“We closed the 2004 fiscal year with a number of historical accomplishments. While celebrating the 90th anniversary of the Panama Canal, we set a safety record and moved more ships and more goods through the waterway,” said CEO Alberto Alemán Zubieta. “I congratulate our world-class work force – they never tire of making the Canal more safe, reliable and efficient.”

Since 1914, more than 880,000 vessels have transited the waterway. In 2004, transits increased 6.7 percent – to 14,035 from 13,154 in FY2003. Panamax vessel transits increased 12.5 percent to 5,329 from 4,737 in FY2003. The increase in Panamax vessel transits is due to a resurgence in the transits of tankers and dry bulkers, in addition to a steady rise in the number of container vessels used to transport goods, particularly to and from Asia.

Panama Canal/Universal Measurement System (PC/UMS) tonnage increased 10 percent in FY2004 to 266,916,576 PC/UMS tons, from 242,704,402 PC/UMS tons in FY2003.

Canal Waters Time (CWT), the average time it takes a vessel to navigate the Canal, including waiting time for passage, increased 17.4 percent to 26.66 hours from 22.70 hours. However, CWT for booked vessels (those ships holding reservations) did not materially change. Booked vessels account for more than 50 percent of **oceangoing** transits. Utilization of the booking system (use of the available slots) increased 16.1 percent - to **86.9** percent from 74.8 percent in FY2003.

The increase in the number and size of vessels transiting the Canal, as well as the increase on the amount of tonnage moved through the waterway this year, contributed to the increase in CWT. Vast capital improvements under the Canal’s modernization program caused periodic lane outages, which also factored into the increase in CWT.

“The initiatives we undertake to increase long-term reliability and capacity can sometimes cause CWT to increase. Nevertheless, we will always do whatever it takes to move operations along and provide our customers with excellent service. We’re in this for the long run and need to stay on top of trends and continue our modernization projects to meet both current and future demand,” said CEO Alberto Alemán Zubieta.