



November 6, 2008

OP'S ADVISORY TO SHIPPING No. A-28-2008

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – OCTOBER 2008

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	291
b. Pilots in Training	1
c. Tugs	32
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	34.06	45	25
Oceangoing Transits	34.94	42	26
Canal Waters Time (hours)	26.41	38.78	18.94
In-Transit Time (hours)	11.85	15.14	9.70

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 91' Beam	442	14.26	40.81
Vessels 91' Beam and Over	641	20.68	59.19
Total of Oceangoing Transits:	1083	34.94	
Vessels 100' Beam and Over	522	16.84	48.20
Vessels 900' Length and Over	147	4.74	13.57

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)	513*	485* ¹	94.54
Regular Vessels (beam < 91')	244*	208* ¹	85.25

*Does not include additional auctioned booking slots

¹ 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, 2008.

ORIGINAL SIGNED

Manuel E. Benítez
Executive Vice President of Operations

ONE YEAR SCHEDULE OF LOCKS MAINTENANCE WORK						
Dates	Days	Miraflores	Pedro Miguel	Gatun	Estimated Transit Capacity	Status
Nov 18-27, 2008	10	Culvert Outage			31-35	Confirmed
Dec 15-20, 2008	6			Culvert Outage	31-35	Tentative
July 14-19, 2009	6		Lane Outage		26-28	Tentative

* **Note:** Actual transit capacity will depend on vessel mix.

Transit Capacity: The normal capacity of the Panama Canal is 38 transits per day. This capacity is reduced during locks maintenance work, 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.

PANAMANIAN PRESIDENT TORRIJOS ANNOUNCES FINANCING STRUCTURE FOR CANAL EXPANSION PROGRAM

\$2.3 BILLION TO BE FINANCED BY MULTILATERAL AGENCIES

FIRM SUPPORT SIGNIFIES TRUST AND CONFIDENCE IN THE MANAGEMENT OF THE CANAL AND THE STRENGTH OF THE PANAMANIAN ECONOMY

In what is considered to be a significant development for the Panama Canal, the country of Panama and the Latin American region, Panamanian President Martín Torrijos announced the final financing structure for the historic Panama Canal Expansion Program. At a time of global financial and economic uncertainty, this financial package reinforces Panama's economic growth and political stability, including the strong financial position and management of the Panama Canal.

Since July 2007, the ACP had been approaching financial institutions to determine the most viable financing for the waterway's Expansion Program. The process began in Panama and continued with presentations to a number of financial institutions in New York, Washington, Hong Kong and London.

Five major multilateral financial institutions from Europe, Asia and Latin America have offered to finance the Canal expansion project, and the Panama Canal Authority, after months of extensive negotiations, has accepted these offers.

The \$2.3 billion financing package will cover a portion of the \$5.25 billion total cost of the project and will be allocated as follows:

ACP Expansion Program Financing Structure	
Multilateral Financial Institutions	Amount
European Investment Bank (EIB)	\$ 500 million
Japan Bank for International Cooperation (JBIC)	\$ 800 million
Inter-American Development Bank (IDB)	\$ 400 million
International Finance Corporation (IFC)	\$ 300 million
Corporación Andina de Fomento (CAF)	\$ 300 million

(Note: Amounts listed in U.S. dollars.)

The negotiated financing structure includes favorable provisions for the ACP including a 20-year amortizing period with a 10-year grace period.

In ceremonies at the Palacio de las Garzas, Panamanian President Martín Torrijos said: "The history of the Canal has been marked by different milestones. We, as Panamanians, thought that expanding the Canal was imperative. Today, this is a reality. The ACP has approved the financing for the Expansion Program and it has the resources it needs. The Canal is again a matter of pride for all of us, it is the object of immense satisfaction for the entire nation – that in the midst of global uncertainty, multilateral agencies have reinforced their confidence in Panama. This is the voice of the international community expressing solid support for a Panamanian project that will serve world commerce and international trade."

"Today's announcement is very significant both for the Panama Canal and the Republic of Panama – at a time of global financial uncertainty, five major multilateral agencies from different regions of the world have committed to finance the largest infrastructure project in Latin America. This signifies complete trust and confidence in the solid financials and management of the ACP and the strength of the Panamanian economy," said ACP Administrator/CEO Alberto Alemán Zubieta. "We, at the Canal, have thoroughly analyzed all our options and are confident that this package will provide the financial backing the ACP needs for the Expansion Program," added Mr. Alemán Zubieta.

Considering the over-all competitiveness of the Panama Canal route, the remaining amount for the project will be financed through Canal-generated cash flow.

Recently, the ACP received its first-ever prospective investment grade rating. Moody's Investors Services, one of the world's top credit rating agencies, gave the ACP an A1 as a government-related issuer, and a prospective A2 investment grade for the possible \$2.3 billion financing for the expansion project, thus reaffirming Panama's growing presence in the global marketplace.

Since the handover of the Canal from the United States to Panama on December 31, 1999, the ACP has shifted its operations from a not-for-profit utility to a market-oriented business model, one that is focused on customer service and reliability. Under ACP management, there has been a significant reduction in the time it takes to transit the Canal, an increase in tonnage transiting the waterway and a spike in transits of Panamax-size vessels.